

COMPLETING THE ECONOMIC AND MONETARY UNION

#DeepeningEMU



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Being European, for most of us, also means the euro. During the global financial crisis, the euro stayed strong and protected us from even worse instability. The euro is a leading world currency, and it brings huge, often invisible economic benefits.

Jean-Claude Juncker, Speech on the State of the Union
European Parliament, 14 September 2016

THE EXPERIENCE AND BENEFITS OF THE EURO FOR EUROPE

The euro is the world's second currency: more than 337.5 million EU citizens in 19 countries use it as their currency



The legitimacy of the euro is paramount



The euro is a political and economic project – it protected us during the financial crisis



An economic agenda based on reforms, investment and responsible public finances, with social fairness at its core

FACING THE ECONOMIC CRISIS AND LEARNING ITS LESSONS

THE NEED FOR FURTHER DEEPENING OF ECONOMIC AND MONETARY UNION

European Semester of
economic policy coordination



Upgraded fiscal rules



Macroeconomic
Imbalances Procedure



National advisory



European Stability
Mechanism



Banking Union



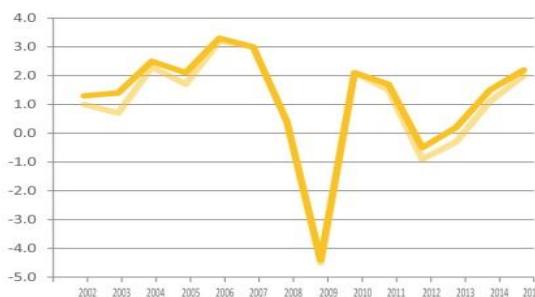
Unified representation
of the Euro area



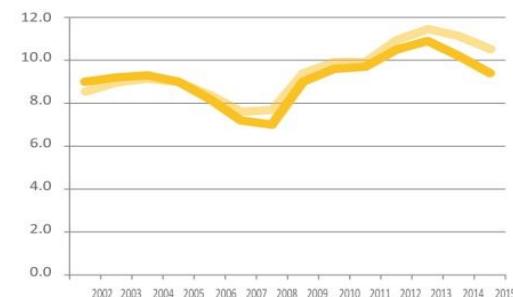
KEY ECONOMIC INDICATORS

THE EARLY HARVEST OF OUR CRISIS RESPONSE AND REFORMS

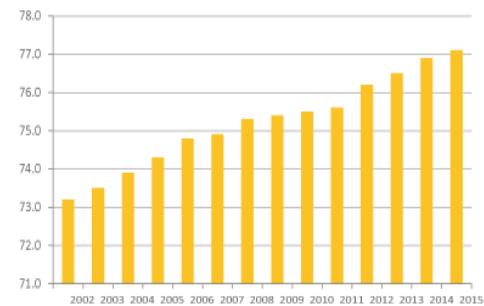
We are in our fourth consecutive year of **economic growth (%)**



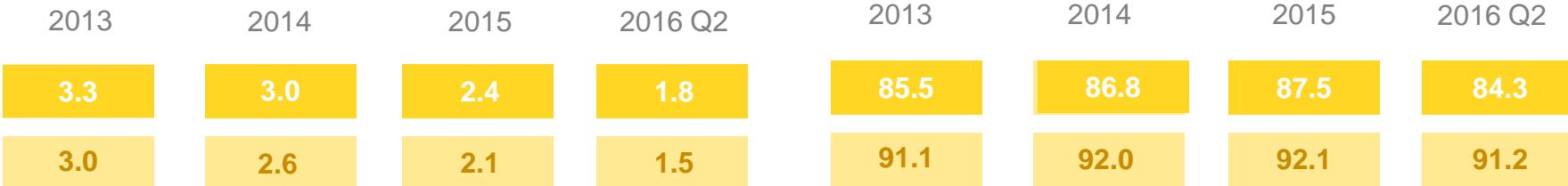
Unemployment rate (%)



Activity rate in the EU – share of economically active population (%)



Government deficit to GDP ratio (%)



— EU28
— Euro area



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Yes, we Europeans suffered under a historic financial and debt crisis. But the truth is that while public deficits stood at 6.3% on average in the euro area in 2009, today they are below 2%.

Jean-Claude Juncker, Speech on the State of the Union,
European Parliament, 14 September 2016

REFORMS ACHIEVED IN THE FIRST TWO YEARS



Flexibility within the rules of the Stability and Growth Pact

- Take better account of economic cycles and incentivise structural reforms and investment



Streamlining and reinforcement of the European Semester

- A new timetable for stakeholder involvement
- Euro Area Recommendation
- Macroeconomic imbalance procedure – streamlining and indicators
- National Productivity Boards
- European Fiscal Board
- Benchmarking of policies and performances



Deeper and fairer EMU

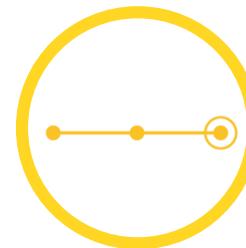
- Banking Union
- Capital Markets Union
- Relaunch of the Social Dialogue

GREECE – ONE YEAR ON



New Stability Support Programme launched in August 2015 including social impact assessment

Up to €86 billion committed for disbursements until August 2018



Memorandum of Understanding focusing on

- restoring fiscal sustainability
- safeguarding financial stability
- growth, competitiveness and investment
- a modern State and public administration



€31.7 billion disbursed to date since August 2015

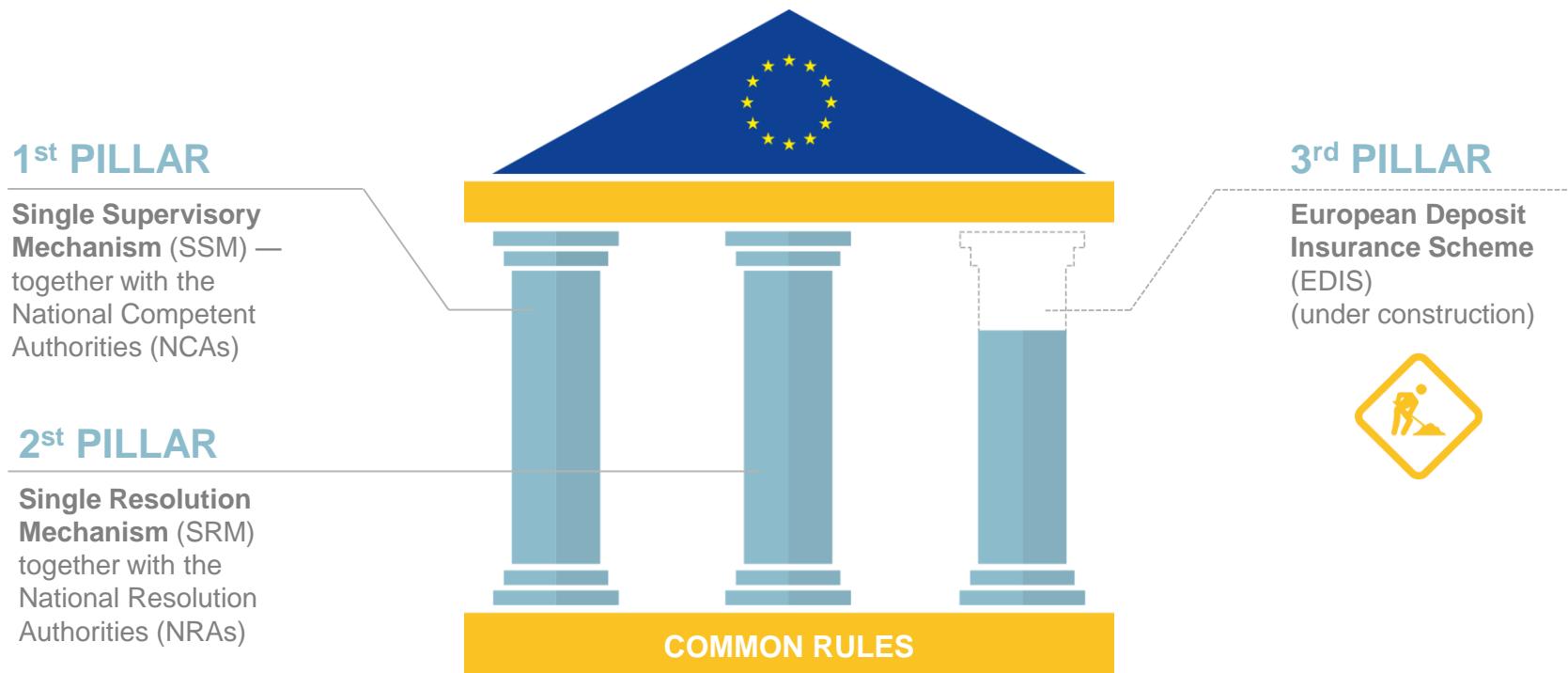
THE EUROPEAN SEMESTER: A NEW APPROACH TO COUNTRY SPECIFIC RECOMMENDATIONS

	November	December	January	February	March	April	May	June	July	August	September	October	
European Commission	 Autumn Economic Forecasts Annual Growth Survey and related documents  Recommendations for the euro area  Opinion on draft budgetary plans	 Winter Economic Forecasts Fact-finding missions to Member States	 Spring Economic Forecasts Country Report per Member State (reform agenda and imbalances) Bilateral meeting with Member States										
European Council / Council	 Council discusses opinions on draft budgetary plans	 Council adopts euro area recommendations and conclusions on AGS + AMR		 European Council adopts economic priorities based on AGS			 Council discusses the CSRs on AGS	 European Council endorses final CSRs					
Member States		 Member States adopt budgets			 Member States present their National Reform Programmes (economic policies) and Stability or Convergence Programmes (on budgetary policies)						 Member States present draft budgetary plans		
European Parliament		 Dialogue on the Annual Growth Survey					 Dialogue on the proposals for CSRs				 Debate / resolution on the European Semester and the CSRs	 Dialogue on the Annual Growth Survey	

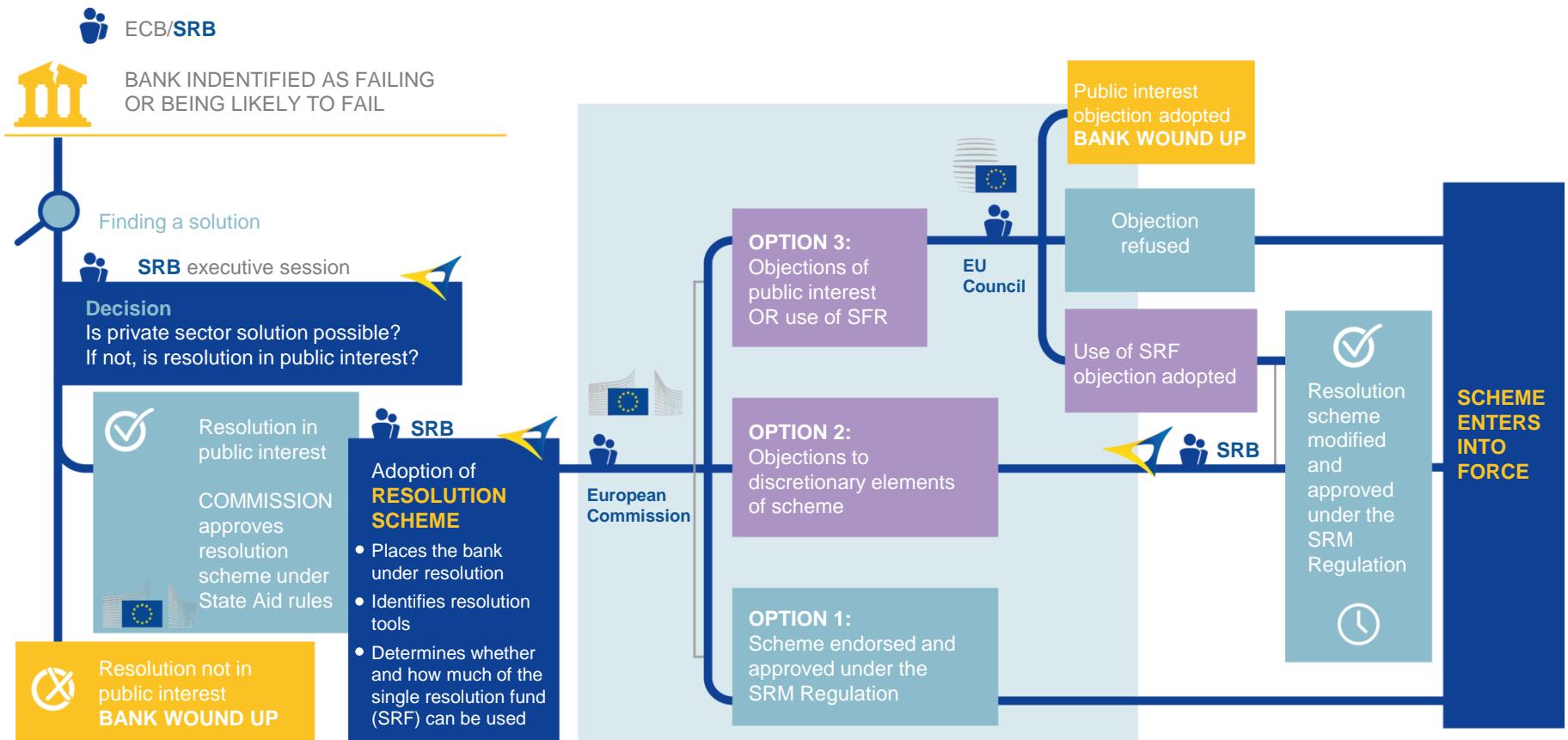
Glossary: **AGS**: Annual Growth Survey - **AMR**: Alert Mechanism Report - **CSR**: Country-Specific Recommendations - **EDP**: Excessive Deficit Procedure -  = Euro Area

COMPLETING THE BANKING UNION

ADDITIONAL STEPS TO IDENTIFY AND ADDRESS SYSTEMIC RISKS



SINGLE RESOLUTION MECHANISM: HOW IT WORKS



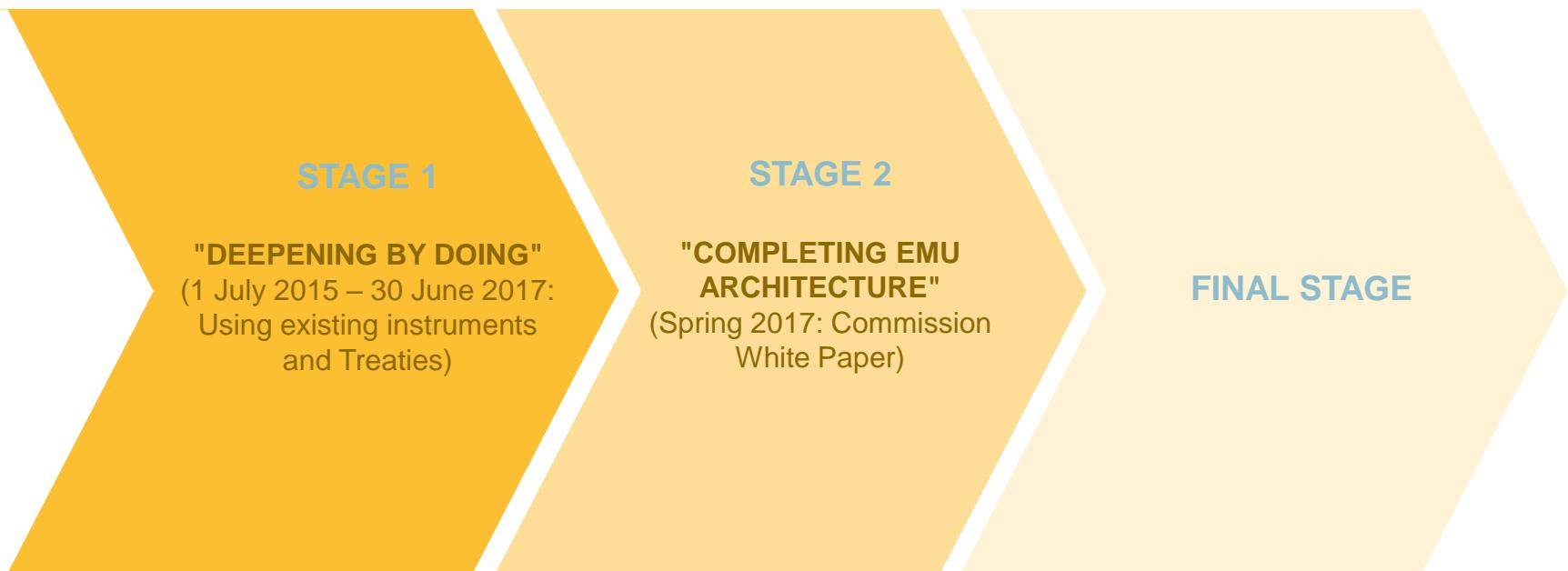


“ *The crisis has only been paused. We must make use of this pause to consolidate and complement the unprecedented measures we have taken during the crisis, simplify them and make them more socially legitimate.*

The stability of our single currency and the solidity of public finances are as important to me as social fairness in implementing necessary structural reforms.

Jean-Claude Juncker, Political Guidelines, 15 July 2014

THE ROADMAP OF THE FIVE PRESIDENTS' REPORT



THE PATH AHEAD: COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION



March 2017: White paper on the Future of Europe

- A stability oriented review of the **Stability and Growth Pact**
- Incorporation of the substance of the Treaty on Stability, Coordination and Governance into the legal framework of the European Union and Community method



Important ongoing work

- Swift adoption of the **European Deposit Insurance Scheme**, continued work on risk reduction
- Swift adoption **of the first wave of measures** proposed as part of the Capital Markets Union, and accelerate the delivery of the next set of actions
- Ongoing work on the **European Pillar of Social Rights**
- **Promoting a positive fiscal stance** for the Euro area



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