

Economic Dialogue and Exchange of Views with the President of the Council (ECOFIN)

ECON on 21 January 2019

Eugen Orlando TEODOROVICI, [Minister of Public Finance](#), is participating in the ECON Committee in his capacity of President of the ECOFIN Council during the Romanian Presidency (January - July 2019). According to the Treaty of the Union "Member States shall regard their economic policies as a matter of common concern and shall coordinate them within the Council".

This briefing provides an overview of the Romanian Presidency priorities in ECON matters and the Council work programme on the European Semester for economic coordination during spring 2019. Reference is also made to further reading relating to the state-of-play on the implementation of the Stability and Growth Pact and the Macroeconomic Imbalance Procedure under the European Semester.

1. The Ecofin priorities of the Romanian Presidency

Romania took over from Austria the Council Presidency on the 1 of January 2019. This is the first time Romania is holding a rotating Presidency of the Council. Since exiting the [balance of payments assistance programme](#) in 2015, Romania was subject to post-programme surveillance until April 2018. The [Trio of Presidencies](#) includes also Finland and Croatia.

Romania has built its Presidency [priorities](#) around four pillars:

- Europe of convergence
- A safer Europe
- Europe, a stronger global actor
- Europe of common values

Ecofin matters are mostly dealt in the first pillar. In that pillar, the RO Presidency defined the following objectives, aiming at promoting growth and investment and supporting structural reforms and fairness:

- *"taking forward the negotiation process on the 2021-2027 Multiannual Financial Framework.*
- *developing the EU social dimension, through the enforcement of the European Pillar of Social Rights.*
- *advancing the EU agenda in the economic and financial fields, in order to stimulate growth and investment, to deepen the Economic and Monetary Union, as well as to support structural reforms.*
- *promoting research and innovation, digitalization and connectivity, in order to increase the competitiveness of the European economy and industry".*



The [PRES work programme](#) for the Ecofin Council includes, *inter alia*:

- continuing discussions to improve resilience the euro area (Monetary Union, completion of the Banking Union, use of the European Stability Mechanism as a backstop for the Single Resolution Fund, European Insurance Deposit Mechanism); Capital Markets Union, implementation of the Commission Fintech Action Plan and sustainable finance;
- excise duties, taxation of the digital economy, modernisation of the VAT system, common corporate tax base; further develop the list of non-cooperative jurisdictions, the draft Regulations on financing border control equipment, on Customs post-2020 and on Fiscalis post-2020;
- holding the debates on the European Semester (conclusions on the Annual Growth Survey, the Alert Mechanism Report and the recommendations for the Euro Area and the approval of the Country-Specific Recommendations package for 2019-2020);
- facilitating discussions on the development of a Reform Support Programme and of EUInvest; ensuring the discharge for budget implementation for 2017, the future implementation of the 2019 budget and the preparatory work for the 2020 budget.

The work programme mentions in addition that the Presidency will ensure appropriate coordination between Eurogroup and Ecofin so as to ensure Europe's unity, in particular in a post Brexit context.

The Romanian priorities are aligned with those of the Trio of Presidencies. One could note, however, that the [Trio Work Programme](#) refers additionally to simplifying the rules of the Stability and Growth Pact.

Eugen Orlando TEODOROVICI (born 1971) is the Minister of Public Finance in the Romanian Government. He has been member of the national parliament, Minister of Public Finance (from March to December 2015), Minister for European Funds (December 2012 to March 2015), State Councillor of the Prime Minister (from May to December 2012) and State Secretary (November 2007 to January 2009) in charge of managing, namely, public debt and European funds. He has held various high level positions in the Romanian public administration namely related to managing European funds, infrastructures and European affairs and integration. He also served as Director at the Audit Authority in the Court of Accounts of Romania (June 2009 to May 2012).

He holds a Masters in International Affairs and European Integration (2004-2006) and a degree in Economics (1993-1997).

Mr. Teodorovici represented Romania in various international institutions, such as the EIB, EBRD, IBRD.

He has been appointed Minister of Public Finance in 29 January 2018.

2. Council roadmap on the European Semester

In October 2018, the Austrian Presidency of the Council, together with the Romanian incoming Presidency, prepared a [roadmap](#) outlining the key steps of the 2019 European Semester. This is an established practice, set with the objective to ensure that all relevant Council configurations¹, and their preparatory bodies, work in a coordinated and consistent way towards a thorough preparation of the European Council debates on the European Semester.

The roadmap is composed of two phases: the first one, more detailed, covers the period up to the March European Council; the second one, more indicative, covers the period between the European Council meetings in March and June 2019.

¹ The Council formations mainly involved in the European Semester are those composed of Ministers of Finance (ECOFIN), Ministers for Employment, Social Policy, Health and Consumer Affairs (EPSCO) and General Affairs (GAC). The Competitiveness Council and the Environment Council also hold thematic debates on specific European Semester issues.

It is noted that *“The Presidency and the incoming Presidency acknowledge the parliamentary dimension, both at national and European level, of the European Semester and take note of the intention to hold a joint debate on the European Semester with the European Parliament in March 2019”*.

More specifically, in 2019 the Council will, *inter alia*:

- approve the draft recommendation on the economic policy of the Euro area (January);
- hold a joint debate on the European Semester at the EP plenary session (March);
- adopt its conclusions on the Annual Growth Survey 2019 (March);
- adopt the Joint Employment Report (March);
- prepare its Synthesis report on Council contributions on the 2019 European Semester (March);
- update the roadmap for the 2019 European Semester.



The European Semester from a Parliamentary perspective
European Parliamentary Week 2019

The European Parliamentary Week (EPW) as organised by the European Parliament alongside the Republic of Romania, the Presidency Member State, will take place on the 18 and 19 February 2018 at the premises of the European Parliament in Brussels. As in previous years, the EPW will bring together Parliamentarians from all over the European Union to discuss economic, budgetary and social matters. It consists of the European Semester Conference and the Interparliamentary Conference on Stability, Economic Coordination and Governance in the European Union.

FURTHER INFORMATION:

<http://www.europarl.europa.eu/relnatpar/en/conferences/european-parliamentary-week.html>

On [22 January ECOFIN](#) will discuss “InvestEU”, adopt conclusions on the Annual Growth Survey and on macroeconomic imbalances in the Member States. It will also approve a draft recommendation on the economic policies of the euro area.

The draft Council [draft conclusions on the 2019 AGS](#) underlines among other things the importance of monitoring performance and policy implementation, including implementation of the country specific recommendations, throughout the year. The Council looks forward a substantial discussion in March 2019 on the implementation of the country specific recommendations, while acknowledging the particular timing constraints for the agreement of the 2019 Country-specific recommendations. It therefore calls for the early adoption in May of the Commission's proposals in order to ensure a genuine multilateral European Semester and national ownership of well-founded recommendations.

The ECOFIN preparatory bodies have [amended the COM 2019 Euro Area Recommendation proposals](#), notably concerning the commitments to debt reduction and rebuilding of fiscal buffers and the framing of discussions regarding EDIS and the deepening of the EMU. References were added to the Capital Markets Union, fight against aggressive tax planning and promoting "quality job creation".

Ministers will also take stock of ongoing negotiations on reviewing the existing architecture of financial supervision in particular with the aim to decide on strengthening of the supervision of anti-money laundering (AML).

Furthermore, Ministers will discuss the follow-up to the December Euro Summit when leaders achieved an agreement on the key features of the reform of the economic and monetary union. The Romanian presidency is due to present the work programme in the economic and financial area for the next six months.

3. Further reading on European Semester

Further information relating to the implementation of the European Semester:

Implementation of the Stability and Growth Pact - January 201

This document gives an overview of key developments under the preventive and corrective arms of the Stability and Growth Pact (SGP) on the basis of (1) the latest Council decisions and recommendations in the framework of the SGP (2) the latest European Commission (COM) economic forecasts; and (3) the latest COM opinions on the Draft Budgetary Plans (DBPs) of euro area Member States. The document is regularly updated.

Structural budget balances in EU Member States – December 2018

This document provides a short overview of the concept and application of the structural balance rule(s) in the EU. It is regularly updated, in particular, the Annex that shows progress made (based on the latest Commission forecast) by Member States in reaching their structural budget commitments under the preventive arm of the SGP.

Public finances in Euro Area Member States: selected indicators - January 2019

This document presents selected indicators on public finance for the Euro Area Member States and the Euro Area as a whole for 2017 2018 (estimates). For each indicator, it gives a short explanation and the source used. A final section provides a summary on how the sustainability of public finances is assessed by European and international institutions.

Implementation of the Macroeconomic Imbalance Procedure: State-of-play - December 2018

This note presents the Member States' situation with respect to the Macroeconomic Imbalance Procedure, taking into account recent assessments and decisions by the European Commission and the Council. It also gives an overview of relevant comments on the MIP published by EU institutions.

Recommendations on the economic policy of the euro area under the European Semester - January 2019

This note presents information on the Eurogroup's policy actions in relation to the 2018 euro area recommendations and provides an overview of the recommendations addressed to the euro area as a whole under the European Semester for 2019.

Member State's progress towards the EU2020 targets – January 2019

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