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EU economic governance: Commission sets the yearly priorities for EU growth

Europe has a comprehensive plan to respond to the crisis and to speed up Europe's economic growth. It now needs to focus its efforts in a coordinated manner and with an eye on priorities. That is what the Commission is presenting today. The Annual Growth Survey charts a clear direction on where Europe should be heading in the next year, with ten pressing actions focussed on macro-economic stability and fiscal consolidation, structural reforms and growth-enhancing measures. The Annual Growth Survey is the start of the first "European Semester" which changes the way governments shape their economic and fiscal policies. Once agreed by the European Council, Member states will reflect these recommendations in both their policies and national budgets. For the first time ever, Member States and Commission will therefore jointly discuss macro-economic stability, structural reforms and boosting growth measures in a comprehensive way.

President Barroso said: "A new phase of European integration begins with the Annual Growth Survey. We are setting out to break new ground and to decisively improve the way in which we manage and coordinate our interdependent economies in the European Union. This is the EU model. This is our economic governance in action. The Annual Growth Survey is a coherent and comprehensive plan to return Europe to growth and higher employment. If it is fully implemented, I'm confident that Europe can return to strong economic growth and higher employment".

This first Annual Growth Survey marks the start of a new cycle of economic governance in the EU. It brings together the different actions which are essential to strengthen the recovery in the short-term, to keep pace with our main competitors and prepare the EU to move towards its Europe 2020 objectives.

In the main Communication the Commission focuses on an integrated approach to recovery concentrating on key measures in the context of Europe 2020 and encompassing three main areas:

- The need for rigorous fiscal consolidation for enhancing macroeconomic stability
- Structural reforms for higher employment
- And growth enhancing measures

This first Annual Growth Survey is designed to apply to the EU as a whole and it will be tailored to the specific situation of each Member State.

The Commission highlights ten actions that grouped under the three main areas (see [MEMO/11/11](#)):

- Fundamental Prerequisites for Growth:
 1. Implementing a rigorous fiscal consolidation
 2. Correcting macro economic imbalances
 3. Ensuring stability of the financial sector
- Mobilising Labour Markets, Creating Job Opportunities:
 1. Making work more attractive
 2. Reforming pensions systems
 3. Getting the unemployed back to work
 4. Balancing security and flexibility
- Frontloading Growth:
 1. Tapping the potential of the Single Market
 2. Attracting private capital to finance growth
 3. Creating cost-effective access to energy

Background

As part of the "European Semester" (see [MEMO/11/14](#)), and as announced in the Europe 2020 Strategy, the Commission, starting in 2011, assesses each year the main economic challenges for the EU and identifies priority actions to address them. It presents them in an "Annual Growth Survey" that serves as an input to the Spring European Council. In this first application, the Annual Growth Survey consists of different parts:

1. Communication of the Commission: "Annual Growth Survey: towards a comprehensive response to the crisis".

The first part focuses on urgent key messages, which cover the fiscal, macro-economic and "thematic" areas. They represent a selection of issues, which should be addressed as a matter of priority by the Heads of State or Governments when they meet at the March European Council.

2. Progress Report on Europe 2020

It reviews the situation as regards the EU headline targets, the draft NRPs and the reform path envisaged by the Member States.

3. Macro-economic Report

It provides the macro-economic outlook and pinpoints measures that have the highest potential of delivering positive growth-enhancing effects.

4. Joint Employment Report

It reviews the employment situation and labour market related policies. It is also the basis for the "Joint Employment Report", to be adopted jointly by the Commission and the Council in accordance with article 148.5 (TFUE).

The Annual Growth Survey is accompanied by a:

5. Proposal for a Council Decision on employment guidelines.

This is a technical extension of the Employment guidelines adopted only a few months ago, to comply with a legal obligation of adopting such guidelines annually.

For more information

[Website](#) of President Barroso

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