Press statement by President of the European Council
Herman Van Rompuy
after his meeting with Federal Chancellor of Austria
Werner Faymann

Let me first thank Chancellor Faymann for his hospitality and for the good discussions we have had today. It is a pleasure to be back in Vienna. It is part of my annual "tour des capitales".

Now turning to today's talks, allow me to share a few thoughts. Next week we will have another important and special European Council. It is an important summit because we must reach agreement on our Union's budget for the next seven years, from 2014 to 2020. And it is a special summit because - fortunately - we only have these summits every seven years...

Even if the budget represents only around 1% of European GDP - or 2% of government spending - it does amount to around 1 trillion euros over seven years. In these difficult times of protracted crisis in many Member states, the European budget - and the ceiling of the budget - will have to reflect this.

On the other hand, the budget serves a very important purpose. It is the main catalyst for public investments in many member states - and therefore has a substantial impact on their growth. The EU budget is not only a tool for solidarity. It is essential for a higher growth-rates all over Europe, for example via the ambitious programs of research and development or the ambitious program of connecting Europe's networks of energy, telecom and infrastructure. The European budget must ensure that there is sufficient money to carry out the actions we have come to expect and demand from our European Union.
Let’s be honest. Finding a compromise next week is not a small political challenge. It needs the unanimous agreement of every Member State and the consent of the European Parliament. But we badly need the agreement. We need an agreement to have the right framework for growth and jobs for the rest of this decade. We need an agreement to demonstrate our continued ability to take difficult decisions even in difficult times. And we need an agreement because the consequences of no agreement would be negative for everybody. An agreement will require political will, compromises and concessions by all.

Austria has been and still is strongly in favour of a tax on financial transactions, the so-called FTT. Through enhanced cooperation of a group of EU Member States this idea is now getting closer to becoming a reality.

This week (Tuesday), I put forward my proposal for a compromise. It represents a real-term cut of 20 billion euros compared with the last 7 years budget. The remaining differences between the Member States concern an amount of only 0.1% of EU GDP. It should be possible for 27 heads of state and government to reach an agreement on that.

Another important issue that I had the chance to discuss with the Chancellor, is the Economic and Monetary Union. The economic crisis has exposed serious weaknesses in the architecture of the Economic and Monetary Union. We are now working to correct those.

At the European Council in December, I - together with the Presidents of the Commission, the European Central Bank and the Euro group - will present the results of our work on how to complete the Economic and Monetary Union.

It is clear that priority no. 1 is to complete the banking union. This is essential to break the vicious circle between banks and sovereigns - one of the root causes of the crisis. We need to establish the Single (European) Supervisory Mechanism for banks - within the existing treaties. We need to advance further on bank resolution and deposit guarantee schemes. And we need to make progress on fiscal and economic policy integration, as well as ensuring the appropriate mechanisms for democratic legitimacy and accountability.

Allow me to conclude with a reference to the Nobel Peace Prize. The ceremony in Oslo on the 10th of December - in between the two summits - and more importantly the award itself is an important reminder of why we in the first place created the European Union and why we are still so motivated to keep developing the European Union. I am very glad that you have decided to come to Oslo!