

**The Council of Ministers approved the modification to the deficit targets of public sector agents for the years 2018 and 2019**

*Moncloa Palace, Madrid, Monday 7 July 2017*

The Minister for the Treasury and Public Function reported on the modification by the Council of the Ministers to the deficit targets of public sector agents for the years 2018 and 2019. This modification had been approved by the Fiscal and Financial Policy Council at its meeting earlier on Friday morning.

The government agreed to increase the deficit target of the regional governments by one tenth, which now stands at 0.4% of the Gross Domestic Product (GDP) in 2018 and 0.1% in 2019. This increase corresponds to a reduction in the deficit target of the Social Security system, which falls to 1.1% of GDP in 2018 and 0.9% on 2019.

This change, pointed out Cristóbal Montoro, is partly in response to a political negotiation, since the proposal requires sufficient support in the Lower House of Parliament. It also responds to the upward trend in the number of National Insurance contributors, which rose last month by 3.8%.

The Minister for the Treasury stressed that the limit on non-financial State spending for 2018 has not been modified in respect of that which was approved on 3 July. Furthermore, he expressed his conviction that the ceiling on spending will prosper in its passage through the Lower House of Parliament on Tuesday, 11 July. After the bill being passed through the Upper House the following day, he pointed out, "the door will be open for drawing up the General State Budget for 2018".

Stability targets and ceiling on spending:

[http://www.lamoncloa.gob.es/consejodeministros/Documents/07072017\\_TechoGasto2018.pdf](http://www.lamoncloa.gob.es/consejodeministros/Documents/07072017_TechoGasto2018.pdf)

(Spanish)