FORM FOR TABLING A QUESTION FOR
WRITTEN ANSWER (Rule 130)

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Priority question   ☐

AUTHOR(S):   Bas EICKHOUT

SUBJECT:
(please specify)   Commission's methodology of output gap and structural budget balance

TEXT:

The output gap and "structural budget balance" are crucial concepts in the Commission's assessment of national budgetary plans. Several actors such as the Dutch CPB* and the Italian finance minister** have commented on the Commission's methodology for these concepts. The Commission's methodology is severely underestimating the output gap in comparison to estimations by other international institutions such as the IMF and the OECD as a result of which Member States are confronted with a relatively large fiscal consolidation effort.

1. How will the Commission adapt its methodology for calculating the structural budget balance taking into account the abovementioned criticism and should these concepts ideally be decided by means of legislation or delegated act instead of leaving it to a technical working group of the Council?

2. Does the Commission agree with the CPB's recommendation to "shift to stricter filters in the cyclical adjustment of actual series or by shifting to an approach using underlying indicators to estimate structural unemployment and trend total factor productivity"?

3. Given the crucial role of the "structural budget balance" in determining the required fiscal efforts from member states and the importance of avoiding negative consequences in the current worrying macroeconomic environment, how will the Commission ensure that any methodological improvements will have an immediate effect on national fiscal policies?

 * http://www.cpb.nl/sites/default/files/publicaties/download/cpb-policy-brief-2014-07-structural-budget-balance.pdf
**http://www.ft.com/intl/cms/s/0/86d522c8-70d5-11e4-85d5-00144feabdc0.html?siteedition=intl#axzz3KdbNEpNH

Signature(s):

Date: 01-12-2014