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TO THE OPINIONS OF THE

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

PLENARY SESSION OF FEBRUARY 2020

N°	Title	References
	SG.D1	
1.	**Annual Sustainable Growth Survey 2020** Rapporteur: Tommaso DI FAZIO (GR.III-IT)	ECO/502 COM(2019) 650 final EESC-2019-05232-00-03-AC
	ECFIN	
2.	**Euro area economic policy 2020** Rapporteur: Petr ZAHRADNÍK (GR.I-CZ)	ECO/503 COM(2019) 652 final EESC-2019-04990-00-02-AC

N°1	Annual Sustainable Growth Survey 2020 COM(2019) 650 final EESC 2019/5232 - ECO/502- 550th Plenary Session – February 2020 Rapporteur: Tommaso DI FAZIO (GR.III-IT) SG – Executive Vice-President DOMBROVSKIS
Points of the European Economic and Social Committee opinion considered essential	**European Commission position**
1.1 The EESC welcomes the approach taken by the annual growth strategy for 2020, based on the four key pillars that are the environment, productivity, stability and fairness. [...]	The Commission welcomes the Committee's support to the approach taken by the Annual Sustainable Growth Strategy for 2020.
1.8. The EESC regrets that the Communication from the Commission gives little space to the annual report on growth in the Union. […] In the EESC's view, the greatest priority of all is to restore sustainable growth, above all in the weakest countries and regions, with a strong increase in European GDP in order to generate prosperity and the wealth that is crucial to supporting the strategy;	The Commission agrees that the overriding priority of economic policy coordination was and remains to create sustainable growth, not as a goal in itself but in order to serve the people and the planet. To this end, the Commission put forward a growth strategy centred on the concept of competitive sustainability, bringing together the four crucial dimensions of environmental sustainability, productivity, fairness and economic stability. The Commission also agrees that sustainable growth is particularly relevant in the weakest Member States and regions so that upward economic and social convergence can be realised.
1.10. The EESC hopes that measures governing investment will be studied and adopted and that they will, while taking account of the constraints of the Stability Pact – or by way of exception from them and from the State aid rules – enable all countries to invest the amounts needed to meet their own objectives set in the	The Commission agrees that, like structural reforms, investment is a crucial dimension of any sustainable growth strategy. As explicitly underlined in the Annual Sustainable Growth Strategy, reconciling the various dimensions of competitive sustainability will require significant

integrated energy and climate plans;	public and private investment in various areas such as education, retraining and innovation. This is even more the case in light of the economic impact of the COVID-19 pandemic and the measures taken to contain the outbreak of the virus. In this context, the activation of the general escape clause of the Stability and Growth Pact aims to help Member States, allowing them to pursue a fiscal policy that will facilitate the implementation of all measures necessary to adequately deal with the crisis while ensuring medium-term sustainability.
1.18. The EESC believes that more robust single market governance infrastructure needs to be put in place at EU and national level, together with thorough-going administrative simplification, an ambitious process of digitalisation and intensive capacity-building initiatives for all stakeholders;	The Commission shares the comments of the Committee. Different actions have been taken to improve governance. For instance, market surveillance is a key priority for the Commission to improve the economic and safety performance of the Single Market for goods. The Commission also agrees that stakeholders' involvement is key to successful governance, also in the context of the post-COVID-19 economic reconstruction.
1.20. The EESC advocates new governance structures across a range of levels that can ensure the involvement of the local economy and civil society in designing and implementing fair measures that reflect the circumstances in which they operate.	The Commission welcomes the Committee's support for inclusive governance structures, which allow local economic actors, as well as civil society, to participate in policy design and implementation.

N°2	**Euro area economic policy 2020** **COM(2019) 652 final** **EESC 2019/4990 - ECO/503** **550th Plenary Session – February 2020** **Rapporteur: Petr ZAHRADNÍK (GR.I-CZ)** **DG ECFIN – Commissioner GENTILONI**

The economic shock caused by the coronavirus pandemic requires an unprecedented response, and the European Union is mobilising all available resources to invest in the economy on a massive scale.

To this end, the Commission has adopted temporary state aid rules so governments can provide liquidity to the economy to support citizens and companies, in particular small and medium-sized enterprises, as well as farmers. The Commission has also triggered the general escape clause under the Stability and Growth Pact, the EU's fiscal framework. This allows Member States to undertake measures to deal adequately with the crisis, while departing from the budgetary requirements that would normally apply.

The fiscal measures taken at national level represent around 3% of the EU's GDP, or around €430 billion in absolute terms. Separately, liquidity support measures put in place by Member States to support firms and workers are around 16% of the EU's GDP, or around €2,240 billion in absolute terms.

National fiscal and liquidity measures are complemented by:

- €100 billion from the Commission's Support to mitigate Unemployment Risks in an Emergency (SURE) initiative to finance short-time work schemes, protecting people in work and jobs;

- €200 billion from the European Investment Bank to support businesses, especially SMEs;

- €240 billion from the European Stability Mechanism's Pandemic Crisis Support to assist Member States with direct and indirect healthcare costs.

These three important safety nets for workers, businesses and sovereigns endorsed by the European Council on 23 April 2020 amount to a package worth €540 billion.

Through a major proposal for a recovery plan, the Commission has also proposed to deploy a reinforced EU budget to help repair the immediate economic and social damage brought by the coronavirus pandemic, kick-start the recovery and prepare for a better future for the next generation.

To mobilise the necessary investments, the Commission has put forward a two-fold response:

- A new recovery instrument (Next Generation EU) of €750 billion including a Recovery and Resilience Facility embedded in the European Semester, a new Solvency Support

Instrument to provide urgent equity support to sound companies and a strengthened InvestEU programme.

- A reinforced long-term budget of the European Union for 2021-2027 of €1.1 trillion.

Together with the already agreed safety nets for workers, businesses and public finance of EUR 540 billion in loans, our recovery effort will be EUR 2.4 trillion in total.

The Commission will continue to take into account the Committee's recommendations received so far when taking the next steps to further mitigate the socio-economic consequences of the pandemic, to promote fair taxation and a sustainable and digital economy.