EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 29 May 2013

Moving Europe beyond the crisis: country-specific recommendations 2013

Brussels, 29 May 2013 – The European Commission has today adopted recommendations to EU Member States designed to move Europe beyond the crisis and strengthen the foundations for growth. These recommendations are based on detailed analyses of each country's situation and provide guidance to governments on how to boost their growth potential, increase competitiveness and create jobs in 2013-2014. Taken together, they represent an ambitious set of reforms for the EU economy. As part of today's package, which marks the culmination of the third European Semester of policy coordination, the Commission has also adopted several decisions under the Excessive Deficit Procedure.

President Barroso said: "Now is the time to step up the fundamental economic reforms that will deliver growth and jobs, which our citizens, especially our young people, anxiously expect. This is the only way to address the two lasting legacies of this crisis – the serious loss of competitiveness in many of our Member States, and persistent unemployment, with all its social consequences. The recommendations issued by the Commission today are part of our comprehensive strategy to move Europe beyond the crisis. They are concrete, realistic, and adapted to the situation of each of our Member States."

A number of key messages have emerged from this round of country-specific recommendations (CSRs). The Commission's analysis shows that rebalancing is underway in the EU. Most Member States are making progress on fiscal consolidation and are implementing reforms to increase competitiveness. However, the pace and impact of these efforts varies. Some Member States need to accelerate reforms or to implement them with greater urgency.

A major challenge is to tackle rising unemployment, especially youth unemployment, by increasing the use of active labour market policies or by reforming education and training systems to make sure jobseekers are equipped with the right skills for the jobs we have. More can also be done to create the conditions for businesses to invest and create jobs, including by improving competition in product and service markets and promoting investment in research, innovation and resource efficiency. Moreover, fiscal consolidation should continue, albeit at a different pace, while remaining pockets of vulnerability in the banking sector need to be addressed.

The package:

The package includes:

- A Communication outlining the main findings of the Commission's country by country analysis, and how this can boost growth and job creation in the EU as a whole.
- 24 sets of recommendations, one set for every Member State - excluding Greece, Ireland, Portugal and Cyprus,- and a separate set for the euro area as a whole. The recommendations contain country-specific guidance on budgetary, economic and social policies, taking account of the individual situation of each Member State.
- Detailed analyses underpinning the recommendations, presented in 29 staff working documents (one for every EU Member State, one for the euro area and one for Croatia).
- In parallel with the European Semester recommendations, the Commission has also adopted a number of decisions under the Excessive Deficit Procedure, reflecting the latest developments in Member States that are expected to bring their government deficit below the EU's 3% of GDP threshold. [1]

1. **The 2013 country-specific recommendations (see MEMO/13/458)**

The CSRs offer bespoke policy advice that guides national policies every year. This is done on the basis of a review of each Member State's economic and social performance in the previous year, and EU-wide priorities for jobs and growth set out in the Commission's Annual Growth Survey (MEMO/12/910).

In March, Member States agreed on the five priorities proposed by the Commission for 2013: pursuing differentiated growth-friendly fiscal consolidation, restoring normal lending to the economy, promoting growth and competitiveness, tackling unemployment and the social consequences of the crisis and modernising public administration.

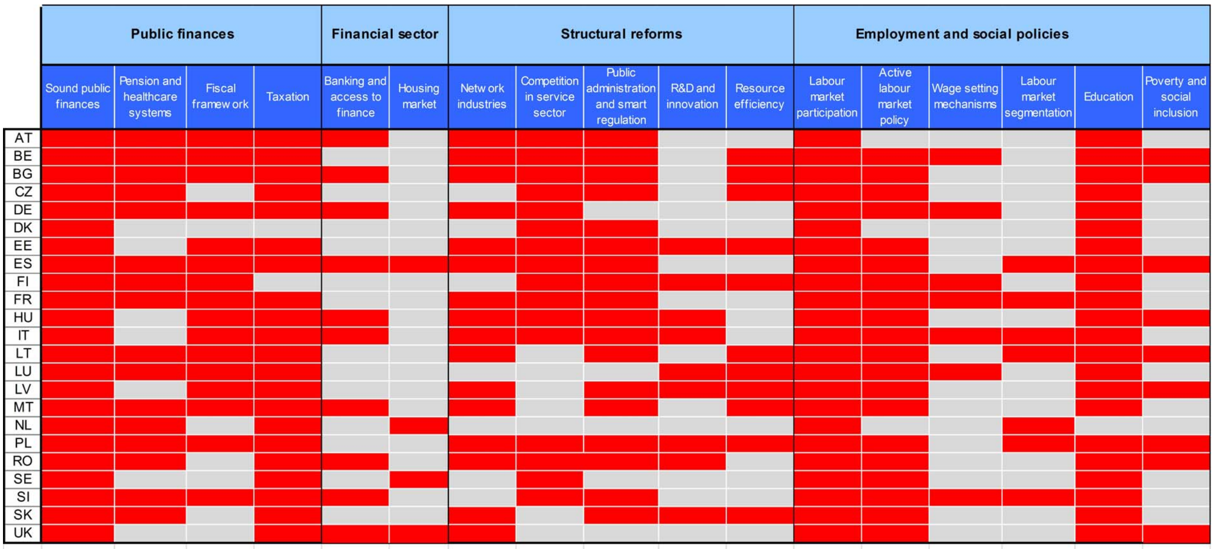
The recommendations are drafted by the Commission services and adopted by the College of Commissioners. They are drafted after a thorough assessment of the implementation of last year's country-specific recommendations, combined with a detailed analysis of the national reform programmes and stability or convergence programmes[2] that Member States submitted in April. This analysis is set out in staff working documents accompanying the proposals.

1 Hungary, Italy, Latvia, Lithuania, Romania, Malta. Spain, France, the Netherlands, Poland, Portugal, Slovenia and Belgium.

2 Stability programmes are submitted by euro area Member States, convergence programmes by non-euro area Member States. They set out the plans for sustainable public finances. National reform programmes present key policy measures to enhance growth and job creation and reach the Europe 2020 targets.

The recommendations cover a wide range of issues, including public finances and structural reforms in areas such as taxation, pensions, public administration, services, and the labour market, especially youth unemployment. The programme countries (Greece, Portugal, Ireland and Cyprus) do not receive CSRs as their compliance with their macroeconomic adjustment programmes is monitored under a separate, more intensive, process.

For an overview of the recommendations by country, please see below.



Note: Commission's recommendations presented on 29 May 2013 for 2013-2014. Cyprus, Greece, Ireland and Portugal should implement commitments under EU/IMF financial assistance programmes. More information at : http://ec.europa.eu/europe2020/index_en.htm

2. Decisions under the Excessive Deficit Procedure (see MEMO/13/463)

The Commission has today recommended that the Council abrogate the Excessive Deficit Procedure (EDP) for five countries: Hungary, Italy, Latvia, Lithuania and Romania.

The Commission has also recommended that the Council open an EDP for Malta.

Moreover, the Commission has adopted Recommendations to the Council with a view to extend the deadlines for correcting the excessive deficit in six countries: Spain, France, the Netherlands, Poland, Portugal and Slovenia.

In addition, the Commission has recommended that the Council decides that no effective action has been taken by Belgium to put an end to the excessive deficit and that the Council gives notice to Belgium to take measures to correct the excessive deficit.

For further information:

Country-specific recommendations:

http://ec.europa.eu/europe2020/index_en.htm

Excessive Deficit Procedure:

http://ec.europa.eu/economy_finance/economic_governance/sgp/corrective_arm/index_en.htm

MEMO/13/458 2013 Country-specific recommendations: frequently asked questions

MEMO/13/463 Commission takes steps under the Excessive Deficit Procedure

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