



# European Semester 2016

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**Secretariat-General**  
**of the European Commission**

**European Economic and Social Committee**  
**1 June 2016**

## Economic and social context

# Economic and social context

- A **moderate and fragile economic expansion**
- A **challenging context**
  - Global growth has slowed down
  - Rebounding oil prices
  - Appreciation of the euro
- **Supportive policy mix** in the euro area
- Favourable conditions for a **rebound in investment**
- **Labour market conditions** continue to **improve**
- **Social conditions:** improving gradually; still far from pre-crisis level in many Member States

# Institutional context

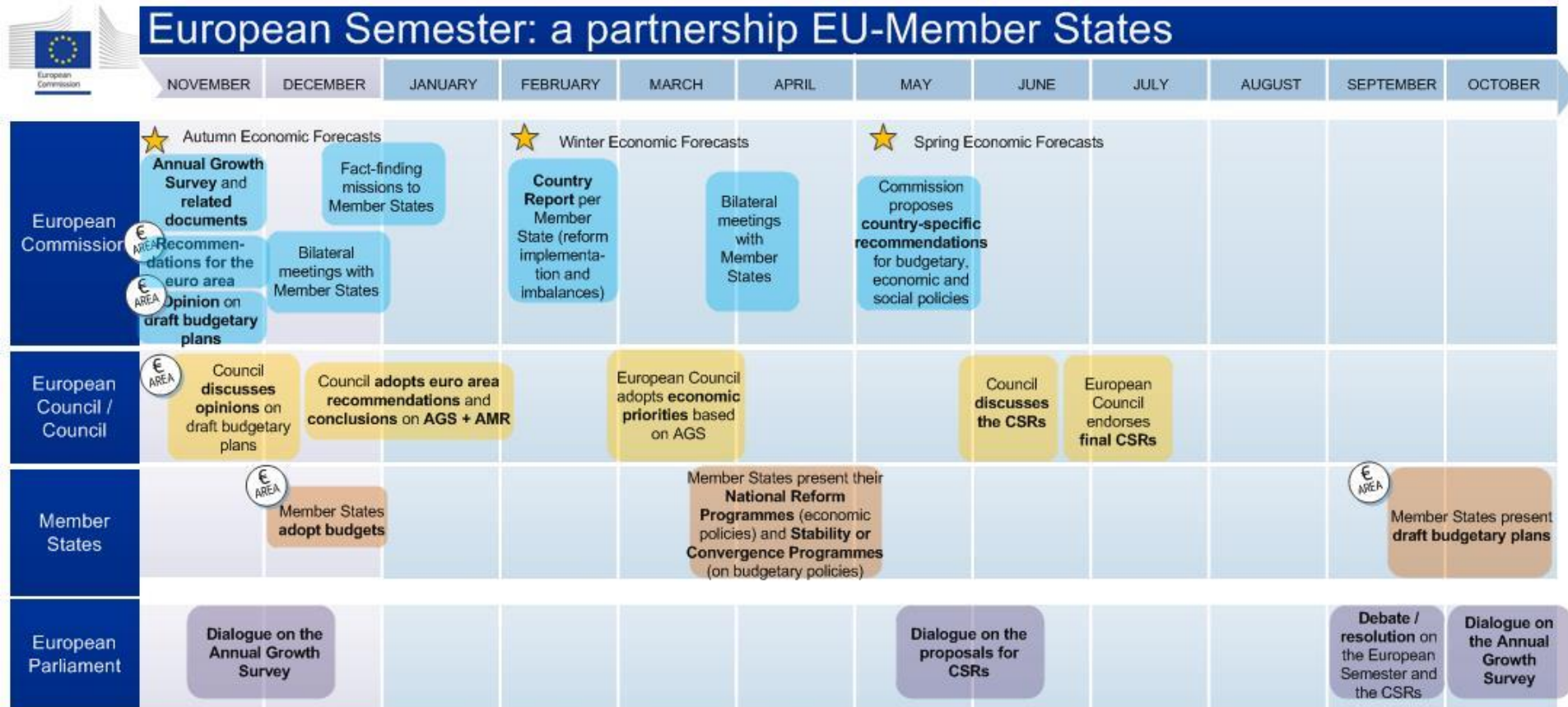
- **Streamlining:** focus on key macro-relevant and social issues
- **Ownership:** Strengthened dialogue with the European Parliament and national Parliaments/stakeholders (social partners and more); European Semester visits to MS
- Better **integration of the global (EU/euro-area) and national dimensions**
- Stronger **social dimension**
- **Completing EMU** – a successful European Semester is part of stage 1

# The 2016 CSRs: content and process



# The 2016 European Semester

## European Semester: a partnership EU-Member States



GLOSSARY: AGS: Annual Growth Survey – AMR: Alert Mechanism Report – CSR: Country-Specific Recommendations

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## Content of the package

- **Overarching Communication:** narrative, approach to CSRs, overview
- **CSRs for 27 Member States** (all except Greece)
- **Decisions under the Stability and Growth Pact**

*Thematic fiches have been published at the same time as the package*

## The approach of the 2016 CSRs (1)

- **The 2016 country-specific recommendations are focused and streamlined**
  - Only key priority issues of macro-economic and social relevance
  - Reflecting the degree of macroeconomic imbalances
  - Actions to be taken within 12 to 18 months
- ***Reduced number of recommendations***



## The approach of the 2016 CSRs (2)

- The 2016 CSRs reflect the priorities on the Commission's economic and social agenda...
  - Removing barriers to financing and supporting public and private investment
  - Improving the business environment and productivity
  - Adapting public finances to make them more supportive of growth
  - Improving employment, human capital, social inclusion and protection
- ... and take into account the recommendations for the euro area

# A tailored response to the country-specific policy challenges

## Challenges

- High private and public debt
- External adjustment and competitiveness
- Unemployment and the social impact of the crisis
- Low growth potential
- Financial stability and credit provision

## Policy response by MS, in line with the AGS priorities

- Reform public administrations, labour and product markets, education/skills...
- Address barriers to investment and business activity
- Fiscal sustainability and quality of public finances



# Economic governance decisions

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- **Stability and Growth Pact**
  - Recommendations for EDP abrogations: CY, IE and SI
  - Articles 126(3) reports: BE, FI and IT: compliance with the Stability and Growth Pact
  - IT: new report in autumn
  - Recommendation for a durable correction of the excessive deficit in 2016: PT
  - Recommendation for a durable correction of the excessive deficit in 2017: ES
  - PT and ES: new assessment in July
- **Macroeconomic imbalances procedure:** no need to step up the procedure at this stage for PT and HR

## Next steps



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- May-June 2016: discussion of the country-specific recommendations in the committees of the Council and in the relevant Council formations
- 28-29 June 2016: endorsement of the country-specific recommendations by the European Council
- 12 July 2016: final approval of the country-specific recommendations by the Ecofin Council



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