



**EUROPEAN COUNCIL
THE PRESIDENT**



Brussels, 24 May 2012
EUCO 93/12
PRESSE 215
PR PCE 78

**Remarks by
President of the European Council Herman Van Rompuy
following the informal dinner of the members
of the European Council**

I called this meeting for colleagues to discuss how to boost growth in Europe. Tonight's meeting was about putting pressure, focusing minds and clearing the air.

The discussion about growth is not new. We already share a growth strategy and it has been a constant concern. However, our ongoing work on growth has been overshadowed by our vital efforts to ensure financial stability in the Eurozone. But it is no less important.

And there should be no misunderstanding: it is obvious that opposing "deficit reduction" and "growth" is a false debate. They are two sides of the same coin. Without sound public finances there can be no sustainable growth; but without sustainable growth, the measures to bring our debt levels under control will be done in vain.

Our discussions tonight were focused and frank. I listened carefully to all colleagues and we prepared the ground for common decisions in June, five weeks from now.

First of all we discussed the three main pillars of a growth strategy that is still based on the EU 2020 strategy. The EU 2020 strategy is the basis for our growth initiatives. In the short term, we will structure our work around the following three pillars.

First, we need to mobilise EU policies to fully support growth; second, we need to step up our efforts to finance the economy through investments and thirdly we need to strengthen job-creation.

P R E S S

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The first point: we need to mobilize EU policies to fully support growth. We therefore invited the European Parliament and the Council to make rapid progress on important legislative proposals, such as the Single Market Act and the Energy Efficiency Directive.

We should finalise the remaining issue of the European patent before the end of the Danish Presidency. Colleagues also asked for the full and consistent implementation of existing legislation, notably regarding the services directive and argued in favour of a strong impetus for the Digital Agenda. The Commission and the Council need to pursue their work on how to better use international trade as an engine for growth. There are several major trade agreements under way which would benefit the European economy.

Second, we need to step up our efforts to finance the economy through investments and better access of Small and Medium-sized Enterprises to credit. Reforms must go hand-in-hand with investment and EU funds can play an important role in this regard. To this extent, the board of the European Investment Bank is invited to consider an increase of its capital by June for financing projects across the EU.

We welcome also the political agreement of the Council and the European Parliament on the EU-EIB Project Bond initiative, in order to launch the pilot phase this summer as a first step. The Commission will report in June on the reprogramming of the current Structural Funds to support growth, jobs and training. Colleagues mentioned equally the need to continue work and discussions in the Council on the Financial Transaction Tax as well as examine the issue of late payments. We will discuss in June how to fully gear the next Multiannual Financial Framework to growth and job-enhancing policies.

Thirdly, we need to strengthen job-creation. Therefore, the EU and its Member States also invest in skills and training. In order to promote a job-rich recovery, it is necessary to make concrete reforms and take measures to support labour demand and job-creation in key sectors of the economy.

National Job Plans should be given high prominence in the follow-up of Country-Specific Recommendations on the economic policies and fully used to better stimulate synergies between national and European instruments, including the Structural Funds, in particular to combat youth unemployment. This could be done on the basis of the youth guarantees and quality traineeships. Colleagues said that mobile workers should be better supported, their portability of pension and other rights be enhanced.

Finally, we held an in-depth discussion on the latest developments in the euro area, during which we also reaffirmed our commitment to safeguard its financial stability and integrity. Our discussion also demonstrated that we need to take Economic Monetary Union to a new stage. There was general consensus that we need to strengthen the economic union to make it commensurate with the monetary union.

I will report in June, in close cooperation with the President of the Commission, the President of the Euro Group and the President of the European Central Bank, on the main building blocks and on a working method to achieve this objective. Colleagues expressed various opinions on issues such as eurobonds in a time perspective, more integrated banking supervision and resolution, and a common deposit insurance scheme.

We also had at the end of the meeting an exchange of view on the political and economic situation in Greece.

On behalf of euro area leaders, I reaffirm that we want Greece to remain in the euro area while respecting its commitments.

We are fully aware of the significant efforts already made by the Greek citizens. The eurozone has shown considerable solidarity, having already disbursed together with the IMF nearly 150 billion euro in support of Greece since 2010. We will ensure that European structural funds and instruments are mobilised to bring Greece on a path towards growth and job creation.

Continuing the vital reforms to restore debt sustainability, foster private investment and reinforce its institutions is the best guarantee for a more prosperous future in the euro area. We expect that after the elections, the new Greek Government will make that choice.
