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Basic information		
INI - Own-initiative procedure	<a href="#">2016/2306(INI)</a>	Procedure completed
European semester for economic policy coordination: annual growth survey 2017		
Subject 5.05 Economic growth		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 ECON Economic and Monetary Affairs	 <a href="#">HÖKMARK Gunnar</a>	12/07/2016
		Shadow rapporteur	
		 <a href="#">SILVA PEREIRA Pedro</a>	
		 <a href="#">ZĪLE Roberts</a>	
		 <a href="#">WIERINCK Lieve</a>	
		 <a href="#">EICKHOUT Bas</a>	
		 <a href="#">VALLI Marco</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 ENVI Environment, Public Health and Food Safety	 <a href="#">MELO Nuno</a>	28/09/2016
 REGI Regional Development	 <a href="#">HETMAN Krzysztof</a>	09/11/2016	
 BUDG Budgets (Associated committee)	 <a href="#">DENANOT Jean-Paul</a>	30/11/2016	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">3515</a>	27/01/2017
	<a href="#">General Affairs</a>	<a href="#">3511</a>	13/12/2016
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">3506</a>	06/12/2016

Key events			
24/11/2016	Committee referral announced in Parliament		
24/11/2016	Referral to associated committees		

	announced in Parliament		
06/12/2016	Debate in Council	<a href="#">3506</a>	
13/12/2016	Debate in Council	<a href="#">3511</a>	
27/01/2017	Debate in Council	<a href="#">3515</a>	
13/02/2017	Vote in committee		
14/02/2017	Committee report tabled for plenary	<a href="#">A8-0039/2017</a>	Summary
14/02/2017	Debate in Parliament		
15/02/2017	Results of vote in Parliament		
15/02/2017	Decision by Parliament	<a href="#">T8-0038/2017</a>	Summary
15/02/2017	End of procedure in Parliament		

### Technical information

Procedure reference	2016/2306(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/08424

### Documentation gateway

Committee draft report		<a href="#">PE594.134</a>	22/11/2016	EP	
Amendments tabled in committee		<a href="#">PE595.607</a>	15/12/2016	EP	
Amendments tabled in committee		<a href="#">PE595.715</a>	15/12/2016	EP	
Committee opinion	<b>ENVI</b>	<a href="#">PE593.988</a>	25/01/2017	EP	
Committee opinion	<b>BUDG</b>	<a href="#">PE595.417</a>	25/01/2017	EP	
Committee opinion	<b>REGI</b>	<a href="#">PE595.492</a>	25/01/2017	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0039/2017</a>	14/02/2017	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0038/2017</a>	15/02/2017	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2017)358</a>	31/08/2017	EC	

## European semester for economic policy coordination: annual growth survey 2017

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Gunnar HÖKMARK (PPE, SE) on the European Semester for economic policy coordination: Annual Growth Survey 2017.

The Committee on Budgets, exercising its prerogative as an associated committee by virtue of [Rule 54 of Parliaments Rules of Procedure](#), also gave an opinion on this report.

Whilst welcoming the Commissions [Annual Growth Survey 2017](#), Members called for a better implementation of the macroeconomic policy mixing private and public investment, socially balanced structural reforms and responsible public finances. They deplored, therefore, the very

low implementation rate of country-specific recommendations, which declined from 11 % in 2012 to only 4 % in 2015 and stressed that Member States will need to step up their efforts to reform.

Observing that the current excessive reliance on the monetary policy of the European Central Bank, the report noted that monetary policy alone is insufficient to stimulate growth when investments and sustainable structural reforms are lacking. It considered that stronger domestic demand would be better for the euro area's sustainable growth.

Investment: Members believed more efforts should be made to boost SME access to finance. They called on the Commission, therefore, to step up its efforts to improve the financing environment:

The report stressed the importance of:

- facilitating investment in areas such as education, innovation and research;
- encouraging EFSI should also attract finance for projects with a cross-border dimension, and maximising the use of European Structural and Investment Funds (ESIF);
- increasing financing of investments and implement projects that support and attract market-based investment high-growth companies;
- encouraging a thorough, step-by-step completion of the Banking Union and the development of the [Capital Markets Union](#) with the aim of increasing resilience in the banking sector,
- encouraging public and private investment is crucial to allow for the transition towards a low-carbon and circular economy;
- taking measures to reduce administrative burden, simplify regulations and improving the financial environment.

Structural reforms: Members recommended the implementation of sustainable structural reforms in product and service markets, as well as in inclusive labour, health, housing and pension markets, in order efficiently to support the recovery. They stressed that the EU and its Member States cannot compete on general or labour costs alone, but need to invest more in research, innovation and development, education and skills, and resource efficiency, at both national and European level.

The report stressed the importance of:

- achieving a high employment rate in order ensuring the sustainability of pension systems; in this context, migrants' skills should be used in better ways in order to adapt to labour market needs;
- focusing efforts on cost-effective spending on high-quality healthcare, and on universal access thereto;
- continued reforms to facilitate the entry of young people into the labour market, emphasising, in this regard, the importance of the Youth Guarantee;
- better coordination of administrative practices in the field of taxation and further transparency among the Member States in the field of corporate taxation.

Fiscal responsibility and structure of public finances: the report noted that only a fiscal policy that respects and follows Union law will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets;

It invited the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the Stability and Growth Pact in order to increase transparency and enforceability of the recommendations.

Furthermore, Members considered that macroeconomic imbalances inside Member States should be addressed in line with the Macroeconomic Imbalance Procedure (MIP) through efforts involving all Member States, building on relevant reforms and investments.

Fiscal stance for the euro area: Members considered the [Commissions communication](#) on a positive fiscal stance an important development, and welcomed the intention to contribute to the better coordinating economic policies in the euro area and to highlight the opportunities for fiscal stimulus in Member States having room for this. They took the view that improving the structure of public budgets is one of the key levers for ensuring compliance with EU fiscal rules, and allowing for the financing of indispensable expenditure, for the building of buffers for unforeseen needs and growth-enhancing investments.

Coordination of national policies and democratic accountability: Members highlighted the importance of national parliaments and genuine public debate at national, regional and local levels, leading to greater ownership of country-specific recommendations.

They urged the Commission to launch negotiations on an interinstitutional agreement on economic governance.

## European semester for economic policy coordination: annual growth survey 2017

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The European Parliament adopted by 418 votes to 202 with 73 abstentions, a resolution on the European Semester for economic policy coordination: Annual Growth Survey 2017.

Whilst welcoming the Commissions [Annual Growth Survey 2017](#), Members called for a better implementation of the macroeconomic policy mixing private and public investment, socially balanced structural reforms and responsible public finances. They deplored the very low implementation rate of country-specific recommendations, which declined from 11 % in 2012 to only 4 % in 2015 and stressed that Member States would need to step up their efforts to reform.

Observing that the current excessive reliance on the monetary policy of the European Central Bank, Parliament noted that monetary policy alone is insufficient to stimulate growth when investments and sustainable structural reforms are lacking. It considered that stronger domestic demand would be better for the euro area's sustainable growth.

Parliament also noted that the referendum in the United Kingdom and the recent presidential election in the United States of America have created uncertainties for the European economy and the financial markets. It expressed concern about the backlash against globalization and the rise of protectionism.

Investment: more efforts should be made to boost SME access to finance, and the Commission should to step up its efforts to improve the financing environment:

The resolution stressed the importance of:

- facilitating investment in areas such as education, innovation and research;
- improving significantly the geographical and sectoral coverage of the European Fund for Strategic Investments (EFSI) and maximising the use of European Structural and Investment Funds (ESIF) in order to promote upward convergence;
- addressing remaining challenges, such as the stock of nonperforming loans (NPLs) accumulated during the financial crisis;
- accelerating work on the Capital Markets Union with a view to providing alternative financing to SMEs, complementing that of the banking sector, and bring about more diversified sources of financing for the economy in general;
- increasing financing of investments and implement projects that support and attract market-based investment high-growth companies;
- encouraging a thorough, step-by-step completion of the Banking Union and the development of the [Capital Markets Union](#) with the aim of increasing resilience in the banking sector,
- encouraging public and private investment is crucial to allow for the transition towards a low-carbon and circular economy;
- taking measures to reduce administrative burden, simplify regulations and improving the financial environment.
- stepping up efforts to improve the business environment for investments, inter alia by fully implementing and enforcing EU Single Market legislation.

Structural reforms: Parliament recommended the implementation of sustainable structural reforms in product and service markets, as well as in inclusive labour, health, housing and pension markets, in order efficiently to support the recovery. It considered that well-functioning and productive labour markets, combined with an adequate level of social protection and dialogue, have proven to be quicker to recover from the economic downturn.

Parliament also stressed that the EU and its Member States cannot compete on general or labour costs alone, but need to invest more in research, innovation and development, education and skills, and resource efficiency, at both national and European level.

The resolution stressed the importance of:

- taking into account the impact of ageing populations on pension and healthcare systems in the EU;
- achieving a high employment rate in order ensuring the sustainability of pension systems; in this context, migrants' skills should be used in better ways in order to adapt to labour market needs;
- focusing efforts on cost-effective spending on high-quality healthcare, and on universal access thereto;
- continued reforms to facilitate the entry of young people into the labour market, emphasising, in this regard, the importance of the Youth Guarantee;
- reforms in taxation with a view to tackling the high tax burden on labour in Europe, and further transparency among the Member States in the field of corporate taxation.

Fiscal responsibility and structure of public finances: Parliament noted that only a fiscal policy that respects and follows Union law will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets.

It invited the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the Stability and Growth Pact in order to increase transparency and enforceability of the recommendations.

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