



**COUNCIL OF
THE EUROPEAN UNION**

Strasbourg, 12 December 2012

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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the meeting of the European Parliament **Committee on Economic and Monetary Affairs (ECON)**, held in Strasbourg on 10 December 2012

The meeting was chaired by Mr ZALBA BIDEgain (EPP, ES) and Ms BOWLES (ALDE, UK).

1. *Items 1 and 2 on the agenda*

The agenda was adopted and Mr ZALBA announced that a compromise had been found with the CY Presidency on the European Social Entrepreneurship Funds, where the only outstanding issue had been tax havens. Should Coreper endorse the compromise on 12 December 2012, ECON would be consulted again pursuant to Rule 75 of the EP Rules of Procedure.

Ms BOWLES announced at the close that the meeting would be followed by an open meeting of coordinators which would consider whether a specific sub-committee of ECON for the Eurozone was needed. The meeting would take place in the presence of MEPs and EP staff only.

2. *Item 3 on the agenda*

European Semester for economic policy coordination: Annual Growth Survey 2013

ECON/7/10778, 2012/2256(INI)

Rapporteur: Ms FERREIRA (S&D, PT)

Responsible: ECON – Opinions: BUDG*, ENVI, REGI, AFCO

- Consideration of draft report

Ms FERREIRA, rapporteur, called for strong EP involvement in the European semester, and particularly in the assessment of the conditions for growth. She sharply criticised what she considered a lack of realism in the Commission estimates for growth, which in her view were too optimistic. She mentioned in particular a study from French, German and Danish academic experts which reached different conclusions from those of the Commission on the instruments needed to restore growth and jobs. In her view, the time was ripe to look again at the current model which was based on excessively sharp fiscal consolidation, which in her view was drawing the euro area into technical recession. She took the view that a better calibration of measures was possible, thanks to the legal framework of the six-pack. She mentioned in particular the need to strengthen the protection of sovereign debt, in line with the practice of the European Central Bank, and bring the European stability Mechanism into the EU's institutional structure as soon as possible. The competitiveness of lagging economies needed to be fostered through specific convergence instruments. Lending by the European Investment Bank had to be increased and the Compact for Growth and Jobs had to be transformed into concrete investments to enhance SME financing. She repeated that the EP had to be involved in economic policy coordination and the Annual Growth Survey, and concluded by underlying the importance of combating tax fraud and tax evasion. Mr BALZ (EPP, DE), on behalf of Mr GAUZES (EPP, FR), who was absent, supported the main objectives of the report, but highlighted the key role of national development banks in financing, since lending to SMEs was very different across the EU. He agreed that tackling tax fraud and evasion was crucial and considered that some MS should put in place more stringent control mechanisms in that area. He also agreed that the EP should be involved in economic policy discussions.

Mr de BACKER (ALDE, BE) supported the call for growth and jobs and the fight against tax fraud, but considered the suggestions based on an academic report highlighting the multiplying effect of investments to be unrealistic and insufficient. He considered that there were two elements missing from the report: a link to the EU 2020 strategy and the reform of the welfare state.

Mr LAMBERTS (GREENS, BE) completely disagreed with the comments by Mr de BACKER on multipliers and stated that the Commission and the ECB were being unrealistic. In his view, the time had come to revert to reality; he announced amendments to the report concerning debt mutualisation, corporate taxation, the EU 2020 strategy as the investment strategy of the EU, a deposit guarantee scheme and enhanced competitiveness. Concerning the latter, he criticised the Commission approach which focused on reduction of the unit labour cost and suggested that energy costs and capital costs also needed to be addressed.

Mr EPPINK (ECR, BE) said he could agree on only a few points of the draft report and mentioned the sources of growth stemming from trade with third countries, combating tax fraud and improving access to financing. He disagreed with the criticism of fiscal tightening, on the asymmetric impact of common policies across different economies, on the analysis concerning the use of multipliers and considered a common corporate tax a 'non-starter'.

The other MEPs who took the floor mainly supported the positions expressed by their coordinators. Mr HÖKMARK (EPP, SE) agreed with Ms FERREIRA about the need to stimulate internal demand, but also stressed the importance of enhancing global competitiveness. Mr HOANG NGOC (S&D, FR) welcomed what he considered to be a comprehensive and balanced report. Ms GOULARD (ALDE, FR) also supported it and stressed the importance of combating tax fraud and evasion. Mr MITCHELL (EPP, IE) disagreed with a common corporate taxation and stressed the importance of low taxation rates to boost the Irish economy. Mr SCHMIDT (ALDE, SE) clarified that the aim was not to fix a common corporate rate across the EU, but to have a common base for the corporate tax. Ms FERREIRA told Ms LULLING (EPP, LU) that she did not consider budget consolidation to be the enemy of growth, but considered that the time had come to check the results of the economic remedies prescribed by the Commission against their effects on real economies and reassess them. She agreed with Ms PODIMATA (S&D, EL) that countries under adjustment should be part of the re-assessment.

Calendar:

Deadline for tabling amendments: 19 December 2012;

Consideration of amendments: 10 January 2013;

Vote at ECON: 21 January 2013.

Vote in plenary: February 2013.

3. Date of next meeting

The next meeting would be held in Brussels on Monday, 17 December 2012, 15:00 - 18:30

Tuesday, 18 December 2012, 09:00 - 12:30 & 15:00 - 18:30.
