EUROPEAN COMMISSION

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Speaking points at Eurogroup press conference

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Clearly, reducing the high tax burden, or 'tax wedge', on labour is one of the major structural reform priorities for European countries. It features prominently in this year's country-specific recommendations, which the Council is expected to formally adopt tomorrow. In the euro area specifically, there are recommendations to 11 Member States to address this issue.

Reducing excessive tax wedges in a budget-neutral way could bring big gains in employment, and boost competitiveness and growth in the euro area. In fact, our simulations indicate that a joint tax shift from labour to consumption by euro area countries could add €65 billion to output and create around 1.4 million jobs over the next decade.

Of course, each country faces its own specific challenges in terms of the size and composition of the tax wedge on labour. So reforms must be tailored accordingly. The Commission will support Member States' efforts in this area by setting out some broad principles based on best practices for follow-up discussion in September. These principles could facilitate our assessment of the 2015 Draft Budgetary Plans in the autumn, which should be the vehicle for enacting these essential reforms for growth and especially job creation in Europe.

Thank you.