EUROPEAN COMMISSION
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Extracts from the common press conference by Olli Rehn László Andor, and Algirdas Šemeta on the country-specific recommendations

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On 30 May 2012, the European Commission adopted its second annual set of policy recommendations to the 27 Member States, and to the euro area as a whole. On this occasion, Olli Rehn, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro, László Andor, Member of the EC in charge of Employment, Social Affairs and Inclusion, and Algirdas Šemeta, Member of the EC in charge of Taxation and Customs Union, Audit and Anti-Fraud gave a press conference at the European Commission in Brussels to present those recommendations which are based on a detailed assessment of the economic, employment and budgetary situation and policies in each country. Where required, the Commission will spell out further budgetary steps, structural reforms and growth-enhancing measures which Member States should adopt over the following 12 months. The recommendations are to be endorsed by the European Council on 28-29 June 2012 and formally adopted by the Council in July 2012. The presentation of the Country-Specific Recommendations is a key moment in the "European Semester" of economic policy coordination., Taking the EU's growth strategy as a starting point, the Commission sets out every year Europe's economic policy priorities in the so-called "Annual Growth Survey". The priorities presented in the 2012 Annual Growth Survey, adopted on 23 November 2011, were endorsed by the European Council on 1 March 2012. On that basis, the Member States submitted in April their medium-term budgetary plans and the structural reform measures planned for the following 12 months. The Country-Specific Recommendations are the Commission's response to these. The presentation of the results of the in-depth reviews of 12 Member States is the next step in the Macroeconomic Imbalances Procedure, following the Alert Mechanism report on 14 February. The Alert Mechanism Report concluded that the macroeconomic situation in Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Italy, Hungary, Slovenia, Spain, Sweden and the UK merited further investigation with a view to assessing the presence of specific imbalances. Where necessary, the Commission will also issue recommendations to take appropriate preventive or corrective action to address these.

TIME	DESCRIPTION	DURATION
10:00:00	Title	00:00:05
10:00:05	Arrival of Olli Rehn, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro, Algirdas Šemeta, Member of the EC in charge of Taxation and Customs Union, Audit and Anti-Fraud, and László Andor, Member of the EC in charge of Employment, Social Affairs and Inclusion, at the press conference, in Brussels	00:00:06
10:00:11	Cutaway of the speakers	00:00:03
10:00:15	Soundbite by Olli Rehn (in ENGLISH): We suggested to the Council that Bulgaria and Germany, having corrected their excessive deficits in a durable manner, will be abrogated from their Excessive Deficit Procedure (EDP).	00:00:17
10:00:32	Cutaway of the audience	00:00:03

10:00:36	Soundbite by Olli Rehn (in ENGLISH): For Hungary, we consider that effective actions have been taken in response to the Council recommendation to correct the excessive deficit by this year 2012 and therefore the EDP for Hungary as it is called into abeyance and we can propose the lifting of the suspension of the cohesion funds for Hungary.	00:00:28
10:01:04	Cutaway of a cameraman	00:00:03
10:01:08	Soundbite by Olli Rehn (in ENGLISH): On the condition that Spain can effectively control the excessive spending at sub national level, especially by the autonomous regions, and assuming that Spain will present a solid two-year budget plan for 2013-2014 to further substantiate the medium term path of fiscal consolidation, then, we are ready to consider proposing an extension of the deadline to correct the excessive deficit by one year to 2014.	00:00:40
10:01:48	Cutaway of the speakers	00:00:03
10:01:52	Soundbite by László Andor (in ENGLISH): Member States must pursue efforts to improve the functioning of the labour market, in particular, some Member States, mainly in the South, must make it easier to recruit young people by adjusting the legislation on employment protection.	00:00:17
10:02:09	Cutaway of the audience	00:00:03
10:02:12	Soundbite by László Andor (in ENGLISH): Member States must do more to foster women participation in the labour market. Vice-President has already referred to this, this is crucial for boosting growth as well as to meet the challenges of an ageing population.	00:00:15
10:02:28	Cutaway of the audience	00:00:04
10:02:32	Soundbite by László Andor (in ENGLISH): It is vital to protect the vulnerable against the damage resulting from the continued economic crisis; otherwise we are putting social cohesion at risk for years to come. Member States need to act to improve the adequacy and coverage of social protection systems and ensure access to quality social services and better targeted social assistance.	00:00:25
10:02:58	Cutaway of the speakers	00:00:02
10:03:00	Soundbite by Algirdas Šemeta (in ENGLISH): Labour taxation in many Member States is still too high and not enough has been done to shift this burden towards more growth friendly taxes. Taxation can incentivise work and employment but only if smartly designed. The opportunity for a smart tax shift is too frequently being missed.	00:00:24

10:03:25	Cutaway of the audience	00:00:03
10:03:29	Soundbite by Algirdas Šemeta (in ENGLISH): We have asked some Member States to look again at their property taxes. Without a doubt, the debt-fuelled consumption of the past decades has failed us. Therefore, taxation which incentivises debt and encourages housing bubbles must be phased out.	00:00:22
10:03:51	Cutaway of the audience	00:00:03
10:03:54	Soundbite by Algirdas Šemeta (in ENGLISH): Ordinary citizens could potentially carry a lighter tax burden if everybody paid what they owed. However, tax evasion and avoidance lead to revenue losses of around €1 trillion a year. Many Member States could do a lot more to improve tax compliance and collection.	00:00:21
10:04:15	Departure of the speakers	00:00:08

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