



EUROPEAN COMMISSION

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Dear Chair,

The Commission would like to thank the the Riksdag for its Opinion on the Five Presidents' Report 'Completing Europe's Economic and Monetary Union' by Jean-Claude Juncker in close association with Donald Tusk, Jeroen Dijsselbloem, Mario Draghi and Martin Schulz {COM(2015) 600 final}.

The crisis has left wide economic differences across the euro area and the EU as a whole. We agreed on the need to promote sound economic cooperation and convergence, both between and within Member States. For the European Union, and for this Commission in particular, this means two things: first, investing in Europe's sources of jobs and growth, notably in our Single Market and secondly, completing our Economic and Monetary Union (EMU) to create the conditions for a lasting recovery. We are acting on both fronts.

The Five Presidents' Report, which was published in June 2015, maps the way ahead to complete EMU by 2025 at the latest. The report is ambitious, yet pragmatic. Some steps can and should be implemented immediately and do not require a treaty change. Others will take more time. In order to help ensure a fast and concrete implementation of the next steps, the Commission published on 21 October 2015 a package of measures towards the deepening of EMU. The actions set out in the package apply to euro area Member States, but the process towards a deeper EMU is open to all EU countries. At the same time, the Commission has confirmed that the process of EMU deepening must not lead to distortions in the Single Market.

The Commission welcomes the Riksdag's broad support for a strong EU fiscal policy framework and for ensuring a properly functioning currency union. It also notes the concerns of the Riksdag regarding the need to preserve national authority over fiscal power, for cohesion across the EU and the need for Member States' competences in matters such as tax, labour market and social policy.

Mr Frederik OLOVSSON
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cc. Mr Urban AHLIN
Speaker of the Riksdag
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The Commission is also pleased to have this opportunity to add a few words on the democratic legitimacy of EU economic governance.

The Commission sees the need for a more effective and a more democratic system of economic and fiscal surveillance. The European Parliament and the national Parliaments, as well as social partners at all levels, will be important actors in this process. In recent years, the Commission has gradually established a deeper and more permanent dialogue with the Member States through bilateral meetings, more targeted discussion in the Council and more widespread technical and political missions to the capitals. The Commission will continue to intensify these dialogues. These measures will be complemented by steps taken with the European Parliament to improve democratic accountability of the European economic governance system. The Commission will also work out model arrangements to make the interaction with national Parliaments more efficient. Such interaction should apply to national parliamentary debates both on the Country-Specific Recommendations addressed to the Member State and within the annual national budgetary procedure.

The Commission values the Riksdag's engagement at this stage of the policy making process and will take its Opinion and other contributions received into account. In the coming months, a broad consultation process will be launched to engage with citizens and stakeholders on the more fundamental reforms needed to complete EMU. The outcome of the upcoming public debate and the work of an expert group to be set up next year will culminate in shaping the fundamental steps ahead.

The Commission hopes that these comments address the issues raised by the Riksdag and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*