EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Annual Growth Survey 2012 {COM (2011) 815 final}, and apologises for the long delay in replying. The Camera's Opinion includes a valuable number of observations and recommendations, addressed to the Italian government and also relevant to the EU Institutions. The Commission takes careful note and would like to provide the following considerations.

The global economic and financial crisis has posed a number of challenges to the Member States of the European Union. In the case of Italy, it has exacerbated the pre-existing twin challenges of high public debt and low growth and increased the urgency of tackling these issues. As highlighted by President Barroso in his speech on the State of the Union of 12 September 2012, determined national reforms coupled with an efficient response and a strengthened governance at the European level are the way to efficiently address these challenges and find a sustainable path out of the crisis.

In this respect, the Commission shares the views of the Camera dei Deputati that the design and performance of the Economic and Monetary Union (EMU) needs to be strategically improved. To this aim, a report was presented by President Van Rompuy in cooperation with President Barroso and the Presidents of the Eurogroup and European Central Bank on 26 June 2012 ('Towards a genuine economic and monetary union') setting out a clear vision for the future of the EMU. In particular, the report identified four essential building blocks on which the EMU should be based: a coherent and complete architecture comprising more integrated frameworks for fiscal policy, economic policy and the financial and banking sector, coupled with strengthened democratic legitimacy and accountability.

Drawing on a further report by the four Presidents as well as the Blueprint from the Commission of November 2012 for a Deep and Genuine EMU, the European Council discussed at its meeting on 13-14 December a road map suggesting a stage-based process for the completion of the EMU. At the same meeting, the European Council welcomed the agreement reached on the Single Supervisory Mechanism for banks, which is a significant step in the construction of the Banking Union - one building block of a stronger EMU. It will now be vital to build on this momentum by making further progress throughout 2013. Concrete measures and a specific and time-bound road map should be presented in time for the European Council of June this year, after consultation with the Member States.

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As regards the policy response to the crisis, the Commission is aware of the challenge of combining fiscal consolidation and growth in the crisis context. However, these are two sides of the same coin that strengthen each other and are necessary to break the vicious circle of the crisis and enter a virtuous one: fiscal consolidation is indeed the prerequisite for sustainable growth through increased confidence and lower interest rates, while growth creates the conditions for restoring sound public finances. We thus need to continue the smart fiscal consolidation within the new European economic governance architecture and, at the same time, combine this with action to stimulate growth, boost competitiveness and create jobs.

The Europe 2020 strategy remains the European Union's comprehensive growth strategy. The strategy steers action to address the shortcomings of our economy and creates the conditions for a different type of growth that is smarter, more sustainable and more inclusive. But only if the individual efforts of all the countries are coordinated and focused, can they result in the desired impact on growth. The European Semester provides the platform for this kind of economic policy coordination, which is ultimately translated into the country specific recommendations to be implemented nationally. The Annual Growth Survey serves to refine and update the reform priorities on a yearly basis according to the changing economic environment, while at the same time allows moving towards the agreed structural objectives on which substantial progress can only be measurable in the longer term. The value and importance of implementing this strategy and process is confirmed and supported by the European Council on a regular basis. Last November, the Commission adopted the Annual Growth Survey for 2013, launching the 2013 European semester which should now feed into national economic and budgetary decisions. The proposal confirms the need for Member States to maintain the reform momentum and therefore, recommends focusing on the same five priorities that were identified in the previous Survey. The European Council agreed with this approach in December and will adopt specific guidance at its session in March.

In its statement to mark Schuman Day on 9 May 2012, the Commission called on stakeholders to step up efforts for growth and jobs by accelerating the delivery of the Europe 2020 strategy, and highlighted several EU level initiatives with real growth-enhancing potential. Many of these features are highlighted in the Compact for Growth and Jobs agreed by the Heads of State or Government at the European Council of 28-29 June 2012. Last December, the European Council took stock of progress on work to boost growth and jobs and the key now is to adopt and implement the relevant reforms without delay. Further deepening of the internal market remains a key lever for growth, provided quick decisions are taken to remove remaining obstacles. In this respect, the Commission has proposed a new set of actions (Single Market Act II) to further exploit the still untapped potential of the single market to bring social and economic progress and become a beneficial engine for consumers, workers, enterprises as well as innovation and public sector savings. Furthermore, the adoption of the outstanding proposals of the Single Market Act "I" adopted in April 2011 by the European Parliament and Council should be treated as a priority. The European Council called to complete pending work by the end of the current parliamentary term at the latest. It also asked for swift and comprehensive follow-up to the Youth Employment Package and the new Communication on EU Regulatory Fitness, which will also make an important contribution to economic recovery.

The Opinion rightly signals the importance of backing policy with adequate financial resources. The conclusions of the 2012 June European Council specifically identified the EU budget as a catalyst for growth and jobs across Europe. The political agreement on the next Multiannual Financial Framework reached at the European Council of 7-8 February was an important step. Negotiations will now begin between the Council and European Parliament. The Commission will continue to work with both institutions to secure an outcome that will allow the Union to fully exploit the role of the EU budget to support reforms in line with the Europe 2020 strategy and boosting growth-enhancing investments, employment and cohesion for the whole EU.

The Commission takes particular note of the observation of the Camera dei Deputati about the importance to foster anti-tax evasion measures. The Commission Communication of 27 June 2012 on "concrete ways to reinforce the fight against tax fraud and tax evasion including in relation to third countries" outlines the different levels at which action is needed and gives orientations for further consideration. On 6 December 2012, the Commission came forward with an action plan identifying specific measures for a more effective EU response to tax evasion and avoidance together with two concrete initiatives on tax havens and aggressive tax planning.

The Commission encourages the Camera dei Deputati to continue giving its full consideration to this process and looks forward to continuing the political dialogue in the future on these very important matters.

Yours faithfully,

Maroš Šefčovič
Vice-President