



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Remarks by Herman Van Rompuy,
President of the European Council,
following his meeting with
Prime Minister of Slovakia Robert Fico**

It was a pleasure to meet again with Prime Minister Fico, who was the very first leader I met when I did my initial tour of capitals in October 2009. Today, we had fruitful talks on the European agenda and in particular the economy.

We must further endeavour to preserve stability in the euro area. The agreement this weekend to provide a loan to Spain shows that the new mechanisms we have put in place over the last two years can, when necessary, be rapidly deployed.

In this regard, I would like to welcome the commitment of Slovak government to swiftly complete the ratification process of the Treaty establishing the European Stability Mechanism and the "Fiscal Compact Treaty". The Prime Minister informed me about Slovakian efforts to go with fiscal consolidation in the interest of the future of Slovakia.

We must combine sustainable fiscal policy with measures enhancing growth. Already at our 23 May informal meeting, we sent a clear message that we will continue to pursue our comprehensive strategy to return to growth and job creation, even more so in view of the low growth projections for 2012. In our June meeting, the European Council will focus on the growth agenda in all its forms. This will include:

- turning what we discussed in January, March and May into a “Growth and Jobs strategy”;

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- concluding the ambitious European Semester of economic policy coordination;
- starting the discussions on the EU's Multiannual Financial Framework with a view to better gearing the EU budget to growth and jobs.

On the growth pact, we will structure our work around the following 3 pillars:

- mobilising EU policies to fully support growth,
- stepping up our efforts to finance the economy,
- and strengthening job-creation.

We will give detailed and solid content to these ideas, such as further exploiting the potential of our single market in areas where we have not yet fully done so, increasing the capital of the European Investment Bank, ensuring a more focused use of our structural funds, launching the pilot phase of the Project Bond Initiative, negotiating beneficial international trade agreements, adopting the proposed European Patent, and improving energy efficiency. National Job Plans should be given a high prominence in order to combat youth unemployment, for instance through supporting labour demand, through the provision of quality traineeships, and facilitating labour mobility.

The European Semester is an important tool for our economic governance. This year's Semester is the first one under the recently strengthened procedures, where the country-specific recommendations play a vital role.

Regarding Slovakia, the Commission's assessment is a positive one, but nonetheless warns of risks and the need to take additional measures, for instance on the efficiency of tax collection, reducing distortion in taxation, improving the sustainability of pensions and a more active labour market policy. It calls for improvements in the field of education and vocational training, especially for more vulnerable groups. It also recommends a strengthening of the quality of public service and shortening the length of judicial proceedings.

The June European Council will also discuss the Multiannual Financial Framework (MFF). The aim will be to focus on how the EU budget can best contribute to the creation of growth, how to enhance the quality of spending and on the relative prioritisation of European policies. I am fully aware of the importance Slovakia attaches to the cohesion policy. Our goal is to conclude these negotiations by the end of this year. We must equip the EU with a growth and job-enhancing tool, which will support - both directly and indirectly - thousands of investments in different areas, from research & development, to enterprises, to transport or energy infrastructure, as well as people seeking jobs or upgrading qualifications.

Our discussion in May showed that we need to take Economic & Monetary Union to a new stage. There was general consensus that we need to further strengthen economic union and make it commensurate with monetary union. This is important to anchor expectations about the long term viability of the EMU, and thereby raise confidence and support the recovery already in the short run. That's the objective of the report I'll present in June and which I am preparing in close collaboration with the Presidents of the Commission, the Eurogroup and the ECB. I will propose the main building blocks on more banking, fiscal and economic integration to reach that objective, as well as a working method to achieve it on the basis of a definitive report and decisions in the autumn. For instance, on the banking side, the report will cover issues such as more integrated banking supervision and resolution, as well as a common deposit insurance scheme.

Mr Prime Minister we all continue our discussions on the agenda of the upcoming European Councils and I thank you for your cooperation in the past and, I am convinced also in the future.
