

ESM meeting: extracts from the press conference

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The Treaty establishing the European Stability Mechanism (ESM) has been ratified by all 17 euro area member states. It entered into force on 27 September 2012, nine months earlier than initially foreseen. The treaty was signed by euro area member states on 2 February 2012. The ESM board of governors hold its inaugural meeting on 8 October 2012. The ESM is an intergovernmental institution based in Luxembourg, set up to provide financial assistance to eurozone member states experiencing, or being threatened by, severe financing problems, if this is indispensable for safeguarding financial stability in the euro area as a whole. The initial maximum lending capacity of the ESM is set at €500 billion. This is achieved with subscribed capital of €700 billion. As a permanent mechanism, the ESM will take over the tasks currently fulfilled by the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM). With the accelerated entry into force, the ESM will now operate alongside the EFSF for nine months. The most important decisions under the ESM will be taken by its board of governors (finance ministers) by mutual agreement. The ESM will have a board of governors and a board of directors, as well as a managing director. Klaus Regling, the chief executive officer of the EFSF, was appointed by the Eurogroup in July 2012 as managing director of the ESM.



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TIME	DESCRIPTION	DURATION
00:00:00	Title	00:00:05
00:00:05	Wide shot of the press room	00:00:03
00:00:08	SOUNDBITE (in English) by Jean-Claude Juncker, President of the Eurogroup: The start of the European Stability Mechanism marks an historic milestone in shaping the future of the European monetary Union. The Euro area now is equipped with the effective firewall which of course is a crucial component of our strategy to ensure financial stability in the Union. The introduction of the European Stability Mechanism has close the gap in the euro areas institutional architecture the ESM itself will certainly be regarded as a reassurance presence within and outside the monetary union.	00:00:54
00:01:02	Cutaway	00:00:06

00:01:08	SOUNDBITE (in English) by Klaus Regling, Managing Director of the ESM: As of today the ESM is fully operational with lending capacity of 200 billion euro that will grow in the next 18 months. In addition to that we will have the 92 billion euro of the EFSF which is committed for the macroeconomic adjustment program of Ireland, Portugal and Greece. With a robust capital structure and variety of instruments the ESM stands ready to fulfill his mission and to provide assistance to Member States subject of course to appropriate conditionality.	00:00:45
00:01:53	Cutaway	00:00:06
00:01:59	SOUNDBITE (in English) by Klaus Regling: The most important decisions taken by the board of governors required mutual consent. They include decisions to provide loans to ESM members, conditions and terms for such support, calling and authorize unpaid capital and changing the authorize capital stock	00:00:30
00:02:29	Cutaway	00:00:05
00:02:34	SOUNDBITE (in English) by Jean-Claude Juncker During the meeting we will discuss the situation in Spain, from a personal point of view I have to say that I am satisfy with the measures, the fiscal consolidation s that they have taken so far but the Spanish government translating a huge effort in consolidation terms and is not up to me not to us as members of euro group to advice to Spanish government to request to stay away from decision which has to be seen as a governance of Spain's decision.	00:00:38
00:03:12	General view of the audience	00:00:06
00:03:18	END	00:00:00