



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senat for its Opinion on the Communication to the European Parliament, the European Council, the Council, the European Central Bank 'Deepening Europe's Economic and Monetary Union: Taking stock four years after the Five Presidents' Report' {COM(2019) 279 final}. The Commission appreciates the Senat's interest in this Communication.

The Commission shares the view of the Senat that proper analysis is the backbone of effective policy-making. The Commission will publish a comprehensive review of the economic governance in early 2020. The review will assess the effectiveness of the six and two-pack reforms and provide the basis for further considerations. By nature, it will also touch on the European Semester as the six- and two-pack reforms integrated and revamped the annual cycle of economic and budgetary surveillance. Already back in December 2018, the Commission published the Communication 'Towards a stronger international role of the euro' taking stock of the euro's international performance over the twenty years since its introduction.

Since the financial and economic crisis, the Commission together with the other EU institutions and the Member States made important progress on the euro area architecture. The stability and integrity of the euro area as well as the governance framework are now considerably stronger. Increasing convergence in the Union, while reinforcing its resilience, lies at the heart of the success of the Economic and Monetary Union. In 2018, the Commission tabled the Reform Support Programme: a very important initiative to support Member States. The budgetary instrument for convergence and competitiveness will be an important budgetary tool for the euro area that can be expanded in the future. The Juncker plan was only the start: the Sustainable Europe Investment Plan will support EUR 1 trillion of investment over the next decade in every corner of the EU.

Mr Teodor-Viorel MELESCANU

President of the Senat

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The Senat expresses concern that the Capital Markets Union could facilitate the flow of capital from the less rich regions of the EU to areas that already have strong capital reserves. On the contrary, the Capital Markets Union is a Single Market project for the benefit of all Member States: one of the main objectives of the Capital Markets Union is to develop local capital markets and connect funding sources more effectively to investment projects across the EU. Member States with smaller capital markets and high-growth potential have a lot to gain from improved channelling of capital and investment into their projects. The Capital Markets Union facilitates the cross-border provision of financial services and therefore creates more choice and diversification opportunities for Romanian citizens.

The Commission is committed to pursuing the completion of the Economic and Monetary Union, and the Political Guidelines announced a number of important initiatives towards achieving this goal.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Senat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Valdis Dombrovskis
Executive Vice-President*