

VALDIS DOMBROVSKIS  
Vice-President of the European Commission

PIERRE MOSCOVICI  
Member of the European Commission

Brussels, 26 January 2016

Dear Minister,

First and foremost, we would like to thank you for the submission of Portugal's Draft Budgetary Plan (DBP) for 2016, which we received on 22 January.

The DBP reflects that the excessive deficit has not been corrected by the 2015 deadline, which would lead the Commission to recommend steps under the EDP once the validated EDP data for 2015 are available.

According to our preliminary analysis of the DBP, the planned change in the structural balance is well below the 0.6% of GDP recommended by the Council on 14 July 2015.

Article 7(2) of Regulation (EU) № 473/2013 of 21 May 2013 provides that, where, in exceptional cases, the Commission identifies particularly serious non-compliance with the budgetary policy obligations laid down in the Stability and Growth Pact, it would adopt an opinion within two weeks of submission of the DBP, in which the Commission would request that a revised DBP be submitted as soon as possible and in any event within three weeks of the date of its opinion.

Before proceeding in this direction, in line with the provisions of Article 7(2) of Regulation (EU) № 473/2013 of 21 May 2013, we are writing to consult you on the reasons why Portugal plans a change in the structural balance in 2016 which is well below the adjustment recommended by the Council in July.

The Commission seeks to continue a constructive dialogue with Portugal with the view to reaching a final assessment. We therefore suggest that our respective staff teams clarify the outstanding issues and would also welcome your views at your earliest convenience and at the latest by 29 January. This would allow the Commission to take into account Portugal's views in its further analysis.

Yours Sincerely,



Valdis Dombrovskis



Pierre Moscovici

*M. Mário Centeno*  
*Minister of Finance*  
*Avenida Infante D. Henrique, 1 - 1149-009 Lisboa*