



**EUROPEAN COUNCIL  
THE PRESIDENT**

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**Remarks by  
Herman VAN ROMPUY  
President of the European Council  
at the press conference following the  
meeting of Heads of State or Government**

Today we had the first "normal" meeting of the European Council since I came into office. A welcome change! Of course, our agenda is still dominated by the "crisis" -- financial, economic, monetary, the problems are not over.

We recently showed a strong political determination in safeguarding the stability of the euro. I was happy to note today that all colleagues were committed to use the same resolve to enhance our long-term economic strength. It is just as vital!

Today, the European Council further defined and maintained the European economic strategy. We adopted a series of decisions and guidelines which you will find in the conclusions. We continue to build up a shared sense of economic direction.

Let me briefly mention a few elements.

We today finalised our new strategy for growth and jobs, the so-called "Europe 2020". It will set things in motion in the real economy.

Regarding the financial sector, our priority is to have a solid and healthy banking system. We agreed that stress tests of the banks will be published at the latest in the second half of July. We want a speedy agreement on the financial supervision package, in the ongoing negotiations between the Council and the European Parliament.

We ask the Commission to quickly make proposals on naked short selling and credit default swaps. Furthermore, we took a decision on the principle of a bank levy. This will contribute to a fairer burden-sharing of the costs of a financial crisis and to a greater stability of the financial system.

Regarding public finances, everybody recommitted to fiscal sustainability. We also agreed on a differentiated exit-strategy, between those who have more and those who have less fiscal space.

## **P R E S S**

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The European Council also approved the first orientations of the Task Force. As its chairman, I briefed colleagues over luncheon on our progress. The European Council approved the provisional conclusions on a stricter supervision of the budgets and of competitiveness. I am convinced this will enhance the stability and the growth potential of our economies.

We will strengthen the Stability and Growth Pact, both in prevention and in correction. These proposals may, judged on themselves, seem a small step; together however, they result in a leap forward. Everybody now acknowledges that economic decisions in one Member State concern us all.

Moreover, this is not the end of our work. We briefly touched also on economic governance. You are aware that there was a debate about this. We have decided to be pragmatic and operational, as I proposed in Berlin on June 10th. For instance, we need to avoid creating dividing lines between the 27 EU-members and the 16 members of the Eurozone. Therefore the Eurozone will meet at Summit level if necessary, and under my chairmanship -- just as we did twice recently, on 25 March and on 7 May.

European economic governance must be undertaken in accordance with the roles of the institutions as laid down in the Lisbon Treaty. There is no need to create new institutions. It is essentially a matter of working together better. In this context, in accordance with the Treaty, the European Council intends to fulfil its role of setting political directions and priorities for the Union, including in economic strategy and governance.

As a signal that the Eurozone is open to all, we confirm that Estonia will adopt the euro on January 1st next year. We congratulate Estonia on the results of all its efforts.

The European Council today also confirmed its reach out to the outside world. For instance, the bank levy I just mentioned will be discussed next week with our global partners, as an EU proposal at the G20 Summit in Toronto. In the G20, we will also propose to explore and develop the introduction of a global financial transaction tax.

We reconfirmed our commitment to the Millennium Development Goals, to be reached in 2015. We will not be derailed by our own financial problems -- they become relative, in a global perspective - - from the objective of helping the world's poorest countries.

We adopted a declaration on Iran. The Union remains deeply concerned about Iran's nuclear programme. New restrictive measures have become inevitable. The European Council gives guidance to the Foreign Affairs Council to implement UN Security Council Resolution 1929, and to adopt additional measures at its next session in July.

On a more cheerful note, the European Council decided to open accession negotiations with Iceland. As for every candidate country, there are a lot of conditions to be fulfilled, but in due course Iceland can become a member of the club.

Over lunch I also explained to my colleagues how I should like to organise our work in the coming 6 to 8 months. I want to keep the focus improving our economic strength.

Before concluding, I want to thank the Spanish Presidency of the Council for the very good work done at ministerial level in the sectoral Councils and the General Affairs Council. In my view, José Luis Zapatero and I have set an excellent precedent for the collaboration between a rotating Presidency and the permanent Presidency. I thank José Luis for our cordial and constructive collaboration.

I should also like to congratulate him on the measures his government has taken in recent days. He has presented them today in our meeting and we all welcomed them. They are courageous and will be effective.

Finally, the European Council expresses its moral support to the thousands of people in different countries in Central Europe -- in particular in Poland -- who were hit by the recent floods; and again this week in Southern France.

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