



**COUNCIL OF
THE EUROPEAN UNION**



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The Council opens excessive deficit procedures for Bulgaria, Denmark, Cyprus and Finland

Today the Council¹ opened excessive deficit procedures for Bulgaria, Denmark, Cyprus and Finland and issued recommendations on corrective action to be taken.

It adopted:

- decisions, under Article 126(6) of the Treaty on the Functioning of the EU, on the existence of excessive government deficits in those four Member States which have exceeded the 3 % reference value set by the treaty for the ratio of deficit to gross domestic product (GDP);
- recommendations, under article 126(7) of the treaty, on action to be taken by them to bring their deficits back below the 3 % of GDP threshold.

According to the data notified by the Member States concerned, the 3 % bar was effectively exceeded by Bulgaria and Cyprus in 2009 and is expected to be exceeded by Denmark and Finland in 2010.

With regard to corrective action:

- in the case of Cyprus and Denmark, the Council found that, on the basis of economic prospects as presented by the Commission, there were special circumstances, on account of the impact of the global economic crisis, warranting correction of the deficit in the medium term rather than the short term.

¹ The decision was taken at a meeting of the Economic and Financial Affairs Council.

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- in the case of Bulgaria and Finland, on the other hand, it concluded that there was no reason to depart from the normal timetable for remedying the deficit.

Thus, in its recommendations the Council called on Bulgaria and Finland to bring their deficits below the 3 % of GDP threshold by 2011, on Cyprus to do so by 2012 and on Denmark to do so by 2013. For all four Member States, it set 13 January 2011 as the deadline for taking corrective measures.
