

## European Semester: Annual Growth Survey 2015

The European Semester is an annual exercise allowing coordination of the budgetary and economic policies of the Member States. The 2015 cycle started in November 2014 with the Annual Growth Survey which outlined the main economic priorities for the EU, and recommended three main pillars to promote growth and economic recovery. The Survey also proposed to streamline the European Semester, in order to improve the implementation of country-specific recommendations.

### Annual Growth Survey within the European Semester cycle

The [European Semester](#), introduced in 2010, enables the coordination of the Member States' budgetary and economic plans at set times throughout the year. The exercise allows them to comment on each other's plans while the European Commission's role is to review all their fiscal and structural reform policies, provide recommendations and monitor their implementation. The European Semester cycle starts in November each year when the Commission adopts the Annual Growth Survey (AGS), which sets out the broad economic priorities for the EU and gives the Member States policy guidance for the forthcoming year. The AGS also underpins the country-specific policy recommendations (CSRs) on structural and fiscal reforms given by the EU to each Member State the following spring.

### Annual Growth Survey 2015

The 2015 AGS [recommends](#) three main pillars to promote higher growth rates and strengthen the recovery: boosting investment (including by the [Investment Plan](#) expected to mobilise up to €315 billion), reinforcing structural reforms (removing barriers to the Single Market and, at national level, improving labour markets, pension and social protection systems, product and services markets, the business environment, research and innovation, and public administration) and pursue responsible and growth-friendly fiscal consolidation (by securing long-term control over deficit and debt levels, and addressing tax fraud and tax evasion). The AGS also proposed to streamline European economic governance so that the [unsatisfactory](#) implementation of the key CSRs is improved. The Commission aims to increase the focus and ownership of the European Semester by simplifying the Commission's contributions to the process, reducing reporting requirements for the Member States and introducing measures to make the process more multilateral and open. The first modifications will be tested and implemented in the 2015 cycle, and further proposals will be [developed](#) in the coming months.

### EU institutions

The December 2014 economic dialogue on the 2015 AGS with the Commission Vice-President, Valdis Dombrovskis (responsible for the euro and Social Dialogue) [stimulated](#) a lively debate in the EP. Dombrovskis stressed that all three pillars are equally important and the Commission would not attribute proportions to each pillar. He added that the recovery from the crisis was fragile reflecting structural weaknesses in the European economies. The Council examined the 2015 AGS and [suggested](#) further improvements such as revised timetable, more streamlined CSRs, increased ownership of CSRs by the Member States (by benchmarking, for example) and more flexibility in defining implementation of the CSRs.

On 24 February 2015, the Economic and Monetary Affairs Committee (ECON) voted on its [report](#) on the AGS 2015 (rapporteur Dariusz Rosati, EPP, Poland). The report welcomes streamlining of the European Semester, supports the three-pillar approach to help the economy recover and highlights the need to further pursue structural reforms. The Committee calls on the Member States to actively support the Investment Plan and sees a need for a special regime for SMEs within its Investment Fund. Furthermore, ECON calls on the Commission to propose measures increasing democratic accountability in EU economic governance and deplores the fact that the Single Market Integration Report was not been submitted with the 2015 AGS.