Procedure file

Basic information

INI - Own-initiative procedure	2017/2226(INI)	Procedure completed
European semester for economic policy coordination: annual growth survey 2018 Subject 5.05 Economic growth 5.10.01 Convergence of economic policies, public deficit, interest rates		

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs		05/10/2017
	S&D BAYET Hugues	
	Shadow rapporteur	
	epp VANDENKENDELAERE Tom	
	ECR LUCKE Bernd	
	NAGTEGAAL Caroline	
	EICKHOUT Bas	
	ENF ANNEMANS Gerolf	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets (Associated committee)		09/10/2017
	ARTHUIS Jean	
ENVI Environment, Public Health and Food Safety		02/10/2017
	epp MELO Nuno	
REGI Regional Development		10/10/2017
	MIHAYLOVA Iskra	
FEMM Women?s Rights and Gender Equality		16/11/2017
	S&D REGNER Evelyn	

European Commission	Commission DG	Commissioner
	Economic and Financial Affairs	MOSCOVICI Pierre

Key events

26/10/2017	Committee referral announced in Parliament		
26/10/2017	Referral to associated committees announced in Parliament		
21/02/2018	Vote in committee		
28/02/2018	Committee report tabled for plenary	A8-0047/2018	Summary
13/03/2018	Debate in Parliament		
14/03/2018	Results of vote in Parliament		
14/03/2018	Decision by Parliament	T8-0077/2018	Summary
14/03/2018	End of procedure in Parliament		

Technical information

Procedure reference	2017/2226(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/8/11256

Documentation gateway

Committee draft report		PE615.386	08/12/2017	EP	
Committee opinion	FEMM	PE616.579	11/01/2018	EP	
Amendments tabled in committee		PE616.645	17/01/2018	EP	
Committee opinion	BUDG	PE613.600	25/01/2018	EP	
Committee opinion	ENVI	PE615.324	02/02/2018	EP	
Committee opinion	REGI	PE615.485	20/02/2018	EP	
Committee report tabled for plenary, single reading		A8-0047/2018	28/02/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0077/2018	14/03/2018	EP	Summary
Commission response to text adopted in plenary		SP(2018)366	30/08/2018	EC	

European semester for economic policy coordination: annual growth survey 2018

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Hugues BAYET (S&D, BE) on the European Semester for economic policy coordination: Annual Growth Survey 2018.

The Committee on Budgets, exercising its prerogative as an associated committee in accordance with Article 54 of the Rules of Procedure, also gave its opinion on the report.

According to Commission forecasts, while the expansion of the European economy is expected to continue, the pace of job creation and household purchasing power growth implies a slight loss of momentum over the next two years, with growth reaching 2.4 % in 2017 in the EU and then marginally slowing down to 2.2 % in 2018 and to 2.0 % in 2019.

Further policy action will nonetheless be required to address unresolved legacies of the global economic crisis.

Investments and growth: Members underlined the importance of boosting public investment in the EU in order to remedy the current decrease in public investment. They urged the completion of the Capital Market Union with a view to boosting private investments across the single market. The regulatory framework for private investment should also be improved further. Further investment is needed in the areas of research, development and innovation, infrastructures, childcare, social housing, education, training, health, research, digital innovation and the circular economy can increase productivity and/or employment.

Responsible public finance: while welcoming the improvements made in public finances, Member States are called on to reduce their high debt-to-GDP ratios as a matter of urgency, as this is markedly easier to do in times of economic recovery. The report underlined the need for a stronger focus on the composition and management of national budgets.

Structural reforms: Members insisted on bringing expenditure on R&D closer to the EU 2020 targets and on Member States to set in place proper policies, and to provide investment, to ensure or maintain equal access to lifelong education and training, taking into account the evolution of the labour market, including the emergence of new professions. Members also called for taxation reviews aimed at achieving a fair balance of taxation on capital, labour and consumption.

Convergence and inclusion: the report underlined that the European Semester and the CSRs should contribute to the achievement of the objectives of EU 2020 strategy, including those set out in the Pillar of Social Rights, and should deliver on growth and jobs. It highlighted that, in the recent period, real wage growth has lagged behind productivity growth, while improvements have occurred in the labour market. Members stressed that there could be room for wage increases in certain sectors, in line with productivity goals to ensure good standards of living, taking into account competitiveness and the need to tackle inequalities. Efficient and fair tax systems that provide the right incentives for economic activity are encouraged. Members called for adequate measures to be adopted to help and integrate young persons not in education, employment or training (NEETs) and refugees, anticipating at an early stage the requirements for facilitating their smooth transition to the labour market, in order to prevent them from being sucked into the black economy and to ensure that public services are provided with sufficient resources.

European Semester framework: ownership and implementation: the report welcomed the increased attention given to the euro areas aggregate fiscal stance, while pointing to the obligations of individual Member States to comply with the Stability and Growth Pact, including full respect of its existing flexibility clauses. Members expressed concern about the low rate of compliance with the CSRs, including those aimed at fostering convergence, increasing competitiveness and reducing macroeconomic imbalances. They stated that more national ownership through genuine public debates at national level would lead to better implementation of the CSRs and that it is important to ensure that national parliaments debate country reports and CSRs. Regional and local authorities should be better involved in the European Semester process.

Stressing that any further step towards a deepening of the EMU must go hand in hand with stronger democratic controls, Members insisted that the role of both the European Parliament and the national parliaments must be strengthened in line with the liability principle.

Budgets: Members considered that EU budgets must provide an incentive for sustainable growth, convergence, investments and reforms, through solutions and synergies as regards national budgets. The AGS should serve as a guideline for the Member States, and for the preparation of national and EU budgets, particularly in the context of the preparation of the post-2020 multiannual financial framework.

There should be greater synergies between national budgets and the EU budget.

European semester for economic policy coordination: annual growth survey 2018

The European Parliament adopted by 544 to 141, with 2 abstentions, a resolution on the European Semester for economic policy coordination: Annual Growth Survey 2018.

According to Commission forecasts, while the expansion of the European economy is expected to continue, the pace of job creation and household purchasing power growth implies a slight loss of momentum over the next two years, with growth reaching 2.4 % in 2017 in the EU and then marginally slowing down to 2.2 % in 2018 and to 2.0 % in 2019.

Parliament took note of the publication of the 2018 Annual Growth Survey (AGS) package and the proposed policy mix of investments, ambitious and socially balanced structural reforms and responsible public finances. It agreed that further progress on the implementation of structural reform is needed to deliver on growth and jobs, and to carry on the fight against those inequalities that hamper economic growth.

Investments and growth: Members underlined the importance of boosting public investment in the EU in order to remedy the current decrease in public investment. They urged the completion of the Capital Market Union with a view to boosting private investments across the single market. The regulatory framework for private investment should also be improved further. Further investment is needed in the areas of research, development and innovation, infrastructures, childcare, social housing, education, training, health, research, digital innovation and the circular economy can increase productivity and/or employment.

Responsible public finance: the gross debt-to-GDP ratio within the euro area still hovers around 90 %, with several Member States being well above that level. While welcoming the improvements made in public finances, Member States are called on to reduce their high debt-to-GDP ratios as a matter of urgency, as this is markedly easier to do in times of economic recovery. Taking account of ageing societies, Member States should take responsibility for future generations.

Structural reforms: Parliament insisted on bringing expenditure on R&D closer to the EU 2020 targets and on Member States to set in place proper policies, and to provide investment, to ensure or maintain equal access to lifelong education and training, taking into account the evolution of the labour market, including the emergence of new professions in the area of digitalisation, globalisation and technological

change. Members also called for taxation reviews aimed at achieving a fair balance of taxation on capital, labour and consumption.

Convergence and inclusion: the European Semester and the CSRs should contribute to the achievement of the objectives of EU 2020 strategy, including those set out in the Pillar of Social Rights, and should deliver on growth and jobs. Given that during the recent period, real wage growth has lagged behind productivity growth, while improvements have occurred in the labour market, Members stressed that there could be room for wage increases in certain sectors, in line with productivity goals to ensure good standards of living, taking into account competitiveness and the need to tackle inequalities. Efficient and fair tax systems that provide the right incentives for economic activity are encouraged. Parliament called for adequate measures to be adopted to help and integrate young persons not in education, employment or training (NEETs) and refugees, anticipating at an early stage the requirements for facilitating their smooth transition to the labour market, in order to prevent them from being sucked into the black economy and to ensure that public services are provided with sufficient resources.

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