



# EUROPEAN SEMESTER 2019

## EURO AREA RECOMMENDATION

Recommendation in five parts for the euro area as a whole. Based on the Commission's analysis of key issues for euro area functioning.

Presented in November to allow for an early and focused discussion of common challenges.



Deepen the Single Market, improve the business environment, and pursue resilience-enhancing product and services market reforms. Reduce external debt and pursue reforms to boost productivity in euro area Member States with current account deficits and strengthen the conditions that support wage growth respecting the role of social partners and implement measures that foster investment in euro area Member States with large current account surpluses.



Rebuild fiscal buffers in euro area countries with high levels of public debt, support public and private investment and improve the quality and composition of public finances in all countries.



Shift taxes away from labour and strengthen education systems and investment in skills, as well as the effectiveness of active labour market policies that support transitions. Address labour market segmentation and ensure adequate social protection systems across the euro area.



Make the backstop for the Single Resolution Fund operational, set up a European Deposit Insurance Scheme and strengthen the European regulatory and supervisory framework. Promote orderly deleveraging of large stocks of private debt. Swiftly reduce the level of non-performing loans in the euro area and prevent their build up, including by removing debt bias in taxation.



Make swift progress on completing the Economic and Monetary Union, also with the perspective to strengthen the international role of the euro, taking into account the Commission proposals, including those concerning the financial sector as well as the Reform Support Programme and the European Investment Stabilisation Function under the proposal for the 2021-2027 Multiannual Financial Framework.