

Eurogroup statement on updated Draft Budgetary Plans for Germany, Luxembourg and Austria

In October 2013, we launched the first round of the new coordination process allowing an oversight of national Draft Budgetary Plans by the Commission and the Eurogroup. This process, established by the Two-Pack Regulation, constitutes a considerable strengthening of the coordination and surveillance of budgetary policies within the euro area. At that time, three Member States were still in the process of forming a new government, namely Germany, Luxembourg and Austria. For these Member States we agreed to discuss an update of their respective budgetary plans once available. In this regard, we discussed the updated Draft Budgetary Plan of Luxembourg already last month and today we finalised the process with a discussion on the updated Draft Budgetary Plans of Germany and Austria.

On Germany and Luxembourg, we agree with the Commission's assessments and are pleased to see that both Member States are fully compliant with the rules of the Stability and Growth Pact (SGP).

On Austria, we welcome that the Commission spring forecast indicates that a sustainable correction of Austria's excessive deficit has been achieved. At the same time, we share the Commission's concerns that the Austrian Draft Budgetary Plan for 2014 contains a planned significant deviation from the adjustment path, which would constitute a risk of non-compliance with the rules of the SGP.

We therefore welcome the strong commitment of the Austrian government today to take additional measures as appropriate to address this risk and invite the Commission to assess the adequacy of any additional policy response in this respect as soon as possible. We call upon the Commission and the Austrian government to work together to swiftly conclude this and to report to the EWG on the outcome of this exercise.

We recall the importance of sound public finances. To this end all Member States should implement fiscal policies that ensure compliance with the preventive and the corrective arm of the Pact.