
EU WARNS MACRON OVER FRENCH BUDGET DEFICIT

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The European Commissioner for Economic and Financial Affairs Pierre Moscovici has warned incoming French president Emmanuel Macron that he must work on getting its budget deficit permanently below 3.0 percent of the countrys gross domestic product.

Moscovici □ who was Frances finance minister for two years until 2014 □ said that would not require a massive effort by the government.

Indeed the European Commission expects Frances deficit to be 2.9 percent this year, but going back up to 3.1 percent in 2018.

Macron has pledged to cut public spending by 60 billion euros over five years by, among other things, reducing the number of civil servants by 120,000.

After Macron was elected, European Commission President Jean-Claude Juncker called on him to reduce public spending, saying the current level was not sustainable.

We have a special problem with France. I am extremely Francophile, but the French spend too much money. And they spend it in the wrong places. This will not work over time, Juncker said.

Paris has failed to meet the EUs Stability and Growth Pact rules on deficit limits for the last 10 years.

Kaynak/Source: