Broad guidelines of the economic policies BGEP of the member States and the Community for 2003-2005

2003/2074(INI) - 27/01/2005 - Follow-up document

The Commission has presented its second implementation Report on the 2003-2005 BEPGs.

The report states that the overall conclusion from this second Implementation Report on the 2003-2005 BEPGs is that progress continues to be mixed. Some Member States are making better progress than others. For instance, a relatively good follow-up of the country-specific recommendations has been given by Belgium, Denmark, Ireland, the Netherlands, Finland and the United Kingdom, while progress can be considered limited in several Member States.

Concerning the recommendations to the new Member States, addressed just half a year ago, the assessment of their implementation indicates that, albeit with different speeds, it goes in the right direction, notably in Cyprus and Slovakia. Alternatively, when focusing on the development by sector,

relatively good progress has been made in making the overall business environment more favourable, in enhancing the effectiveness of competition policies and in improving environmental sustainability. The pace of labour market reforms, which was stepped up somewhat in 2003, appears to have been maintained. Progress, however, has been limited as regards the ongoing transition to a knowledge-based economy where a substantial gap remains between the EU and the US. The pace of Internal Market integration also appears to have slowed down with limited progress noted on the transposition of Internal Market directives and a continued high level of infringement cases. Furthermore, the limited progress in several Member States to reach a sound budgetary position and/or correct an excessive deficit continues to be a source of concern. Although some progress was made in improving fiscal sustainability with inter alia pension reforms in some Member States,

debt ratios remain high and long-term sustainability is not yet secured in 14 of the Member States in 2004. Taken together, the overall pace of reform remains unchanged in 2004. It is clear that with the current reform pace, full implementation of the 2003-2005 BEPGs will not be secured, making it difficult to fulfil the Lisbon ambitions.