

Opinion n° HCFP-2019-4
on the amending budget bill for 2019
31 October 2019

Under article 15 of the organic law n° 2012-1403 of 17 December 2012 on public finance planning and governance, the High Council of public finance (HCFP) delivers an opinion on the amending budget bill for 2019. The following opinion was adopted after deliberations on 31 October 2019.

Main Conclusion

The High Council notes that the Government's macroeconomic forecasts for 2019 associated with the draft amending finance bill (PLFR) for 2019 are unchanged from those presented at the end of September in the draft finance bill (PLF) for 2020.

In the light of the most recent information, the High Council considers that the inflation and wage bill assumptions are plausible. The GDP growth forecast, slightly higher than most available forecasts, remains achievable. However, given the growth estimate for the third quarter (+0.3%) published by INSEE on 30 October, it assumes an acceleration in activity in the fourth quarter (growth of at least 0.5%).

The High Council notes that tax revenues may be somewhat higher than expected by the Government. On the other hand, it notes the existence of a risk of an excess on local authorities' expenditure, mainly on investment. In total, the High Council considers that the forecast of total government revenue, expenditure and balance for 2019 are plausible in the light of the information available to it.

As it had already pointed out in its opinion on the budget bill for 2020, the High Council notes that the structural balance path is moving increasingly away from that of the Public Finance Programming Law (LPFP). It notes that the average deviation of the structural balance from the programming law projected for the years 2018 and 2019 (-0.2 percentage points of GDP) is close to the threshold for triggering the correction mechanism provided for in Article 23 of the 2012 Organic Law (-0.25 percentage points on average over two years).