

European Council of Brussels: intermediary joint press conference by José Manuel Barroso and Herman van Rompuy

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José Manuel Barroso, President of the EC, and Herman van Rompuy, President of the Council, held an intermediary joint press conference following the first session of the European Council on 14 March 2013.



HEURE	DESCRIPTION	DUREE
00:00:00	Arrival of José Manuel Barroso, President of the EC, and Herman van Rompuy, President of the Council	00:01:00
00:01:00	Speech by Herman van Rompuy (in ENGLISH): We just concluded the first evening of our traditional Spring Council. This time each year, we meet to set the direction on how best to guide our national and European economic policies. Tonight, in view of our bleak economic prospects, in view of growing social distress, we looked very carefully at the situation. We are all fully conscious of the debate, the mounting frustrations and even despair of people. We also know there are no easy answers. The only way out of the crisis is to keep tackling its root causes. Around the	00:02:56

table, there was a strong sense of agreement about this. Throughout the evening, the discussion was serene and focused. We reconfirmed our overall economic strategy. It has four strands: First. Restoring financial stability, and maintaining it: this is vital for confidence of consumers and investors, a key condition for internal demand and growth; Second. Ensuring sound public finances, structurally sound; Third. Urgently fighting unemployment – especially for youth, for whom the situation is dramatic in some countries. Fourth. And reforming for long-term growth and competitiveness; we need to prepare for the future. These four strands are clear and consistent, and we need all four at the same time. There was broad consensus on this strategy. Listening to the debate around the table it is far away from a tendency to paint things in black and white. Growth and jobs are not things governments can buy or summon. It is our overriding objective; a result, for which we have to keep striving. The question is finding a good balance, setting priorities, making the right choices. That's what our discussion was

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00:03:56	<p>Speech by Herman van Rompuy (in ENGLISH): We all agree we need to keep turning our commitments into actions and results. Implementation continues to be key. The good progress towards structurally balanced budgets must continue. For each individual country, it's about making choices that make sense in the long run:- Pursuing well-designed structural reforms;- Being ruthless on tax evasion. Shifting taxation away from labour;- Expenditure cuts where it makes us fitter, not sacrificing vital areas like innovation or education;- And launching fast-acting and targeted measures to boost growth and employment, in particular for the youth. We did it for the European budget: slightly reduced, but more focused on growth and employment. National governments, too, can do this. And some are doing this. Such smart and situation-specific choices are precisely what our common rules allow and what our joint decisions encourage. That's for instance why we also look behind the nominal fiscal targets, at structural efforts. Within the existing fiscal rules, the possibilities to deal with an economic</p>	00:01:35

	<p>...an economic downturn are there.</p>	
00:05:31	<p>Speech by Herman van Rompuy (in ENGLISH): Our actions of the past years are paying off: especially in terms of improved financial stability and the gradual return of confidence. We all agree we must continue in this direction. But the results are taking time to translate into more economic activity and more jobs. So we must take short-term action also, to counter the social consequences of the crisis. Indeed, if declining spreads or an improved balance of payments are economically crucial, they are of little comfort to people who fear losing their job or struggle to find one. Unemployment, especially youth unemployment, was at the heart of our discussions tonight – more than ever. The President of the European Commission reported on results from decisions we already took a year ago. In 2012, € 16 billion of unused EU structural funds were redirected towards countries most affected by youth unemployment. That money helped close to 800.000 young people and 55.000 small companies all over Europe. As you'll remember from our last European Council on the Multiannual</p>	00:02:37

Financial Framework, we carved out € 6 billion euro and they were targeted towards fighting youth unemployment. By the way, this initiative is one of the reasons I hope an agreement will soon be reached between the Council and the Parliament on precisely the MFF. In June, at the end of the Semester, we will look not only at national reform and jobs plans, but also at the results of the Growth Compact concluded last year. As a matter of fact, the President of the European Commission made a first report on the results of the Growth Compact already this evening. We looked at how the major capital injection into the European Investment Bank we agreed back then is already helping co-finance up to € 180 billion worth of projects in the 3 years between now and 2015. We also discussed other avenues to support economic growth. Supporting SMEs – also by cutting red tape, and we will continue to look at where regulations can be simplified and cost reduced.

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Speech by Herman van Rompuy (in ENGLISH): In the months ahead we will talk about a range of themes related precisely to long-term economic growth: we will discuss

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growth, the main objective energy in May, innovation, digital agenda and other services in October, defence in December, industrial competitiveness and industrial policy this June as a first discussion and then again in the Spring next year, preparing for the review of the EU 2020 strategy. These are all discussions we are having together with all 27 Member States. It shows we can do a lot together! Later tonight, right after this briefing, euro leaders will convene for a euro summit, but already all 27 colleagues reiterated in our conclusions their full support for the ongoing work on deepening our Economic and Monetary Union, with the work on the banking union as the most pressing priority. Tonight, we also adopted the rules of procedure for the euro summits. Drawing on treaty provisions and existing practices, these rules so to speak "codify" the organisation of euro summits. They are an important step in the implementation of the Treaty on Stability, Coordination and Governance on the EMU.

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Speech by José Manuel Barroso (in ENGLISH): We had a good discussion this evening. Indeed I think it was the most business like discussion we had for

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...the discussion we had for a long time. The balanced conclusions we have reached give a clear direction for what needs to be done next. The President of the European Council presented a very comprehensive summary of conclusions. I fully subscribe to what he just said. Let me just briefly highlight a number of points from our discussion: Firstly, the European Council has fully endorsed the Commission's Annual Growth Survey – the key economic priorities for the Union in 2013. A balanced approach that will bear fruit if we stick with it, if we implement it with determination. Indeed, we need to deliver differentiated, growth-friendly consolidation, restore normal lending to the economy, promote growth and competitiveness, tackle unemployment and the social consequences of the crisis, and modernize public administration. I also believe we should stick with our strategy because it is already showing some results. The reality is that compared to a year ago, the euro is more stable and there are signs that confidence is starting to return with interest rates and spreads generally decreasing. In the presentation that I made

presentation that I made earlier tonight to the European Council you can see that macro-economic imbalances within the euro area are being reduced. Competitiveness is improving in member states, especially those most under pressure from the markets. There is an increase in exports and improved current accounts, namely in programme countries.

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Speech by José Manuel Barroso (in ENGLISH): Thirdly, we need faster progress on actions to push growth. At the European level, the Commission has put on the table a whole series of proposals to stimulate growth. In fact I believe we have to speed up the implementation. Today I already distributed a preliminary report on the implementation of the Compact for Growth and Jobs. And I said earlier, I believe the implementation is too low and too slow. And I welcome the Conclusions that call for the Council and the European Parliament to move quicker to implement many of those measures, including, for instance, the single market legislation, from the legislation regarding professional qualifications to public procurement and

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procurement and e-signature. A strong push is especially needed on key tax files like energy taxation, common consolidated corporate tax base, revision of the savings tax directive and the agreements with third countries. At the same time, we need to maintain the effort at national and European levels on cutting red-tape for our small businesses. The work of the Commission in this area was welcomed and I was grateful for that support. Indeed we have just launched a major regulatory fitness exercise for our administration called 'REFIT'. We need to avoid that member states add additional burdens through gold plating. We need to have indeed a real announce in terms of better regulation. This is also critically important for our competitiveness.

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Speech by José Manuel Barroso (in ENGLISH): Fourthly, while the macro-economic situation is, in many indicators, improving, and is more stable, unemployment is at an unacceptable level. That means we must tackle the issue of fairness head-on. The burden of many of our citizens, in particular in programme countries, is becoming unbearable. So they

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must feel that the incredible efforts they are making are for a reason, are spread fairly and are shared by all actors in society, including, by the way, the financial sector. Tonight I have set out all the efforts being made by the European Commission to put fairness and the social dimension at the centre of the European Union's economic strategy. Establishing youth action teams, the Youth Employment Package, and the Youth Employment Initiative to implement the Youth Guarantee, which was already approved by the Member States but now needs means to be really deployed in the ground. We need to work together, country by country, sector by sector to see how we can get people back into work. And as President Van Rompuy just said, following his initiative, a calendar was adopted for target discussions on very important issues for the European economy. So I can say that today was indeed an excellent first session with solid conclusions that when implemented will make a real difference.

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Questions and answers

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