1997 annual economic Report. Growth, employment and convergence on the road of EMU.

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With GDP across the EU expected to grow by 2.3% in 1997 and 2.8% in 1998, but not sufficiently to make a meaningful dent in the unemployment figures, Christa Randzio-Plath (D, PES) in a draft resolution tabled on behalf of the economic and monetary affairs committee, will be calling on the Member States to boost demand as a means of creating new jobs. She takes the view that what is holding Europe's economies back is too low investment levels by the private sector, cut backs in public expenditure, inadequate spending on research, poor coordination of tax and monetary policies, high real interest rates, an inflexible labour market, weak demand and the absence of businessmen prepared to take risks, lack of new initiatives on training, financial speculation and over regulation. Once again the high non-wage costs of labour are mentioned as an important factor. There is a call for a reduction in charges on labour such as high taxation and national insurance contributions. There is also support for the new treaty to include a chapter on employment. There is also a call on the Member States to take greater efforts to create jobs. The question of different tax rates across the EU creating an unfair competitive advantage for businesses is also raised.