

Brussels, 1 March 2009

INFORMAL MEETING OF HEADS OF STATE OR GOVERNMENT OF 1 MARCH 2009

JOINT PRESS LINES

Heads of State or Government met today in Brussels and had an in-depth discussion on the current financial and economic crisis. They agreed that Europe can only face this challenge and overcome the current crisis by continuing to act together in a coordinated manner, within the framework of the Single Market and EMU. They expressed confidence in the medium and long term outlook of all EU economies. They agreed to take action along the following lines:

Building confidence and promoting financial stability

- Pursue work on the basis of the principles agreed in October 2008 in order to restore appropriate and efficient financing conditions in the economy. Recognise that unblocking the credit channel is crucial for the effectiveness of fiscal impulses undertaken by Member States.
- Underline the importance of dealing with impaired banking assets. In doing so, act in line with the guidelines provided by the Commission on 25 February and in full respect of competition rules.
- Improve the regulation and supervision of financial institutions. Welcome the contribution of the High Level Group on financial supervision and the Commission's intention to issue its orientations on the report on 4 March. First decisions must be taken by June after a thorough discussion in the ECOFIN Council.
- Ensure long-term sustainability of public finances in line with the Stability and Growth Pact.

- Underline the importance of macro-financial stability throughout the EU. Recognising clear differences between the Member States in central and eastern Europe, review the assistance already made available. Stress the benefits which flow from EU integration and the sound medium term prospects it brings. With regard to the banking sector, confirm that support for parent banks should not imply any restrictions on the activities of subsidiaries in EU host countries. Instruct the ECOFIN Council to keep the situation under active review, working closely with the Commission, and to draw up elements to help countries facing temporary imbalances, if required, and on the basis of all available instruments. Acknowledge the importance of the EIB in providing finance to the region and welcome, in this context, the recent announcement by the EIB, World Bank and EBRD of a joint initiative to support the banking sectors in the region and to fund lending to businesses hit by the global economic crisis.

Getting the real economy back on track

- Assess the implementation of the European Recovery Programme both at European and national levels at the Spring European Council and draw the necessary conclusions.
- Make the maximum possible use of the Single Market as the engine for recovery to support growth and jobs. Stress that protectionism is no answer to the current crisis and express confidence in the Commission's role as guardian of the Treaty.
- Welcome the communication on the automotive sector by the Commission of 25 February, including in particular enhanced European coordination of schemes for the renewal of car fleets. Invite the Commission to ensure rapid and effective mutual information on envisaged national measures and to closely monitor actions taken in third countries, as part of the European framework it has outlined for this sector.
- Recognise the importance of measures to counter the negative impact on employment. At the EU level, use existing tools such as the European Social Fund and the revised Globalisation Adjustment Fund to their full potential to limit job losses. Use the special summit on employment to be held in late spring to agree on concrete orientations and measures to mitigate the social and employment impact of the crisis.

Working together at the global level

- Ensure that the EU's internal efforts and actions to restore financial stability and to promote open markets are adequately reflected at the international level, while taking into account the particular situation of developing countries.
 - Recognise the importance of the G-20 London summit for rebuilding the businesses', citizens' and financial sector confidence. Underline the EU's leading role in the G-20 process and use the Spring European Council to prepare the EU's position in that respect, taking into account the outcome of the meeting held in Berlin on 22 February.
 - Invest every effort to build consensus on modalities leading to a rapid conclusion of the Doha Development Agenda.
-