



EU fiscal framework “plus”

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1. Macroeconomic Imbalance Procedure
2. Excessive Imbalance Procedure
3. Scoreboard

- Macroeconomic imbalances in one Member State, such as a large current account deficit or a real estate bubble, can have detrimental effects on other Member States.
- The **Macroeconomic Imbalance Procedure** (MIP) aims to identify, prevent and address the emergence of potentially harmful macroeconomic imbalances in a particular Member State, the euro area, or the EU as a whole (introduced in 2011).
- The MIP foresees the possibility of enhanced surveillance for countries identified with excessive imbalances named the Excessive Imbalance Procedure.
- The MIP is also endowed with an enforcement mechanism, under which euro area Member States under the EIP face the possibility of sanctions.

- The **Excessive Imbalance Procedure** (EIP) - enhanced surveillance mechanism designed to ensure compliance with the Macroeconomic Imbalance Procedure.
- Under the EIP the European Commission may recommend to the Council that Member States experiencing excessive imbalances be required to submit Corrective Action Plans.
- These plans must be approved by the Council and deadlines are set for their execution.
- The Commission and the Council monitor the implementation of the plans and the correction of the excessive imbalances.
- Euro area Member States that repeatedly fail to submit corrective plans considered sufficient by the Council or to implement them face the possibility of sanctions, including fines.

- The analysis in the Alert Mechanism Report builds on the economic reading of a **scoreboard** of 14 headline indicators.
- For each of the indicators, indicative thresholds are defined.
- The 14 headline indicators are complemented by twenty-five auxiliary indicators providing additional information.
- The economic reading of the scoreboard means that there is no automaticity, as all relevant information is taken into account when drawing policy conclusions.

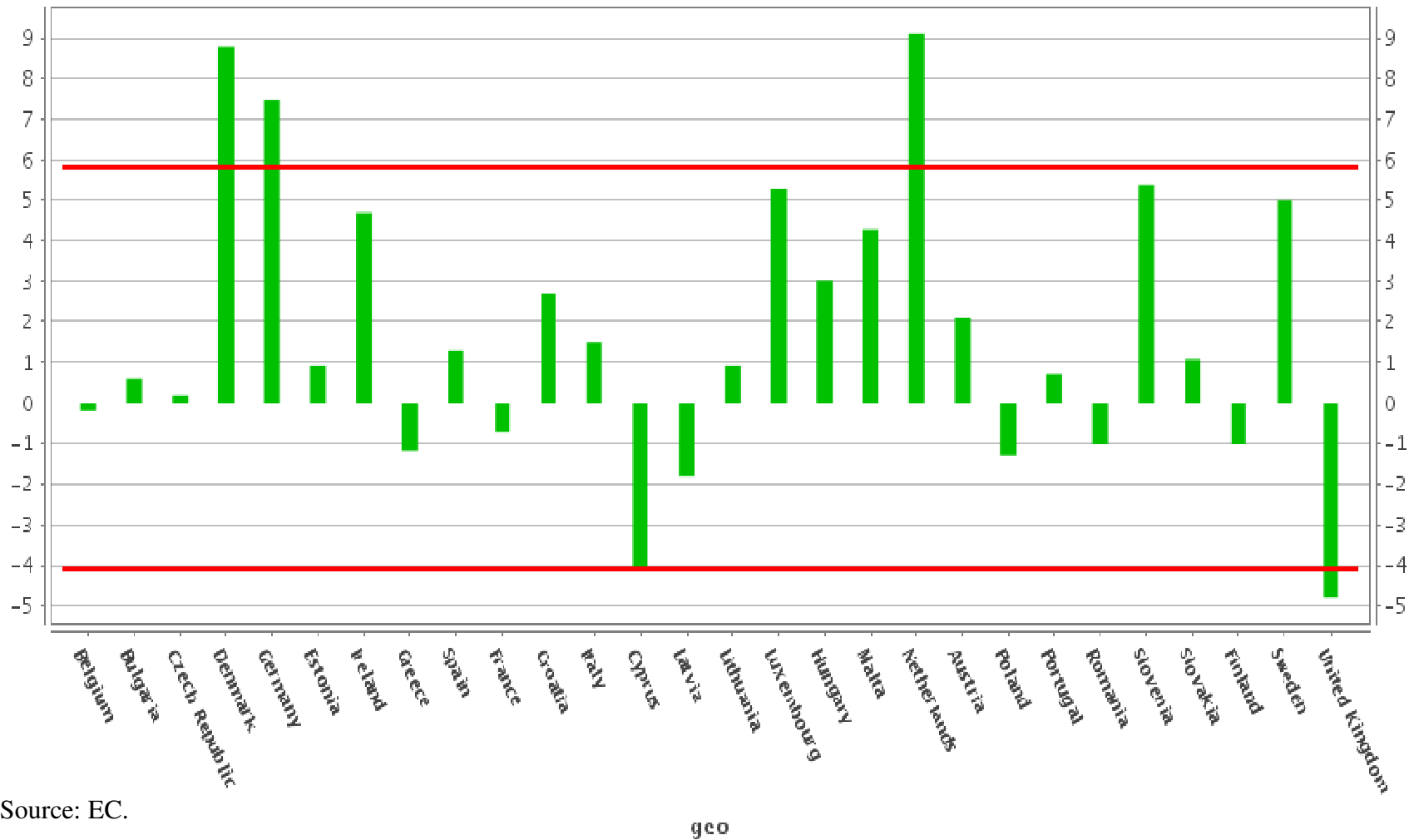
14 Scoreboard Indicators

1. 3-year backward moving average of the current account balance as percent of GDP, with thresholds of +6% and -4%;
2. net international investment position as percent of GDP, with a threshold of -35%;
3. 5-year percentage change of export market shares measured in values, with a threshold of -6%;
4. 3-year percentage change in nominal unit labour cost, with thresholds of +9% for euro area countries and +12% for non-euro area countries;
5. 3-year percentage change of the real effective exchange rates based on HICP/CPI deflators, relative to 41 other industrial countries, with thresholds of -/+5% for euro area countries and -/+11% for non-euro area countries;
6. private sector debt (consolidated) in % of GDP with a threshold of 133%;
7. private sector credit flow in % of GDP with a threshold of 14%;

14 Scoreboard Indicators

8. year-on-year changes in house prices relative to a Eurostat consumption deflator, with a threshold of 6%;
9. general government sector debt in % of GDP with a threshold of 60%;
10. 3-year backward moving average of unemployment rate, with a threshold of 10%;
11. year-on-year changes in total financial sector liabilities, with a threshold of 16.5%;
12. 3-year change in p.p. of the activity rate, with a threshold of -0.2%;
13. 3-year change in p.p. of the long-term unemployment rate, with a threshold of +0.5%;
14. 3-year change in p.p. of the youth unemployment rate, with a threshold of +2%.

Current account balance, 3-year backward moving average (% of GDP)



Source: EC.

The MIP scoreboard indicator is the three-year backward moving average of the current account balance expressed in percent of GDP and calculated as: $[(CA_t/GDP_t) + (CA_{t-1}/GDP_{t-1}) + (CA_{t-2}/GDP_{t-2})] / 3 * 100$. The indicative thresholds for the indicator are of +6% and -4%.

Scoreboard 2015 1/3

Year 2015	External imbalances and competitiveness						Private sector credit flow, consolidated (% of GDP)
	Current account balance - % of GDP (3 year average)	Net international investment position (% of GDP)	Real effective exchange rate - 42 trading partners, HICP deflator (3 year % change)	Export market share - % of world exports (5 year % change)	Nominal unit labour cost index (2010=100) (3 year % change)	House price index (2010=100), deflated (1 year % change)	
Thresholds	-4/6%	-35%	±5% (EA) ±11% (Non-EA)	-8%	9% (EA) 12% (Non-EA)	6%	14%
BE	-0.2	61.3	-1.2	-11.3	1.5	1.3p	4.5
BG	0.6	-60.0	-4.1	12.8	14.9p	1.6bp	-0.3
CZ	0.2	-30.7	-8.0	0.1	0.5	3.9p	0.9
DK	8.8	39.0	-1.5	-8.8	4.9	6.3	-3.3
DE	7.5	48.7	-1.4	-2.8	5.7	4.1	3.0
EE	0.9	-40.9	6.4	8.5	14.4	6.8	3.3
IE	4.7*	-208.0*	-5.9	38.3*	-18.1	8.3	-6.7
EL	-1.2	-134.6	-5.5	-20.6	-11.1p	-3.5e	-3.1
ES	1.3	-89.9	-2.9	-3.5	-0.7p	3.8	-2.7
FR	-0.7	-16.4	-2.7	-5.4	2.5p	-1.3	4.4
HR	2.7	-77.7	0.1	-3.5	-5.0	-2.4	-1.3
IT	1.5	-23.6	-2.2	-8.9	1.5	-2.6p	-1.7
CY	-4.1	-130.3	-6.2	-16.8	-10.5p	2.9bp	4.4
LV	-1.8	-62.5	3.1	10.5	16.0	-2.7	0.7
LT	0.9	-44.7	4.0	15.5	11.6	4.6	2.2
LU	5.3	35.8	-0.5	22.9	0.6	6.1	24.2
HU	3.0	-60.8	-6.9	-8.0	3.9	11.6	-3.1
MT	4.3	48.5	-0.2	-8.8	3.9	2.8p	5.4
NL	9.1	63.9	-0.6	-8.3	0.2p	3.6	-1.6p
AT	2.1	2.9	1.8	-9.6	6.1	3.5	2.1
PL	-1.3	-62.8	-1.0	9.7	-0.4p	2.8	3.2
PT	0.7	-109.3	-2.8	2.8	0.0e	2.3	-2.3
RO	-1.0	-51.9	2.7	21.1	0.5p	1.7	0.2
SI	5.4	-38.7	0.6	-3.6	-0.6	1.5	-5.1
SK	1.1	-61.0	-0.7	6.7	2.2	5.5	8.2
FI	-1.0	0.6	2.3	-20.5	3.6	-0.4	9.5
SE	5.0	4.1	-7.9	-9.3	3.6	12.0	6.5
UK	-4.8	-14.4	11.3	1.0	1.7	5.7	2.5

Scoreboard 2015 2/3

Year 2015	Internal imbalances					
	House price index (2010=100), deflated (1 year % change)	Private sector credit flow, consolidated (% of GDP)	Private sector debt, consolidated (% of GDP)	General government gross debt (% of GDP)	Unemployment rate (3 year average)	Total financial sector liabilities, non-consolidated (1 year % change)
Thresholds	6%	14%	133%	60%	10%	16.5%
BE	1.3p	4.5	166.3	105.8	8.5	-1.0
BG	1.6bp	-0.3	110.5	26.0	11.2	7.0
CZ	3.9p	0.9	68.6	40.3	6.1	7.7
DK	6.3	-3.3	212.8	40.4	6.6	-2.0
DE	4.1	3.0	98.9	71.2	4.9	2.8
EE	6.8	3.3	116.6	10.1	7.4	8.1
IE	8.3	-6.7	303.4	78.6	11.3	9.5
EL	-3.5e	-3.1	126.4	177.4	26.3	15.7
ES	3.8	-2.7	154.0	99.8	24.2	-2.1
FR	-1.3	4.4	144.3	96.2	10.3	1.8
HR	-2.4	-1.3	115.0	86.7	17.0	2.1
IT	-2.6p	-1.7	117.0	132.3	12.2	1.7
CY	2.9bp	4.4	353.7	107.5	15.7	2.8
LV	-2.7	0.7	88.8	36.3	10.9	12.2
LT	4.6	2.2	55.0	42.7	10.5	6.7
LU	6.1	24.2	343.1	22.1	6.1	15.5
HU	11.6	-3.1	83.9	74.7	8.2	0.4
MT	2.8p	5.4	139.1	64.0	5.9	1.3
NL	3.6	-1.6p	228.8p	65.1	7.2	3.2p
AT	3.5	2.1	126.4	85.5	5.6	0.6
PL	2.8	3.2	79.0	51.1	8.9	2.4
PT	2.3	-2.3	181.5	129.0	14.4	-1.6
RO	1.7	0.2	59.1	37.9	6.9	4.1
SI	1.5	-5.1	87.3	83.1	9.6	-3.4
SK	5.5	8.2	81.4	52.5	13.0	4.5
FI	-0.4	9.5	155.7	63.6	8.8	1.5
SE	12.0	6.5	188.6	43.9	7.8	2.3
UK	5.7	2.5	157.8	89.1	6.3	-7.8

Scoreboard 2015 3/3

Year 2015	Employment indicators*		
	Activity rate - % of total population aged 15-64 (3 year change in pp)	Long-term unemployment rate - % of active population aged 15-74 (3 year change in pp)	Youth unemployment rate - % of active population aged 15-24 (3 year change in pp)
Threshold	-0.2 pp	0.5 pp	2 pp
BE	0.7	1.0	2.3
BG	2.2	-1.2	-6.5
CZ	2.4	-0.6	-6.9
DK	-0.1	-0.4	-3.3
DE	0.4	-0.4	-0.8
EE	1.9	-3.1	-7.8
IE	0.8	-3.7	-9.5
EL	0.3	3.7	-5.5
ES	0.0	0.4	-4.6
FR	0.8	0.6	0.3
HR	2.9	0.1	0.9
IT	0.5	1.3	5.0
CY	0.4	3.2	5.1
LV	1.3	-3.3	-12.2
LT	2.3	-2.7	-10.4
LU	1.5b	0.3	-1.4
HU	4.9	-1.9	-10.9
MT	4.5	-0.7	-2.3
NL	0.6	1.1	-0.4
AT	0.4	0.5	1.2
PL	1.6	-1.1	-5.7
PT	0.0	-0.5	-6.0
RO	1.3	0.0	-0.9
SI	1.4	0.4	-4.3
SK	1.5	-1.8	-7.5
FI	0.6	0.7	3.4
SE	1.4	0.0	-3.3
UK	0.8	-1.1	-6.6