

Brussels, 5/11/2010
C/2010/7420

Dear Ms Kinberg,

Thank you for your letter of 24 June 2010 and the attached document of the Swedish Parliament on the Communication from the Commission on "Reinforcing the Cooperation of the Economical Policies" {COM(2010)250}.

Concerning the presentation of Member States' budgets to the EU, the European Semester will establish an integrated surveillance cycle, allowing synchronized assessment of the structural and fiscal policies of Member States to take place in an efficient and effective manner. The results of such ex-ante budgetary and economic surveillance at EU level among peers would allow the competent national authorities to be informed of the European perspective and guidance, enabling them to take more informed decisions under their national rules and procedures and in full respect thereof.

Member States are not expected to present full-fledged budgets to the EU before they present them to their national Parliament. Rather, information to be transferred should allow for meaningful discussions on fiscal policy.

As set out in the Commission Communication of 30 June this would require: (i) an update of the fiscal plans for the current year; (ii) a macroeconomic scenario underpinning budgetary projections; (iii) concrete indications on plans for the following budget; (iv) a description of the envisaged policies; and medium-term budgetary projections for main government variables.

The early peer review fully respects the prerogatives of national parliaments. It provides information and guidance for the preparation of national budgets in the following year, ensuring that national budgets are consistent with the European dimension, and do not put the stability of the other member states at risk. Countries which are at the forefront of budgetary discipline can share their experience with others in the peer review, encouraging them to follow their example.

Regarding the differentiation of measures for Euro area countries and the EU, the Commission proposals are meant for the 27 Member States of the EU, although more demanding rules and stricter enforcement mechanisms will be applied for Euro area Member States because of the existence of deep economic and financial linkages within the Euro area.

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Concerning enhancing the quality of public finance statistics, we would like to point out, as regards the quality of statistical data in the context of the Excessive Deficit Procedure (EDP) that the Commission has proposed in February 2010 a Council regulation to amend Regulation (EC) No 479/2009. The aim of the proposal is to reinforce the powers of Eurostat in the interest of ensuring the reliability of government deficit and debt data in the context of the EDP.

The support expressed by the European Parliament is very strong, even going beyond the Commission's proposal in some regards. The legislative resolution adopted by the European Parliament on 6 July approved a series of amendments in this direction. The Council is to approve the regulation formally once it has considered the European Parliament proposals.

I look forward to developing our policy dialogue further in the future.

Yours sincerely,

/-/ Maroš Šefčovič