

(English version)

**Priority question for written answer P-001609/24
to the Commission
Gheorghe Piperea (ECR)
(3 September 2024)**

Subject: Reducing excessive budget deficits in EU Member States

Romania's budget deficit has exceeded 6% in the past two years, and in 2024 it will be more than 7%. In the period 2019 to 2024, Romania's public debt has risen from around EUR 75 billion to around EUR 171 billion. Rather than urging compliance with the Stability and Growth Pact, the Commission has tolerated and encouraged Romanian government policies focused on increasing expenditure and indebtedness.

Romania's situation is not unique. Italy has a budget deficit of 7.4% of GDP, Hungary 6.7%, France 5.5%, Poland 5.1%, Malta and Slovakia 4.9%, and Belgium 4.4%.

At the same time, the European Stability Mechanism (ESM) is gradually being reoriented, in a non-transparent manner, to the defence industry and military procurement, even though it is designed to ensure financial stability in the euro area. Such a re-gearing of the ESM is liable to have a doubly adverse impact on Member States in that it could both deprive them of financial assistance and accelerate the increase in their budget deficits.

1. What specific steps will the Commission take to preserve the ESM's original role while preserving the EU strategy of ensuring financial stability in the euro area as a major facet of its support for Member States?
2. Is it true that the Commission's tolerance of these excessive deficits is connected with the Commissioners wish to retain their mandates?

Supporters ⁽¹⁾

Submitted: 3.9.2024

**Answer given by Mr Dombrovskis on behalf of the European Commission
(1 April 2025)**

Decisions on the role of the European Stability Mechanism (ESM) is of exclusive competence of the signatories of the ESM Treaty. The ESM is an intergovernmental organisation established by euro area Member States with the objective of enabling these countries to avoid and overcome financial crisis and to maintain long-term financial stability and prosperity.

Article 126 of the Treaty on the Functioning of the European Union establishes that Member States shall avoid excessive government deficits, and that the Commission monitors the developments of the fiscal situation and, in particular, compliance with the criteria established in the Treaty itself.

Romania has been subject to an excessive deficit procedure since 2020 ⁽¹⁾. On 3 April 2020, the Council, acting upon a recommendation by the Commission, recommended that Romania correct its excessive deficit by 2022 at the latest.

Considering the crisis caused by the COVID-19 pandemic, on 18 June 2021, the deadline for correction was extended to 2024. On 26 July 2024, based on a Commission recommendation, the Council established that no effective action had been taken by Romania to correct its excessive deficit.

On 14 January 2025, acting upon a recommendation by the Commission, the Council recommended that Romania should correct its excessive deficit situation by 2030.

The Council also recommended to other seven Member States to correct their excessive deficit (Belgium, France, Hungary, Italy, Malta, Poland and Slovakia) ⁽²⁾.

The Commission will assess the action taken by Romania and the other seven Member States in response to the recommendations in spring 2025.

¹ This question is supported by Members other than the author: Adrian-George Axinia (ECR), Georgiana Teodorescu (ECR), Șerban Dimitrie Sturdza (ECR), Claudiu-Richard Târziu (ECR)

⁽¹⁾ All documents related to the Excessive Deficit Procedure for Romania can be found at: https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/stability-and-growth-pact/corrective-arm-excessive-deficit-procedure/excessive-deficit-procedures-overview/romania_en

⁽²⁾ https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/stability-and-growth-pact/corrective-arm-excessive-deficit-procedure/excessive-deficit-procedures-overview_en