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ANNEX 1

**ANNEX**

**EDP related Tables**

*to the*

**COMMUNICATION FROM THE COMMISSION**

**Assessment of action taken by Portugal and Spain**

**in response to the Council decisions of 8 August 2016 giving notice to take measures for the deficit reduction judged necessary in order to remedy the situation of excessive deficit**

## EDP related tables

### A. Portugal

**Table A1: Adjustment of apparent structural effort for the revision in potential growth – details of calculation**

PT	Potential GDP growth underlying the Council recommendation (%)	Potential GDP growth at the time of the assessment (%)	Forecast error (%)	Structural expenditure (% of potential GDP)	Correction coefficient $\alpha$ (% of potential GDP)
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)*(4)/100
2016	0,3%	0,2%	0,1%	46,2%	0,0%

**Table A2: Adjustment of apparent structural effort for the revision in revenue shortfalls / windfalls – details of calculation**

PT	Change in current revenues (billions)		Discretionary current revenue measures (billions)		Nominal GDP growth assumptions (%)		Change in output gap		Current revenues in year t-1 (billions)		Revenue gap (billions)*	Nominal GDP assessment	Correction coefficient $\beta$ (% of nominal GDP)
	recom.	assessment	recom.	assessment	recom.	assessment	recom.	assessment	recom.	assessment			
	(1)	(1')	(2)	(2')	(3)	(3')	(4)	(4')	(5)	(5')	$(6)=[(1')-(2)-\{[(3)+(\epsilon-1)*(4)/100]*(5)'\}]-[(1)-(2)-\{[(3)+(\epsilon-1)*(4)/100]*(5)\}]$	(7)	(8)=100*(6)/(7)
2016	2,0	1,4	-0,3	-0,1	2,8%	2,7%	1,1	0,7	77,3	77,5	-0,7	184,4	-0,4%

\* Revenue elasticity  $\epsilon=0,99943$

### B. Spain

**Table B1: Adjustment of apparent structural effort for the revision in potential growth – details of calculation**

ES	Potential GDP growth underlying the 2016 Council decision to give notice (%)	Potential GDP growth at the time of assessment (%)	Forecast error (%)	Structural expenditure (% of potential GDP)	Correction coefficient $\alpha$ (% of nominal potential GDP)
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)*(4)/100
2016	0.4	0.6	-0.1	41.5	0.0
2017	0.7	0.7	0.0	41.5	0.0
2018	0.9	0.9	0.0	41.6	0.0

**Table B2: Adjustment of apparent structural effort for the revision in revenue shortfalls/windfalls – details of calculation**

ES	Change in current revenues (yoy) (billions)		Discretionary current revenue measures (billions)		Nominal GDP growth assumptions (%)		Change in output gap		Current revenues in year t-1 (billions)		Revenue gap (billions)*	Nominal GDP assessment	Correction coefficient $\beta$ (% of nominal GDP)
	notice	assessment	notice	assessment	notice	assessment	notice	assessment	notice	assessment			
	(1)	(1')	(2)	(2')	(3)	(3')	(4)	(4')	(5)	(5')	$(6)=[(1')-(2)-\{[(3)+(\epsilon-1)*(4)/100]*(5)'\}]-[(1)-(2)-\{[(3)+(\epsilon-1)*(4)/100]*(5)\}]$	(7)	(8)=100*(6)/(7)
2016	8.0	4.1	-8.0	0.2	3.4	3.9	-1.7	-1.5	407.0	408.8	-6.6	1118.0	-0.6
2017	12.8	23.8	5.5	-2.5	3.6	3.5	-0.2	0.0	411.1	416.8	-2.6	1157.0	-0.2
2018	15.8	16.0	0.2	0.2	3.6	3.6	0.9	1.2	434.9	429.6	-0.3	1199.1	0.0

\*revenue elasticity ( $\epsilon$ ): 1.0