



Council of the
European Union

Brussels, 18 November 2016
(OR. en)

14648/16
ADD 1

ECOFIN 1065
UEM 372

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 16 November 2016

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2016) 901 final ANNEX 1

Subject: ANNEX EDP related Tables to the COMMUNICATION FROM THE
COMMISSION Assessment of action taken by Portugal and Spain in
response to the Council decisions of 8 August 2016 giving notice to take
measures for the deficit reduction judged necessary in order to remedy the
situation of excessive deficit

Delegations will find attached document COM(2016) 901 final ANNEX 1.

Encl.: COM(2016) 901 final ANNEX 1



Brussels, 16.11.2016
COM(2016) 901 final

ANNEX 1

ANNEX

EDP related Tables

to the

COMMUNICATION FROM THE COMMISSION

Assessment of action taken by Portugal and Spain

in response to the Council decisions of 8 August 2016 giving notice to take measures for the deficit reduction judged necessary in order to remedy the situation of excessive deficit

EDP related tables

A. Portugal

Table A1: Adjustment of apparent structural effort for the revision in potential growth – details of calculation

PT	Potential GDP growth underlying the Council recommendation (%)	Potential GDP growth at the time of the assessment (%)	Forecast error (%)	Structural expenditure (% of potential GDP)	Correction coefficient α (% of potential GDP)
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)*(4)/100
2016	0,3%	0,2%	0,1%	46,2%	0,0%

Table A2: Adjustment of apparent structural effort for the revision in revenue shortfalls / windfalls – details of calculation

PT	Change in current revenues (billions)		Discretionary current revenue measures (billions)		Nominal GDP growth assumptions (%)		Change in output gap		Current revenues in year t-1 (billions)		Revenue gap (billions)*	Nominal GDP	Correction coefficient β (% of nominal GDP)
	recom.	assessment	recom.	assessment	recom.	assessment	recom.	assessment	recom.	assessment			
	(1)	(1')	(2)	(2')	(3)	(3')	(4)	(4')	(5)	(5')	(6)=[(1')-(2')-[(3')+(ϵ -1)*(4')/100]*(5)']-[[(1)-(2)-[(3)+(ϵ -1)*(4)/100]*(5)]]	(7)	(8)=100*(6)/(7)
2016	2,0	1,4	-0,3	-0,1	2,8%	2,7%	1,1	0,7	77,3	77,5	-0,7	184,4	-0,4%

* Revenue elasticity $\epsilon=0,99943$

B. Spain

Table B1: Adjustment of apparent structural effort for the revision in potential growth – details of calculation

ES	Potential GDP growth underlying the 2016 Council decision to give notice (%)	Potential GDP growth at the time of assessment (%)	Forecast error (%)	Structural expenditure (% of potential GDP)	Correction coefficient α (% of nominal potential GDP)
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)*(4)/100
2016	0.4	0.6	-0.1	41.5	0.0
2017	0.7	0.7	0.0	41.5	0.0
2018	0.9	0.9	0.0	41.6	0.0

Table B2: Adjustment of apparent structural effort for the revision in revenue shortfalls/windfalls – details of calculation

ES	Change in current revenues (yoy) (billions)		Discretionary current revenue measures (billions)		Nominal GDP growth assumptions (%)		Change in output gap		Current revenues in year t-1 (billions)		Revenue gap (billions)*	Nominal GDP	Correction coefficient β (% of nominal GDP)
	notice	assessment	notice	assessment	notice	assessment	notice	assessment	notice	assessment			
	(1)	(1')	(2)	(2')	(3)	(3')	(4)	(4')	(5)	(5')	(6)=[(1')-(2')-[(3')+(ϵ -1)*(4')/100]*(5)']-[[(1)-(2)-[(3)+(ϵ -1)*(4)/100]*(5)]]	(7)	(8)=100*(6)/(7)
2016	8.0	4.1	-8.0	0.2	3.4	3.9	-1.7	-1.5	407.0	408.8	-6.6	1118.0	-0.6
2017	12.8	23.8	5.5	-2.5	3.6	3.5	-0.2	0.0	411.1	416.8	-2.6	1157.0	-0.2
2018	15.8	16.0	0.2	0.2	3.6	3.6	0.9	1.2	434.9	429.6	-0.3	1199.1	0.0

*revenue elasticity (ϵ): 1.0