

2013 Pre-accession Economic Programmes of Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey: EU Commission's overview and assessments

The document contains the Commission's assessments of the 2013 Pre-Accession Economic Programmes (PEPs) of the five candidate countries: Iceland, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey. The PEPs are precursors of similar programmes which EU Member States are supposed to submit. PEPs should outline a medium-term policy framework, including public finance objectives and structural reform strategies. The Commission assesses whether the programme is plausible and in line with the country's accession perspective and whether it respects the required format and meets information needs.

In its assessment, the Commission found that in 2012 all of the candidate countries experienced a marked slowdown of economic growth and some (Serbia, Montenegro and the former Yugoslav Republic of Macedonia) entered into a new recession. A combination of external and domestic factors (such as continued uncertainties in the euro-zone, unfavourable weather conditions, subdued credit growth) created obstacles to higher growth. Economic growth is projected to recover over the programme period, driven mainly by domestic demand; however, the programmes' macroeconomic assumptions appear to be on optimistic side. External imbalances are set to persist and constitute a source of vulnerability whereas fiscal discipline and budgetary planning leave ample room for improvement. Finally, structural weaknesses hampering growth potential call for more determined action.