Basic information

2016/2306(INI) INI - Own-initiative procedure	Procedure completed
European semester for economic policy coordination: annual growth survey 2017 **Subject** 5.05 Economic growth	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	HÖKMARK Gunnar (PPE)	12/07/2016
	Shadow rapporteur SILVA PEREIRA Pedro (S&D) ZĪLE Roberts (ECR) WIERINCK Lieve (ALDE) VIEGAS Miguel (GUE/NGL) EICKHOUT Bas (Verts/ALE) VALLI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets (Associated committee)	DENANOT Jean-Paul (S&D)	30/11/2016
ENVI Environment, Public Health and Food Safety	MELO Nuno (PPE)	28/09/2016
REGI Regional Development	HETMAN Krzysztof (PPE)	09/11/2016

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3511	2016-12-13
Economic and Financial Affairs ECOFIN	3506	2016-12-06
Economic and Financial Affairs ECOFIN	3515	2017-01-27

Key events

Date	Event	Reference	Summary
24/11/2016	Committee referral announced in Parliament		
24/11/2016	Referral to associated committees announced in Parliament		
06/12/2016	Debate in Council		
13/12/2016	Debate in Council		
27/01/2017	Debate in Council		
13/02/2017	Vote in committee		
14/02/2017	Committee report tabled for plenary	A8-0039/2017	Summary
14/02/2017	Debate in Parliament		
15/02/2017	Decision by Parliament	T8-0038/2017	Summary
15/02/2017	Results of vote in Parliament		
15/02/2017	End of procedure in Parliament		

Technical information

Procedure reference	2016/2306(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/08424

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE594.134	22/11/2016	
Amendments tabled in committee		PE595.607	15/12/2016	
Amendments tabled in committee		PE595.715	15/12/2016	
Committee opinion	ENVI	PE593.988	25/01/2017	
Committee opinion	BUDG	PE595.417	25/01/2017	
Committee opinion	REGI	PE595.492	25/01/2017	
Committee report tabled for plenary, single reading		A8-0039/2017	14/02/2017	Summary
Text adopted by Parliament, single reading		T8-0038/2017	15/02/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2017)358	31/08/2017	

European semester for economic policy coordination: annual growth survey 2017

2016/2306(INI) - 15/02/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 418 votes to 202 with 73 abstentions, a resolution on the European Semester for economic policy coordination: Annual Growth Survey 2017.

Whilst welcoming the Commission's Annual Growth Survey 2017, Members called for a **better implementation of the macroeconomic policy mixing private and public investment, socially balanced structural reforms and responsible public finances**. They deplored the very low implementation rate of country-specific recommendations, which declined from 11 % in 2012 to only 4 % in 2015 and stressed that Member States would need to step up their efforts to reform.

Observing that the current excessive reliance on the monetary policy of the European Central Bank, Parliament noted that monetary policy alone is insufficient to stimulate growth when **investments and sustainable structural reforms are lacking**. It considered that stronger domestic demand would be better for the euro area's sustainable growth.

Parliament also noted that the referendum in the United Kingdom and the recent presidential election in the United States of America have created uncertainties for the European economy and the financial markets. It expressed concern about the backlash against globalization and the rise of protectionism.

Investment: more efforts should be made to boost **SME access to finance**, and the Commission should to step up its efforts to improve the financing environment:

The resolution stressed the importance of:

- facilitating investment in areas such as education, innovation and research;
- improving significantly the geographical and sectoral coverage of the European Fund for Strategic Investments (EFSI) and maximising the use of European Structural and Investment Funds (ESIF) in order to promote upward convergence;
- addressing remaining challenges, such as the stock of nonperforming loans (NPLs) accumulated during the financial crisis;
- accelerating work on the Capital Markets Union with a view to providing alternative financing to SMEs, complementing that of the banking sector, and bring about more diversified sources of financing for the economy in general;
- increasing financing of investments and implement projects that support and attract market-based investment high-growth companies;
- encouraging a thorough, step-by-step completion of the Banking Union and the development of the Capital Markets Union with the aim of increasing resilience in the banking sector,
- encouraging public and private investment is crucial to allow for the transition towards a low-carbon and circular economy;
- taking measures to reduce administrative burden, simplify regulations and improving the financial environment.
- stepping up efforts to improve the business environment for investments, inter alia by fully implementing and enforcing EU Single Market legislation.

Structural reforms: Parliament recommended the implementation of sustainable structural reforms in product and service markets, as well as in inclusive labour, health, housing and pension markets, in order efficiently to support the recovery. It considered that well-functioning and productive labour markets, combined with an adequate level of social protection and dialogue, have proven to be quicker to recover from the economic downturn.

Parliament also stressed that the EU and its Member States cannot compete on general or labour costs alone, but need to **invest more in research, innovation and development, education and skills, and resource efficiency**, at both national and European level.

The resolution stressed the importance of:

- taking into account the impact of **ageing populations** on pension and healthcare systems in the EU;
- achieving a **high employment rate** in order ensuring the sustainability of pension systems; in this context, migrants' skills should be used in better ways in order to adapt to labour market needs;
- focusing efforts on cost-effective spending on high-quality **healthcare**, and on universal access thereto;
- continued reforms to facilitate the entry of **young people** into the labour market, emphasising, in this regard, the importance of the Youth Guarantee;
- **reforms in taxation** with a view to tackling the high tax burden on labour in Europe, and further transparency among the Member States in the field of corporate taxation.

Fiscal responsibility and structure of public finances: Parliament noted that only a fiscal policy that **respects and follows Union law** will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets.

It invited the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the Stability and Growth Pact in order to increase transparency and enforceability of the recommendations.

Furthermore, Members considered that **macroeconomic imbalances** inside Member States should be addressed in line with the Macroeconomic Imbalance Procedure (MIP) through efforts involving all Member States, building on relevant reforms and investments.

Fiscal stance for the euro area: Members considered the Commission's communication on a positive fiscal stance an important development, and welcomed the intention to contribute to the **better coordinating economic policies in the euro area** and to highlight the opportunities for fiscal stimulus in Member States having room for this.

Coordination of national policies and democratic accountability: Members highlighted the importance of national parliaments and genuine public debate at national, regional and local levels, leading to greater ownership of country-specific recommendations.

They urged the Commission to launch negotiations on an interinstitutional agreement on economic governance.

European semester for economic policy coordination: annual growth survey 2017

2016/2306(INI) - 14/02/2017 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Gunnar HÖKMARK (PPE, SE) on the European Semester for economic policy coordination: Annual Growth Survey 2017.

The Committee on Budgets, exercising its prerogative as an associated committee by virtue of Rule 54 of Parliament's Rules of Procedure, also gave an opinion on this report.

Whilst welcoming the Commission's Annual Growth Survey 2017, Members called for a **better implementation of the macroeconomic policy mixing private and public investment, socially balanced structural reforms and responsible public finances**. They deplored, therefore, the very low implementation rate of country-specific recommendations, which declined from 11 % in 2012 to only 4 % in 2015 and stressed that Member States will need to step up their efforts to reform.

Observing that the current excessive reliance on the monetary policy of the European Central Bank, the report noted that monetary policy alone is insufficient to stimulate growth when **investments and sustainable structural reforms are lacking**. It considered that stronger domestic demand would be better for the euro area's sustainable growth.

Investment: Members believed more efforts should be made to boost **SME access to finance**. They called on the Commission, therefore, to step up its efforts to improve the financing environment:

The report stressed the importance of:

- facilitating investment in areas such as education, innovation and research;
- encouraging EFSI should also attract finance for projects with a cross-border dimension, and maximising the use of European Structural and Investment Funds (ESIF);
- increasing financing of investments and implement projects that support and attract market-based investment high-growth companies;
- encouraging a thorough, step-by-step completion of the Banking Union and the development of the Capital Markets Union with the aim of increasing resilience in the banking sector,
- encouraging public and private investment is crucial to allow for the transition towards a low-carbon and circular economy;
- taking measures to reduce administrative burden, simplify regulations and improving the financial environment.

Structural reforms: Members recommended the implementation of sustainable structural reforms in product and service markets, as well as in inclusive labour, health, housing and pension markets, in order efficiently to support the recovery. They stressed that the EU and its Member States cannot compete on general or labour costs alone, but need to **invest more in research, innovation and development, education and skills, and resource efficiency**, at both national and European level.

The report stressed the importance of:

- achieving a **high employment rate** in order ensuring the sustainability of pension systems; in this context, migrants' skills should be used in better ways in order to adapt to labour market needs;
- focusing efforts on cost-effective spending on high-quality **healthcare**, and on universal access thereto;
- continued reforms to facilitate the entry of **young people** into the labour market, emphasising, in this regard, the importance of the Youth Guarantee;
- better coordination of administrative practices in the field of **taxation** and further transparency among the Member States in the field of corporate taxation.

Fiscal responsibility and structure of public finances: the report noted that only a fiscal policy that **respects and follows Union law** will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets;

It invited the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the Stability and Growth Pact in order to increase transparency and enforceability of the recommendations.

Furthermore, Members considered that **macroeconomic imbalances** inside Member States should be addressed in line with the Macroeconomic Imbalance Procedure (MIP) through efforts involving all Member States, building on relevant reforms and investments.

Fiscal stance for the euro area: Members considered the Commission's communication on a positive fiscal stance an important development, and welcomed the intention to contribute to the **better coordinating economic policies in the euro area** and to highlight the opportunities for fiscal stimulus in Member States having room for this. They took the view that improving the structure of public budgets is one of the key levers for ensuring compliance with EU fiscal rules, and allowing for the financing of indispensable expenditure, for the building of buffers for unforeseen needs and growth-enhancing investments.

Coordination of national policies and democratic accountability: Members highlighted the importance of national parliaments and genuine public debate at national, regional and local levels, leading to greater ownership of country-specific recommendations.

They urged the Commission to launch negotiations on an interinstitutional agreement on economic governance.