The 2019 in-depth reviews (IDRs)

Horizontal points

EP Seminar 4 April 2019
The IDR package

As selected in the AMR-2019, 13 in-depth reviews (IDRs) embedded in Country Reports

- 11 countries identified with imbalances in last cycle plus the two new countries, Greece and Romania.

A Communication (COM(2019)150) summarising the key elements of the package and including country paras communicating IDR conclusions (CR 1176/2011 A5.3)
Broad structure of 2019 Country Report: stable with respect to last year

Executive summary

1. Economic situation and outlook
2. Progress with CSR implementation
3. Summary of main findings from IDR analysis (including MIP assessment Matrix)
4. Reform priorities (integrating IDR relevant analysis)
   • including public finance and taxation/ financial sector and housing/ labour market, education and social policies/ competitiveness and investment

Annex: CSR implementation overview table/DSA/ standard tables/ investment guidance
IDR identifiability

Summary of main findings from IDR analysis

MIP assessment Matrix

Reform priorities (public finance/financial sector/…)

Progress with policy agenda to address imbalances
Growth conditions continue to support further rebalancing but outlook is uncertain

Real GDP (y-o-y)
Source: Ameco
External rebalancing not complete

Current account balance (% GDP), Balance of Payments

Source: Ameco
External debt positions continue to strengthen even if stocks often remain high.

Net International Investment Position (% GDP)

Source: Eurostat and Commission projections
Private sector deleveraging is on-going and is mainly passive

Private Sector Debt (% GDP, consolidated)
Source: Eurostat and Commission projections
Government debt ratios remains high

General Government Debt (% GDP)
Source: Eurostat and Ameco
NPLs further reduced but remain high in some countries

Gross non-performing debt (% of total debt instruments and total loans and advances, in domestic banking groups and stand-alone banks, EU and non-EU foreign controlled subsidiaries and EU and non-EU foreign-controlled branches.

Source: ECB
House prices generally grow from different starting points

% y-o-y change in Deflated House Price Index

Source: Eurostat and European Commission
Unemployment continue its decline

Unemployment Rate

Source: Eurostat and Ameco
### Sources of identified imbalances

<table>
<thead>
<tr>
<th>Source of Imbalance</th>
<th>Countries Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External position</strong></td>
<td>DE, IE, ES, HR, CY, NL, PT, RO, EL</td>
</tr>
<tr>
<td><strong>Competitiveness and/or productivity</strong></td>
<td>FR, HR, IT, CY, PT, RO, EL</td>
</tr>
<tr>
<td><strong>Household indebtedness and/or housing sector</strong></td>
<td>IE, ES, HR, CY, NL, SE</td>
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<tr>
<td><strong>Corporate indebtedness</strong></td>
<td>BG, IE, ES, HR, CY, PT</td>
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<tr>
<td><strong>Public debt / fiscal risks</strong></td>
<td>IE, ES, FR, HR, IT, CY, PT, EL</td>
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<tr>
<td><strong>Financial sector/ NPL</strong></td>
<td>BG, IE, IT, CY, PT, EL, RO</td>
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*Labour market adjustment issues*  
**EL, ES, IT, CY**
Macroeconomic imbalances procedure – Outcome of the in-depth reviews
TACK
Extra slides
Unit labour cost ....

Nominal ULC

Source: Eurostat and Ameco
Household debt

Household debt, consolidated (% GDP)

Source: Eurostat
Corporate debt

NFC debt, consolidated (% GDP)

Source: Eurostat