



Preparing for Next Steps on Better Economic Governance in the Euro Area

Presentation by Jean-Claude Juncker

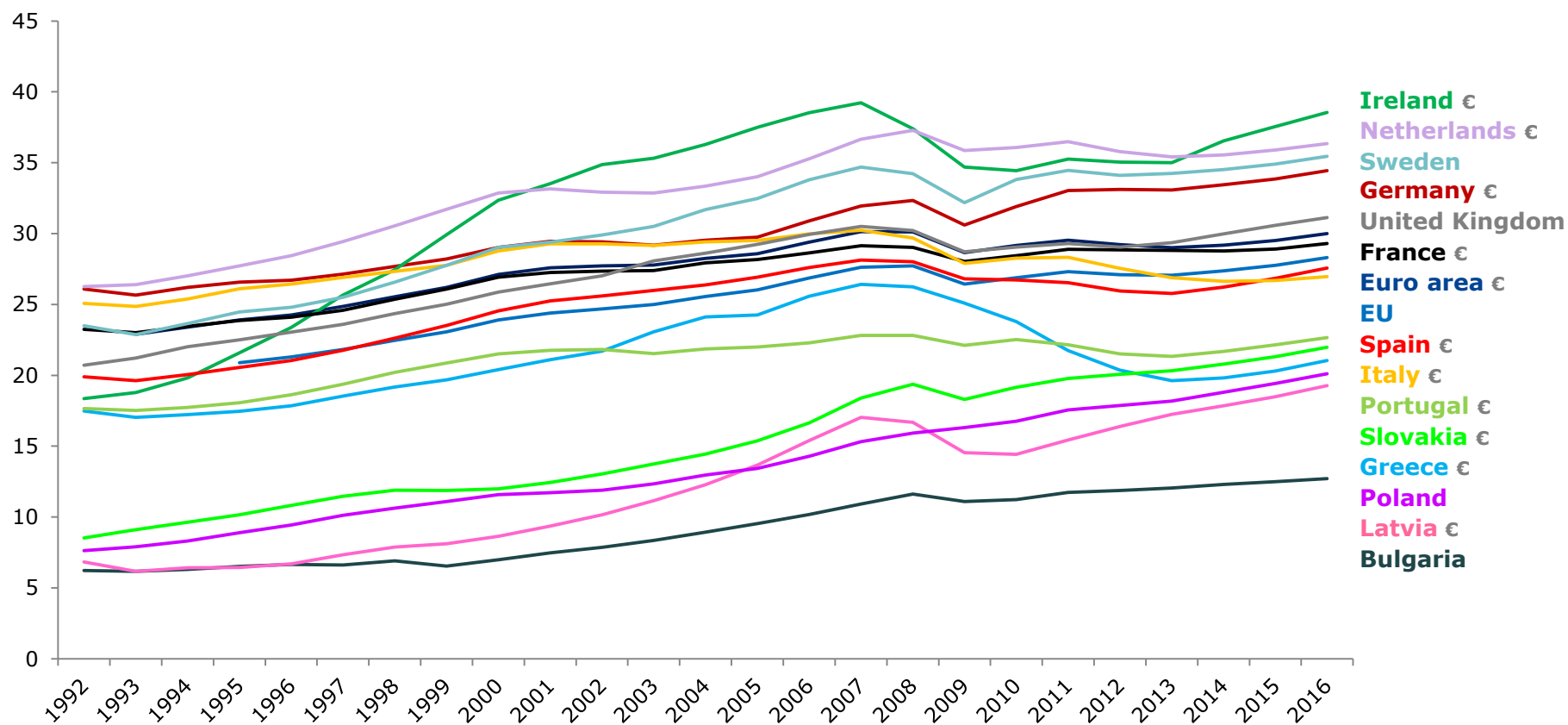
in close cooperation with

**Donald Tusk,
Jeroen Dijsselbloem
and Mario Draghi**

Informal European Council
of 12 February 2015

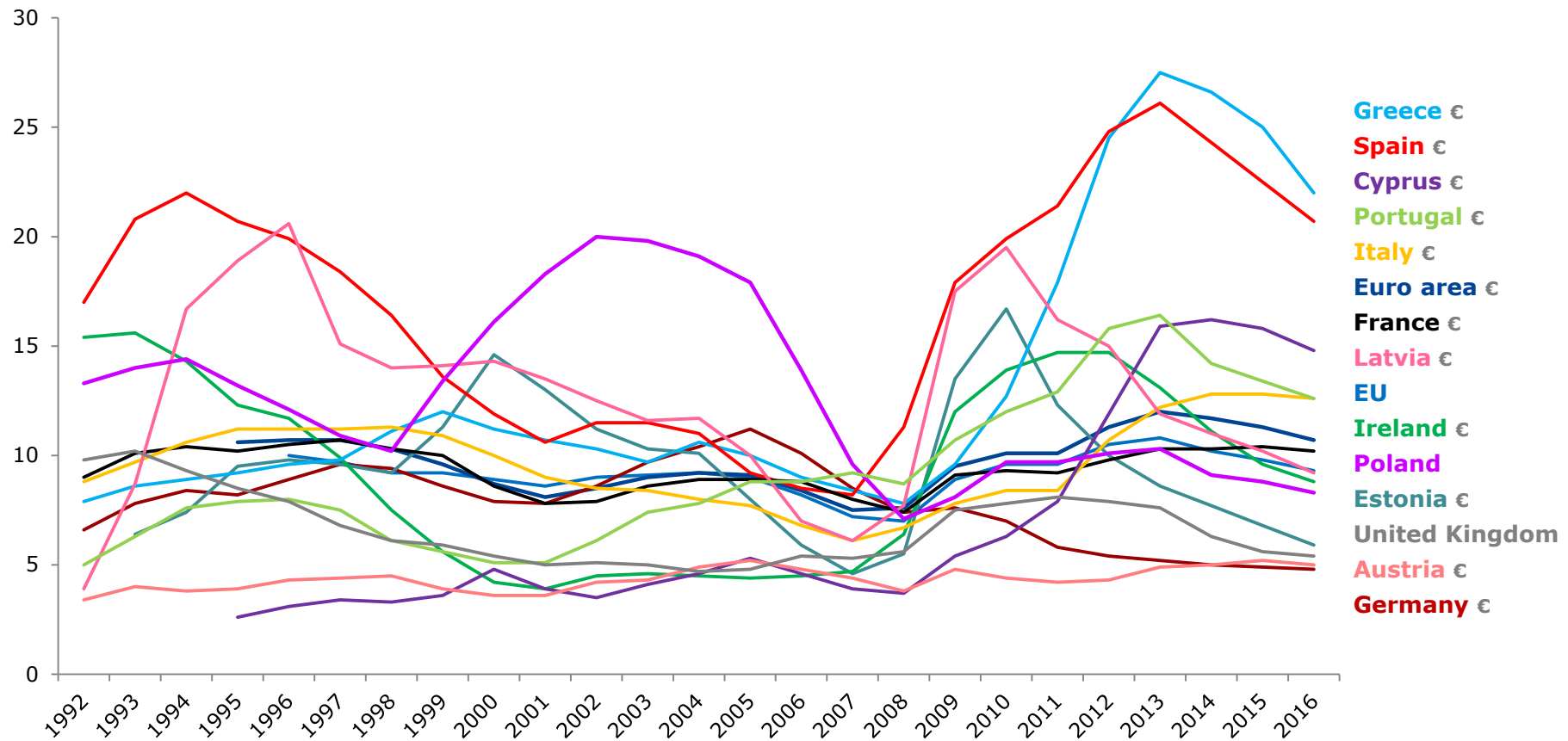
GDP per capita

Gross domestic product per capita
(EUR 1000 of 2014, adjusted for purchasing power)



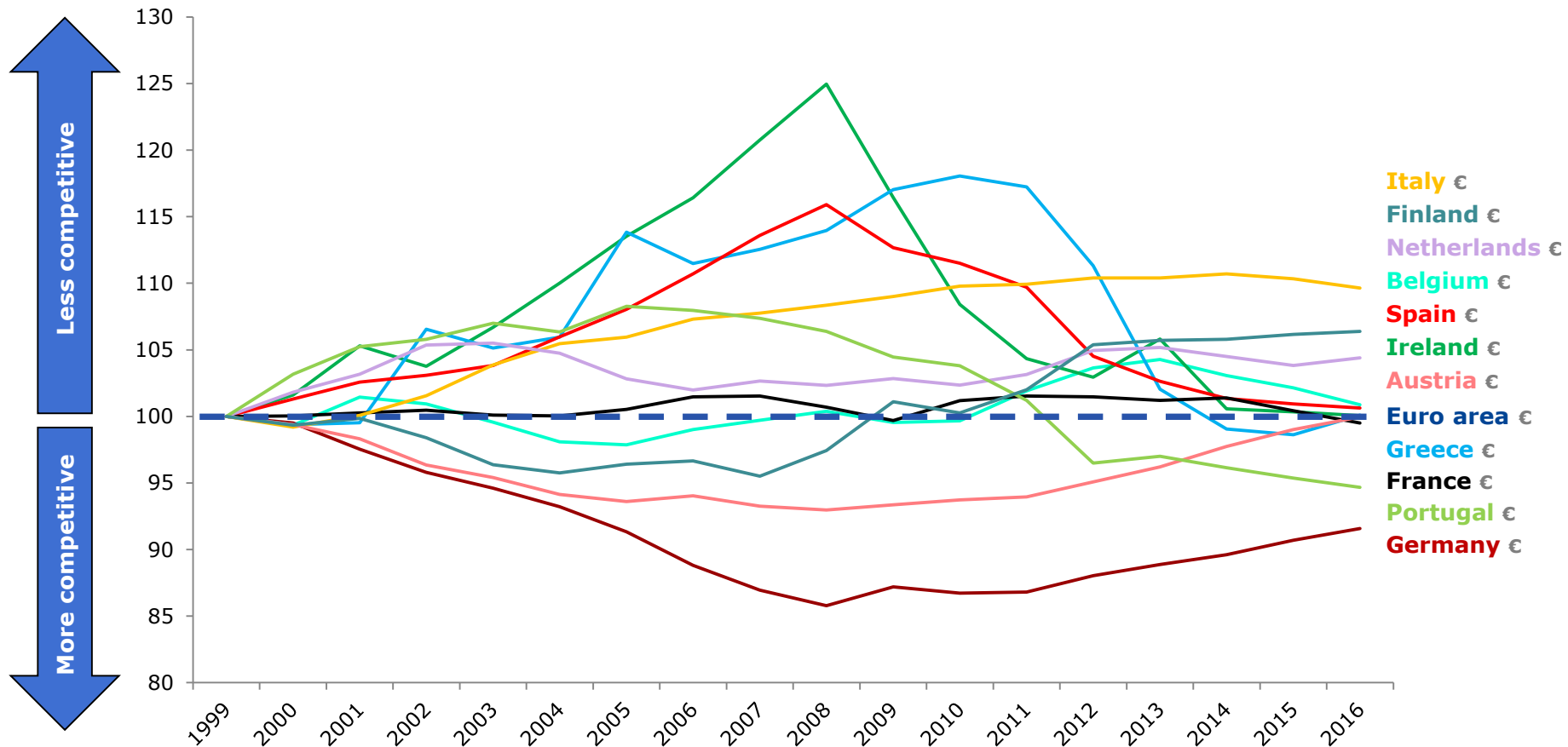
Unemployment rate

Unemployment rate
Annual average percentage



Cost-competitiveness

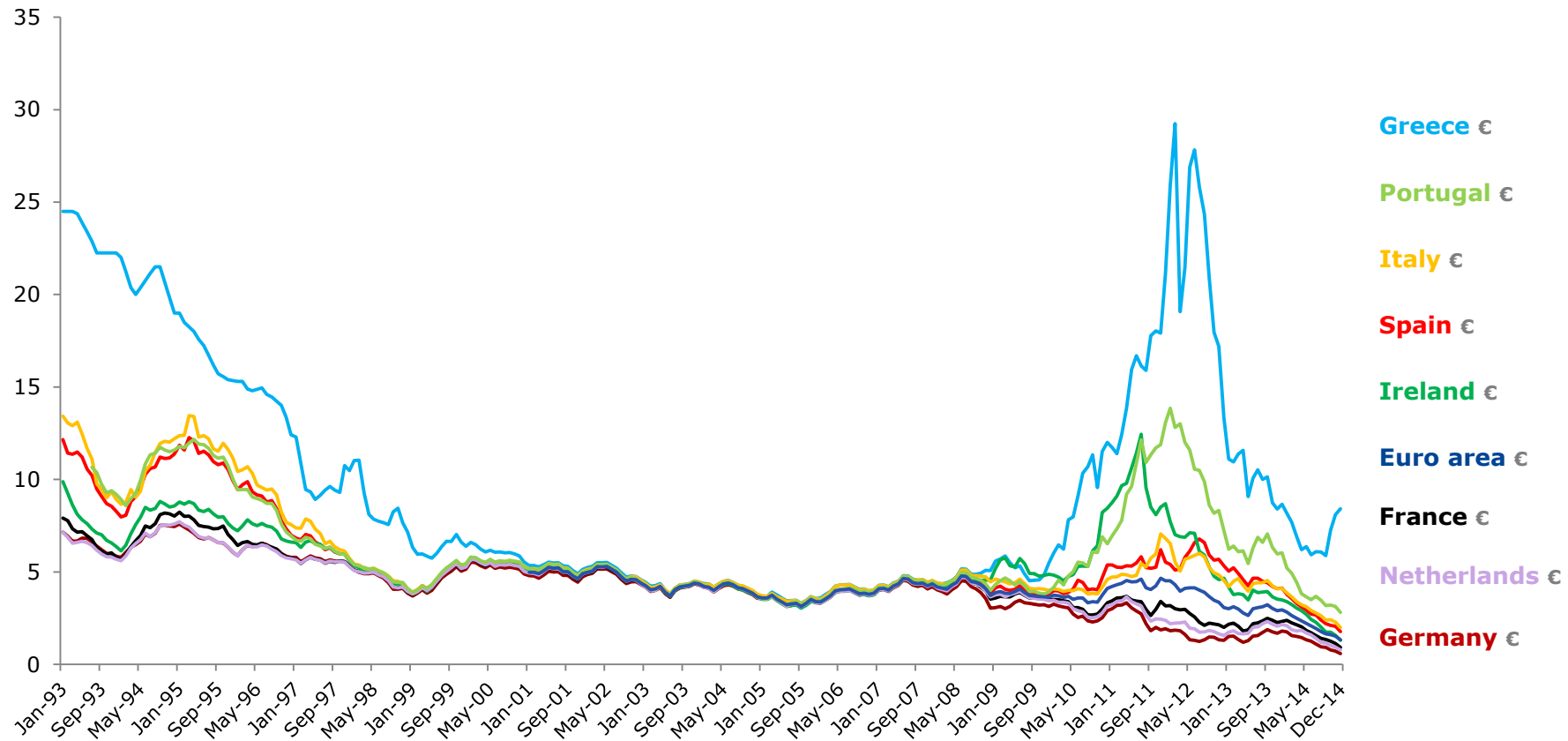
Unit labour costs
(Euro Area (18) = 100, index: 1999)



Source: European Commission

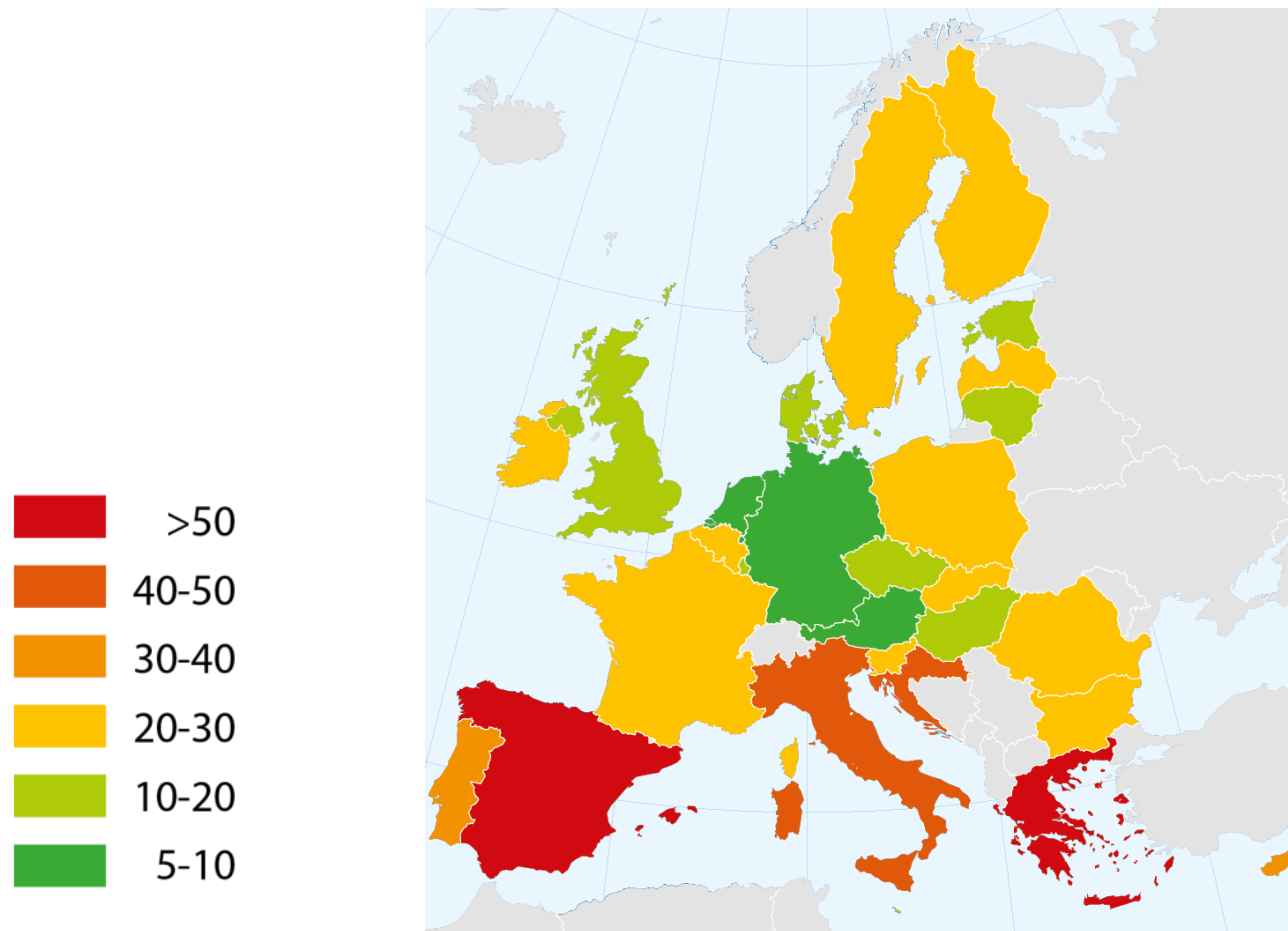
Interest rates on Government bonds

Interest rates on 10-year Government bonds
Percentage yield



Youth unemployment

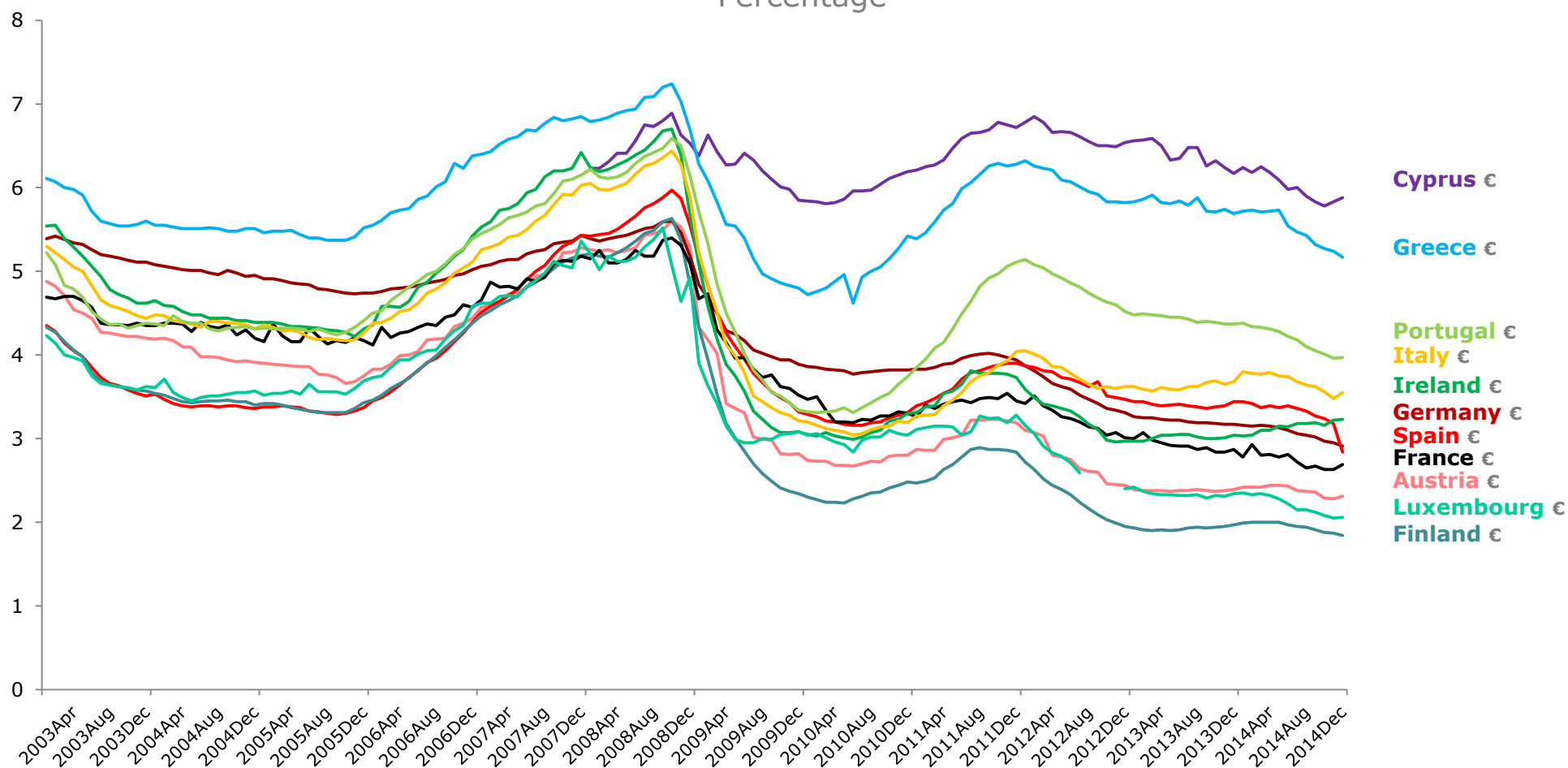
Youth (under 25s) unemployment rate (%), December 2014



Source: European Commission

Interest rates to firms

Interest rates to firms (non-financial corporations)
Percentage



Source: ECB

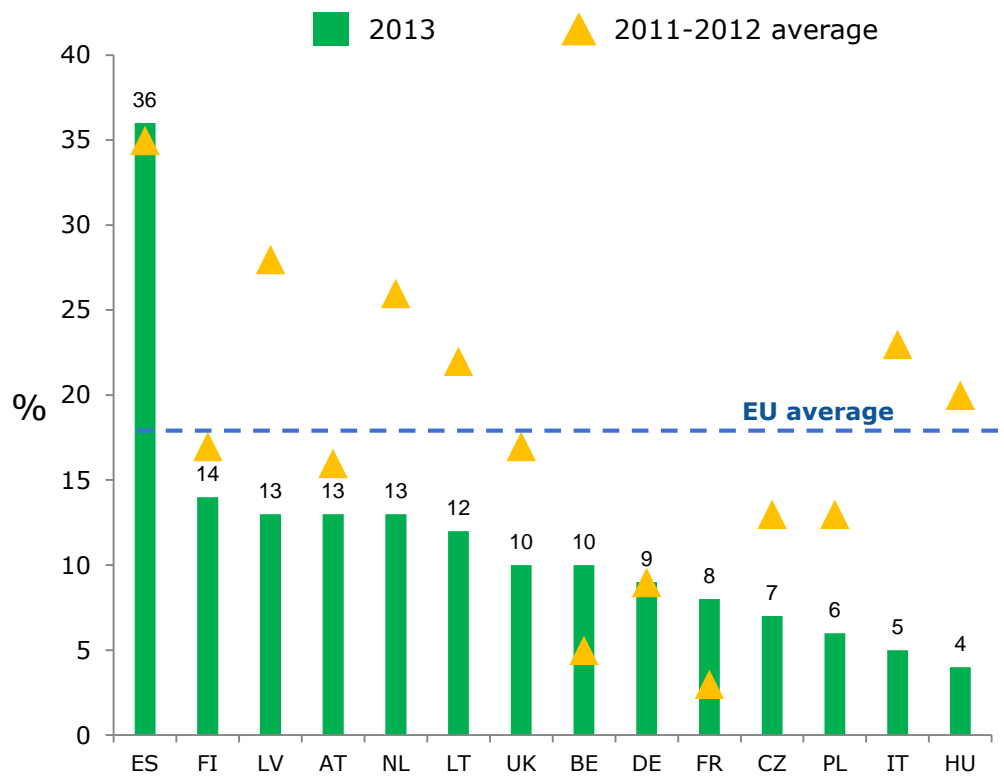
Respecting our rules

Number of years in Excessive Deficit Procedure since 1997 (including ongoing deadlines)

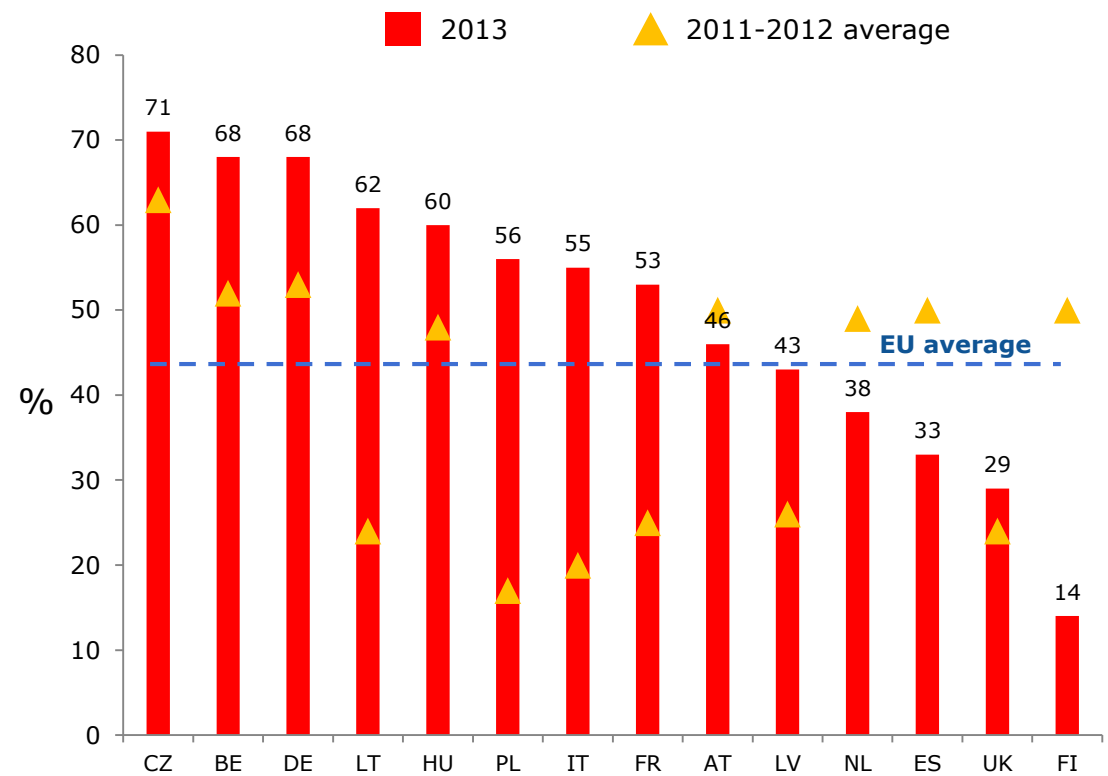
Country			Number of years in EDP	Country			Number of years in EDP
	AT	€	5		IE	€	11
	BE	€	5		IT	€	7
	BG		2		LT	€	4
	CY	€	8		LU	€	0
	CZ		7		LV	€	4
	DE	€	8		MT	€	11
	DK		4		NL	€	6
	EE	€	0		PL		11
	EL	€	11		PT	€	10
	ES	€	8		RO		4
	FI	€	1		SE		0
	FR	€	11		SI	€	7
	HR		4		SK	€	9
	HU		9		UK		10

Implementing reforms

Full implementation of EU country-specific recommendations



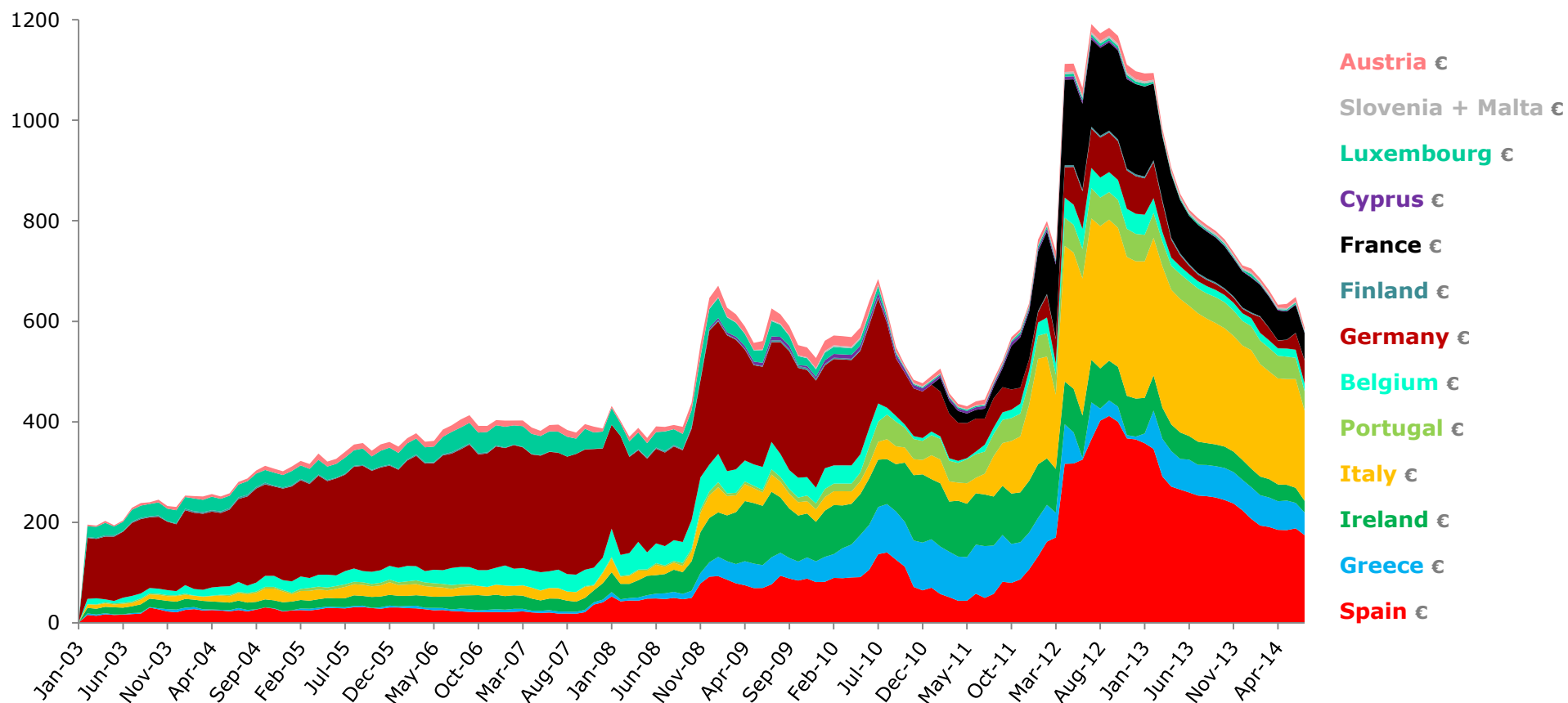
Non-implementation of EU country-specific recommendations



Source: European Parliamentary Research Service

Absorbing shocks

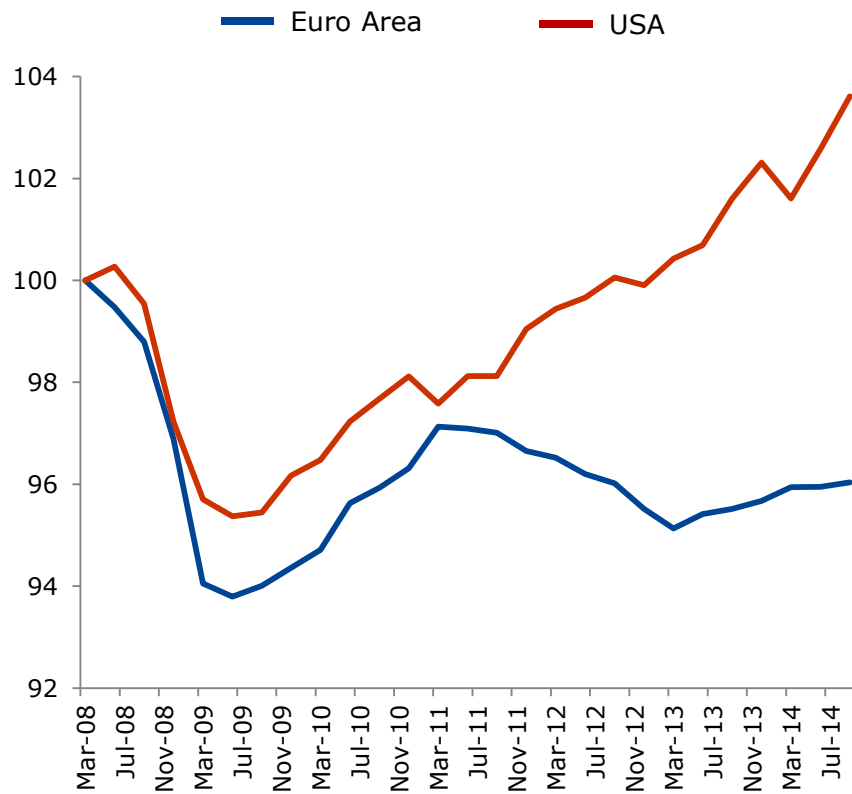
**Eurosystem Main and
Longer-Term Refinancing Operations**
(EUR bn)



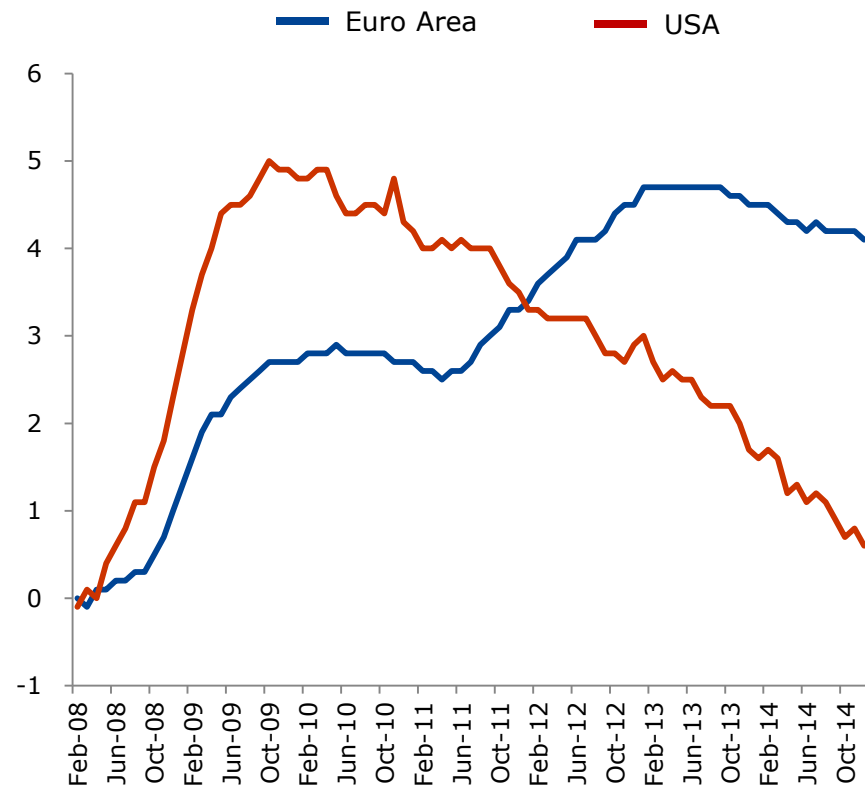
Source: Bruegel based on ECB and national central banks

Regaining ground

Real GDP per capita
Index, first quarter 2008 = 100



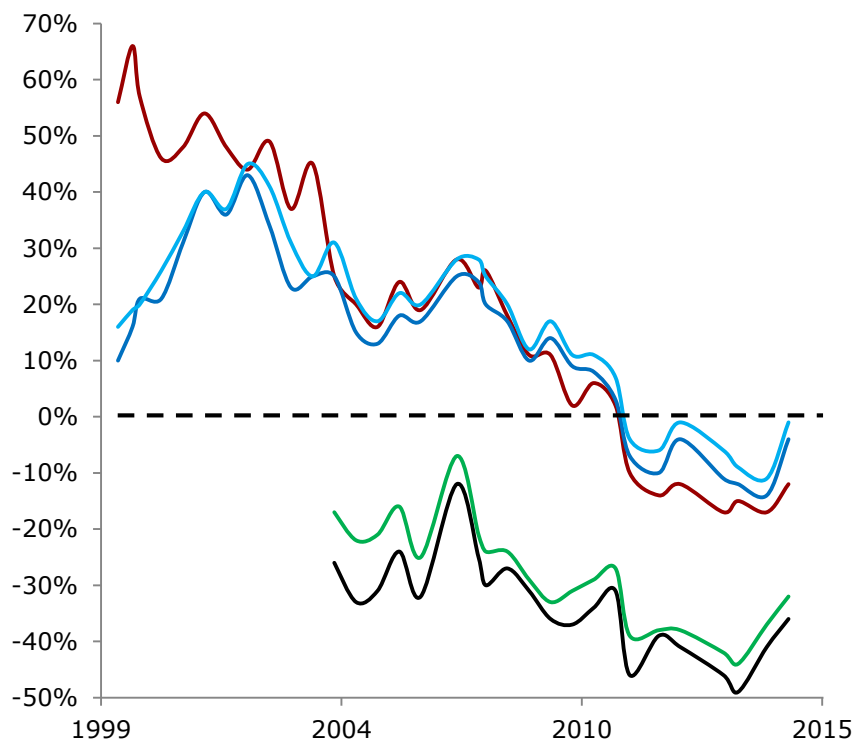
Unemployment rate
Change since January 2008, percentage points



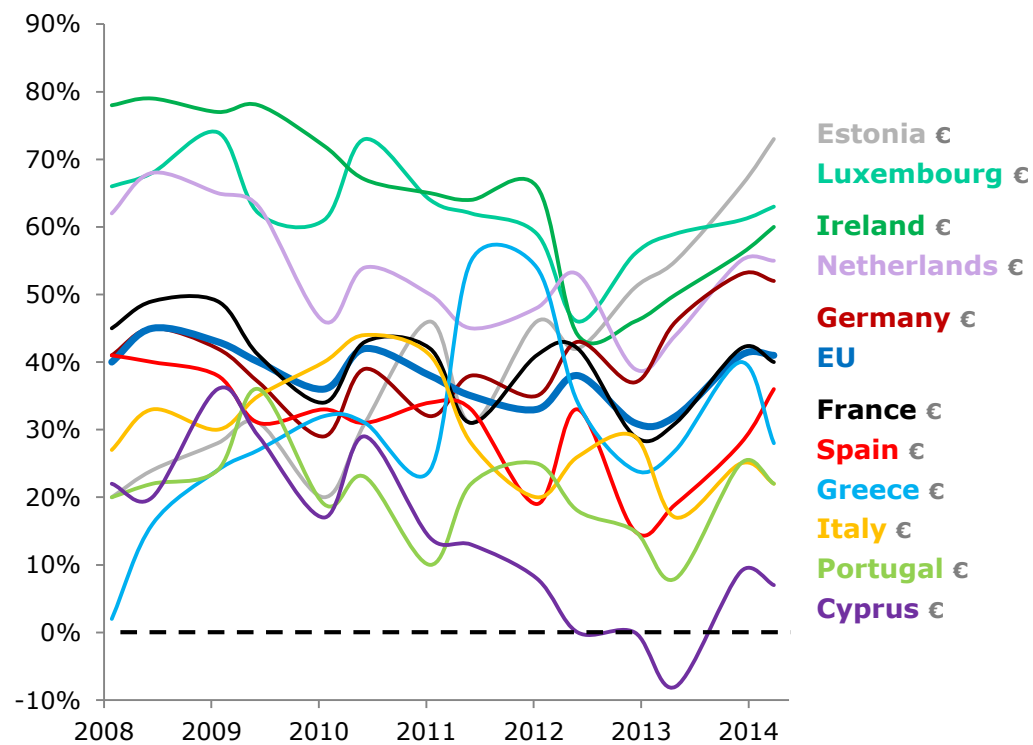
Rebuilding trust

Trust in the Institutions

— European Central Bank
 — European Commission
 — European Parliament
— National Parliaments
 — National Governments



Support for the euro



Reading: net trust/support is defined as "tend to trust/support" minus "tend not to trust/support" in percentage points

