



EUROPEAN CENTRAL BANK  
EUROSYSTEM

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COURTESY TRANSLATION

Mario DRAGHI  
President

Mr Nuno Melo  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
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Frankfurt, 14 June 2017

L/MD/17/233

**Re: Your letter (QZ-024)**

Honourable Member of the European Parliament, dear Mr Melo,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 25 April 2017.

In the ECB's Economic Bulletin Issue 2/2017<sup>1</sup>, a box entitled "The 2017 macroeconomic imbalance procedure and implementation of the 2016 country-specific recommendations" takes up the main conclusions and announcements of the European Commission's Communication on the European Semester Winter Package, as published on 22 February 2017.<sup>2</sup>

The Country Reports were part of this Commission Communication and include the assessment by Commission staff of the progress by Member States in addressing the 2016 country-specific recommendations (CSRs). For Portugal, the Commission found that the country had only made "limited progress" in addressing the recommendations. In this Country Report, the Commission also details the specific areas in which Portugal could have made more progress.<sup>3</sup>

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<sup>1</sup> The ECB's Economic Bulletin Issue 2/2017 published on 23 March 2017 is available at:  
<https://www.ecb.europa.eu/pub/pdf/ecbu/eb201702.en.pdf>

<sup>2</sup> More information on the package and relevant links can be found at: [http://europa.eu/rapid/press-release\\_IP-17-308\\_en.htm](http://europa.eu/rapid/press-release_IP-17-308_en.htm)

<sup>3</sup> See the Annex of the Country Report (page 55), available at: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-portugal-en.pdf>

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The assessment in the Country Reports should also be seen in conjunction with last year's Commission Communication of 18 May 2016. At that time, the Commission proposed not to apply the excessive imbalance procedure for Portugal (and Croatia) given "the level of ambition of their National Reform Programmes", which implied that there was an expectation that the country would significantly bring forward the implementation of structural reforms.<sup>4</sup>

Yours sincerely,

[signed]

Mario Draghi

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<sup>4</sup> See "2016 European Semester: Country-specific recommendations", Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, COM(2016) 321 final, 18 May 2016, page 8 (available at: [http://ec.europa.eu/europe2020/pdf/csr2016/csr2016\\_eecom2016\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_eecom2016_en.pdf)).

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