

BUSINESSEUROPE REFORM BAROMETER QUESTIONNAIRE 2022

ASSESSMENT BY EACH MEMBER FEDERATION

Austria



1. Covid-19 Pandemic and National Recovery and Resilience Plans

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|-------------------|---|--------------------|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |

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|-------------------|---|--|
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be _____ % lower than what would have been the case without the pandemic |
|-------------------|---|--|

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Improve the resilience of the health system by strengthening public health and primary care. | Extremely important | Satisfactory | |
| CSR 2 | Ensure equal access to education and increased digital learning. | Important | Satisfactory | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------------|---|-----------------------------------|---|--------------------------|
| CSR 3 | Ensure an effective implementation of liquidity and support measures, in particular for small and medium-sized enterprises, and reduce administrative and regulatory burden. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on innovation, sustainable transport, clean and efficient production and use of energy. | Important | Satisfactory | |
| CSR 4 | Make the tax mix more efficient and more supportive to inclusive and sustainable growth. | Extremely important | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|--------------|
| Taxation and Public Finances | Satisfactory |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Satisfactory |
| Innovation and skills | Satisfactory |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 1 | Tax reforms | inplementation of Co2-Tax, PIT and CIT-Rate reduction | Yes |
| Priority 2 | Consolidation of public expenditures | reduction of Public debt-ratio | Yes |
| Priority 3 | Public sector efficiency | better coordination between federal, state and council levels | Yes |
| Priority 4 | Labour market mismatch and labour mobility | higher flexibility of the labour market required | No |
| Priority 5 | Making work-pay: interplay of tax and benefit system | | Yes |

Belgium

1. Covid-19 Pandemic and National Recovery and Resilience Plans

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|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 3 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|--|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Reinforce the overall resilience of the health system and ensure the supply of critical medical products. | Extremely important | Mixed | First part (measures to address the pandemic) and last part (resilience of health system) was fine. But the big question mark concerns public finances (hugely correlated with our debt ratio...). Our public finances were severely injured and, without policy changes, our public finances will again deteriorate significantly from 2024 and the deficit would remain close to 4%. |
| CSR 2 | Mitigate the employment and social impact of the crisis, notably by promoting effective active labour market measures and fostering skills development. | Extremely important | Mixed | The first part has been done effectively (mitigation of social and employment' impact of the crisis), but regarding the promotion of effective labour market measures, we're still far from it (proof: vacancy rate is already at an all-time high) |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|--|
| CSR 3 | <p>Ensure effective implementation of the measures to provide liquidity to assist small and medium-sized enterprises and the self-employed and improve the business environment. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on infrastructure for sustainable transport, clean and efficient production and use of energy, digital infrastructure, such as 5G and Gigabit Networks, and research and innovation.</p> | Extremely important | Mixed | <p>For the first part (provide liquidity to assist [...] enterprises [...] and improve business environment), little progress and there is clearly room for improvement. Concerning front-load mature public and private investment to foster economic recovery, this is pretty positive. However, the support was more on the side of public than private investment. Concerning the last part (focus on green and digital transition), the Belgian plan is very ambitious and even more ambitious than what is required (51% of investments planned vs. 37% requested).</p> <p>Downside risk: the "envelope" for Belgium could be reduced by 1 billion because in terms of recovery, Belgium is performing better than expected. Some projects would then be cut and we don't know which ones.</p> |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | No progress |
| Labour market | Unsatisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 1 | <p>Competition policy framework</p> <p>Wage bargaining and wage-setting policies</p> | <p>The impact of COVID has led to the disruption of supply chains and generated input increases in many areas. This is generating significant price pressures that are persisting more than initially envisaged. Given our automatic wage indexation system, this will generate automatic wage cost increases that will affect the competitiveness of companies and limit the room for maneuver of social partners in their negotiations. The situation shows the lack of flexibility of the current system and the problems it creates.</p> | No |
| Priority 2 | <p>Active labour market policies</p> <p>Labour market mismatch and labour mobility</p> | <p>The support policies have made it possible to preserve the "tissu économique belge" as well as employment (the increase in unemployment has been only marginal given the scale of the economic shock). Nevertheless, the employment rate is still too low in order to ensure the sustainability of our welfare system while at the same time, the vacancy rate has already passed its pre-crisis level (and has never been so high). Some old industrial areas are still facing high unemployment rates while others are at frictional level. Labour market flexibility should increase, as well as the activating capabilities of the employment agencies and promote more collaboration between schools and private firms.</p> | No |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|---|--|
| Priority 3 | Sector specific regulation (telecom, energy) | The sharp rise in energy prices in 2021 has once again shown the weaknesses of the energy strategy. The future of Belgian nuclear power plants is still unclear. Although they could be a crucial factor to combine low electricity prices and security of delivery with zero carbon emissions in the next twenty years. | Yes |
| Priority 4 | Consolidation of public expenditures Public sector efficiency Public investment | The necessary support measures have put huge pressure on public finances. The damage will continue in the medium term, and the current financial trajectory (with no policy changes) is towards an increase in debt and a deficit close to 4%. The pre-crisis structural elements weighing on public finances in the long term (ageing and the ecological transition) have not evaporated with the COVID crisis. More efficiency in public spending is even more prevalent now, given the importance of future investments (transport, mobility, energy, digitalization, etc.). | No |
| Priority 5 | --- | --- | --- |

Bulgaria

1. Covid-19 Pandemic and National Recovery and Resilience Plans

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|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Very dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Completely confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be ___0_ % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Mobilise adequate financial resources to strengthen the resilience, accessibility and capacity of the health system, and ensure a balanced geographical distribution of health workers. | Important | Mixed | |
| CSR 2 | Ensure adequate social protection and essential services for all and strengthen active labour market policies. Improve access to distance working and promote digital skills and equal access to education. Address the shortcomings in the adequacy of the minimum income scheme | Important | Satisfactory | |
| CSR 3 | Streamline and accelerate the procedures to provide effective support to small and medium-sized enterprises and self-employed, also ensuring their continued access to finance and flexible payment arrangements. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, environmental infrastructure and sustainable transport, contributing to a progressive decarbonisation of the economy, including in the coal regions. | Important | Mixed | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 4 | Minimise administrative burden to companies by improving the effectiveness of public administration and reinforcing digital government. Ensure an effective functioning of the insolvency framework. Step up the efforts to ensure adequate risk assessment, mitigation, effective supervision and enforcement of the anti-money laundering framework. | Important | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|--------------|
| Taxation and Public Finances | Satisfactory |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Satisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|--|
| Priority 1 | Sector specific regulation (telecom, energy) | Regulation of the energy prices for the business | Yes |
| Priority 2 | Wage bargaining and wage-setting policies | Definition of a concrete mechanism for calculation of the minimal wage | No |
| Priority 3 | Public sector efficiency | Introducing real e-management | Yes |
| Priority 4 | --- | --- | --- |
| Priority 5 | --- | --- | --- |

Croatia

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 0,5 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|--|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Enhance the resilience of the health system. Promote balanced geographical distribution of health workers and facilities, closer cooperation between all levels of administration and investments in e-health. | Extremely important | Mixed | The recommendation deals with "addressing the pandemic, sustaining the economy and supporting the ensuing recovery" + "pursuing fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment" as well as "enhancing the resilience of the health system", which is all extremely important; however, the reform effort of the Croatian government regarding this recommendation is mixed given that the resilience of the health system is significantly deteriorated. |
| CSR 2 | Strengthen labour market measures and institutions and improve the adequacy of unemployment benefits and minimum income schemes. Increase access to digital infrastructure and services. Promote the acquisition of skills. | Important | Mixed | While the government has managed to preserve jobs, the adequacy of unemployment benefits and minimum income schemes is questionable. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|---|
| CSR 3 | Maintain measures to provide liquidity to small and medium-sized enterprises and the self-employed. Further reduce parafiscal charges and restrictions in goods and services market regulation. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on environmental infrastructure, sustainable urban and rail transport, clean and efficient production and use of energy and high-speed broadband. | Extremely important | Unsatisfactory | There has been some support to small and medium-sized enterprises and the self-employed; however, in most cases it only dealt with preserving jobs and not other issues and costs that emerged due the Covid-19 pandemic. There is still room for reduction of parafiscal charges and restrictions in goods and services market regulation. As for the investments, it is still not clear what is promoted. The focus is entirely on the public sector, including the RRF funds, while private sector is in need for funds in order to foster digital and green transition. |
| CSR 4 | Reinforce the capacity and efficiency of the public administration to design and implement public projects and policies at central and local levels. Improve the efficiency of the judicial system. | Extremely important | Unsatisfactory | Some reforms have been announced but nothing has been implemented yet. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Unsatisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

We need a modern labour legislation with more flexibility for both employers and workers to succeed in the dual – digital and green – transition of the Croatian economy. Labour force is an essential part of that, but also is the dynamism of the entire labour market. The negotiations about changing labour legislation (Labour Act), including the regulation of the remote work, started in the second half of 2020 but the process is rather stalled.

Related to the previous, namely, the lack of adequate workforce on the Croatian labour market needed for the dual transition (due to emigration, but also demographic ageing as well as inadequate education system) – additional income tax reliefs (including social security contributions) are needed in order for employers to retain existing and attract new labour force.

Finally, in order to achieve lower burden on the wages the reform of both the pension and health system is necessary, with the latter being a pressing issue on the agenda.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|--|
| Priority 1 | Making work-pay: interplay of tax and benefit system | Reduce the tax burden (including the social security contributions) on wages | No |
| Priority 2 | Job protection | Make job protection (of indefinite contracts) less strict, but also make working time and working arrangements more flexible in order to dynamize labour market and retain the qualified labour force | Yes |
| Priority 3 | Pension and health care reforms | Due to unsustainability of the current PAYG pension system a complete reform is needed in order to establish the optimal way of financing both current and future pensions (including the level of contributions for those employed) + it is essential to ensure the financial sustainability of the health system through functional integration of hospitals, establishing (cost-) efficient procurement procedure for health institutions and installing new management | No |
| Priority 4 | Public sector efficiency | Increasing the efficiency of the justice system by enhancing the Court Case Management System as well as improving of land register information system and cadaster | Yes |
| Priority 5 | Business Environment - Regulatory barriers to entrepreneurship | Alleviate the administrative burden on entrepreneurs through digitalisation and simplification of procedures | Yes |

Cyprus

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Very satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Completely confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 7 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience and capacity of the health system to ensure quality and affordable services, including by improving health workers' working conditions. | Extremely important | Satisfactory | These measures contributed the most in the containment of the increase in the level of unemployment, resulting in the 2020 recession being lower than the European Union average. Furthermore, these have brought about the gradual recovery of the Cyprus economy we witnessed in 2021. A recovery that we are confident will continue in the years to come. |
| CSR 2 | Provide adequate income replacement and access to social protection for all. Strengthen public employment services, promote flexible working arrangements and improve labour market relevance of education and training. | Extremely important | Mixed | Work in progress. Also a legislation setting the rules for telework is in the pipeline. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|--|
| CSR 3 | Secure adequate access to finance and liquidity, especially for small and medium-sized enterprises. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, waste and water management, sustainable transport, digitalisation, research and innovation. | Extremely important | Mixed | The Central Bank regulations are still very strict especially for businesses that are characterised as 'problematic'. On the other hand, we have the European Commission's temporary framework for coronavirus support, the loan guarantee scheme, where eligible companies can use it to obtain bridge financing that will increase their cash buffers. |
| CSR 4 | Step up action to address features of the tax system that facilitate aggressive tax planning by individuals and multinationals. Improve the efficiency and digitalisation of the judicial system and the public sector. | Extremely important | Mixed | The reform of the public sector is in the pipeline with the recent introduction of a new civil servants' evaluation system. The judicial system reform is being discussed at the Parliament and a tax reform is under study to be implemented by the end of 2022. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

A new strategy for attracting businesses and investments as to establish Cyprus as a successful, reliable and competitive business centre and a European business hub. This new strategy, has been put in force on January 1st 2022 and places particular emphasis on sectors engaging in High Technology, Shipping, Innovation, Research and Development, Biogenetics and Biotechnology.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|-------------------------------|---|---|
| Priority 1 | Active labour market policies | Introduce measures/incentives in order to cover the high demand for workers. | No |
| Priority 2 | Public sector efficiency | Continue without delays all legislative reforms to improve efficiency eg functioning of the public administration, etc | Yes |
| Priority 3 | Bank lending conditions | More incentives / tools to access finance by SMEs | No |
| Priority 4 | Tax reforms | Tax reform is a necessity (last one was 20 years ago). The goal will be to strengthen the competitiveness of the Cypriot economy and Cyprus as a business center, to reduce tax inequality, to enhance the transparency and simplification of the tax system and to reduce the administrative burden. | Yes |
| Priority 5 | ICT | Speed up digital transformation of the public sector and the economy in general | Yes |

Czech Republic

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 1 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Ensure the resilience of the health system, strengthen the availability of health workers, primary care and the integration of care, and deployment of e-health services. | Important | Unsatisfactory | |
| CSR 2 | Support employment through active labour market policies, the provision of skills, including digital skills, and access to digital learning. | Important | Mixed | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|-------------------|
| CSR 3 | Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the administrative burden and improving e-government. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in the coal regions. Ensure access to finance for innovative firms and improve public-private cooperation in research and development. | Important | Unsatisfactory | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | No progress |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | Unsatisfactory |
| Innovation and skills | Unsatisfactory |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

There is a new government in the Czech Republic with some reform goals. We do not await any significant changes in tax system. We anticipate some improvements for MSP and general conditions for business (promise to realise some improvements to ease payment of taxes). On labour market there are still significant shortages, this area requires intensive reform effort to make this area more flexible. We see a necessity to increase innovation effort, Czech Rep. needs development in this area (the same in area of improvement of skills). Now there is no lack of finance resources for business in spite of an increase of the basic interest rate. Based on our survey, Czech companies do not suffer from financial instability.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|--|
| Priority 1 | Consolidation of public expenditures | Basic condition for stability of czech economy | Yes |
| Priority 2 | Labour market mismatch and labour mobility | Czech gov must solve shortages on labour market, Czech bussiness feel lack of labour force | No |
| Priority 3 | R&D and Innovation | It is necessary to bring some improvements in area implementation of RandD | Yes |
| Priority 4 | Public sector efficiency | Efficiency of public sector is decreasing and it has negative influence on overall efficiency of the Czech economy | Yes |
| Priority 5 | Sector specific regulation (telecom, energy) | Energy regulation is facing big changes (green deal, taxonomy), there are some threats for some sectors (based on structure of the Czech economy) | No |

Denmark

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--------------------|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | No scarring at all |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | 0 |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|---|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Enhance the resilience of the health system, including by ensuring sufficient critical medical products and addressing the shortage of health workers. | Important | Mixed | <p>GDP and employment in Denmark is above the 2019-levels. Public finances on both the short run and medium-term are not harmed by the crisis. The recommendation was timely and relevant when it was given in 2020, but the Danish economy has recovered fast and the fiscal policy should now instead be tightened</p> <p>There is currently a labour shortage in Denmark. There is indeed shortage of health workers, namely in the coming years, but the problem of labour shortage is broader than that. The Government has yet to implement reforms that increases labour supply. There is currently negotiations on the subject.</p> |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 2 | Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable transport as well as research and innovation. Support an integrated innovation strategy with a broader investment base. | Important | Satisfactory | As mentioned above, economic recovery is no longer relevant, but it was indeed relevant in 2020. The Danish response has overall been appropriate with e.g. front-loading public investment, increased investment deductables for firms and stimulus of the household demand. Investments in the green and digital transition remain highly relevant to ensure compliance with the ambitious Danish climate goals and to increase productivity. |
| CSR 3 | Improve the effectiveness of anti-money laundering supervision and effectively enforce the anti-money laundering framework. | Irrelevant | --- | --- |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | Unsatisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|--------------------------|---|---|---|
| <p>Priority 1</p> | <p>Labour supply measures for specific groups (older workers, women...)</p> | <p>Labour shortages is at record levels, and access to labour is the most crucial issue on the short run. A new reform was agreed in January, but with unsatisfactory outcome. The Government and parliament has yet to deliver reforms that result in a significant increase in labour supply. Although it is not yet satisfactory, the agreed reform contains positive elements such as lowered unemployment benefits for dimittends and better incentives for older workers.</p> <p>The Government is recommended to implement af general easing of the payment scheme regulations on international workers. Currently there is a wage floor of approx. DKK 450,000. As a part of the afore-mentioned reform the wage floor is to be temporarily lowered to DKK 375,000 for two years. DI recommend a permanent lowering of the wage floor to DKK 360,000.</p> <p>DI has many other policy recommendations regarding labour supply in our 2030 plan.</p> | <p>No</p> |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 2 | Sector specific regulation (telecom, energy) | Specifically green transition: Implementation of a higher and uniform CO2-tax. Hereto comes strategies on other areas, including Power-to-X, CCUS and energy efficiency. | Yes |
| Priority 3 | Consolidation of public expenditures | Public consumption and public employment has soared to record levels during the corona crisis. A temporary hike is understandable due to massive vaccination and test programmes, but the Government does not plan an adequate adjustment of the public employment in the coming years. The private sector lacks qualified labour, and the high public employment reduce the growth potential in the current economic boom. | No |
| Priority 4 | Tax reforms | Lower corporate taxes in light of the international OECD tax agreements Simplify capital taxation | No |
| Priority 5 | R&D and Innovation | Take steps towards increasing the public R&D-budget to 1.5 per cent of GDP from the current 1 per cent of GDP. | No |

Estonia

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Not confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 0 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------|--|----------------------------|----------------------------------|---|
| CSR 1a | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. | Extremely important | Mixed | Generous measures were introduced, but communication, decision making and involvement was weak occasionally |
| CSR 1b | When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. | Important | Satisfactory | |
| CSR 1c | Improve the accessibility and resilience of the health system, including by addressing the shortages of health workers, strengthening primary care and ensuring the supply of critical medical products. | Important | Unsatisfactory | |
| CSR 2 | Strengthen the adequacy of the social safety net, including by broadening the coverage of unemployment benefits. | Important | Mixed | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|---------|--|----------------------------|----------------------------------|--|
| CSR 3 a | Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on digitalisation of companies, research and innovation, clean and efficient production and use of energy, resource efficiency, and sustainable transport, contributing to a progressive decarbonisation of the economy | Extremely important | Mixed | Public spending rose significantly, but instead of money supply private investments are held back by lack of labour force, increasing restrictions on use of other resources and excessive regulation. |
| CSR 3b | Support the innovation capacity of small and medium-sized enterprises, and ensure sufficient access to finance. | Important | Unsatisfactory | |
| CSR 4 | Step up the efforts to ensure effective supervision and enforcement of the anti-money laundering framework. | Important | Mixed | Measures were already taken by the time of CSR. Present measures are already too strict and extensive for some businesses |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Unsatisfactory |
| Innovation and skills | Unsatisfactory |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|---|
| Priority 1 | Labour supply measures for specific groups (older workers, women...) | Losing the quota for work related immigration from third countries (currently 0,1% of population) | No |
| Priority 2 | Labour market mismatch and labour mobility | Designing supply of education according to market needs with the outlook of next 5-10 years and more | No |
| Priority 3 | R&D and Innovation | Partially stuck behind the lack of skilled labor, partially behind the financing or uncertainty of demand | Yes |
| Priority 4 | Public sector efficiency | Broader innovation of public services that would lead to more effective use of big data and labor force in public sector | No |
| Priority 5 | --- | --- | --- |

Finland

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 1 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Address shortages of health workers to strengthen the resilience of the health system and improve access to social and health services. | Important | Mixed | Government's fiscal policy has been appropriate during the pandemic but more efficient measures should be taken in order to achieve fiscal consolidation in medium term and debt sustainability in long term. In the recent months, restrictions because of the COVID situation have been excessive when compared to peer countries. Capacity of medical services and their possibilities to respond to exceptional situations should be assessed after the pandemic. A better cooperation between public and private service providers is essential to ensure a functioning health care even in special circumstances. |
| CSR 2 | Strengthen measures to support employment and bolster active labour market policies. | Extremely important | Unsatisfactory | Finnish government's target for employment rate is very ambitious. Labour market situation has improved in line with the economic recovery but the government's own policy measures have been unsatisfactory. Especially the initial target to balance public finance by employment measures will not be achieved. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 3 | Take measures to provide liquidity to the real economy, in particular to small and medium-sized enterprises. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable and efficient infrastructure as well as research and innovation. | Important | Mixed | Finnish government's target for employment rate is ambitious and EK supports fully the (rest missing) |
| CSR 4 | Ensure effective supervision and enforcement of the anti-money laundering framework. | Irrelevant | Mixed | The recommendation seems rather irrelevant when compared to others. Of course a good cooperation between authorities is essential and the situation can be further improved but money laundering doesn't seem to be a major issue in Finland. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|--------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Satisfactory |
| Access to finance and Financial stability | --- |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|------------------------------|---|
| Priority 1 | Making work-pay: interplay of tax and benefit system | --- | --- |
| Priority 2 | Tax reforms | --- | --- |
| Priority 3 | R&D and Innovation | --- | --- |
| Priority 4 | Labour supply measures for specific groups (older workers, women...) | --- | --- |
| Priority 5 | Consolidation of public expenditures | --- | --- |

France

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | No scarring at all |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 0 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system by ensuring adequate supplies of critical medical products and a balanced distribution of health workers, and by investing in e-Health. | Extremely important | Satisfactory | |
| CSR 2 | Mitigate the employment and social impact of the crisis, including by promoting skills and active support for all jobseekers. | Important | Satisfactory | |
| CSR 3 | Ensure the effective implementation of measures supporting the liquidity of firms, in particular for small and medium-sized enterprises. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport, clean and efficient production and use of energy, energy and digital infrastructures as well as research and innovation. | Important | Satisfactory | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 4 | Continue to improve the regulatory environment, reduce administrative burdens for firms and simplify the tax system. | Extremely important | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|--------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Satisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

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| --- |
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4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|---|
| Priority 1 | Tax reforms | Cut production taxes by 35bn€ | No |
| Priority 2 | Pension and health care reforms | Postpone age of retirement to 64 | No |
| Priority 3 | Sector specific regulation (telecom, energy) | Guarantee a durable place for nuclear energy in the energy mix | Yes |
| Priority 4 | Competition policy framework | Carbon Border Adjustment Mechanism | Yes |
| Priority 5 | Public sector efficiency | Impact studies on the quality of public spending | No |

Germany

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------|---|------------------------------|----------------------------------|-------------------|
| CSR 1a | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. | Helpful (but not a priority) | Satisfactory | |
| CSR 1b | Mobilise adequate resources and strengthen the resilience of the health system, including by deploying eHealth services. | Important | Unsatisfactory | |
| CSR 2a | Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport, clean, efficient and integrated energy systems, digital infrastructure and skills, housing, education and research and innovation. | Extremely important | Mixed | |
| CSR 2b | Improve digital public services across all levels and foster the digitalisation in small and medium-sized enterprises. | Important | Mixed | |
| CSR 2c | Reduce the regulatory and administrative burden for businesses. | Important | Unsatisfactory | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | Unsatisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

- | |
|---|
| <ul style="list-style-type: none"> 1) Reform of the approval system for public and private investment and company production sites 2) reform of the renewable energy promotion scheme |
|---|

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|---|
| Priority 1 | Business Environment - Regulatory barriers to entrepreneurship | Streamlining and accelerating the planning and decision rules on public and private investment and production sites | Yes |
| Priority 2 | Tax reforms | Improve effectiveness and investment friendliness of tax system; reduce tax wedge (social security contributions) | No |
| Priority 3 | Wage bargaining and wage-setting policies | Safeguard the collective bargaining autonomy from external interferences avoiding tendencies to introduce general minimum wages | No |
| Priority 4 | Labour market mismatch and labour mobility | Reduce skills-mismatch; improve early vocational guidance and market-driven traineeship placement; better job counselling, transfer and placement; facilitate the employment of skilled workers from third countries | No |
| Priority 5 | Sector specific regulation (telecom, energy) | Packages on climate legislation including promotion of renewable energies, hydrogen and electrification in the power and the industrial sector | No |

Greece

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Satisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be <u>4</u> % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 1 | <p>In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system and ensure adequate and equal access to healthcare.</p> | Extremely important | Mixed | <p>An ambitious reform agenda is supporting growth prospects. Its implementation has to continue, as growth is key to ensure the stabilization of public finances, with completion of reforms already on the agenda and the expansion of the reform agenda. A reduction in the tax wedge is also crucial to ensure that growth will have a bigger impact on social coherence, equity and mobility.</p> <p>Growth for 2021 is expected to significantly exceed initial projects with the European Commission forecasting 8,5%. Moreover, strong growth is expected for 2022 (4,9%) and 2023 (3,5%) which will allow debt levels to decline once again.</p> <p>The government is committed to returning to primary surpluses by 2023. Another key objective is to regain an investment grade status from one of the four rating agencies used by the ECB.</p> <p>As in all countries, there is concern about the impact of energy prices on growth and inflation. Nevertheless, it is too early to draw any conclusions</p> |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 2 | Mitigate the employment and social impacts of the crisis, including by implementing measures such as short-time work schemes and ensuring effective activation support. | Extremely important | Mixed | <ul style="list-style-type: none"> - A short-term work scheme called SYNERGASIA has been in place since June 2020 and it is expected to run until March 2022. Overall, 150 million has been spent to date and in November 2021, 30,000 employees were covered by the scheme. - According to the Greek Statistical Authority, unemployment in November stood at 13,3%. Although high by EU standards, it demonstrates that the measures taken by the government so far have been largely successful at preventing large scale layoffs. - Reform the Public Employment Service in order to have more active labour market policies and effective and efficient use of public resources for training and vocational education to meet skilling , upskilling and reskilling needs - Reform the current program called “Social Solidarity Income” which in our view remains a “pure social welfare” with the introduction of the “sleeping” - on paper- activation component. - Reduce non wage labour costs and high social security contributions to fight the wide presence of undeclared work in the labour market. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|--|
| CSR 3 | Swiftly deploy measures to provide liquidity and continued flow of credit and other financing to the economy, focusing in particular on small and medium-sized enterprises most affected by crisis. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on safe and sustainable transport and logistics, clean and efficient production and use of energy, environmental infrastructure and very-high capacity digital infrastructure and skills. Improve the effectiveness and digitalisation of the public administration and promote digital transformation of businesses. | Extremely important | Mixed | A scheme to reduce the NPL ratio has been a major breakthrough, allowing an overall strengthening of the financial system. Implementation of a new framework on corporate governance has to be streamlined by all sides and possibly some improvements have to be made, to ensure effective improvement of the level of corporate governance in the country and to facilitate the attraction of investment that will support the ESG agenda. Commercial court efficiency has to be improved, in order to enhance the certainty of investors. Plans to establish a digital registry of collateral should be accelerated. A well conceived new framework to handle business failure and enable restructuring is expected to become fully operational. RRF projects are expected to support digital and green investments. However, RRF projects are not in full speed yet. In comparison to previous years, the improvement is worth-mentioning. However, the digital gap remains strong in comparison to EU standards |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 4 | Continue and complete reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018 to restart a sustainable economic recovery, following the gradual easing up of constraints imposed due to the COVID-19 outbreak. | Extremely important | Unsatisfactory | The post-programme commitments are very diverse. Our assessment here has to do with the reform of the justice system where so far efforts have yielded comparatively small results. A new reform agenda is being outlined by the government and should be followed through. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|--------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

The speedy implementation of a program to reduce NPLs held by Greek banks and thus to enable them to recover the ability to attract investors and liquidity, as a prerequisite to issue new loans to business and households.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|---|---|
| Priority 1 | Wage bargaining and wage-setting policies | <p>1.....Ratify art. 6 of the revised European Social Charter referring to free collective bargaining and voluntary arbitration</p> <p>2.....Comply with the successive ILO Committee for application of Standards (CAS)- in 2018, in 2019, recommendations to apply and comply with International Labour Convention 98 referring to Greek Compulsory arbitration in wage setting not being in compliance with free collective bargaining principles and convention.</p> | No |
| Priority 2 | R&D and Innovation | <ol style="list-style-type: none"> 1. Empower connection between R&D and industrial production, though incentives to perform research by contract, ie direct investment by companies in research centers of universities and institutions. 2. Encourage secondment for a given period, eg 1 year, of researchers in companies. 3. Create framework for companies to sponsor industrial PhDs in universities. 4. Further improve tax incentives for research and employment of researchers. 5. Upgrade services by agencies that secure IP. 6. Advance use of open data. 7. Support creation of clusters. | No |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|--|---|
| Priority 3 | Business Environment - Regulatory barriers to entrepreneurship | Improve environmental licensing for renewables and advance needed infrastructure to support them. Amend legislation to support new technologies needed for renewables, storage and related infrastructure. | Yes |
| Priority 4 | Tax reforms | Continue with tax reforms, among other improving the competitiveness of the tax wedge, improve framework for depreciation (in line with practices predominant in the EU regarding speed of acceleration for machinery, eg, and superdepreciation as an incentive), bring loss carry forward in line with practice of majority of EU countries. | No |
| Priority 5 | Public sector efficiency | Evolution of ICT in the government has to encompass also process re-engineering, so that numerous processes that hamper business licensing and operation are not only digitalized but also streamlined. For example, key infrastructure that is at the tender stage will support simplified licensing and risk-based market supervision and is to replace an existing system by which documents are simply emailed to the authorities. | Yes |

Hungary

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Poor |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be <u>4</u> % lower than what would have been the case without the pandemic |



2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Address shortages of health workers and ensure an adequate supply of critical medical products and infrastructure to increase the resilience of the health system. Improve access to quality preventive and primary care services. | Extremely important | Unsatisfactory | |
| CSR 2 | Protect employment through enhanced short-time working arrangements and effective active labour market policies and extend the duration of unemployment benefits. Improve the adequacy of social assistance and ensure access to essential services and quality education for all. | Extremely important | Unsatisfactory | |
| CSR 3 | Ensure liquidity support to small and medium-sized enterprises. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular clean and efficient production and use of energy, sustainable transport, water and waste management, research and innovation, and digital infrastructure for schools. | Important | Mixed | |



| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|------------------------------|----------------------------------|-------------------|
| CSR 4 | Ensure that any emergency measures be strictly proportionate, limited in time, in line with European and international standards and should not interfere with business activities and the stability of the regulatory environment. Ensure effective involvement of social partners and stakeholders in the policy-making process. Improve competition in public procurement. | Important | No Progress | |
| CSR 5 | Strengthen the tax system against the risk of aggressive tax planning. | Helpful (but not a priority) | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|----------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Unsatisfactory |
| Access to finance and Financial stability | Unsatisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|------------------------------|---|
| Priority 1 | Consolidation of public expenditures | | Yes |
| Priority 2 | Quality of fiscal institutions and budgetary framework | | No |
| Priority 3 | Public sector efficiency | | No |
| Priority 4 | Competition policy framework | | No |
| Priority 5 | Pension and health care reforms | | No |

Ireland

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Excellent |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Excellent |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be <u> 1 </u> % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|--------------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Improve accessibility of the health system and strengthen its resilience, including by responding to health workforce's needs and ensuring universal coverage to primary care. | Important | Excellent/No further progress needed | |
| CSR 2 | Support employment through developing skills. Address the risk of digital divide, including in the education sector. Increase the provision of social and affordable housing. | Extremely important | Mixed | |
| CSR 3 | Continue to provide support to companies, notably small and medium-sized enterprises, especially through measures ensuring their liquidity. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable public transport, water supply and treatment, research and innovation and digital infrastructure. | Extremely important | Satisfactory | |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|------------------------------|--------------------------------------|-------------------|
| CSR 4 | Broaden the tax base. Step up action to address features of the tax system that facilitate aggressive tax planning, including on outbound payments. Ensure effective supervision and enforcement of the anti-money laundering framework as regards professionals providing trust and company services. | Helpful (but not a priority) | Excellent/No further progress needed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|--------------|
| Taxation and Public Finances | Excellent |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Excellent |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|--|
| Priority 1 | Public investment | Engage in planning reform to improve conditions for both public and private sector investment | Yes |
| Priority 2 | R&D and Innovation | Increase Government expenditure on R&D by 20% by 2025 in order to bring Ireland in line with EU norms | No |
| Priority 3 | Tax reforms | Large scale review of tax system underway through Commission on taxation. Ibec has made a wide range of views - broader/stable base needed and an improved balance between taxation of mobile (investment, talent) versus less mobile (assets, consumption). | Yes |
| Priority 4 | Labour market mismatch and labour mobility | Investment in third level education needed after significant cuts since the financial crisis - along with a long-term funding model for the sector. Crucial for skills. | No |
| Priority 5 | Pension and health care reforms | A new Commission on Pensions has made recommendations which Ibec broadly supports - this will include increasing retirement age gradually, the introduction of autoenrollment, as well as higher employer and employee social insurance contributions to ensure long-term fiscal sustainability. | Yes |

Italy

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Satisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Completely confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Neutral |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Excellent |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 0,4% higher than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------|---|----------------------------|----------------------------------|---|
| CSR 1a | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. | Extremely important | Mixed | <p>Last summer, the Italian Legislator adopted the Decree Law no. 118/2021, which: i) has postponed the entry in force of the Legislative Decree no. 14/2019, providing the Code of corporate crisis and insolvency, and, at the same time, has made certain its provisions already effective; ii) has introduced the so called "composizione negoziata per la soluzione della crisi d'impresa", instead of the so called "procedura di allerta e composizione assistita della crisi", laid down by the Code.</p> <p>The new tool is a confidential out-of-court mechanism, aimed at ensuring an earlier emergence of the distress situation of the company, as well as a quick adoption of the more suitable/appropriate remedies. It's focused on the role of an independent expert, who has the duty to manage the debtor situation and the creditors claims in order to: reach an agreement between them; or open the so called "concordato semplificato per la liquidazione del patrimonio" (it does not provide for the creditors approval but only the court homologation, on the circumstance that the the expert has carried out all the necessary assessments); or adopt the more appropriate measures.</p> <p>Recently, the legislator has introduced other supplementary provision regarding the digitisation of the mechanism (e.g. use of a platform for exchanging data on the debtor or creditor situation, also accessible for the expert) and has followed the "procedura di allerta e composizione assistita della crisi" pattern, foreseeing the duty of qualified public creditors (e.g., Tax Agencies and Social Securities Authority) to send a notice to the debtor in the event of his exceeding certain indebtedness thresholds. The latter duty is in line with the Directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures, (the "Restructuring Frameworks Directive");</p> <p>Confindustria has agreed with the Government decision to postpone the entry in force of the Code and, in the meantime, to introduce a simplified early warning tool, taking into account the economic crisis caused by pandemic. However, some critical aspects remain, such as the lack of a minimum threshold for the approval of the "concordato semplificato per la liquidazione" by creditors and the role conferred to qualified public creditors.</p> |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------|---|------------------------------|----------------------------------|---|
| CSR 1b | Strengthen the resilience and capacity of the health system, in the areas of health workers, critical medical products and infrastructure. Enhance coordination between national and regional authorities. | Extremely important | Mixed | When on the 18th of March 2020 the Italian legislation adopted the Law Decree Cura Italia, a conspicuous amount of resources was allocated to the Italian healthcare system (NHS). Its measures have simplified the procedures of enlistment of new doctors and sanitary personnel, furthermore, there was a simplification of procedures to obtain medical equipment; as well as the reshaping or suspension, by the regions, of deferred and non-urgent hospitalization and outpatient activities, including those provided under the freelance intramural profession. Also, the Cura Italia, enabled the possibility - for subjects operating in the National Civil Protection Service, for the offices of the Ministry of Health, for the Higher Institute of Health and for public and private structures operating in the National Health Service - to carry out the processing of personal data , also relating to health, which are necessary for the performance of the functions in the context of the emergency. Furthermore, other measures which have been adopted are the Law Decree n. 34 of 19 May 2020 (so-called relaunch decree); Law Decree 14 August 2020 n. 104 (so-called August Decree). These measures also provide for actions to strengthen the NHS. |
| CSR 2 | Provide adequate income replacement and access to social protection, notably for atypical workers. Mitigate the employment impact of the crisis, including through flexible working arrangements and active support to employment. Strengthen distance learning and skills, including digital ones. | Helpful (but not a priority) | Mixed | The recently enacted measures on social safety nets, on the whole, do not represent a structural reform of the system, but are just an extension of rules already in force. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|--------|---|----------------------------|----------------------------------|---|
| CSR 3a | Ensure effective implementation of measures to provide liquidity to the real economy, including to small and medium-sized enterprises, innovative firms and the self-employed, and avoid late payments. | Extremely important | Mixed | Italy has adopted several measures to support the flow of liquidity to firms. In particular, public guarantee schemes have been successful in guaranteeing liquidity for companies and stability of the economic system. However, companies have increased debt levels by weakening their financial structure. To sustain recapitalization of companies, some measures have been introduced but did not have a significant effect. Concerning late payments, the reduction in average payment times and average delay times by public administrations continued in 2020 |
| CSR 3b | Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, research and innovation, sustainable public transport, waste and water management as well as reinforced digital infrastructure to ensure the provision of essential services. | Extremely important | Satisfactory | <p>For the implementation of the NRRP, the Italian government has set up a Green Transition Fund which will be intended to stimulate the growth of the Italian innovative ecosystem, through direct and indirect venture capital investments, with particular regard to the ecological transition sector. Moreover the Budget Law for 2022 has set up a Fund for climate that will grant incentives to companies, with particular regard to those operating in energy-intensive sectors, for the realization of investments for energy efficiency, for the reuse for productive uses of raw materials and recycled materials.</p> <p>For the implementation of the NRRP, the Italian government has set up specific actions to strengthen R&D activities, promote the dissemination of innovative models for basic and applied research carried out in synergy between universities and companies and to support innovation and technology transfer processes (funding projects of Significant National Interest and presented by young researchers; partnerships extended to universities, research centres, companies and funding of basic research projects; Strengthening research structures and supporting the creation “national R&D leaders” on Key Enabling Technologies; R&D&I Tax credit; support to enterprises’ R&D projects and participation in European partnerships; Strengthening innovation ecosystems; research and innovation infrastructures; Financing Start-ups; Introduction of innovative doctorates that respond to the needs of innovation by enterprises and promote the hiring of researchers by companies). Moreover, the Budget Law for 2022 has set up a Fund for applied research and introduced a new R&D tax measure.</p> |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 4 | Improve the efficiency of the judicial system and the effectiveness of public administration. | Extremely important | Satisfactory | Public processes are crucial for the implementation of the PNRR, in particular efficient and effective administration as well as qualified personnel. The approved measures make it possible to accelerate the implementation times of the PNRR, also through substitute powers, and the recruitment of qualified personnel. In particular, the measures adopted favor the rapid definition of administrative procedures and the stability of their outcomes (for example, reduction of the terms for self-protection), promoting, enhancing the silent consent, the mechanism of the peremptory nature of terms and those of the substitute powers, encouraging dialogue between the administration and private sector (for example, interpello on environmental matters) and strengthen administrative capacity (for example, Special Superintendency for PNRR at the Ministry of culture).The enabling law on civil trial reform, whit the reduction of proceedings time and the mandatory use of telematic methods for communications, should stard a process of streamlining the judicial system. The use of alternative dispute resolution mechanisms, which are incentivized, and an effective monitoring system at court level will be useful to assess the evolution of the times of justice and to reduce the number of disputes. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|--------------|
| Taxation and Public Finances | --- |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Satisfactory |
| Innovation and skills | Satisfactory |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

As regards labour market, on the basis of the reforms provided by the National Recovery and Resilience Plan, some progress is being registered towards the creation of a stricter link between passive and active LMPs.

As far as innovation and skills are concerned, the reform of PhDs (voted at the end of December 2021) introduces more flexibility on PhDs and a stricter relationship and co-partnership with companies. Specifically, the reform introduces the reorganization of "industrial PHD" by providing the creation of networks and private/public partnerships aimed at promoting PhD paths inside companies. This initiative shall take as a reference the best practices already implemented through the agreement stipulated between the Centro Nazionale per le Ricerche (the National Research Institute) and Confindustria on industrial PhDs. Such reorganization is necessary to promote the role of "industrial researchers", strongly requested by companies.

The reform of ITS – Istituti Tecnici Superiori (Higher Vet Providers) provided by the National Recovery and Resilience Plan - will be enacted in a very short time. This reform aims to create a structural post-diploma professional system, higher-vet, to satisfy the demand of skills needed by the digital revolution. The reform provides the participation of more companies in the teaching activity and in the governance of ITS, stable forms of financing in the medium/long term as well as an active participation by universities.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|--|
| Priority 1 | Public sector efficiency | Application of simplification measures; hiring of public officials; strengthening the capacity for collaboration between the different levels of government | Yes |
| Priority 2 | Making work-pay: interplay of tax and benefit system | A strong intervention is needed to reduce labour costs. | No |
| Priority 3 | Competition policy framework | Strengthening of the annual law as an instrument of coordination and strengthening of pro-competitive measures, especially in some particularly sensitive sectors, such as in the case of local public services | Yes |
| Priority 4 | Business Environment - Regulatory barriers to entrepreneurship | To implement the civil trial reform in a short time | Yes |
| Priority 5 | Pension and health care reforms | Build resilient and sustainable Health Systems: Strengthen Healthcare Systems pandemic preparedness by promoting new partnerships, connecting health policies with industrial activities and production for sustainability, supporting the development of resilient health and life sciences supply chains and promoting a One Health approach. | Yes |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|--|---|
| Priority 6 | Access to equity markets | The tax credit to alleviate listing costs for SMEs, introduced with Budget Law for 2018, is an important measure to incentive companies to go public. In fact, listing costs are among the main factors that discourage companies from listing. The tax credit would be extended to Midcaps (companies with more than 250 employees until 499), which have more propensity to go public but are similar to SMEs in terms of weaknesses to access to equity markets | No |
| Priority 7 | Venture capital and SME financing instruments Long term investment instruments | The pandemic has increased corporate debt levels by weakening their financial structure. It is essential to sustain companies' recapitalization and their access to alternative financial instruments in the post COVID-19 economic recovery. To this end, it could be encouraged the development of long term investment instruments to facilitate private investments into equity, subordinated debt or other form of quasi-equity of SMEs and Midcaps, in line with the provisions of section 3.14 of the Temporary Framework | No |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 8 | Sector specific regulation (telecom, energy) | <p>Following the transposition of the EU directives on waste and circular economy, the Italian legislator has introduced the National Waste Management Program into our system which will have the task of assessing the actual plant needs and increasing the country's plant capacity, guaranteeing at the same time a uniform distribution of the plants on the national territory.</p> <p>The recommendations are that the program definition process is characterized by the widest participation of industrial sectors, that the plants are identified in line with the principle of technological neutrality and in line with the waste hierarchy.</p> | Yes |

| I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|--------------------------|--|---|
| <p>Priority 9</p> | <p>Sector specific regulation (telecom, energy)</p> <p>In December 2021, the two European directives RED II (2018/2001) and IEM (2019/944) were transposed into our legal system. The two decrees prepared in line with the objectives of the "Green New Deal", are part of the instruments outlined by the PNIEC ("Integrated National Plan for Energy and Climate") transmitted to the European Commission on 31 December 2019 and by the PNRR ("National Recovery and Resilience Plan") approved on 13 July 2021, and represent one of the key steps in the energy transition of our country and comes at a time of ferment and strong requests for incentives and new rules from all market participants and trade associations.</p> <p>Given the current phase of "high prices" of energy that Europe - and especially Italy - are going through, it is necessary to intervene with extraordinary measures to protect the manufacturing sectors avoiding employment, economic and social repercussions.</p> <p>Steps are needed to simplify and regulate the market. In particular, it is necessary to intervene both on the acceleration of the authorization process for the development of production technologies from renewable sources, with particular reference to the commitments of the Regions to identify the areas suitable for the construction of new generation capacity, and by rapidly proceeding to a reform of the electricity market able to promote renewable generation in market parity and transfer to the final consumer the trend of cost reduction of new technologies, in relation to their greater efficiency in terms of LCOE. In this way, a more efficient localization and penetration of RES could be achieved, transferring to consumers the benefits deriving from the reduction of installation costs.</p> <p>In this phase of "high prices" of energy, it should be noted that renewable sources can be a barrier to the increase in the cost of electricity, not being subject to the price volatility that characterizes fossil generation. The promotion of long-term contracts (PPPs) and the establishment of renewable energy communities in industrial districts are certainly one of the priorities to be pursued to protect the prices borne by consumers. The value of self-consumed kWh increases correspondingly to the avoided cost of purchasing that same kWh from the electricity grid.</p> | <p>Yes</p> |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|--------------------|--|---|---|
| Priority 10 | . Business Environment - Regulatory barriers to entrepreneurship | Transposition of the Directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures, which is expected to be enacted by the end of July (the “Restructuring Frameworks Directive”) | Yes |
| Priority 11 | Pension and health care reforms | Drive environmentally sustainable Health Systems: Adopt a broader perspective, while defining national health-related policies considering the nexus of population health and wellbeing, sustainable development, environmental conservation, climate change, disaster risk reduction, gender equality and poverty alleviation, targeting better worldwide socio-economic conditions. | Yes |
| Priority 12 | Wage bargaining and wage-setting policies | It is necessary to provide measures for contrasting “fraudulent” collective bargaining and irregular work and, as a consequence, to implement a reform on the representation system (social partners) that shall promote high quality (more representative) collective bargaining. | No |
| Priority 13 | Labour market mismatch and labour mobility | It is necessary to establish vocational training paths in secondary schools and to reinforce the link between education and work. | Yes |
| Priority 14 | Bank lending conditions | Adoption of further measures to strengthen the guarantee instruments, such as the Guarantee Fund for SMEs, to encourage recovery and support businesses after the pandemic emergency and the expiry of the legislative moratoria | No |
| Priority 15 | R&D and Innovation | Reintroduction of patent box and the improvement of R&D tax credit | No |

Luxembourg

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 1% lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|-----------------------------|----------------------------------|--|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Improve the resilience of the health system by ensuring appropriate availability of health workers. Accelerate reforms to improve the governance of the health system and e-Health. | Extremely important | Unsatisfactory | All mentioned aspects are essential (pandemic and recovery, prudent medium-term fiscal conditions and ensure debt sustainability, healthcare). Debt sustainability may appear appropriate based on short-term developments, but considerable challenges ahead (pension sustainability, in particular). No measures on pensions, which explains the assessment. |
| CSR 2 | Mitigate the employment impact of the crisis, with special consideration for people in a difficult labour market position. | Helpful (but no a priority) | Satisfactory | Intrinsically essential, but favourable evolution in Luxembourg (unemployment rate lower than before the crisis). Be aware of long-term (i.e. more than 1 year) unemployment, however. |
| CSR 3 | Ensure effective implementation of measures supporting the liquidity of businesses, in particular small and medium-sized enterprises and the self-employed. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport and buildings, clean and efficient production and use of energy, contributing to a progressive decarbonisation of the economy. Foster innovation and digitalisation in particular in the business sector. | Extremely important | Satisfactory | Too many objectives listed in the CSR. Essential to foster innovation in the business sector (tax incentives for instance). |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|-----------------------------|--------------------------------------|---|
| CSR 4 | Ensure effective supervision and enforcement of the anti-money laundering framework as regards professionals providing trust and company services, and investment services. Step up action to address features of the tax system that facilitate aggressive tax planning, in particular by means of outbound payments. | Helpful (but no a priority) | Excellent/No further progress needed | Luxembourg achieved a lot in this field in the recent past (see also the constructive stance as regards the new international agreement on corporate income taxes). |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|----------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | Mixed |
| Innovation and skills | Unsatisfactory |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

Improve the framework for the attraction of talents, improve the tax incentives in order to foster innovation in the private sector.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|--|
| Priority 1 | Business Environment - Regulatory barriers to entrepreneurship | Alleviate regulatory barriers. | No |
| Priority 2 | Pension and health care reforms | Make the pension system financially sustainable, stimulate the 2d and 3d pillars. | No |
| Priority 3 | Wage bargaining and wage-setting policies | Sliding scale for wages (indexation): reconsider. | No |
| Priority 4 | R&D and Innovation | New tax incentives for private RDI; better valorisation of public research. | No |
| Priority 5 | Public sector efficiency | General assessment of public expenditure (efficiency approach). | No |

Malta

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--------------------|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | |



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| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 5% lower than what would have been the case without the pandemic. This assumes that the overall negative counterfactual structural impact on the economy would not be too acute and that any structural changes would have been driven by other core forces innate to the path of the economy and not the pandemic, with the fallout of the pandemic only affecting volume of activity and only speeding up any structural changes that would have already happened. The only 2 exceptions to this are: the shift to online and virtual work and changes to business models relating to logistical operations. All this assumes the current inflationary trends are transitory and will subside by mid-2023. |
|-------------------|---|---|

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system with regard to the health workforce, critical medical products and primary care. | Extremely important | Mixed | Malta's Public Healthcare system already represented a large proportion of Government expenditure (especially recurrent). The combined effects of the demands on the healthcare system from the Pandemic as well as the ever increasing strains from the demand of the ageing population have exacerbated this somewhat. Furthermore, the high skilled labour gaps in the system have necessitated the importation of many healthcare workers (of all skill levels, especially lower level ones such as carers) from Asia. Furthermore, to cope with the demands of the Pandemic, the national public hospital has had to rent out halls from the adjacent university to cope with the demand for space (an issue predating the pandemic). A chronic lack of nurses has also made the situation more difficult. This CSR can only be reached if a new strategy is developed to develop to invest in human healthcare capital and training but also to increase overall capacity at the hospital. |

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| | | | | In terms of fiscal prudence, a plan for more public-private partnerships may be undertaken to best utilise private sector capacity. |
|--|--|--|--|---|



| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 2 | Consolidate short-time work arrangements and ensure the adequacy of unemployment protection for all workers. Strengthen the quality and inclusiveness of education and skills development. | Extremely important | Satisfactory | Although imperfect in its application, the Government's wage supplement scheme was timely. They have been maintained and extended to ensure adequate protection until further recovery. The skill development and inclusivity aspects of education still require more work and measures, but momentum in this regard has already been built up slowly. Skill gaps remain across the economy and more micro management at education path level is still required. |
| CSR 3 | Ensure effective implementation of liquidity support to affected businesses, including the self-employed. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable transport, waste management, research and innovation. | Extremely important | Mixed | Whilst imperfect in its application and delivery, liquidity provision was timely albeit perhaps not comprehensive enough in some cases due to lines of assistance not always being judiciously provisioned. Whilst investment into enabling the green transition is underway, more can be done to ensure strategically adequate development of the capacity of the green economy, especially in terms of replacement non-environmentally friendly systems. Furthermore, a more detailed strategic plan must be laid out to ensure that investment into achieving a green transition is more than just a box ticking exercise. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|---|
| CSR 4 | Complete reforms addressing current shortcomings in institutional capacity and governance to enhance judicial independence. Continue efforts to adequately assess and mitigate money laundering risks and to ensure effective enforcement of the anti-money laundering framework. Step up action to address features of the tax system that facilitate aggressive tax planning by individuals and multinationals. | Extremely important | Mixed | Following an extended period of monitoring of Maltese Jurisdiction, a lot of reform has been undertaken, especially in terms of building frameworks and re-educating stakeholders . |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|-------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

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4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|--|---|
| Priority 1 | Tax reforms | Increase the sum of hours work and tax revenue via decreasing part time tax rate in terms of increasing hours of part time work for lower income households | Yes |
| Priority 2 | Public sector efficiency | Quantify the easing of pressure and cost savings for the public sector through incentivising households to hire in-house care for elderly family members. | Yes |
| Priority 3 | Pension and health care reforms | Design a multi annual - multi layered framework to facilitate a WHOLESale transition to obligatory private pensions to ease pressures on system arising from the increasing dependency ratio due to the aggressively ageing population. | No |
| Priority 4 | Active labour market policies Labour supply measures for specific groups (older workers, women...) | Increase female participation in the workforce (and gain increased tax revenue and productivity) via the extension of free childcare services to working nights, weekends and shifts in terms of increasing hours worked and/or household income | Yes |
| Priority 5 | Public investment | Facilitate the Green transition via investing in green infrastructure by installing 1,200 electric vehicle charging points. Will be installed over the next 3 years | Yes |

The Netherlands

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Not confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Very Good |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be <u> 1 </u> to <u> 2 </u> % lower than what would have been the case without the pandemic (according to our Central Planning Bureau) |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|------------------------------|--------------------------------------|---|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system, including by tackling the existing shortages of health workers and stepping up the deployment of relevant e-Health tools. | Extremely important | Satisfactory | Reducing problematic "COVID-debts" is still a big issue in some (closed) sectors; and also the resilience of the Dutch health care sector |
| CSR 2 | Mitigate the employment and social impact of the crisis and promote adequate social protection for the self-employed. | Extremely important | Excellent/No further progress needed | |
| CSR 3 | Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on digital skills development, sustainable infrastructure and clean and efficient production and use of energy as well as mission-oriented research and innovation. | Extremely important | Satisfactory | Biggest challenge is the scarcity of workers in the green transition |
| CSR 4 | Take steps to fully address features of the tax system that facilitate aggressive tax planning in particular on outbound payments, notably by implementing the adopted measures and ensuring its effectiveness. Ensure effective supervision and enforcement of the anti-money laundering framework. | Helpful (but not a priority) | Satisfactory | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|--------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Satisfactory |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

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| <p>1) Reform of the labour market, as our labour market is very tight. There are plenty of options to raise the labour force participation: in fte, this is now one of the lowest in the EU.</p> <p>2) Building new (affordable) houses, as our housing market is very tight</p> |
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4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 1 | Making work-pay: interplay of tax and benefit system | Reducing high marginal tax rate on labour | Yes |
| Priority 2 | Business Environment - Regulatory barriers to entrepreneurship | A stable and reliable business climate, with stable tax rates for businesses | Yes |
| Priority 3 | Tax reforms | A stable and reliable business climate, with stable tax rates for businesses? | Yes |
| Priority 4 | R&D and Innovation | Increasing the level of R&D (%GDP) | Yes |
| Priority 5 | Labour market mismatch and labour mobility | The labour market participation in fte in one of the lowest in the EU. Make a plan to increase the participation rate | No |
| Priority 6 | Sector specific regulation (Housing Market) | Housing market: build, build, build new houses | Yes |

Portugal

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|--|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be between 1% and 2% lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system and ensure equal access to quality health and long-term care. | Extremely important | Mixed | |
| CSR 2 | Support employment and prioritise measures to preserve jobs. Guarantee sufficient and effective social protection and income support. Support the use of digital technologies to ensure equal access to quality education and training and to boost firms' competitiveness. | Extremely important | Mixed | |
| CSR 3 | Implement the temporary measures aimed at securing access to liquidity for firms, in particular small and medium-sized enterprises. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, rail infrastructure and innovation. | Extremely important | Mixed | |

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|-------|---|---------------------|----------------|--|
| CSR 4 | Increase the efficiency of administrative and tax courts. | Extremely important | Unsatisfactory | |
|-------|---|---------------------|----------------|--|

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | No progress |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

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4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|---|--|
| Priority 1 | Venture capital and SME financing instruments | Address the need for business to strengthen their financial structure and recapitalize, through appropriate financial instruments | Yes |
| Priority 2 | Labour market mismatch and labour mobility | Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies. | Yes |
| Priority 3 | Tax reforms | Reduce the tax burden on companies | No |
| Priority 4 | Public sector efficiency | Increasing the efficiency of public administration and eliminate administrative burdens. Focus on improving judicial system (namely by capacitation of commercial courts) | Yes |
| Priority 5 | Job protection | Positive advances in labour reforms undertaken in Portugal between 2011 and 2015 must be preserved to safeguard and allow the dynamization and modernization of sectors. | No |

Romania

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small Extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 8% lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|--|
| CSR 1 | Pursue fiscal policies in line with the Council's recommendation of 3 April 2020 ¹ , while taking all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. Avoid the implementation of permanent measures that would endanger fiscal sustainability. Strengthen the resilience of the health system, including in the areas of health workers and medical products, and improve access to health services. | Extremely important | Unsatisfactory | The Government is not taking the necessary steps for reaching fiscal sustainability in the mid-term. Romania continues to have one of the biggest VAT gaps in the EU, an important amount of workers are remunerated in the grey and black areas of the economy. The resilience of the healthcare sector has not improved. |
| CSR 2 | Provide adequate income replacement and extend social protection measures and access to essential services for all. Mitigate the employment impact of the crisis by developing flexible working arrangements and activation measures. Strengthen skills and digital learning and ensure equal access to education. | Extremely important | Satisfactory | |

¹ OJ C 116, 8.4.2020, p. 1–3.

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|---|
| CSR 3 | Ensure liquidity support to the economy benefitting businesses and households, particularly small and medium-sized enterprises and the self-employed. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport, digital service infrastructure, clean and efficient production and use of energy and environmental infrastructure, including in the coal regions. | Extremely important | Unsatisfactory | |
| CSR 4 | Improve the quality and effectiveness of public administration and the predictability of decision-making, including through an adequate involvement of social partners. | Extremely important | No progress | The quality of public administration is actually decreasing and digitalization efforts are too slow. There is no predictability in the decision making process and the speed of decisions and the high use of emergency ordinances makes it very difficult to have a meaningful conversation with the government. The fragmented nature of the Romanian business community is also a problem. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | No progress |
| Access to finance and Financial stability | Unsatisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

Romania must quickly take steps to increase the added value of its economy and move higher in the global value chain. We have too many industries that are low value which means both low salaries and low tax revenues.

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|--|---|
| Priority 1 | Quality of fiscal institutions and budgetary framework | Romania needs to improve tax collection and digitalize its fiscal administration | Yes |
| Priority 2 | Active labour market policies | Romania needs to drastically increase its supply of labour as we are facing a growing deficit | Yes |
| Priority 3 | Public sector efficiency | The Romanian public administration is not digitalized and does not make proper use of digital tools | Yes |
| Priority 4 | Public investment | Romania needs to improve the quality of public investment. Too much money is wasted due to corruption and allocation without prioritization. | No |
| Priority 5 | ICT | The sector is facing a huge deficit in skilled people. If it is not addressed in the next 2-3 years it will completely stall the development of the sector which will lose competitiveness | No |

Slovak Republic

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Not confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be 15 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|----------------------------|----------------------------------|--|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system in the areas of health workforce, critical medical products and infrastructure. Improve primary care provision and coordination between types of care. | Extremely important | Mixed | Efforts have been under way but the government has sent mixed signals about the commitment to economic reforms. |
| CSR 2 | Provide adequate income replacement, and ensure access to social protection and essential services for all. Strengthen digital skills. Ensure equal access to quality education. | Important | Mixed | Social protection has been introduced but few effective measures have been ensured to support the struggling businesses and self-employed. |
| CSR 3 | Effectively implement measures to ensure liquidity for small and medium-sized enterprises and self-employed. Close digital infrastructure gaps. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, sustainable public transport, and waste management. | Extremely important | Unsatisfactory | Effective answers to increase SMEs liquidity vis-a-vis the pandemic and the digital transformation has been missing from the agenda. |

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|--|
| CSR 4 | Ensure effective supervision and enforcement of the anti-money laundering framework. Ensure a favourable business environment and quality public services through enhanced coordination and policy-making. Address the integrity concerns in the justice system. | Helpful but not a priority | Mixed | Government has presented new plans for digital invoicing to improve tax collection, but the measures have been hampered. |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|---|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Unsatisfactory |
| Innovation and skills | Satisfactory |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

Introduction of the One-in-Two-out initiative by the Ministry of the Economy of the Slovak Republic

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|---|--|
| Priority 1 | Venture capital and SME financing instruments | Measures to build venture capital environment in Slovakia | No |
| Priority 2 | Consolidation of public expenditures | Create a plan to balance the budget in Slovakia | No |
| Priority 3 | Pension and health care reforms | Introduce measures to stabilise the public pension systems | Yes |
| Priority 4 | Labour market mismatch and labour mobility | Introduce specific measures for reforms of the immigration system to attract qualified labour | Yes |
| Priority 5 | R&D and Innovation | Support for the creation of research centres attached to the universities and businesses | No |

Slovenia

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Neutral |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be app. 3-5 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|------------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Ensure the resilience of the health and long-term care system, including by providing the adequate supply of critical medical products and addressing the shortage of health workers. | Important | Mixed | |
| CSR 2 | Provide adequate income replacement and social protection. Mitigate the employment impact of the crisis, including through enhancing short-time work schemes and through flexible working arrangements. Ensure that these measures provide adequate protection for non-standard workers. | Helpful (but not a priority) | Satisfactory | |
| CSR 3 | Continue to swiftly implement measures to provide liquidity and financing to businesses and households and reduce administrative burden. Front-load mature public investment projects and promote private investment to support the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, environmental infrastructure, sustainable transport, research and innovation and on the rollout of the 5G network. Promote digital capacities of businesses, and strengthen digital skills, e-Commerce and e-Health. | Important | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Mixed |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Unsatisfactory |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

No

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|--|---|
| Priority 1 | Wage bargaining and wage-setting policies | Amendments to the law on minimum wage | No |
| Priority 2 | Making work-pay: interplay of tax and benefit system | --- | Yes |
| Priority 3 | Labour market mismatch and labour mobility | More cooperation with the business sector when changing education systems and long-life learning | Yes |
| Priority 4 | Market integration - Openness to trade and investment | More predictable conditions for foreign investors. | No |
| Priority 5 | Public sector efficiency | Not only increasing cost but increasing efficiency, especially in the health, employment sector | No |

Spain

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Neutral |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Somewhat confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Very Good |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To some extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To a small extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be _3,0% to 3,5 % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|--|----------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the health system's resilience and capacity, as regards health workers, critical medical products and infrastructure. | Extremely important | Unsatisfactory | |
| CSR 2 | Support employment through arrangements to preserve jobs, effective hiring incentives and skills development. Reinforce unemployment protection, notably for atypical workers. Improve coverage and adequacy of minimum income schemes and family support, as well as access to digital learning. | Important | Mixed | |
| CSR 3 | Ensure the effective implementation of measures to provide liquidity to small and medium-sized enterprises and the self-employed, including by avoiding late payments. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on fostering research and innovation, clean and efficient production and use of energy, energy infrastructure, water and waste management and sustainable transport. | Important | Mixed | |
| CSR 4 | Improve coordination between different levels of government and strengthen the public procurement framework to support recovery in an efficient manner. | Important | Unsatisfactory | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Mixed |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 1 | Tax reforms | <p>1. To Guarantee a stable legislative framework for corporate taxation.</p> <p>2. Do not increase corporate taxation as the only means to reduce public deficit but reduce public expenditure by reforming Public Administration avoiding i.e overlappings. Increasing corporate taxation affects private investment and employment</p> | No |
| Priority 2 | Public sector efficiency | <p>National agreement to improve the public sector efficiency.</p> <p>Better assessment and disclosure of information concerning public expenditure.</p> <p>Better management and monitoring of regional expenditure.</p> | Yes |
| Priority 3 | Business Environment - Regulatory barriers to entrepreneurship | To continue the reduction of administrative burden at all levels of Administration and; to make additional efforts in the implementation of the Law on market unity. | No |

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|---|--|--|
| Priority 4 | Active labour market policies | <ol style="list-style-type: none"> 1. To strengthen the effectiveness of employment policies in order to meet the needs of companies. 2. To reform the public employment services and promoting the public-private partnership in the management of labour market policies. 3. To link passive and active labour market policies. | Yes |
| Priority 5 | Wage bargaining and wage-setting policies | <ol style="list-style-type: none"> 1. Do not link wages to inflation so as not to start a price-wage spiral 2. Wage growth linked to productivity and competitiveness of companies | No |

Sweden

1. Covid-19 Pandemic and National Recovery and Resilience Plans

| | | |
|-------------------|---|---|
| Question 1 | Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan? | Dissatisfied |
| Question 2 | How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan? | Dissatisfied |
| Question 3 | How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU? | Not confident |
| Question 4 | How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes) | Fair |
| Question 5 | How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market) | Fair |
| Question 6 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy? | To a small extent |
| Question 7 | To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy? | To some extent |
| Question 8 | More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis? | GDP in 2025 expected to be <u>2-3</u> % lower than what would have been the case without the pandemic |

2. Assessment of Country Specific recommendations 2020-2021 in detail

| | | Q1: The recommendation is: | Q2: implementation on effort is: | Detailed comments |
|-------|---|------------------------------|----------------------------------|-------------------|
| CSR 1 | In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Ensure the resilience of the health system, including through adequate supplies of critical medical products, infrastructure and workforce. | Helpful (but not a priority) | Satisfactory | |
| CSR 2 | Foster innovation and support education and skills development. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, high-tech and innovative sectors, 5G networks and sustainable transport. | Important | Unsatisfactory | |
| CSR 3 | Improve the effectiveness of anti-money laundering supervision and effectively enforce the anti-money laundering framework. | Helpful (but not a priority) | Mixed | |

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

| | |
|--|----------------|
| Taxation and Public Finances | Unsatisfactory |
| Business environment (regulation/access to markets) | Unsatisfactory |
| Labour market | Unsatisfactory |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Mixed |

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

4. Reform priorities for 2022

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|-------------------|--|---|---|
| Priority 1 | Making work-pay: interplay of tax and benefit system | Reduce benefits and increase demands on labour market participation | No |
| Priority 2 | Labour market mismatch and labour mobility | Improve educational systems | Yes/No |
| Priority 3 | R&D and Innovation | Reduce red tape | No |
| Priority 4 | Public sector efficiency | Reduce crime on business | No |
| Priority 5 | ? | Improve integration | No |