

BRIEFING

Economic Dialogue and Exchange of Views with Vice-President Dombrovskis, Commissioner Moscovici and Commissioner Thyssen

ECON and EMPL on 2 December 2014

Vice-President Dombrovskis, Commissioner Moscovici and Commissioner Thyssen have been invited to an Economic Dialogue on the Annual Growth Survey and the Alert Mechanism Report. The European Commission has also published its draft opinions on Euro area Member States' draft budgetary plans. This Economic Dialogue takes place on the basis of the economic governance framework, notably Article 2-ab of [Regulation 1466/97](#) as amended in 2011.

Annual Growth Survey 2015

The [Annual Growth Survey 2015 \(AGS\)](#), published on 28 November, launches the fifth European Semester Cycle. Its main focus is to put EU firmly back on a path of sustainable job creation and economic growth. Compared to last year, there have been changes in terms of the main pillars and the structure of the AGS. In AGS 2014, the European Commission (EC) presented 5 main priorities, while in AGS 2015, it recommends 3 main pillars:

- **A boost to investment:** COM is putting forward an Investment Plan, which should mobilize at least €315 billion of additional public and private investment.
- **A renewed commitment to structural reforms:** Jobs and growth can be created by progress at EU level in areas like services, energy, telecoms and digital economy and at national level in areas like labour market, pension and social protection systems, product and services market, research and innovation and public administration.
- **Pursuing fiscal responsibility:** Member States need to secure long term control over deficit and debt levels; however, fiscal policies should be differentiated depending on the situation of each country. Addressing tax fraud and tax evasion is essential to ensure fairness and allows Member States to collect the tax revenue due to them.

In addition, this year's AGS contains a chapter on making the **economic governance system more effective**, the mid-term review of the Europe 2020 strategy and the reinforcement of the European Semester being key elements in this process. While first ideas will be tested and implemented for the 2015 European Semester, further proposals will be elaborated in the months to come as part of the work on the deepening of economic governance, coordinated by the President of the Commission, together with the Presidents of the European Council, of the European Central Bank and of the Eurogroup.

Streamlining and reinforcing the European Semester

Due to the lack of implementation of important CSRs, the COM, in the annex of AGS, suggests ways to improve and make the Semester more effective. Its recommendations include:

- ***Simplifying COM outputs and allowing for more feedback on COM analysis*** - Single economic assessment per MS (country-specific documents + in-depth reviews) and an earlier publication date (for instance March).
- ***Streamlining reporting requirements for MS***: National Reform Programmes should be refocused with more targeted input and should be submitted at an earlier stage. Also, national parliaments and social partners should be more involved in their preparation.
- ***Strengthening the multilateral nature of the process***: Cross-examination of performances and exchanges of views on the monitoring of reforms could be enhanced throughout the year. Comparability of policy actions and outcomes could also be improved.
- ***Opening up the process and increasing engagement with other actors***: A wider dialogue should be conducted. The EC could in the future engage with the EP as well as social partners before the AGS is issued and continue the debate following its adoption. In addition, the EC could discuss horizontal aspects of the country-specific analysis with the EP to receive feedback.

EP's position in terms of strengthening the European Semester can be found in its [resolution](#), which was adopted on 22 October. It is also working an [INI report](#) dealing with the review of the economic governance framework (planned to be adopted in committee in March 2015). Concerning the 2015 AGS, AMR and Joint Employment Report, the EP will prepare two reports, one in ECON and the other in EMPL. A meeting with national parliaments on the 2015 Semester Cycle will be organised "back-to-back" with the so-called "Article 13 Conference" on 3-4 February 2015.

Joint Employment Report

The [Draft Joint Employment Report](#), which was published together with AGS, includes three chapters. The first gives an analysis on the labour market and social trends as well as challenges in the EU. The second presents an overview of measures introduced by Member States in the past 12 months to implement the employment guidelines. Finally, the third outlines the findings of the scoreboard of key employment and social indicators, which was introduced last year to strengthen the social dimension of the EMU.

Regarding the content, the report confirms that unemployment is slowly decreasing but it is still at high levels in the EU (10.1% or 24.6 million people). Developments in unemployment across the Member States still vary widely but stopped diverging further. Long-term unemployment is rising and youth unemployment, even though it has shown signs of improvement, remains extremely high (21.6%).

Alert Mechanism Report 2015

The 2015 Alert Mechanism Report (AMR) is the fourth report since the entry into force of the Macroeconomic Imbalance Procedure (MIP) in 2011 and launches the annual surveillance cycle aiming at preventing and correcting macroeconomic imbalances in EU Member States (see separate EGOV note "[Overview of the MIP](#)").

According to the 2015 AMR, EU economies continue to progress in correcting their external and internal balances. However, sustaining competitiveness remains a key concern in particular for Member States with large external imbalances. The high level of private and public debt in most countries, and the high external liabilities in many, still constitute substantial vulnerabilities for growth, jobs and financial stability.

On the basis of a scoreboard of indicators and thresholds (see Annex 2), the EC has identified 16 Member States as being at risk of imbalances that hinder the smooth functioning of the economies or may hamper the proper functioning of the EMU. For these MSs, the EC will undertake In-Depth-Review (IDR), which will be published in spring 2015, and will conclude whether imbalances exist:

The legal nature of CSRs and their implementation

Country Specific Recommendations (CSRs) are proposed by the Commission in the framework of the European Semester. They are based on the assessment of Member States' medium-term budgetary plans and economic reform programmes in the light of information provided by Member States in their National Reform Programmes and Stability and Convergence Progress, as well as annual EU policy guidance based on the AGS and AMR.

The CSRs are **politically binding**, as they are endorsed annually by the European Council and adopted by the Council.

Their **legal base** is in the EU primary legislation (Articles 121 and 148 of the TFEU). In addition, each recommendation is underpinned by either a single or several legally binding instruments of the EU secondary law (see [EGOV note](#) of October 2014).

A failure to implement the recommendations might result in further procedural steps under the respective EU law and ultimately in sanctions under the Excessive Deficit Procedure and the Excessive Imbalances Procedure and the related fines and/or suspension of up to five European Funds.

As to the **implementation of 2013 CSRs**, full or some progress has been made for roughly 54 % of CSRs within the year of their adoption. The rest (i.e. around 44 % of the CSRs) have not been implemented at all or only in a limited manner (see [EGOV summary note](#) and separate [EPRS Study](#) covering a selection of Member States).

- For Croatia, Italy and Slovenia, IDRs will assess if the **excessive imbalances identified in the 2014 Semester Cycle still persist**.
- For Ireland, Spain and France, and Hungary the IDRs will assess if the imbalances in need of **decisive policy action** (and requiring specific monitoring) **in 2014 still pose risks**.
- For the other 7 countries (Belgium, Bulgaria, Germany, the Netherlands, Finland, Sweden and the United Kingdom), the IDR will assess whether the **imbalances identified in 2014 still persist** or have been overcome.
- For the first time, the EC will undertake the IDR for Portugal, which has **completed the economic adjustment programme**, and for Romania, as delays in completing the semi-annual reviews under an on-going precautionary financial assistance programme implies that Romania should be integrated into the MIP surveillance framework.

Two Member States, Greece and Cyprus benefit from **financial assistance** and the surveillance of imbalances takes place in the context of their programme.

For the 10 of the rest of the Member States, the EC considers that they are **not at risk of macroeconomic imbalances**: the Czech Republic, Denmark, Estonia, Latvia, Lithuania, Luxembourg, Malta, Austria, Poland and Slovakia. In 2013, IDRs were carried out for Denmark, Luxembourg and Malta, but concluded that these countries did not pose risks of imbalances.

For Member States assessed to have “excessive imbalances” or “imbalances requiring decisive policy action” during the 2013 Semester Cycle,

the EC has published or will soon publish additional reports. For [IE](#), [ES](#) and [HU](#) this is done as part of the Post-Programme Surveillance. Reports relating to the specific monitoring were published for [IT](#) and [HR](#) in November 2014 and similar reporting will take place for FR and SI in the near future.

The EC invites the Council and the Eurogroup to discuss the 2015 AMR and looks forward to feedback from the European Parliament. Based on these discussions and feedback IDRs for the relevant Member States will be prepared and published during spring 2015 ahead of proposing the 2015 Country Specific Recommendations to EU Member States.

ANNEXES:

- 1) Table on Member States progress to meet EU2020 targets
- 2) Scoreboard for the identification of possible macro-economic imbalances
- 3) Scoreboard of key employment and social indicators
- 4) Ease of doing business in the EU
- 5) Summary of the Commission's Review of the 6- and 2-pack

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Annex 1: Member States progress towards the EU2020 targets: State of Play (November 2014)

Member states	Employment rate (% of population aged 20 to 64)				R&D Target (% of GDP)				Greenhouse Gas Emissions (Index 1990 = 100 for EU28 2005 = 100 for Member States)				Renewable Energy (% of final energy consumption)			
	2011	2012	2013	Target	2011	2012	2013	Target	2011	2012	2013	Target	2011	2012	2013	Target
EU (28 countries)	68.5	68.4	68.4	75.0	1.97	2.01	2.02	3.00	83.2	82.1	n.a.	80	12.90	14.10	n.a.	20.0
Belgium	67.3	67.2	67.2	73.2	2.15	2.24	2.28	3.00	89.5	94.4	n.a.	85	5.20	6.80	n.a.	13.0
Bulgaria	62.9	63.0	63.5	76.0	0.55	0.62	0.65	1.50	108.8	113.8	n.a.	120	14.60	16.30	n.a.	16.0
Czech Republic	70.9	71.5	72.5	75.0	1.56	1.79	1.91	1.00	94.6	93.1	n.a.	109	9.30	11.20	n.a.	13.0
Denmark	75.7	75.4	75.6	80.0	2.97	3.03	3.05	3.00	93.2	89.0	n.a.	80	24.00	26.00	n.a.	30.0
Germany	76.3	76.7	77.1	77.0	2.80	2.88	2.94	3.00	91.3	93.7	n.a.	86	11.60	12.40	n.a.	18.0
Estonia	70.6	72.2	73.3	76.0	2.34	2.16	1.74	3.00	108.8	132.0	n.a.	111	25.60	25.80	n.a.	25.0
Ireland	63.8	63.7	65.5	69.0	1.53	1.58	n.a.	2.00	89.1	88.3	n.a.	80	6.60	7.20	n.a.	16.0
Greece	59.6	55.0	52.9	70.0	0.67	0.69	0.78	1.21	88.4	84.5	n.a.	96	10.90	13.80	n.a.	18.0
Spain	62.0	59.6	58.6	74.0	1.32	1.27	1.24	2.00	89.6	86.5	n.a.	90	13.20	14.30	n.a.	20.0
France	69.3	69.4	69.6	75.0	2.19	2.23	2.23	3.00	88.9	89.2	n.a.	86	11.30	13.40	n.a.	23.0
Croatia	57.0	55.4	57.2	62.9	0.75	0.75	0.81	1.40	93.2	86.3	n.a.	111	15.40	16.80	n.a.	20.0
Italy	61.2	61.0	59.8	67.0	1.21	1.26	1.25	1.53	87.1	83.2	n.a.	87	12.30	13.50	n.a.	17.0
Cyprus	73.4	70.2	67.2	75.0	0.46	0.43	0.48	0.50	78.5	71.7	n.a.	95	6.00	6.80	n.a.	13.0
Latvia	66.3	68.1	69.7	73.0	0.70	0.66	0.60	1.50	104.4	103.7	n.a.	117	33.50	35.80	n.a.	40.0
Lithuania	66.9	68.5	69.9	72.8	0.90	0.90	0.95	1.90	98.8	100.8	n.a.	115	20.20	21.70	n.a.	23.0
Luxembourg	70.1	71.4	71.1	73.0	1.41	1.16	1.16	2.30	96.5	97.7	n.a.	80	2.90	3.10	n.a.	11.0
Hungary	60.7	62.1	63.2	75.0	1.20	1.27	1.41	1.80	84.3	81.9	n.a.	110	9.10	9.60	n.a.	14.65
Malta	61.6	63.1	64.8	70.0	0.70	0.87	0.85	2.00	103.2	102.4	n.a.	105	0.70	2.70	n.a.	10.0
Netherlands	77.0	77.2	76.5	80.0	1.89	1.97	1.98	2.50	90.6	92.0	n.a.	84	4.30	4.50	n.a.	14.0
Austria	75.2	75.6	75.5	77.0	2.68	2.81	2.81	3.76	88.4	87.4	n.a.	84	30.80	32.10	n.a.	34.0
Poland	64.5	64.7	64.9	71.0	0.75	0.89	0.87	1.70	109.3	100.5	n.a.	114	10.40	11.00	n.a.	15.0
Portugal	68.8	66.3	65.4	75.0	1.46	1.37	1.36	2.70	91.0	90.2	n.a.	101	24.50	24.60	n.a.	31.0
Romania	62.8	63.8	63.9	70.0	0.49	0.48	0.39	2.00	94.8	95.6	n.a.	119	21.20	22.90	n.a.	24.0
Slovenia	68.4	68.3	67.2	75.0	2.43	2.58	2.59	3.00	99.2	99.0	n.a.	104	19.40	20.20	n.a.	25.0
Slovakia	65.0	65.1	65.0	72.0	0.67	0.81	0.83	1.20	95.4	89.2	n.a.	113	10.30	10.40	n.a.	14.0
Finland	73.8	74.0	73.3	78.0	3.64	3.43	3.32	4.00	91.1	90.8	n.a.	84	32.70	34.30	n.a.	38.0
Sweden	79.4	79.4	79.8	80.0	3.22	3.28	3.21	4.00	90.0	86.7	n.a.	83	48.80	51.00	n.a.	49.0
United Kingdom	73.6	74.2	74.9	n.n.t.:	1.69	1.63	1.63	n.n.t.:	86.7	88.0	n.a.	84	3.80	4.20	n.a.	15.0

Member states	Energy Efficiency ¹ (Primary energy consumption - in Mtoe)				Early School Leaving (% pop aged 18-24 w/ at most lower secondary)				Tertiary Education (% of pop aged 30-34 w/ tertiary educ. attainment)				Poverty/Social exclusion ² (people at risk of poverty or social exclusion, in thousands)			
	2011	2012	2013	Target	2011	2012	2013	Target	2011	2012	2013	Target	2011	2012	2013	Target
EU (28 countries)	1596.4	1583.5	n.a.	1483.0	13.4	12.7	12.0	10.0	34.6	35.8	36.9	40.0	121742	124523	122649	-20000
Belgium	51.6	48.7	n.a.	43.7	12.3	12.0	11.0	9.5	42.6	43.9	42.7	47.0	2271	2356	2286	-380
Bulgaria	18.6	17.8	n.a.	15.8	11.8	12.5	12.5	11.0	27.3	26.9	29.4	36.0	3693	3621	3493	:
Czech Republic	40.6	40.1	n.a.	39.6	4.9	5.5	5.4	5.5	23.7	25.6	26.7	32.0	1598	1580	1508	:
Denmark	18.5	17.9	n.a.	17.8	9.6	9.1	8.0	10.0	41.2	43.0	43.4	40.0	1039	1057	1059	:
Germany	294.7	297.6	n.a.	276.6	11.7	10.6	9.9	10.0	30.7	32.0	33.1	42.0	16074	15909	16212	:
Estonia	6.1	6.0	n.a.	6.5	10.6	10.3	9.7	9.5	40.2	39.5	43.7	40.0	307	311	313	:
Ireland	13.7	13.6	n.a.	13.9	10.8	9.7	8.4	8.0	49.7	51.1	52.6	60.0	1319	1378	n.a.	:
Greece	27.0	25.9	n.a.	27.1	13.1	11.4	10.1	9.7	29.1	31.2	34.9	32.0	3403	3795	3904	-450
Spain	121.4	121.3	n.a.	121.6	26.3	24.7	23.6	15.0	41.9	41.5	42.3	44.0	12791	13090	12630	-1400
France	245.5	246.4	n.a.	236.3	11.9	11.5	9.7	9.5	43.3	43.5	44.1	50.0	11840	11760	11229	-1900
Croatia	7.9	7.6	n.a.	9.19	4.1	4.2	4.5	4.0	24.5	23.7	25.6	35.0	1384	1384	1271	-150
Italy	162.6	155.2	n.a.	158.0	18.2	17.6	17.0	16.0	20.3	21.7	22.4	26.0	17112	18194	17326	-2200
Cyprus	2.6	2.5	n.a.	2.8	11.3	11.4	9.1	10.0	46.2	49.9	47.8	46.0	207	234	240	-27
Latvia	4.3	4.4	n.a.	5.4	11.6	10.6	9.8	13.4	35.9	37.2	40.7	34.0	821	731	702	:
Lithuania	5.8	5.9	n.a.	6.5	7.4	6.5	6.3	9.0	45.7	48.6	51.3	48.7	1011	975	917	:
Luxembourg	4.5	4.4	n.a.	4.5	6.2	8.1	6.1	10.0	48.2	49.6	52.5	66.0	84	95	96	-6
Hungary	23.1	21.5	n.a.	26.6	11.2	11.5	11.8	10.0	28.1	29.9	31.9	30.3	3051	3188	3285	-450
Malta	0.9	0.9	n.a.	0.8	22.7	21.1	20.8	10.0	23.4	24.9	26.0	33.0	90	94	99	-6
Netherlands	66.3	67.4	n.a.	60.7	9.1	8.8	9.2	8.0	41.1	42.2	43.1	40.0	2598	2492	2650	:
Austria	31.9	31.8	n.a.	31.5	8.3	7.6	7.3	9.5	23.8	26.3	27.3	38.0	1407	1542	1572	-235
Poland	96.3	93.3	n.a.	96.4	5.6	5.7	5.6	4.5	36.5	39.1	40.5	45.0	10196	10128	9748	-1500
Portugal	21.9	20.9	n.a.	22.5	23.0	20.5	18.9	10.0	26.7	27.8	30.0	40.0	2601	2667	2877	-200
Romania	34.8	33.6	n.a.	43.0	17.5	17.4	17.3	11.3	20.4	21.8	22.8	26.7	8630	8907	8601	-580
Slovenia	7.2	6.9	n.a.	7.3	4.2	4.4	3.9	5.0	37.9	39.2	40.1	40.0	386	392	410	-40
Slovakia	16.2	15.7	n.a.	16.2	5.1	5.3	6.4	6.0	23.2	23.7	26.9	40.0	1112	1109	1070	-170
Finland	34.1	32.8	n.a.	35.9	9.8	8.9	9.3	8.0	46.0	45.8	45.1	42.0	949	916	854	-140
Sweden	47.8	48.0	n.a.	43.4	6.6	7.5	7.1	10.0	46.8	47.9	48.3	40.0	1538	1519	1602	:
United Kingdom	190.4	195.4	n.a.	177.6	15.0	13.6	12.4	n.n.t.	45.8	47.1	47.6	n.n.t.	14044	15078	15586	:

Source: Eurostat (Extraction date: 20/11/2014), [Overview of Europe 2020 Targets by the Commission, 2014 National Reform Programmes](#)

¹ Member States have set indicative national targets based on different indicators translated into absolute levels of primary energy consumption in million tonnes of oil equivalent (Mtoe).

² Most of the Member States have set national targets based on a reduction in the number of people living in poverty or social exclusions (compared to 2008 levels); some Member States - whose target is not included in this column - have set national targets based on different indicators related to the reduction in poverty/social exclusion (e.g. reduction in long-term unemployment for Germany, reduction in the at risk poverty rate after social transfers for Estonia).

Annex 2: The scoreboard for the identification of possible macro-economic imbalances

Values for year 2013	External imbalances and competitiveness					Internal imbalances					
	3 year average of Current Account Balance as % of GDP	Net International Investment Position as % of GDP	% Change (3 years) of Real Effective Exchange Rate with HICP deflators	% Change (5 years) in Export Market Shares	% Change (3 years) in Nominal ULC	% y-o-y change in deflated House Prices	Private Sector Credit Flow as % of GDP	Private Sector Debt as % of GDP	General Government Debt as % of GDP	Unemployment rate - 3 year average	% y-o-y Change in Total Financial Sector Liabilities, non-consolidated
Thresholds	-4/+6%	-35%	±5% (EA) ± 11%	-6%	+9% (EA) + 12%	+6%	14%	133%	60%	10%	16.5%
BE	-1.6	48.8	-0.3	-9.1	8.6	0.0	1.1	163.0	104.5	7.7	-2.4
BG	0.4	-76.2	-1.0	5.7	14.8	-0.1	6.7	134.8	18.3	12.2	3.3
CZ	-1.7	-40.1	-3.1	-7.7	3.7	-1.2	3.1	73.7	45.7	6.9	9.8
DK	6.1	39.7	-2.6	-17.9	3.4	2.8	-1.4	222.6	45.0	7.4	-0.1
DE	6.7	42.9	-1.9	-10.7	6.4	1.8	1.2	103.5	76.9	5.6	-6.3
EE	-1.2	-47.1	3.1	14.0	9.6	7.3	5.4	119.4	10.1	10.3	8.9
IE	1.1	-104.9	-3.9	-4.9	1.3	0.3	-5.7	266.3	123.3	14.2	1.0
EL	-3.9	-121.1	-4.4	-27.3	-10.3	-9.3	-1.1	135.6	174.9	23.3	-16.3
ES	-0.7	-92.6	-0.4	-7.1	-4.6	-9.9	-10.7	172.2	92.1	24.1	-10.2
FR	-1.3	-15.6	-2.3	-13.0	3.9	-2.6	1.8	137.3	92.2	9.8	-0.6
HR	-0.1	-88.7	-4.0	-20.9	0.9	-18.1	-0.2	121.4	75.7	15.8	3.4
IT	-0.9	-30.7	0.0	-18.4	4.1	-6.9	-3.0	118.8	127.9	10.4	-0.7
CY	-4.0	-156.8	-0.8	-27.2	-5.9	-5.5	-11.2	344.8	102.2	11.9	-19.5
LV	-2.8	-65.1	-1.7	8.4	10.5	6.6	0.8	90.9	38.2	14.4	5.2
LT	-1.2	-46.4	-0.6	22.1	6.0	0.2	-0.2	56.4	39.0	13.5	-1.8
LU	5.5	216.4	0.7	2.2	10.5	4.9	27.7	356.2	23.6	5.3	8.8
HU	2.2	-84.4	-4.0	-19.2	5.9	-5.0	-1.0	95.5	77.3	10.7	-0.3
MT	4.0	49.2	-1.3	-4.0	9.5	-2.1	0.4	137.1	69.8	6.4	0.7
NL	9.8	31.3	0.4	-9.2	6.3	-7.8	2.1	229.7	68.6	5.5	-3.2
AT	1.4	-0.2	0.7	-17.0	6.4	2.5	0.2	125.5	81.2	4.5	-3.6
PL	-3.3	-68.0	-4.3	-0.4	3.9	-4.4	2.9	74.9	55.7	10.0	7.6
PT	-2.5	-116.2	-0.6	-5.3	-3.0	-2.5	-2.4	202.8	128.0	15.0	-5.3
RO	-3.3	-62.4	0.3	16.4	0.7	-4.6	-1.5	66.4	37.9	7.0	3.1
SI	2.8	-38.2	-0.7	-16.6	1.3	-5.8	-4.0	101.9	70.4	9.1	-10.5
SK	0.2	-65.1	2.1	-2.2	2.5	-0.5	5.4	74.8	54.6	14.0	-0.3
FI	-1.7	8.8	0.1	-32.2	9.5	-1.3	0.7	146.6	56.0	7.9	-11.8
SE	6.1	-10.8	5.1	-15.0	8.1	4.7	3.7	201.1	38.6	7.9	9.1
UK	-3.2	-15.6	3.4	-11.7	3.8	1.6	3.4	164.5	87.2	7.9	-7.4

Source: Eurostat. Grey boxes (■) mean above threshold. Data extracted on 27 November 2014.

Annex 3: Scoreboard of key employment and social indicators

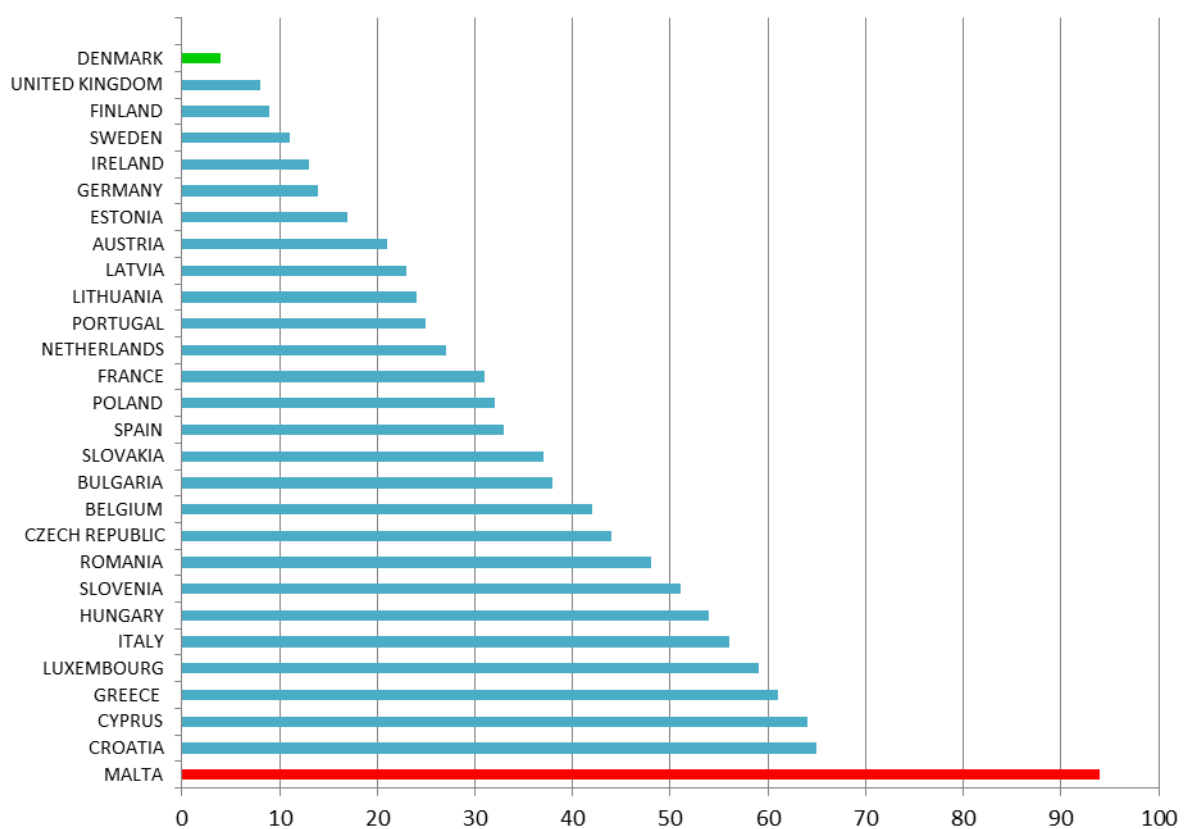
	Unemployment Rate			Youth unemployment						Real growth in gross household disposable income		At-risk-of-poverty rate			Inequalities - S80/S20		
				Youth UR			NEETs										
	Y-Y change (S1/2013-S1/2014)	Distance from EA average	Y-Y for MS to Y-Y for EA	Y-Y change (S1/2013-S1/2014)	Distance from EA average	Y-Y for MS to Y-Y for EA	Y-Y change (2012-2013)	Distance from EA average	Y-Y for MS to Y-Y for EA	Y-Y change (2011-2012)	Y-Y for MS to Y-Y for EA	Y-Y change (2012-2013)	Distance from EA average	Y-Y for MS to Y-Y for EA	Y-Y change (2012-2013)	Distance from EA average	Y-Y for MS to Y-Y for EA
EU28	-0.5	-1.3	-0.1	-1.3	-1.3	-0.9	-0.1	0.2	0.1	-0.8	0.8	-0.1	-0.3	0.0	0.0	0.0	0.0
EA 18	-0.4	n.a.	n.a.	-0.4	n.a.	n.a.	-0.2	n.a.	n.a.	-1.6	n.a.	-0.1	n.a.	n.a.	0.0	n.a.	n.a.
BE	0.1	-3.2	0.4	0.4	0.2	0.8	0.4	-0.1	0.6	1.2	2.8	-0.1	-3.3	0.0	-0.2	-1.2	-0.2
BG	-1.1	0.2	-0.7	-3.3	1.7	-2.9	0.1	8.8	0.3	-1.9	-0.2	-0.3	0.4	-0.2	0.5	1.6	0.5
CZ	-0.7	-5.3	-0.3	-2.3	-7.0	-1.9	0.2	-3.7	0.4	-1.2	0.4	-0.7	-8.1	-0.6	-0.1	-1.6	-0.1
DK	-0.4	-5.0	0.0	0.3	-10.6	0.7	-0.6	-6.8	-0.4	-0.6	1.1	0.2	-2.6	0.3	-0.2	-0.7	-0.2
DE	-0.3	-6.6	0.1	0.1	-15.7	0.5	-0.8	-6.5	-0.6	0.7	2.4	0.3	0.2	0.4	0.3	-0.4	0.3
EE	-0.9	-3.9	-0.6	-0.6	-6.3	-0.2	-0.9	-1.5	-0.7	-3.4	-1.7	-0.4	0.6	-0.3	0.1	0.5	0.1
IE	-1.9	0.2	-1.5	-2.1	2.1	-1.7	-2.6	3.3	-2.4	-1.6	0.0	0.3	-1.4	-0.1	0.1	-0.3	0.2
EL	-0.3	15.4	0.1	-5.1	30.7	-4.7	0.2	7.6	0.4	-9.8	-8.2	0.3	7.4	0.4	0.0	1.6	0.0
ES	-1.3	13.3	-0.9	-1.9	30.1	-1.5	0.0	5.8	0.2	-5.2	-3.6	1.1	3.7	0.7	0.1	1.3	0.2
FR	-0.2	-1.5	0.2	-1.6	0.1	-1.2	0.2	-1.6	-0.2	-0.8	0.8	-0.1	-3.1	0.0	0.0	-0.5	0.0
HR	0.3	5.5	0.6	-7.2	20.6	-6.8	2.9	6.8	3.1	-1.7	0.0	-0.3	1.1	-0.2	-0.1	0.3	-0.1
IT	0.5	0.9	0.9	4.1	19.4	4.5	1.1	9.4	1.3	-4.4	-2.8	0.2	2.1	0.3	0.2	0.7	0.2
CY	0.6	4.2	1.0	-0.5	13.8	-0.1	2.7	5.9	2.9	-9.0	-7.3	2.2	-2.3	2.3	0.2	-0.1	0.2
LV	-1.2	-0.5	-0.8	-1.7	-2.5	-1.3	-1.9	0.2	-1.7	4.1	5.7	-0.5	2.1	-0.4	-0.2	1.3	-0.2
LT	-0.8	-0.1	-0.4	-1.1	-2.3	-0.6	-0.1	-1.7	0.1	0.6	2.3	1.1	2.3	1.2	0.8	1.1	0.8
LU	0.4	-5.6	0.7	-1.9	-7.8	-1.5	-0.9	-7.8	-0.7	2.6	4.3	0.5	-1.7	0.6	0.5	-0.4	0.5
HU	-2.7	-3.7	-2.4	-7.2	-2.6	-6.8	0.7	2.6	0.9	-4.6	-2.9	0.7	-2.4	0.8	0.2	-0.8	0.2
MT	-0.4	-5.7	0.0	-0.5	-10.7	-0.1	-0.6	-2.8	-0.4	n.a.	n.a.	1.2	-3.1	1.3	0.2	-0.9	0.2
NL	0.6	-4.6	1.0	0.4	-12.6	0.8	0.8	-7.7	1.0	-2.4	-0.8	0.8	-5.8	0.9	0.0	-1.4	0.0
AT	0.2	-6.7	0.6	0.9	-14.0	1.3	0.6	-5.7	0.8	1.2	2.8	-0.4	-3.8	-0.3	-0.1	-0.9	-0.1
PL	-1.0	-2.2	-0.6	-2.6	1.1	-2.2	0.4	-0.6	0.6	-0.1	1.6	0.2	0.0	0.3	0.0	-0.1	0.0
PT	-2.5	3.0	-2.2	-3.3	13.2	-3.0	0.2	1.3	0.4	-3.0	-1.3	1.5	1.7	1.6	0.2	1.0	0.2
RO	-0.1	-4.7	0.3	1.1	0.9	1.5	0.4	4.4	0.6	n.a.	n.a.	0.5	4.8	0.6	0.3	1.6	0.3
SI	-0.7	-1.9	-0.3	-1.8	-3.1	-1.4	-0.1	-3.6	0.1	-4.3	-2.6	0.8	-3.7	0.9	0.2	-1.4	0.2
SK	-0.6	2.0	-0.3	-2.8	7.5	-2.4	-0.1	0.9	0.1	-1.6	0.0	-0.2	-4.6	-0.1	-0.1	-1.4	-0.1
FI	0.4	-3.2	0.8	0.1	-3.6	0.5	0.7	-3.5	0.9	0.2	1.9	-1.1	-5.4	-1.0	-0.1	-1.4	-0.1
SE	0.0	-3.6	0.4	-0.6	-0.4	-0.2	-0.3	-5.3	-0.1	3.4	5.0	1.1	-2.7	1.2	0.0	-1.3	0.0
UK	-1.3	-5.2	-0.9	-3.2	-5.8	-2.8	-0.7	0.5	-0.5	2.5	4.2	-0.6	-2.0	-0.5	-0.4	-0.4	-0.4

Source: Eurostat, [Draft Joint Employment Report](#) (accompanying the Communication from the Commission on Annual Growth Survey for 2014)

* The latest data for RO for real growth in GHDl available for 2010-11.

Annex 4: Ease of doing business in Europe

EU28 - Ease of Doing Business: in October 2014, the World Bank published a report "[Doing Business 2015: Going Beyond Efficiency](#)", which is evaluating regulatory environment for local entrepreneurs across the globe. The chart below shows economies of EU28 ranked on their "ease of doing business", looking at how much the regulatory environment has changed relative to that in other economies (see [methodology](#)). Low score (i.e. Denmark) means the regulatory environment is more conducive to the starting and operation of a local firm, while a high score (i.e. Malta) means that the environment is less supportive for new companies to start and run a business.



Source: [World Bank Group](#), (benchmark June 2014)

Annex 5: Summary of 6- and 2-pack

In its [economic governance review](#) published on 28 November 2014, the Commission assessed to what extent the mechanisms introduced by the Six Pack and Two Pack have been effective to strengthen and deepen coordination of economic policies as well as to ensure correction of excessive deficits and implementation of EU policy recommendations in the process of national budget preparations.

It is worth to point out that the ability to assess this new governance framework has been limited by at least two elements, namely a short time period of application of the new rules and, on top of it, application of these new rules under difficult economic circumstances (which leaves them untested in a more benign environment).

The Commission considered that the new rules have helped to strengthen budgetary surveillance and strengthen fiscal frameworks across the euro area. This is evidenced by encouraging performance of Member States under the preventive arm as well as those under the corrective arm of the SGP (the average EU-28 deficit expected to fall to around 3% of GDP in 2014, down from 4.5% of GDP in 2011). In addition, the scope and quality of annual budgeting and medium-term fiscal planning have been improved as they are now based on independently produced or endorsed forecasts. Finally, the reformed framework has helped to find a balance between the sustainability of public finances and output stabilisation concerns.

As to the Macroeconomic Imbalance Procedure (MIP), the Alert Mechanism Report and its scoreboard proved (which evolved over time to strengthen the EMU's social dimension) to be a useful instrument in providing first assessment of risks of imbalances as well as of their correction. While in-depth reviews have proven to be a core part of the MIP, the effectiveness of excessive imbalance procedure cannot be assessed as it has not been yet triggered.

Regarding the strengthened monitoring and surveillance of Member States threatened or experiencing financial stability difficulties, it appears to be too early to judge the effectiveness of these new provisions as 1) no euro area Member States has yet been placed under enhanced surveillance and 2) Ireland, Spain and Portugal have been under post-programme surveillance for less than a year.

To conclude, the various pieces of legislation have overall bolstered the economic governance setup in the aftermath of an unprecedented economic and financial crisis. Though, the effectiveness of several elements of the framework remains to be proven (e.g. the debt benchmark rule, the role of sanctions to foster better enforcement of budgetary surveillance). These achievements have however come at a cost of increased complexity and lower transparency of the whole framework. The Commission plans to discuss possible areas for improvement in this regard with European Parliament and the Council in the coming months.