

**Opinion n° HCFP-2020-1
on the first amending budget bill for 2020**

17 March 2020

Main conclusions

The High Council highlights that the context of unusually high uncertainty resulting from the health crisis caused by the coronavirus (covid-19) affects any macroeconomic forecast with great fragility. It notes that the Government's scenario presented in this draft amending budget bill (PLFR) is based on two strong assumptions, namely a confinement of population limited to one month and a rapid return to a normal level of French and foreign demand, which cannot be taken for granted, so that the deterioration of the macroeconomic framework could be more pronounced than forecasted in the PLFR for 2020.

The High Council noted in its opinion on the Budget Bill for 2020 that the public finance path diverged markedly from the one presented in the Public Finance Programming Law of January 2018. The amending budget bill for 2020 assumes that all revenue and expenditure measures have only a temporary impact and therefore do not affect the structural balance. The High Council considers that this assumption will need to be re-examined in its forthcoming opinions.

The High Council considers that the health crisis and its economic and financial consequences are unusual events beyond the control of the Government and therefore fall within the scope of “exceptional circumstances” as referred to in Article 3 of the Treaty on the Stability, Coordination and Governance of Public Finances.