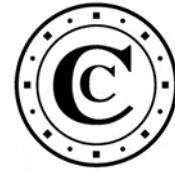




COMMITTEE ON FINANCE,
THE GENERAL ECONOMY
AND BUDGETARY AUDIT

Cour des comptes



Paris, 9 September 2021

PRESS RELEASE

On 15 September at 9:00 a.m., the Committee on Finance, the General Economy and Budgetary Audit, chaired by [Mr Éric Woerth](#), will question Mr Pierre Moscovici, First President of the Court of Accounts, on the audit report requested of the Court, pursuant to Article 58 (2) of the by-law relating to finance acts, **on public spending during the Covid-19 crisis and the operational report of their use.**

The Covid-19 crisis and its economic and social consequences led to a sharp increase in public spending, which accounted for 61.8% of GDP in 2020, compared to 55.4% in 2019. At the request of the Finance Committee of the National Assembly, the Court analysed trends in public spending, whether related to the health crisis or not. According to the calculation methods used by the Court, the increase in public spending amounted to €96.4 billion, or +6.5%, with spending related to the crisis accounting for 86% of this increase. Ordinary expenditure, unrelated to the crisis, accounted for 14% of the increase in public spending, or €13.7 billion. The increase in public expenditure mainly concerned the State (+11.0%) and social security administrations (+5.6%). However, public local administration spending was little affected by the health crisis (-0.9%).

In 2020, additional expenditure in the health sector due to the crisis mainly focused on the financing of Covid-19 screening tests, compensation for loss of revenue and additional staff and equipment costs for healthcare and medical and social facilities, as well as support

for non-hospital medical professionals affected by restrictions on activity during the first lockdown. In addition, support for businesses has been mainly provided by the solidarity fund, the short-time working scheme, state-guaranteed loans, and reductions and deferrals of social security contributions.

The Court considers that these schemes generally achieved their short-term objectives and helped to preserve the country from the economic and social effects of the crisis. However, its analysis shows that they were designed very broadly, particularly in comparison with those of our partners, both in terms of support for businesses and households and health expenditure, and that they could have led to windfall effects and a risk of fraud. This justifies now returning to more targeted measures and an increase in audits. In addition, this effort was made at the cost of increased public debt: compared to 2019, public debt increased by nearly 20 percentage points of GDP, to 115.1 percentage points of GDP (€2,650 billion).

Beyond 2021, which will see further increases in spending due to the ongoing health crisis, the recovery plan and long-term additional spending (the 'Ségur de la Santé' agreements in particular), the Court stresses the need to slow the pace of public spending and calls for the gradual phasing out of crisis measures in support of businesses and households. Resolute action to control public spending must make it possible to reduce the ratio of debt to GDP.

Without prejudice to the recommendations made in its previous reports on the treatment of the health crisis, the Court makes six recommendations. The First President of the Court, Pierre Moscovici, will clarify his conclusions and the Court's latest analysis on the end of the crisis and the path for reducing public debt.

The video of the hearing during which the report will be presented to the Finance Committee will be available on the [website](#) of the National Assembly.

Read the report on the [website](#) of the Court of Accounts.