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| From: | Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director |
| date of receipt: | 25 June 2026 |
| To: | Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union |
| No. Cion doc.: | C(2026) 4538 final |
| Subject: | COMMISSION OPINION on the existence of an excessive deficit in Bulgaria |

Delegations will find attached document C(2026) 4538 final.

Encl.: C(2026) 4538 final



Brussels, 25.6.2026
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COMMISSION OPINION

of 25.6.2026

on the existence of an excessive deficit in Bulgaria

(Only the Bulgarian text is authentic)

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GENERAL CONSIDERATIONS

- (1) Article 126 of the Treaty on the Functioning of the European Union (TFEU) lays down the excessive deficit procedure (EDP). That procedure is further specified in Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure ⁽¹⁾, which is part of the Stability and Growth Pact (SGP).
- (2) According to Article 126(2) TFEU, the Commission has to monitor compliance with budgetary discipline on the basis of two criteria, namely: (a) whether the ratio of the planned or actual government deficit to gross domestic product (GDP) exceeds the reference value of 3% of GDP (unless either the ratio has declined substantially and continuously and reached a level that comes close to the reference value; or, alternatively, the excess over the reference value is only exceptional and temporary and the ratio remains close to the reference value); and (b) whether the ratio of government debt to GDP exceeds the reference value of 60% (unless the ratio is sufficiently diminishing and approaching the reference value at a satisfactory pace).
- (3) Article 126(3) TFEU states that, if a Member State does not fulfil the requirements under one or both of the above criteria, the Commission has to prepare a report. In accordance with the same Article, that report also has to take into account whether the government deficit exceeds government investment expenditure and take into account all other relevant factors, including the medium-term economic and budgetary position of the Member State. The Commission may also prepare a report if, notwithstanding the fulfilment of the requirements under the criteria, it is of the opinion that there is a risk of an excessive deficit in a Member State.
- (4) Article 126(5) TFEU requires the Commission to address an opinion to the Member State concerned and inform the Council if the Commission considers that an excessive deficit in a Member State exists or may occur. In order to reach a conclusion on whether an excessive deficit exists or may occur, the Commission considers that account should be taken of: (i) the conclusions of its report under Article 126(3) TFEU; and (ii) the opinion of the Economic and Financial Committee on that report under Article 126(4) TFEU. On the basis of those elements, the Commission has established a number of considerations for Bulgaria.

⁽¹⁾ Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, ELI: <http://data.europa.eu/eli/reg/1997/1467/2024-04-30>) as last amended by Council Regulation (EU) 2024/1264 of 29 April 2024 (OJ L, 2024/1264, 30.4.2024).

CONSIDERATIONS CONCERNING BULGARIA

- (5) The Commission adopted a report under Article 126(3) TFEU, which discusses the compliance of Bulgaria with the deficit criterion, on 3 June 2026. ⁽²⁾
- (6) According to the data provided by Eurostat on 22 April 2026 ⁽³⁾, the general government deficit in Bulgaria reached 3.5% of GDP in 2025. While Bulgaria did not report a planned deficit for 2026 to Eurostat, the Commission Spring 2026 Forecast projected a 2026 deficit for Bulgaria at 4.1% of GDP. ⁽⁴⁾ The actual government deficit in 2025 and the projected deficit for 2026 are above and not close to the 3% of GDP Treaty reference value, and the deficits in excess of the Treaty reference value are not considered temporary. Based on the Commission Spring 2026 Forecast, the general government deficit is projected to continue exceeding 3% of GDP in 2027. On 8 July 2025, the Council activated the national escape clause to facilitate an increase in defence expenditure in Bulgaria, during the period 2025-2028 ⁽⁵⁾. Based on this, the Commission's report under Article 126(3) TFEU considered that the deficit in excess over the Treaty reference value of 3% of GDP in 2025 is exceptional, as this can be fully explained by an increase in defence spending since the reference year 2024, while this is not the case for the projected deficit in excess of the reference value for 2026.
- (7) According to the data provided by Eurostat on 22 April 2026 ⁽⁶⁾, the general government debt stood at 29.9% of GDP in 2025, which is below the reference value of 60% of GDP. Thus, the debt criterion in the Treaty is fulfilled.
- (8) In line with the requirements of Article 126(3) TFEU, the Commission also analysed all the relevant factors in its report under Article 126(3) TFEU. As laid down in Article 2(4) of Regulation (EC) No 1467/97, whenever the government debt-to-GDP ratio does not exceed the reference value, relevant factors will be taken into account in the steps leading to the decision on the existence of an excessive deficit based on the deficit criterion.
- (9) Overall, the relevant factors examined in the report under Article 126(3) TFEU are assessed as aggravating for Bulgaria. Overall, taking into account all relevant factors as appropriate and, in particular, as the deficit is increasing to well above 3% of GDP in 2026, the deficit criterion, as defined by the Treaty and Regulation (EC) No 1467/97, is not fulfilled.
- (10) Article 2(5) of Regulation (EU) No 1467/97 establishes that, if a national escape clause is activated, the Commission and the Council may decide not to reach a

⁽²⁾ All EDP-related documents for Bulgaria can be found at: https://economy-finance.ec.europa.eu/economic-governance-framework/stability-and-growth-pact/corrective-arm-excessive-deficit-procedure/excessive-deficit-procedures-overview/bulgaria_en

⁽³⁾ Eurostat Euro Indicators published on 22 April 2026 (<https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-22042026-ap>), in accordance with Article 14 of Council Regulation (EC) No 479/2009.

⁽⁴⁾ European Commission Spring 2026 Forecast (European Economy Institutional Paper 341, May 2026)

⁽⁵⁾ Council Recommendation of 8 July 2025 allowing Bulgaria to deviate from the maximum growth rates of net expenditure as set by the Council under Regulation (EU) 2024/1263 (Activation of the national escape clause), (OJ C, C/2025/3961, 20.8.2025, ELI: <http://data.europa.eu/eli/C/2025/3961/oj>).

⁽⁶⁾ Eurostat Euro Indicators published on 22 April 2026 (<https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-22042026-bp>), in accordance with Article 14 of Council Regulation (EC) No 479/2009.

conclusion regarding the existence of an excessive deficit.⁽⁷⁾ However, as the projected deficit in excess of the reference value for 2026 cannot be fully explained by an increase in defence expenditure since the reference year of 2024 (*cf.* recital 6), Article 2(5) does not apply.

- (11) The Economic and Financial Committee issued its opinion on the report of the Commission in accordance with Article 126(4) TFEU on 11 June 2026. That opinion is consistent with the assessment in the Commission Report under Article 126(3) TFEU.

CONCLUSION

The monitoring of the budgetary situation in Bulgaria and, in particular, the examination of compliance with the criteria laid down in Article 126(2) TFEU have led the Commission to prepare a report in accordance with Article 126(3) TFEU. The Commission, having taken into account its report and the opinion of the Economic and Financial Committee, is of the opinion that an excessive deficit exists in Bulgaria due to non-compliance with the deficit criterion.

Done at Brussels, 25.6.2026

For the Commission
Valdis DOMBROVSKIS
Member of the Commission

⁽⁷⁾ In line with the Commission Communication of 19 March 2025, C(2025) 2000 final, if the national escape clause for defence spending is activated, the Commission and Council may decide not to reach a conclusion regarding the existence of an excessive deficit in case of an excess of the deficit exceeding 3% of GDP, when this is due to an increase in defence expenditure.