



Committee on Budgets

2016/2306(INI)

25.1.2017

OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on European Semester for Economic Policy Coordination: Annual Growth
Survey 2017
(2016/2306(INI))

Rapporteur (*): Jean-Paul Denanot

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Considers that the EU budget could provide added value for investment and structural reforms in Member States if greater synergy between existing instruments and linkage with Member States' budgets is introduced; believes, therefore, that the Annual Growth Survey (AGS), as an important policy document which provides basic content for national reform programmes, country-specific recommendations (CSRs) and implementation plans, should serve as a guideline for Member States and for the preparation of national budgets, with a view to introducing joint solutions that are visible in national budgets and are linked to the EU budget;
2. Agrees that stability mechanisms are essential, and recalls that implementation of and compliance with the criteria established by the Stability and Growth Pact should be a priority for Member States; welcomes making full use of the existing flexibility clauses in order to support greater investment and structural reforms and deal with security threats and refugee inflows;
3. Recalls that improving the systems for collecting VAT and customs duties should be of highest priority for all Member States; welcomes the Commission's proposal for establishing an EU blacklist of tax havens, which should be enforced by criminal sanctions in order to deal with multinationals that evade taxes; welcomes the Commission's proposals for establishing a Common Consolidated Corporate Tax Base, which should enhance cross-border activities and reduce tax evasion and aggressive tax planning; recalls the need for the introduction of a reform of the own resources system that can lead to a true reform of EU financing without increasing the tax burden on citizens;
4. Considers that growth is still insufficient to create jobs that the EU urgently needs, especially for its young people, and that it is necessary to encourage public and private investment in infrastructure and education and training, as well as SMEs, and to promote actions to tackle unemployment, such as the Youth Guarantee; welcomes the further boost of the Youth Employment Initiative, involving an additional EUR 500 million under the YEI specific allocation, matched by EUR 1 billion from the European Social Fund for the period 2017-2020, which will allow several YEI-eligible Member States the possibility of investing more of their ESF funding in youth employment measures;
5. Welcomes the Commission's proposal to extend and expand the European Fund for Strategic Investments (EFSI) in terms of duration and financial capacity; highlights that reinforcement of EFSI is important in order to return investment back to its long-term sustainable trend, to continue delivering concrete results, and to provide project promoters with the certainty that they will still be able to prepare projects after the initial investment period; expects further improvements in the areas of additionality, geographical and sectorial coverage, and transparency; underlines the potential of synergies between EFSI and the European Structural and Investment Funds (ESIFs), in particular with regard to their contribution to territorial cohesion; calls on the European and national institutions to better involve regional and local authorities in order to address low project generation

capacity and borrowing capacity in some Member States;

6. Reiterates that investing and stimulating investment in innovation and ICT should be a core economic policy at EU level in order to generate sustainable growth;
7. Considers that the banking system's responsibility has to be increased in order to ensure both long-term investment and stability on the financial markets;
8. Stresses the importance of a fair and cohesive EU investment policy that is capable of generating growth across the EU but also of facilitating the reduction of the existing gaps between Member States;
9. Is convinced that SMEs and start-ups are essential for the future development of the EU' economy, and reiterates the need for stronger investment and fiscal policies designed to stimulate them further;
10. Is convinced that monetary policy, if strongly supported by a proper budgetary policy, can boost economic development, sustainable growth and job creation;
11. Considers that the existence of differing demographic developments in each Member State should alert the Member States to the need to put public deficits into perspective;
12. Recalls that the use of the ESIFs is subject to macroeconomic conditions; bearing in mind the correlation between good economic governance and absorption capacity, calls on the Commission to encourage use of the ESIFs for the implementation of the CSRs by prolonging the fiscal adjustment period within which the ESIFs are used as a flanking measure for implementing structural reforms and achieving increased investment;
13. Stresses that, compared to other large markets such as the US, the EU has strict fiscal rules, uneven legislation across Member States and a large number of different limitations which represent obstacles to progress, innovative solutions and growth; calls on the Commission, therefore, to carry out a more detailed discussion with Member States on common activities and rules that need to be established at EU level in order to support the exchange of knowledge, experiences, technologies, innovation, development and fast start-up growth prior to the presentation of the Annual Growth Survey.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	25.1.2017
Result of final vote	+: 27 -: 2 0: 3
Members present for the final vote	Nedzhmi Ali, Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, Manuel dos Santos, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Esteban González Pons, Ingeborg Gräßle, Iris Hoffmann, Monika Hohlmeier, Zbigniew Kuźmiuk, Vladimír Maňka, Victor Negrescu, Jan Olbrycht, Urmas Paet, Paul Rübig, Petri Sarvamaa, Patricija Šulin, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Daniele Viotti, Tiemo Wölken
Substitutes present for the final vote	Jean-Paul Denanot, Ivana Maletić, Marco Valli
Substitutes under Rule 200(2) present for the final vote	Paul Brannen, Ulrike Lunacek