

**Statement of President Barroso
at the joint press point with Prime Minister Berlusconi**

Rome, 21 May 2010

Good afternoon, ladies and gentlemen,

It is indeed a pleasure to be here in Rome and have this extremely good and fruitful exchange with Prime Minister Berlusconi.

We had a very good exchange on the current situation of the euro area and the main challenges that we are facing in the European economy.

At times like this, Europe can make significant progress. I think it is important now to draw the lessons from the crisis. What we have seen is that a crisis that was affecting one member state of the euro area that represents 2% of GDP, has afterwards had a serious impact in the whole euro area, in Europe and also beyond Europe in the global markets. This was indeed an unprecedented fact, because there was also action against sovereign debt of some member states of the euro area. So we have to prepare some kind of defence, not only of Greece, showing solidarity to Greece, but also a defence of the stability of the entire euro area.

And I think that we have been able to give this strong response. I would like to thank Italy whole heartedly for the contribution to that solution. I am not saying this because of courtesy; I am saying it because it is true. Italy and Prime Minister Berlusconi have been defending strongly the need for a Community response, a European response, and not isolated responses to this crisis.

That is why I want to thank Prime Minister Berlusconi and his government, because the different ministers in the different formations of the Council have defended this and the Prime Minister himself in the euro area summit.

What should we do now for the future? For me it is obvious. We cannot have a monetary union without an economic union. We need to reinforce the Stability and Growth Pact. At the same time we need to reinforce the economic policy coordination and economic governance of the euro and of the European Union.

We have also to regulate the financial markets because it is true that there has been abusive behaviour in the financial markets and speculation against some of our member states. But it is also true that the speculators are surfing on a wave, and the wave is the excessive debt we have in some of our member states.

This is the moment for the European Union and especially the euro area member states to address some structural problems of competitiveness in Europe, making the structural reforms that have been postponed for so many years, eliminate the excessive spending and waste of public expenditure, making the necessary administrative reforms. At the same time I hope that Europe will keep a leadership role in the G20 to go on with the reforms in the financial market, increasing regulation and supervision in a reasonable and credible manner.

We have seen already in L'Aquila, at the G8 Summit, that Prime Minister Berlusconi and Italy were strong supporters of these global efforts to tackle the issues of the financial markets.

I am sure that Italy will be once again the "avant-garde", a frontrunner of this European action, working with the European institutions and the member states in a collective way so that we can push this agenda globally.

And I also want to say, to conclude, that I am very pleased that Prime Minister Berlusconi accepted my invitation to come soon to the European Commission in Brussels to have a meeting with the College of Commissioners. It is very important for us to have Italy so close to the European institutions, so that we can keep our European project alive.