

# Opening remarks by Commissioner Moscovici on the European Semester 2019 Spring Package

Bonjour. Nous venons d'adopter le dernier paquet de printemps de cette Commission, comprenant les recommandations par pays et un certain nombre de rapports et de décisions budgétaires importantes. La Commission prend ainsi pleinement ses responsabilités jusqu'au terme de son mandat et reste fidèle à sa mission initiale de soutien à la croissance, à l'emploi et de respect au sérieux budgétaire.

Je vois trois messages importants dans ce paquet aujourd'hui.

Premier message, et une bonne nouvelle : c'est la fin du cycle des Procédures de Déficits Excessifs qui a commencé pendant la crise financière. Le moment est venu de clôturer la dernière de ces procédures, celle de l'Espagne, ouverte il y a 10 ans. Je vous rappelle qu'en 2011, 24 Etats-membres étaient couverts par cette procédure. Quand cette Commission a pris ses fonctions en novembre 2014, il y en avait encore 11. On voit donc le chemin parcouru et je veux adresser toutes mes félicitations à l'Espagne, les efforts faits payent leur fruit même si nous connaissons les difficultés qui demeurent, notamment en termes de chômage.

Ceci marque donc la fin d'un long et pénible chemin non seulement pour l'Espagne mais pour toute l'Union Européenne et la zone euro. La décision d'abrogation prise par la Commission aujourd'hui vient saluer les efforts du peuple espagnol. Je veux ici les encourager dans la voie du sérieux budgétaire.

Deuxième message important : avec ce paquet, cette Commission continue à fournir la guidance économique et budgétaire nécessaire à nos Etats-membres pour assurer la coordination de nos économies et ainsi nous rendre plus solides individuellement et collectivement. Des recommandations ciblées qui visent les défis prioritaires auxquels chaque Etat-membre doit faire face pour renforcer la croissance, pousser la création d'emplois, car le chômage reste un problème commun, et assurer le développement durable, car c'est un enjeu pour demain. La prochaine Commission devra veiller, au printemps 2020, puisque c'est à elle qu'il reviendra de prendre le relais à la bonne mise en œuvre de ces recommandations.

Aujourd'hui aussi, la Commission renforce une dimension supplémentaire de ces recommandations en visant certaines pratiques dommageables pour nos économies et nos sociétés. Nos recommandations visent donc à soutenir la lutte contre le blanchiment d'argent dans certains pays (le Danemark, l'Estonie, la Lettonie, la Bulgarie, Malte, la Suède); à sauvegarder l'indépendance judiciaire et l'Etat de droit à Chypre et en Hongrie; et à combattre la planification fiscale agressive à Chypre, en Hongrie, en Irlande, au Luxembourg, à Malte et aux Pays Bas.

S'agissant de la planification fiscale agressive, et conformément à la recommandation de la zone euro, nous proposons pour la première fois une recommandation spécifique aux États membres identifiés sur la base d'un examen approfondi des règles fiscales, des indicateurs économiques pertinents et des analyses spécifiques par pays. Il y a plus de progrès dans certains pays, notamment les Pays-Bas et l'Irlande qui vont dans la bonne direction, mais il reste des remarques à faire et partout nous souhaitons encourager la poursuite de ces progrès.

Enfin, troisième message politique important, la Commission prend aujourd'hui ses responsabilités sur un certain nombre de pays, faisant face à des situations sensibles, mais différentes et qui exigent, encore une fois, une application intelligente mais rigoureuse de nos règles communes.

Nous avons adopté ce matin le troisième rapport de surveillance renforcée pour la Grèce. Comme vous le savez, ces rapports trimestriels permettent de surveiller la conformité aux objectifs budgétaires convenus et la poursuite des réformes structurelles. La Grèce a commencé ce nouveau chapitre post-programme de façon globalement positive, avec un excédent budgétaire pour la troisième année consécutive en 2018. Elle a entrepris un retour progressif au financement de marché qui reste un objectif pour le peuple grec. Des mesures supplémentaires en faveur de la dette, d'un montant d'environ 970 millions d'euros, ont été mises en œuvre en avril. Beaucoup a donc été fait par les autorités grecques pour redresser l'économie grecque.

Notre rapport fait également état d'un certain nombre de retards dans la mise en œuvre des engagements de réforme. Il met également en lumière les risques qui pèsent sur la réalisation des objectifs budgétaires suite au paquet de mesures adoptées le mois dernier. Nous devons donc être attentifs à cet objectif de surplus budgétaire dans les prochains mois. Ce qui n'empêche pas de s'interroger sur le montant exact des surplus qui, en régime de croisière, devra être atteint.

Quel que soit le prochain gouvernement, la Commission continuera d'aider la Grèce à parvenir à une reprise économique durable. Le rapport d'aujourd'hui constitue un point de départ pour le dialogue constructif que nous souhaitons maintenir avec les autorités grecques, comme nous l'avons eu tout au long de ces années.

La Hongrie et la Roumanie mettent en œuvre des politiques budgétaires expansionnistes au lieu de procéder à un assainissement de leurs finances publiques, dans un contexte pourtant de conjoncture économique favorable, comme prévu par les règles. Compte tenu du non-respect des recommandations précédentes, nous recommandons au Conseil de conclure qu'aucune mesure efficace n'a été prise et que la procédure pour déviation significative devrait être renouvelée pour les deux pays. Cette procédure devrait s'appliquer pour 2019 et 2020, avec un effort fiscal annuel demandé de 1% et 0,75% respectivement.

Ensuite, nous avons adopté pour quatre États-membre des rapports basés sur l'article 126(3) du Traité, examinant les raisons qui ont mené à un non-respect des critères de la dette ou du déficit. Ces pays sont la France, la

Belgique, Chypre et l'Italie. Dans tous les cas, il y a un non-respect de ces critères (isolément ou combiné). L'analyse tient compte des prévisions pour 2019 et 2020 ainsi que de tous les facteurs pertinents.

Pour la France, notre rapport conclut que les deux critères, du déficit et de la dette – sont respectés. Concernant le déficit, le dépassement de la limite de 3% projetée pour 2019 serait limité (3,1%) et temporaire (une année). Cette augmentation est due au remplacement du CICE, le crédit d'impôt compétitivité emploi, une mesure adoptée par la France lorsque j'étais ministre des Finances, par des baisses de cotisations pérennes, opération qui a un impact ponctuel en 2019 de 0,9%. Dès 2020 dans nos prévisions, le déficit revient donc largement sous 3% à 2,2%. Et concernant la dette, dont je persiste à penser qu'elle doit être réduite, le respect global par la France du bras préventif a été considéré un facteur pertinent pour ne pas ouvrir une procédure.

Dans le cas de la Belgique en revanche, nous constatons que le cas est trop *borderline* pour conclure avec certitude. Car si le solde structurel était neutre en 2018 et devrait l'être aussi en 2019, plutôt que de s'améliorer, il faut constater que la dette se réduit progressivement et que – à 1,3% cette année selon nos prévisions – le déficit nominal resterait bien en dessous de 3%. Donc ces éléments sont positifs et compensent selon notre point de vue le solde structurel pour 2018 et 2019. Là aussi pas de procédure ouverte.

Turning to Cyprus, our report was triggered by the fact that the headline deficit reached 4.8% of GDP in 2018. However, this was entirely due to banking support measures which were necessary to preserve financial stability. Moreover, for both this year and 2020, we forecast a significant budgetary surplus and a strongly declining public debt. We have thus decided against opening an EDP given that no further adjustment is needed and a procedure would add little value – and would appear counterintuitive to citizens. Let's not be too formal, this wouldn't have made any sense.

As regards Italy, the figures have been given by Valdis, I will now just say that they are problematic on two fronts:

Instead of being reduced, Italy's public debt, which is a major burden on the economy, increased further from 131% to 132% of GDP.

And the structural deficit, which should have declined by 0.3% according to the Council recommendation, instead widened by 0.1%, meaning there was a gap of 0.4 percentage points to compliance.

Unfortunately, also for 2019 we forecast a slight worsening in the structural deficit, whereas the Council had recommended a reduction of 0.6% – and the Italian authorities had made a commitment last December to avoid any deterioration.

Finally for 2020, we forecast a large increase in the deficit both in structural and nominal terms, to 3.5% of GDP, well above the Treaty threshold.

On this basis, and having examined all relevant factors, we have concluded that the debt criterion is currently not respected and that a debt-based Excessive Deficit Procedure is warranted for Italy. Let's be clear, we are not opening today this EDP. It is now for the Council to express its views on this objective and on our analysis which is purely factual. Pending this opinion, I see no need to speculate further at this stage, neither in the mindset, neither in the markets. As always, with all Member States, we are ready to look at new data that could change this analysis. *La mia porta rimane aperta*. For those who don't understand my Italian, I would say, *my door is open, ma porte est ouverte*. Nous pouvons toujours échanger et écouter.

With this last spring package of our mandate, we are presenting a coherent set of recommendations to build on what we have achieved in these past five years – and to tackle the major economic and societal changes Europe is set to face in the coming years.

In particular, we reaffirm today our commitment to an intelligent application of the Stability and Growth Pact. That means basing our decisions not on a mechanistic or legalistic application of the rules, but on whether they are good for growth, jobs and sound public finances.

Thank you for your attention and I will now hand over to Marianne.

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## [Remarks by President Donald Tusk after his meeting with President of Ukraine Volodymyr Zelenskyy](#)

It is my pleasure to welcome you, Mr President, dear friend, in Brussels. The fact that you're visiting the capital of the European Union and the headquarters of NATO on your first foreign trip is a strong and important signal.

Just after the election in Ukraine, I had the opportunity to congratulate you on your victory. As I said then, and repeated today, free and fair elections are the best proof of what Ukraine has already achieved. This is even more remarkable taking into account the difficult security, political and economic circumstances, including the continuing threats to Ukraine's territorial integrity.

In our meeting today, I re-stated the EU's support to Ukraine and its people, who have made great progress in reforming their country since the Revolution of Dignity five years ago.

The EU will always be determined to help Ukraine strengthen its democracy and

the rule of law, fight corruption, stabilise its economy and pursue energy sector reforms. Because a strong and democratic Ukraine is in the best interest of the European Union.

We are ready to continue our work on the implementation of the EU-Ukraine Association. This has already brought many positive results in trade and investments, which benefit our people, on both sides. And it can bring many more in the future. The EU will also maintain its financial support for economic stabilisation, despite Russian aggression and the war in Donbas.

We also discussed the ongoing threats to the security of Ukraine. The EU will stay its course and remain committed to Ukraine's sovereignty, independence and territorial integrity. We condemn the Russian decrees on granting Russian citizenship to Ukrainians in Donbas or of Crimean origin. This goes against the Minsk agreements.

And we continue to call for the immediate release of Ukrainian citizens illegally detained in Russia and Crimea, including the 24 Ukrainian sailors held in Moscow since November.

President Zelenskyy and I discussed our next EU-Ukraine summit. This will set the priorities for our relations in the year ahead. Our joint decision is to hold the summit, as planned, and we have also agreed to remain in close contact with the President.

Let me conclude by repeating what I said in the Rada in February: "There can be no just Europe without an independent Ukraine. There can be no safe Europe without a safe Ukraine. To put it simply: there can be no Europe without Ukraine!" Mr President, Ukraine can count on the European Union, as always. We are and will remain your best friend and trusted ally. Thank you.

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## [Opening remarks by Vice-President Dombrovskis on the European Semester 2019 Spring Package](#)

Good afternoon,

Today we spoke mostly on the 2019 Spring Package of the European Semester. Before giving details on this, let me tell you about the two other points which we had on the agenda today:

First, the Commission has today adopted the EU's draft budget for 2020. We have proposed €168.3 billion for 2020 for a more competitive European economy, solidarity and security in the EU and beyond.

This budget is the seventh and last one under the current 2014-2020 multiannual EU budget.

It is designed to optimise funding for existing programmes as well as new initiatives and to boost the European value-added, in line with the Juncker Commission's priorities.

The budget for 2020 has identified the following priority areas: competitive economy and young people; strengthening security and solidarity in the EU, climate change and several others.

For example, 21% of the overall proposed budget for 2020 will go to tackle climate change. This aligns with the ambitious target of spending 20% of EU's current multiannual budget on activities that address climate change.

Our colleague Günther Oettinger will address the European Parliament on this topic this afternoon, jointly with the MEPs Jean Arthuis, Monika Hohlmeier and Vladimír Manka.

And they will have a press conference at 14:45 in front of meeting room ASP 5G3.

We also heard First Vice-President Timmermans who informed us about the ongoing legislative files that could still be delivered before the end of the mandate of this Commission.

Altogether, this Commission has made 474 legislative proposals; which includes 44 proposals presented by previous Commission.

Of these, 351 proposals have been adopted or agreed by the European Parliament and/or the Council during the present mandate.

This means that 167 proposals remain to be agreed at this point, of which about half have a chance of agreement before the 31<sup>st</sup> of October.

The College decided to work hard until the very last strand of this mandate to get our proposals adopted.

This bring me now to the European Semester.

This is the last Spring Package of this Commission. So maybe it's a chance to take stock of how far we have come.

The European economy is in much better shape than when we found it.

Seven years of uninterrupted growth.

Investment is recovering.

Public finances are improving.

Employment is at record levels. Some 13.4 million jobs have been created since 2014.

And this is widespread. In spite of the recent slowdown and increased risks, all EU countries are set to grow this year and into the next.

It shows that our economic policies – boosting investment, stepping up structural reforms and conducting responsible fiscal policies – are working.

Unfortunately, that is not the case across all Member States.

Some Member States have not used the good economic times to build fiscal buffers and implement necessary reforms.

There is still much to do to make our economies more competitive and resilient.

For all Member States, new challenges lie ahead. We need to transform our economies to make sure digitisation, population ageing and the transition to a climate-neutral economy don't undermine our strong European social model.

Indeed, making growth inclusive has been our focus for several years, so that it also benefits everyone, including the most vulnerable. This strong social dimension is to be maintained.

Marianne will talk more on this.

Let me point to two novelties in this year Country Specific Recommendations:

First, a greater focus on investment: a dedicated CSR identifies priority investment needs for each country, be it for private or public investments. We pay special attention to addressing regional and territorial disparities. These investment needs should be addressed by public and private sources, including EU funding.

Second, for several countries, namely, Bulgaria, Denmark, Estonia, Latvia, Malta and Sweden, we propose Country Specific Recommendations in relation to anti-money laundering. Failure to address shortcomings in AML enforcement can seriously undermine confidence in the European banking sector. This is why it is a European problem and we must work on it as such.

Today we also adopted a number of fiscal decisions as well as the third report under enhanced surveillance for Greece.

Pierre will elaborate on those cases, so let me say a few words on three countries: Spain, Italy and Greece.

Today we are proposing to abrogate the Excessive Deficit Procedure for Spain. So let me congratulate Spain!

Of course, the logic of the Stability and Growth Pact is that Spain, like other Member States, must continue to focus on sound public finances, precisely to avoid problems in the future.

As of this year, Spain will be in the preventive arm of the Pact, which means that we will look at the evolution of debt and the delivery of the required

structural effort, which is expected to be 0.65% of GDP this year and also in the next.

On Italy, today we have published a report under Article 126.3 of the Treaty, assessing the breach of the debt benchmark in 2018.

It concludes that the debt criterion is not complied with and that a debt-based Excessive Deficit Procedure is thus warranted.

To be clear, today we are not opening an Excessive Deficit Procedure.

First, the EU Member States have to give their views on the 126.3 report.

The Economic and Financial Committee has two weeks to formulate its opinion on our conclusions.

But it is about much more than just procedure.

When we look at the Italian economy we are seeing the damage recent policy choices are doing.

Let me give you some examples.

We estimate that interest expenditure for Italy in 2018 turned out to be higher by around EUR 2.2 billion, if we compare with our Spring Forecast of 2018.

Today Italy pays in debt servicing as much as for the entire education system.

In 2018, Italy's debt represented an average burden of EUR 38 400 per inhabitant. In addition, the average debt servicing cost per person was around EUR 1 000.

Growth has come almost to a halt.

The hit to confidence and higher interest rates have aggravated the impact of external factors, such as global trade tensions or a general slowdown in the world's economy.

We now expect the Italian debt ratio to rise in both 2019 and 2020, up to 135% of GDP due to the gap between interest rates and growth, so called "snowball" effect, but also due to declining primary surplus and underachieved privatisation proceeds.

We know there is a path for recovery and growth for Italy. Other Member States have already taken it, with success. This path follows a renewed reform effort, not spending more where there is no fiscal space to do so.

Let me also say a few words on Greece.

During this Commission's mandate, Greece is amongst those countries that have implemented the most reforms.



Thanks to those reforms and thanks to sound fiscal policies, the country is on the path of recovery, with growing employment and consumer demand.

In April, following the implementation of specific commitments, the Eurogroup released the first tranche of policy-contingent debt measures.

However, the reform momentum has slowed in recent months.

In May, Greece adopted a series of expansionary fiscal measures and announced more for later.

Today's report notes that the package is costly and does not go in the right policy direction.

It undoes some elements of important past programme reforms. And these new measures poses a risk to the achievement of the agreed primary surplus target of 3.5% of GDP this year and beyond.

To conclude, it is important not to waste the major progress made in recent years.

It is a delicate exercise for Greece to return to markets. With public debt at around 180% of GDP, there is very little room for mistakes.

Thank you.

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## [EASO publishes a Country of Origin Information \(COI\) report on Côte d'Ivoire](#)

***Today, the European Asylum Support Office (EASO) published a [Country of Origin Information \(COI\) report, Country Focus on Côte d'Ivoire](#). The report provides information on selected topics, relevant for the international protection status determination of Ivorian applicants. Between December 2016 and April 2019, more than 27 000 Ivorian applications were registered in the EU+ countries.***<sup>1</sup>

The EASO COI Country Focus report on Côte d'Ivoire provides general background information on the West African country, namely on geography, population, ethnic and religious groups, including the emergence of the concept of 'Ivoirité' ('Ivorianness' or 'Ivorians First'). The report further provides a brief historical overview of the recent political situation, as well as context information on the two periods of civil unrest (2002-2007; 2010-2011). Next, the security situation in the country is discussed, focusing on the western regions of Côte d'Ivoire, on inter-ethnic conflicts

and on criminality, specifically criminal youth gangs, called microbes). The last chapter is dedicated to some specific human rights issues in the country, namely the situation of LGBTI persons, women (including domestic and sexual violence, FGM/C, and forced and early marriage) and trafficking in human beings.

The EASO COI report *Côte d'Ivoire Country Focus* was drafted by COI researchers from Switzerland, State Secretariat for Migration (SEM), Division Analysis, and Italy, Ministry of Interior, Italian National Commission for the Right of Asylum, International and EU Affairs, COI Unit.

The report was reviewed by EASO and COI researchers from the following national asylum authorities: France, French Office for the Protection of Refugees and Stateless Persons (OFPRA), Division of Information, Documentation and Research (DIDR); Norway, Landinfo, and The Netherlands, Immigration and Naturalisation Service, Office for Country of Origin Information and Language Analysis (OCILA). In addition, an external review was carried out by Dr Marie Miran-Guyon, Lecturer at the École des Hautes Études en Sciences Sociales (EHESS), researcher, and author of numerous publications on Côte d'Ivoire. This report was drafted and reviewed in accordance with [EASO's COI Report Methodology](#). In line with this methodology, country information from a wide variety of sources is provided, while refraining from making any international protection assessments or policy conclusions.

The [report](#) can be downloaded from the [EASO COI portal](#).

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<sup>1</sup>EU Member States plus Norway and Switzerland  
Cover photo: © Mariam Dembélé, Abidjan (December 2016)

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## [European Commission reports on the EU Charter of Fundamental Rights, 10 years on](#)

**Today, the Commission publishes its annual report on how the EU institutions and Member States have been applying the EU Charter of Fundamental Rights.** This year marks the 10<sup>th</sup> anniversary of the Charter. On this occasion, the Commission is also releasing a [Eurobarometer survey](#) on citizens' awareness of the Charter. Thanks to the Charter, a culture of fundamental rights has developed in the work of the EU institutions over the last ten years. But the Charter is not yet used to its full potential by the enforcement chain and awareness remains low.

First Vice-President Frans **Timmermans** said: *“Ten years on, the Charter of Fundamental rights is living up to its promise. It is the buttress of our Union of values and sets out our rights, freedoms, and principles. For the Charter to be most effective in people’s lives they must know about their rights and where to turn to when these are violated. This is why it is important to continue to spread the word about the Charter and let people know what is truly theirs as Europeans.”*

Věra **Jourová**, Commissioner for Justice, Consumers and Gender Equality added: *“The Charter is being quoted by courts, and applied by the EU through its recent initiatives to protect citizens’ rights. However, only 1 in 10 Europeans know what the Charter is, which makes it difficult for people to use its full potential. That’s why I call upon national governments and all civil society and rights defenders to raise awareness and make the Charter a reality for all citizens.”*

The [report](#) shows that European policy makers are increasingly aware of the importance of ensuring that initiatives are Charter compliant and the EU has adopted many initiatives protecting people’s fundamental rights, such as the [General Data Protection Regulation](#).

National authorities, including the courts, are required to apply the Charter when implementing EU law. References to the Charter by the European Court of Justice have increased substantially, up from 27 references in 2010 to 356 times in 2018. National courts are also referring to the Charter in their decisions and increasingly asking the European Court of Justice for guidance.

The Charter is nevertheless still not used to its full potential and awareness remains low, especially at the national level. The EU Agency of Fundamental Rights points to a lack of national policies that promote awareness and implementation of the Charter. Today’s Eurobarometer survey shows that though the situation has slightly improved since 2012, only four in 10 citizens have heard of the Charter and only one in 10 know what it is. Six out of 10 would like more information on Charter rights and on where to turn to if their rights are violated.

As regards the application of the Charter in 2018, the report mentions key initiatives by the EU such as:

- o **establishing whistleblowers protection** at EU level ([Minimum standards to guarantee a high level of whistleblower protection](#)),
- o **promoting electoral rights** ([Measures to promote free and fair elections, Communication on disinformation](#) and invitation to online platforms and the advertising industry [to take action to tackle fake news](#)) and
- o **fighting illegal hate speech online** ([Monitoring of the impact of the Code of Conduct on countering online hate speech](#)).

Finally the report shows that there is room for improvement, especially at national level. Non-respect of the rule of law and of asylum legislation was and remains a problem in part of the EU.

On 12 November this year, the European Commission, the Finnish Presidency of the EU and the EU Agency for Fundamental Rights will hold a 10-year anniversary conference to celebrate the Charter. Participants will reflect on how to improve the use of the Charter on the ground in the Member States.

## Background

With the entry into force of the Lisbon Treaty on 1 December 2009, the [Charter of Fundamental Rights](#) became legally binding. Since then, the European Commission has published an annual report on the application of the Charter.

The annual reports monitor progress in the areas where the EU has powers to act, showing how the Charter has been taken into account in actual cases, notably when new EU legislation is proposed. It addresses the role that EU institutions and Member States authorities play in making fundamental rights a reality in peoples' lives.

The Commission works with the relevant authorities at national, local and EU level to better inform people about their fundamental rights and where to find help if their rights have been infringed. Practical information is available on the [e-Justice](#) portal.

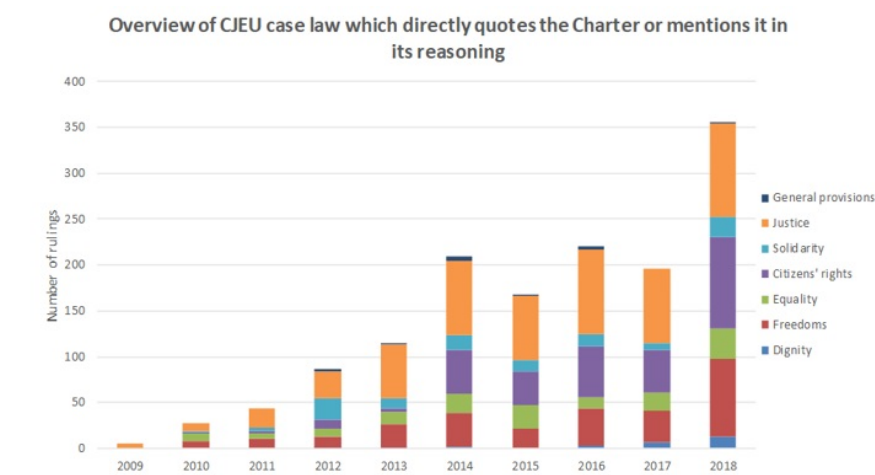
For More  
Information

[2018 Report on the application of the EU Charter of Fundamental Rights](#)

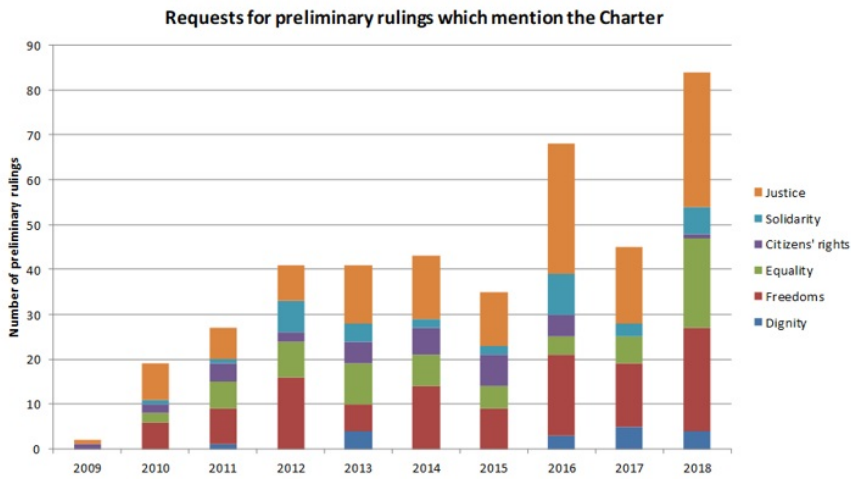
[Eurobarometer and factsheets on Awareness of Fundamental Rights](#)

## EU Charter of Fundamental rights at the EU Court of Justice

In 2018, the Court of Justice of the EU referred to the Charter in 356 cases, up from 27 in 2010.



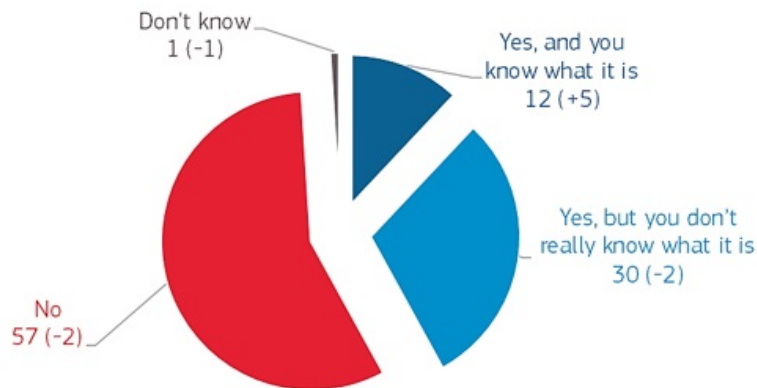
When referring questions to the Court of Justice of the EU (requests for preliminary rulings), national courts increasingly make reference to the Charter (84 in 2018, compared to 19 in 2010).



### **Eurobarometer results: Awareness of the Charter of Fundamental rights**

The Eurobarometer on Charter awareness shows that though the situation has slightly improved since 2012, only 42% of respondents have heard of the Charter and only 12% really know what it is.

**QB1** Have you ever heard of the Charter of Fundamental Rights of the EU?  
(% - EU)



*(March 2019 - June 2012)*

Results also show that six in ten respondents would like to have more information on the Charter and on where to turn to if their Charter rights are violated.

**QB6** Would you be interested or not in having more information about the following aspects of the Charter?  
 (% - EU)

