

Brussels, 13/05/2011
C/2011/3167

Dear President,

The Commission would like to thank the Senate of the Parliament of the Czech Republic for its opinion on the Commission Communication Reinforcing Economic Policy Coordination {COM(2010)250}.

As you will be aware, the Communication found concrete follow-up when the European Commission on 29 September 2010 presented a comprehensive and coherent package of draft legislation to improve economic governance by a) strengthening the Stability and Growth Pact, particularly through an increased focus on public debt and fiscal sustainability, b) extending surveillance to macroeconomic imbalances and c) making enforcement more effective through the use of sanctions and incentives.

The views expressed in the opinion of the Czech Senate, for example regarding the enhancement of the preventive and corrective arms of the Stability and Growth Pact and the strengthening of the surveillance of macro-economic imbalances, are fully in line with the proposals put forward by the Commission. The Commission also agrees on many other issues covered in the opinion of the Czech Senate, such as the need to continue work on the Internal Market. In this regard, the Commission has put forward the Single Market Act, identifying 12 priority areas to fully exploit its potential. With regard to the concern expressed on the transfer of fiscal competences, the Commission stresses that the European Semester fully respects the prerogatives of national Parliaments.

For the coming months, the Commission counts on the Union legislative procedure to bring the process of legislation to a positive conclusion so that the Union and in particular the Euro area will be equipped with rigorous rules, semi-automatic implementation and an effective framework to deal with broader macroeconomic imbalances. The EU needs this reinforced and rigorous economic governance for the sake of stable and sustainable growth, which is critical to Europe's businesses and citizens.

The Commission has provided, through the Annual Growth Survey adopted on 12 January, its views on the priority measures that should be taken by Member States in order to front-load growth. This marked the beginning of the first European semester, and the priorities identified were broadly endorsed by the Spring European Council.

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As you know, the Commission strongly encourages the involvement of national Parliaments in the ongoing discussions on economic governance, and in particular in the context of the European semester, and has already discussed this issue with national Parliaments in more detail in the framework of the COSAC.

The Commission hopes that these clarifications address the concerns expressed by the Senate of the Parliament of the Czech Republic.

I am looking forward to further develop our political dialogue.

Yours faithfully,

/-/ Maroš Šefčovič