



European Commission - Speech [Check Against Delivery]



Remarks by Commissioner Gentiloni at the Eurogroup press conference

Brussels, 18 January 2021

Thank you Paschal and a happy new year to everyone.

We had a very interesting discussion in very challenging times.

We are in an extraordinary situation because we have the vaccination process going on – the famous light at the end of the tunnel – and, at the same time, new restriction measures.

If you look at the Oxford stringency index, we have stricter measures now than a few months ago all around Europe.

So, we have a positive mood in a difficult situation.

The discussion was very interesting on the deepening of our imbalances.

The crisis is deepening existing imbalances, which had been gradually receding before COVID-19. In the note which the Commission presented, we underlined that these imbalances are, unfortunately, at risk of deepening. We should be committed to avoiding a different speed of recovery among euro area Member States and we must continue to provide support for as long as required, while remaining conscious of the need to deal with imbalances at the appropriate moment.

Doing so will require a coordinated and comprehensive policy response. Dealing with debt sustainability will require not only fiscal policy action, but also measures to lift potential growth. And we will need to pay great attention to imbalances stemming from the social impact of the crisis, which has not yet been fully felt. We must avoid a further deepening of the already worrying inequalities within our societies.

And this brings me to our second agenda point, because the roll-out of the Recovery and Resilience Facility – and the successful implementation of ambitious reforms and investments to strengthen growth potential – will be key to face these challenges.

The recent agreement on the Recovery and Resilience Facility Regulation allows us to focus on the finalisation of national plans. Once the Regulation enters into force in the second half of February, Member States will be able to begin formally submitting their plans to the Commission. We will then work to assess and approve each plan within two months, with the Council having a further month to adopt the final implementing decision on each plan.

That's a tight timetable, but as we are already well advanced in our discussions with many countries, it is doable. As you know we have encouraged Member States to send us their draft plans as of last October, and many have now done so. We have been engaging in intense technical discussions based on these and other inputs. All of this preparatory work has one goal: to facilitate swift decision-making in the formal approval phase.

I would say we are making good progress on this front. It will be key to ensure that all plans present the right balance between investments and reforms and that these, together, address a substantial subset of the country-specific recommendations.

It will be important also to keep in mind the common euro area reform and investment priorities. This will help to foster coherence and consistency among national plans.

Our ultimate objective should be to ensure that the overall impact of the Recovery and Resilience Facility in the euro area exceeds the sum of the impacts of individual plans. It gives an added value.

A final point in relation to the Recovery and Resilience Facility: we need progress also with the ratification by the Member States of the Own Resources Decision, because this is the pre-requisite for the Commission to start going to the markets to raise these funds.

This process is underway but we see quite divergent timelines from Member States. So I passed the message to ministers today that they should exert all their influence to ensure that their national procedures are completed as quickly as possible. This is essential if we are to be able to proceed with

timely disbursements of the 13% pre-financing amounts next summer.

Finally a few words on our discussion on EU-US relations. We had a very good exchange with Larry Summers. I thank Paschal for giving us this opportunity.

Professor Summers spoke of his conviction that we are on the cusp of a new era of 'transatlantic warmth'. I certainly believe that there is a shared conviction in the EU and in Washington that we must seize this opportunity to relaunch and renew the transatlantic relationship, after the past, often difficult years.

The need for strong EU-US relationship is all the more urgent in the current crisis. We need to work together to win the battle against the pandemic, to rebuild the global economy, to address the challenges of poorer countries and to achieve climate neutrality.

We also need to return to a cooperative approach to establish global norms for trade, for technologies and in taxation. This is in the interest of both the US and the EU and the wider global community. The conversation we had today is a good beginning in this direction.

Thank you.

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