Conclusions of the European Council meeting (1-2 March 2012)

2011/2921(RSP) - 21/02/2012

The Council adopted conclusions providing policy guidance to the Member States for tackling macroeconomic and fiscal challenges under this year's European Semester. It agreed to submit them to the European Council with a view to its meeting on 1 and 2 March 2012.

The Council welcomed the Commission's second Annual Growth Survey, marking the starting point of the 2012 European semester. It agreed on the **five priorities** outlined by the Commission on which national and EU level efforts should concentrate in 2012. It also stressed the urgency of a **convincing policy response to the sovereign debt crisis**, which combines consolidation of public finances with structural reforms aimed at substantially improving growth prospects in Member States. To this end, it supported the call for an **EU wide political agenda** focusing on structural measures addressing medium to longer-term growth challenges.

Macroeconomic and fiscal policies: within the five priorities outlined by the Commission, the Council stressed that macroeconomic and fiscal policies at national and EU level should for 2012 be focused on:

- pursuing determined **growth-friendly fiscal consolidation** taking into account country-specific fiscal and macro-financial risks;
- ensuring a **healthy financial system and robust banking sector** to re-establish investor confidence and restoring normal lending to the economy;
- advancing **structural reforms** to support smart, sustainable and inclusive growth, promote competitiveness and to correct macroeconomic imbalances.

The Council undermined that the horizontal macroeconomic and fiscal guidance provided in 2011 remains overall valid and agreed that strong emphasis in 2012 should be **put on implementation of earlier guidance** and on concrete measures addressing country-specific recommendations.

In line with the integrated surveillance framework the Europe 2020 strategy and the Integrated Guidelines, the Council urged the Member States to present a **comprehensive response** with concrete, detailed and ambitious measures to fiscal, macroeconomic and structural challenges, taking into account national starting positions, in their Stability or Convergence Programmes and National Reform Programmes for the period 2012/2013, to be submitted **preferably by mid-April and no later than 30 April**. It encouraged the Commission to propose **ambitious country-specific recommendations** on this basis, building on and refining recommendations delivered in 2011, as appropriate.

Stressing the particular need for an ambitious and convincing policy response to the crisis in the Euro area, the Council noted the voluntary commitments made by Euro area and non-euro area Member States under the "Euro Plus Pact". It called on these Member States to pursue these commitments with determination. In addition, welcomed the entering into force of the new legislative package strengthening EU economic governance and policy coordination, the so-called “six-pack”, in December 2011. It is committed to its timely and effective implementation in the coming round of the European Semester and beyond.

Lastly, the Council recalled that public acceptance of budgetary consolidation and major structural reforms is key to successful implementation.

Mobilising EU level growth drivers: the Council reaffirmed the call on the Commission to pursue EU actions supporting potential growth, jobs and competitiveness notably in the area of the Single Market Act and the Digital Single Market. It insisted on the following points:

- **the Services Directive** should be implemented fully and unjustified restrictions and barriers on business-to-business services, professional services, regulated professions, the retail industry and social sectors should be removed;
- **the EU budget should, through appropriate prioritisation and within agreed ceilings, focus on smart, sustainable and inclusive growth, jobs and competitiveness**. The EU Structural Funds should in Member States be used more effectively and efficiently to support the new growth and jobs focus. EU instruments should also contribute to improve the efficient use of resources in the context of advancing the green economy;
- the need of **reinforcing the external dimension of the Single Market** and enhancing coherence and complementarity between EU's internal and external policies. Focus should be on promoting free, fair and open trade. International regulatory dialogue on norms, standards and intellectual property rights must be promoted.