



European Semester 2016

EURO AREA RECOMMENDATION

Four recommendations for the euro area as a whole
Based on the Commission's analysis of key issues
for euro area functioning

Presented for the first time in November to allow for
an earlier and focused discussion of common
challenges



Countries with large private and foreign debt should implement structural reforms to enhance competitiveness. Countries with a large current account surplus should increase domestic demand and investment.



Implement labour market reforms that promote integration and lifelong learning strategies, helping the unemployed to re-enter the labour market. Open up product markets and reduce the tax burden on labour in a budgetary-neutral way to foster job creation.



Achieve a broadly neutral fiscal stance in 2016 and maintain responsible fiscal policies in 2017.



Gradually reduce banks' non-performing loans, foster convergence of business insolvency proceedings and promote an orderly deleveraging of large and unviable private debts.

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