

# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2018/2119(INI)</a>	Procedure completed
European semester for economic policy coordination: annual growth survey 2019		
Subject 5.05 Economic growth		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 ECON Economic and Monetary Affairs (Associated committee)	 <a href="#">VANDENKENDELAERE Tom</a>	20/06/2018
		Shadow rapporteur	
		 <a href="#">SILVA PEREIRA Pedro</a>	
		 <a href="#">ZĪLE Roberts</a>	
		 <a href="#">TORVALDS Nils</a>	
		 <a href="#">LÓPEZ BERMEJO Paloma</a>	
		 <a href="#">EICKHOUT Bas</a>	
		 <a href="#">KAPPEL Barbara</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
 BUDG Budgets (Associated committee)	The committee decided not to give an opinion.		
 ENVI Environment, Public Health and Food Safety	 <a href="#">KOVATCHEV Andrey</a>	29/05/2018	
 REGI Regional Development	 <a href="#">MIHAYLOVA Iskra</a>	26/04/2018	
 FEMM Women's Rights and Gender Equality	 <a href="#">URTASUN Ernest</a>	10/07/2018	
European Commission	Commission DG <a href="#">Economic and Financial Affairs</a>	Commissioner MOSCOVICI Pierre	

Key events

14/06/2018	Committee referral announced in Parliament		
14/06/2018	Referral to associated committees announced in Parliament		
26/02/2019	Vote in committee		
04/03/2019	Committee report tabled for plenary	<a href="#">A8-0159/2019</a>	Summary
13/03/2019	Results of vote in Parliament		
13/03/2019	Debate in Parliament		
13/03/2019	Decision by Parliament	<a href="#">T8-0201/2019</a>	Summary
13/03/2019	End of procedure in Parliament		

### Technical information

Procedure reference	2018/2119(INI)
Procedure type	INI - Own-initiative procedure
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/13402

### Documentation gateway

Committee draft report		PE630.674	26/11/2018	EP	
Committee opinion	<b>FEMM</b>	PE630.515	04/12/2018	EP	
Amendments tabled in committee		PE633.053	22/01/2019	EP	
Committee opinion	<b>ENVI</b>	PE631.843	31/01/2019	EP	
Committee opinion	<b>REGI</b>	PE631.920	18/02/2019	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0159/2019</a>	04/03/2019	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0201/2019</a>	13/03/2019	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2019)444</a>	30/08/2019	EC	

## European semester for economic policy coordination: annual growth survey 2019

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Tom VANDENKENDELAERE (PPE, BE) on the European Semester for economic policy coordination: Annual Growth Survey 2019.

Members welcomed the Commissions Annual Growth Survey 2019, which reaffirms the importance of: 1) increasing high-quality investments; 2) reforms that increase productivity growth, inclusiveness and institutional quality; and 3) macro-financial stability and sound public finances.

They urged the EU and its Member States to take decisive and concerted action to deliver on the aim of inclusive and sustainable growth, and to prepare for demographic ageing by implementing socially-balanced structural reforms to reduce costs and enhancing productivity growth, and building the appropriate fiscal buffers. They also stressed the need for continued reforms and investments to facilitate the entry of young people and the long-term unemployed into the labour market.

### Delivering high-quality investment

Noting that there is still an investment gap in the euro area, the report underlined that public and private investment play an important role in facilitating growth and convergence at European level. Increasing productivity growth requires investment in skills, innovation, automation, digitalisation, R&D, sustainable mobility and infrastructure. Member States need to distinguish between long-term productive public investment

and current expenditure when using budgetary space.

Members considered that clear and enforceable rules, a level playing field and reduced compliance costs are crucial factors for attracting investment. They highlighted the urgent need for a fully-fledged capital markets union.

Focusing reform efforts on productivity growth, inclusiveness and institutional quality

Members urged Member States to implement productivity-enhancing and socially balanced structural reforms. They also stressed the urgent need to review both the adequacy and long-term financial sustainability of national public pension schemes.

The report recommended, inter alia:

- adopting measures encouraging the labour market integration of young people not in education, employment or training (NEETs) and refugees;
- a tax shift away from the high tax burden on labour in Europe;
- supporting inclusive and well-functioning labour markets and promoting job quality, as outlined in the European Pillar of Social Rights;
- reducing the barriers that prevent SMEs from harnessing the potential of the single European market, to address the unfair competitive and tax conditions that exist between SMEs and multinational companies and to continue the fight against fraud and tax evasion;
- removing unnecessary barriers to public and private investment at local and regional levels;
- deepening Economic and Monetary Union (EMU) in order to be able to face shocks likely to occur in the future.

Ensuring macroeconomic stability and sound public finances

Pointing out that macro-financial stability and sound public finances remain a precondition of sustainable growth, Members called for those Member States with high levels of deficits and public debt to undertake continuous efforts to reduce them. They acknowledged the efforts made by a number of Member States to consolidate their public finances, but regrets the fact that some have missed the opportunity to carry out the necessary reforms; points out that some Member States with good fiscal space have consolidated even further, thereby contributing to the euro area's current account surplus. Member States with large current account surpluses were asked to promote demand by increasing wage growth in line with productivity growth and to foster productivity growth by promoting investment.

The committee urged Member States to build the appropriate fiscal buffers for current and future generations, and called for a consistent implementation of and compliance with the Stability and Growth Pact (SGP), including its flexibility clauses.

National ownership

Recalling that the degree of implementation of the country-specific recommendations is too low, Members urged national and regional parliaments to debate country reports and country-specific recommendations and to engage with the relevant actors.

## European semester for economic policy coordination: annual growth survey 2019

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The European Parliament adopted by 589 votes to 54 with 23 abstentions, a resolution on the European Semester for economic policy coordination: Annual Growth Survey 2019.

Members welcomed the Commission's Annual Growth Survey 2019, which reaffirms the importance of: 1) increasing high-quality investments; 2) reforms that increase productivity growth, inclusiveness and institutional quality; and 3) macro-financial stability and sound public finances.

They urged the EU and its Member States to take decisive and concerted action to deliver on the aim of inclusive and sustainable growth, and to prepare for demographic ageing, since the old-age dependency ratio in the EU is predicted to increase, in the absence of policy changes, from 29.3 % in 2016 to 52.3 % by 2080, which amounts to fewer than two working-age people for every elderly person. They also stressed the need for continued reforms and investments to facilitate the entry of young people and the long-term unemployed into the labour market.

Delivering high-quality investment

Noting that there is still an investment gap in the euro area, Parliament underlined that public and private investment play an important role in facilitating growth and convergence at European level. Increasing productivity growth requires investment in skills, innovation, automation, digitalisation, R&D, sustainable mobility and infrastructure. Member States need to distinguish between long-term productive public investment and current expenditure when using budgetary space.

Members considered that clear and enforceable rules, a level playing field and reduced compliance costs are crucial factors for attracting investment. They highlighted the urgent need for a fully-fledged capital markets union.

Focusing reform efforts on productivity growth, inclusiveness and institutional quality

Members urged Member States to implement productivity-enhancing and socially balanced structural reforms. They underlined the need to reform the pension systems in the Member States concerned so as to ensure long-term sustainability. Higher productivity growth and inclusiveness should be an important objective of national reforms.

The resolution recommended, inter alia:

- adopting measures encouraging the labour market integration of young people not in education, employment or training (NEETs) and refugees;
- a tax shift away from the high tax burden on labour in Europe;
- supporting inclusive and well-functioning labour markets and promoting job quality, as outlined in the European Pillar of Social Rights;
- reducing the barriers that prevent SMEs from harnessing the potential of the single European market, to address the unfair competitive and tax conditions that exist between SMEs and multinational companies and to continue the fight against fraud and tax evasion;

- removing unnecessary barriers to public and private investment at local and regional levels;
- deepening Economic and Monetary Union (EMU) in order to be able to face shocks likely to occur in the future.

#### Ensuring macroeconomic stability and sound public finances

Pointing out that macro-financial stability and sound public finances remain a precondition of sustainable growth, Parliament called for those Member States with high levels of deficits and public debt to undertake continuous efforts to reduce them. It acknowledged the efforts made by a number of Member States to consolidate their public finances, but regretted the fact that some have missed the opportunity to carry out the necessary reforms. Member States with large current account surpluses were asked to promote demand by increasing wage growth in line with productivity growth and to foster productivity growth by promoting investment.

Parliament Urged the EU and its Member States to take responsibility for future generations, and to ensure intergenerational fairness through the sustainability and adequacy of public finances and our social security systems and, in so doing, to secure the future of Europe's welfare states. It called for a consistent implementation of and compliance with the Stability and Growth Pact (SGP), including its flexibility clauses, in order to safeguard responsible public finances.

#### National ownership

Recalling that the degree of implementation of the country-specific recommendations is too low, Parliament urged national and regional parliaments to debate country reports and country-specific recommendations and to engage with the relevant actors.