

European Semester for economic policy coordination: Annual Growth Survey 2013

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The European Parliament adopted a resolution on the European Semester for Economic Policy Coordination: Annual Growth Survey 2013.

Parliament welcomes the spirit of the [Annual Growth Survey \(AGS\) 2013](#) and in particular the increased clarity in country-specific strategies that the Commission has introduced by prioritising progress in the euro area countries, as well as progress in structural terms rather than nominal terms. It also welcomes the recognition in the AGS 2013 that **sustainable growth enhancing and green job rich sectors** and activities are necessary in order to exit the crisis.

Parliament stresses that the solutions specifically targeting the current sovereign and financial crisis, namely the appropriate structural reforms, should go hand-in-hand with **measures that boost long-term competitiveness and growth of the European economy** and regain confidence.

Members agree with the Commission that **growth-friendly fiscal consolidation** is necessary in order to exit the crisis. Deploring the lack of implementation in the Member States of policies and actions agreed at the EU level, they urge Member States to (i) correct excessive deficits by the deadlines set by the Council, reminding them that a level of **flexibility** is foreseen in the 6-pack; and (ii) improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies. They underline the fact that Member States should pursue **differentiated strategies** according to their budgetary situations and insist that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth.

Parliament invites the Commission to start developing as a matter of urgency ways to ensure that elements of sustainable fiscal discipline are **followed up with concrete proposals on growth and jobs and the required structural reforms**, namely to:

- reduce youth unemployment including by better matching the qualifications of young people to labour demand,
- combat labour market segmentation,
- improve the sustainability of pension systems,
- increase the efficiency of taxation systems,
- enhance competition in the relevant areas of the services sector,
- facilitate credit access, and
- cut red tape, remove unnecessary layers of government and combat tax evasion.

Parliament also calls on the Commission to come forward with a **holistic approach to tackling sustainable growth** towards the EU2020 objectives, which should include (i) completing the internal market, (ii) increasing competition, (iii) a genuine European industrial policy, (iv) a robust and adequately targeted cohesion policy and (v) the guarantee that Europe will use all its strength and influence in its external trade relations.

The resolution also insists on the need to:

- ensure that **investments in research**, development and innovation are intensified and streamlined and the results are quickly turned by the public and private sectors in Europe into competitive advantage and increased productivity;
- intensify efforts to **reduce dependency on imports of energy and raw materials** in order to create a more environmentally, economically and socially sustainable Europe.

Members regret the Commission did not properly address the **role of the EU budget** in the European Semester process and that it failed to provide factual and concrete data on how the EU budget can actually play a triggering, catalytic, synergetic and complementary role in relation to local, regional and national policies and investments launched to implement Commission priorities. They recall that **funding at EU level** can generate savings for all the Member States' budgets.

Parliament calls on the Member States to agree on a **Multiannual Financial Framework (MFF)** as a matter of urgency, ensuring that its role is reinforced as a source of much-needed long-term investment in sustainable growth enhancing and job rich sectors and activities.

Lastly, Parliament recalls the need to **enhance democratic legitimacy in the context of the European Semester**: it invites the Commission to come to the competent committees of Parliament to present the AGS in the beginning of November each year, starting 4-5 November 2013, so as to allow sufficient time for Parliament to present its views in subsequent European Semesters. Members also call for the **Treaty on Stability, Coordination and Governance (Fiscal Compact)** should be transposed into secondary Union legislation as soon as possible.