



European Commission

European Semester

An Economy that Works for People and Planet.

The **Annual Sustainable Growth Strategy** delivers on the vision set out in President Ursula von der Leyen's Political Guidelines and the priorities enshrined in the **European Green Deal** to place sustainability and social inclusion at the heart of the EU's economic policymaking. It encompasses four interrelated and mutually reinforcing dimensions to address long-term challenges.

AN ECONOMY THAT WORKS FOR PEOPLE & PLANET

- Boosting sustainable investment
- Green taxation
- Carbon neutrality
- Shifting towards a more circular economy

First-Mover Advantage

- Research and innovation
- Digitisation
- Efficient and competitive markets
- Strong industrial base
- Supporting SMEs
- Access to finance
- Favorable business environment
- Deepening the Single Market

Ensuring a Just Transition

Investment and Reforms

- Implementing the European Pillar of Social Rights
- Invest in skills and health
- Fighting poverty
- Gender equality
- Fair taxation
- Social and territorial cohesion
- Job quality

- Completing our Economic and Monetary Union
- Sound public finances
- Stable financial sector
- Preventing domestic and external imbalances
- Structural reforms to boost productivity
- International role of the euro



Inclusive Growth

These dimensions should guide structural reforms, employment policies, investments and responsible fiscal policies across all Member States to deliver an economy that works for people and the planet.



Environment

- The European Semester will place a stronger focus on environmental sustainability by providing specific guidance to Member States on where structural reforms and investment towards a more sustainable, inclusive, and competitive economic model are most needed.
- Investments should be directed towards clean assets that are the most productive in mitigating climate change and to disruptive innovation efforts both at EU and national level.



Productivity

- Higher productivity can be achieved through systematic and forward-looking research and innovation strategy.
- Public and private investment in innovative technologies, including advanced digital technologies, should be supported to foster the creation of new goods, services and business models.



Fairness

- Opportunities need to be created for those not directly benefiting from market openings and technological change by upgrading skills through better education and training.
- We must ensure appropriate regional convergence on issues like access to healthcare and quality education.



Stability

- The EU must further increase the stability of its economy by addressing the remaining fragilities at the national and EU level.
- Responsible and responsive fiscal policies are needed. It is also important to improve the quality of public finances to boost potential growth and support the economic transformation related to climate and digital challenges.
- The Economic and Monetary Union needs to be completed to ensure that all economic tools are ready and available should there be a significant adverse economic shock.