

Procedure file

Basic information		
INI - Own-initiative procedure	2006/2047(INI)	Procedure completed
Situation of the European economy: preparatory report on the broad economic policy guidelines for 2006		
Subject 5.10.01 Convergence of economic policies, public deficit, interest rates		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		16/11/2005
		PPE-DE GARCÍA-MARGALLO Y MARFIL José Manuel	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
European Commission	Commission DG Economic and Financial Affairs	Commissioner	

Key events			
16/03/2006	Committee referral announced in Parliament		
21/03/2006	Vote in committee		Summary
23/03/2006	Committee report tabled for plenary	A6-0077/2006	
04/04/2006	Results of vote in Parliament		
04/04/2006	Debate in Parliament		
04/04/2006	Decision by Parliament	T6-0124/2006	Summary
04/04/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2047(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54

Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/31936

Documentation gateway

Committee draft report	PE370.027	16/02/2006	EP	
Amendments tabled in committee	PE370.182	07/03/2006	EP	
Committee report tabled for plenary, single reading	A6-0077/2006	23/03/2006	EP	
Text adopted by Parliament, single reading	T6-0124/2006	04/04/2006	EP	Summary
Commission response to text adopted in plenary	SP(2006)2095	11/05/2006	EC	
Commission response to text adopted in plenary	SP(2006)2311	30/06/2006	EC	

Situation of the European economy: preparatory report on the broad economic policy guidelines for 2006

The committee adopted its annual report, drawn up by José Manuel GARCÍA-MARGALLO (EPP-ED, ES), on the EU's broad economic policy guidelines for 2006. The report contained a wide-ranging set of recommendations to the Commission and the Member States, calling inter alia for:

- the Commission to publish a yearly ranking of the best and worst performers on economic reform among the Member States;
- speedy implementation of the national reform programmes;
- a strict interpretation of the renewed Stability and Growth Pact and additional efforts to reduce public debt burdens;
- the Member States to refrain from harmful, exaggerated cross-border tax competition;
- the promotion of the entrepreneurial spirit in secondary schools;
- an evaluation by Member States of the distributive and regional effects of their tax schemes and subsidies;
- ambitious birth rates policies, improvements in child care facilities, promotion of work-life balance, integration of immigrants into the labour market and action against illegal immigration, and incentives to delay retirement - all with the aim of improving the ratio of working age population over total population;
- greater efforts to include young people, women, older people and disabled people in the workforce;
- measures to reduce non-wage labour costs and thereby discourage the black economy;
- improved mobility for researchers, more investment in universities and the encouragement of private investment, to enhance economic efficiency and productivity;
- the development of a new coherent EU energy policy;
- the allocation of more resources to research and innovation, and a coordinated EU innovation policy;
- the achievement of a single European services market in accordance with the EC treaty;
- a forward-looking financial services agenda focusing on achieving a Single Euro Payments Area by 2010, a review of insurance solvency, a proposal on cross-border banking mergers to facilitate consolidation and avoid home/host supervisor conflicts, a proposal on mortgage credit and the adoption of a consumer credit directive, as well as efficient supervision and close cooperation among regulatory and supervisory bodies of the Member States.

Lastly, the committee also believed that the ongoing period of reflection on the constitution should focus on such issues as the current framework for macroeconomic governance, the economic and social objectives of the EU, the extension of codecision to economic policy issues, the competence of the EU in tax matters, and the representation of the euro-zone within international institutions.

Situation of the European economy: preparatory report on the broad economic policy guidelines for 2006

The European Parliament adopted its annual report, drawn up by José Manuel GARCÍA-MARGALLO (EPP-ED, ES), on the EU's broad economic policy guidelines for 2006. (Please refer to the summary dated 21/03/2006).

In addition, the Parliament calls on the Commission, the Council and the Member States to adopt those recommendations included in the Parliament's last three reports on the BEPGs but not yet taken on board, namely, the transposition of the internal market directives; the adoption of deficit-reducing measures by Member States with excessive deficits; a common communication policy on citizens' insecurity as

regards globalisation; a structural reform action plan, comprising the obstacles to tackle, the actions to take, and a time line; the full implementation of the SME Charter, in particular as regards a more favourable tax regime and more investment in research and innovation for SMEs.

The Commission is asked to investigate the feasibility of adopting EC legislation in order to achieve a uniform definition of tax residence - applicable to EU citizens resident within and outside the EU - linked to the concept of citizenship of the EU; an EU Convention on double taxation (mirroring Article 293 of the EC Treaty); and the inclusion in EC law of the principle of non-discrimination with regard to taxation as defined in the judgments of the Court of Justice of the European Communities.