

VALDIS DOMBROVSKIS  
Vice-President of the European Commission

PIERRE MOSCOVICI  
Member of the European Commission

Brussels, 25<sup>th</sup> October 2016

Dear Minister,

Thank you for the submission of Spain's Draft Budgetary Plan (DBP) for 2017, which we received on 15 October.

We acknowledge that the DBP only includes the policy measures that the caretaker government has adopted to date, with no new planned measures for 2017 because it does not have full budgetary power.

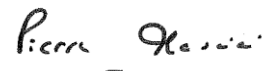
We note that the DBP projects a deficit of 4.6% of GDP in 2016, in line with the headline target under the EDP, and 3.6% of GDP for 2017, which is 0.5% of GDP above the target. Also the achievement of the recommended fiscal effort is not yet ensured. This may entail risks for the timely and durable correction of the excessive deficit by 2018. The DBP also does not contain a number of compulsory elements.

We are therefore seeking reassurances from the Spanish authorities in the coming days that the incoming government, as soon as possible upon taking office, will submit an updated draft budgetary plan to the Commission and to the Eurogroup, which will ensure compliance with the targets set out in the Council decision under Article 126(9) TFEU of 8 August 2016.

Yours sincerely,



Valdis Dombrovskis



Pierre Moscovici

*Mr Luis DE GUINDOS  
Minister of Economy and Competitiveness  
Paseo de la Castellana 162  
ES - 28071 MADRID*