



EUROPEAN COMMISSION

*Brussels, 23.8.2013
C(2013) 5550 final*

Dear President,

The Commission would like to thank the Assembleia da República for its Opinion on the Communication from the Commission Annual Growth Survey (AGS) 2013 {COM (2012) 750 final} and apologises for the delay in replying.

The Commission takes careful note of the observations made by the Assembleia da República as regards the content of the Communication. The Commission is satisfied to read that the Assembleia da República shares most of the views of the Communication. Notably, it shares the main economic priorities. The priorities identified in the previous AGS remained largely valid and hence the 2013 AGS proposed the following five priorities:

- Pursuing differentiated, growth-friendly fiscal consolidation;*
- Restoring normal lending to the economy;*
- Promoting growth and competitiveness for today and tomorrow;*
- Tackling unemployment and the social consequences of the crisis;*
- Modernising public administration.*

The Commission published its third AGS on 28th November 2012. The Survey was accompanied by two Annexes: the Macroeconomic Report and the Joint Employment Report. In the same "package" the Commission published the Alert Mechanism Report (AMR) and the Single Market Integration Report. The AGS started the new European Semester, by setting out Commission's views on the economic challenges and policy priorities.

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Concerning the European Semester process, the annual cycle begins with the Commission's AGS, which gives broad guidance on priority actions to be taken at EU and national level. Following the discussion in the various Council formations and in view of the conclusions by the ECOFIN (12/2) and EPSCO (28/2) Councils, the Irish Presidency prepared a synthesis report that has, together with the AGS, informed the European Council Conclusions. These EU-wide reform priorities set out in the AGS were then endorsed by the Spring European Council.

On the basis of such EU-wide reform priorities, Member States prepared their National Reform Programmes (structural reforms to boost growth and jobs) and Stability/Convergence Programmes (fiscal plans). These were submitted to the Commission between mid and end of April.

The Commission assessed these reports based on an integrated analysis covering fiscal, macroeconomic, and structural policies and on that basis it proposed at the end of May concrete policy recommendations for each country ("country specific recommendations") that were subsequently discussed by the Council and endorsed by the June European Council. As Portugal is a programme country, the so-called "Two Pack" does not allow separate Country Specific Recommendations for it. Instead, Portugal is invited to pursue the commitments undertaken under the current Economic and Financial Assistance Programme. Under the European Semester, a short analysis for Portugal was published as a Staff Working Document on 29 May 2013.

The Commission looks forward to continuing the political dialogue with the Assembleia da República on this very important subject. The Commission plans to adopt a communication with the AGS for 2014 before the end of this year and encourage the Assembleia da República to express its Opinion again.

Yours faithfully,

*Connie Hedegaard
Member of the European Commission*