



**EUROPEAN COUNCIL
THE PRESIDENT**



Brussels, 30 January 2012
EUCO 15/12
PRESSE 29
PR PCE 12

**Press remarks by the
President of the European Council Herman Van Rompuy
following the informal meeting of
members of the European Council**

Good evening,

Today we have taken decisions on a number of fronts in order to further restore confidence in our economies.

Last year European leaders had to take difficult and sometimes painful measures to stabilise the Eurozone, but as you all know, this was necessary -- and we start seeing now that it was worth the effort.

Yet we recognise that financial stability is in itself not enough to get out of the economic crisis. We must do more, in particular on economic growth and employment.

You'll see in the text that we have called this "growth-friendly fiscal consolidation and job-friendly economic growth".

What do we mean by this?

Slashing deficits, but not our investments for the future.

Increasing the competitiveness of our companies, while making it more attractive for them to hire people.

P R E S S

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EUCO 15/12

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We focused on three priorities:

Firstly: creating jobs, especially for young people. Helping young men and women across Europe find their place on the job market.

Last week, I received a letter from the European Youth Forum in which they wrote: “Young people, in times of crisis and economic austerity, do not need nice words but strong investments.”

Indeed. That is why we have agreed to use European funds to set up apprenticeship schemes and help young business starters.

Stimulating employment is mostly a responsibility for the individual countries, but some of the work we can do together, as a Union: and we will do it.

Second priority: helping small and medium enterprises to get access to credit, for instance by freeing up available EU funding to support employers and reducing red tape.

Third priority: the single market. We are determined to get the remaining obstacles to its completion out of the way - for instance by finalising the digital market and the energy market. Priority must go to the measures which do most to stimulate growth and jobs.

This European Council is a stepping stone in the European semester on the way to the March and June Councils. Taken together, our decisions can make a real difference. For young people, the difference between unemployment and a first job. For a small company, the difference between being forced to fire an employee and being able to hire another one ... The aim is to provide prospects, to give hope.

The second main issue of today's meeting was our continued work on the stability of the Eurozone. We made important progress in our strategy to overcome the crisis and tie our economies closer together in a stronger framework.

Let me mention four elements.

First: we agreed and endorsed the fiscal compact, a treaty on stability and convergence in the Economic and Monetary Union. The 17 euro leaders will sign it at our next meeting in March, together with the non-euro area leaders of countries willing to join. The Treaty is all about more responsibility and better surveillance. Every country that signs it commits to bringing in a "debt brake" or "golden rule" into its own legislation, and will do so at constitutional or equivalent level. New voting rules and an automatic correction mechanism will enforce compliance more effectively. 25 Member States will sign it, that is all except the UK and the Czech Republic. The treaty will enter into force once 12 euro countries have ratified it.

Secondly: we endorsed the agreement between the 17 on the Treaty for the European Stability Mechanism. We call on Finance Ministers to sign it at the next Eurogroup Meeting, so that it can take effect from July 2012. The early entry into force of this permanent firewall will prevent contagion in the euro area and further restore confidence.

Thirdly: as agreed in December, we will reassess the adequacy of resources under the EFSF and ESM rescue funds in March. -- And since our next summit is on the 1st of March, this is actually less than 5 weeks from now!

Fourth and last element: concerning Greece, we welcome the progress made in the negotiations with the private sector. We call on the Greek authorities and the troika to agree on the steps to put the current programme back on track. We urge Finance Ministers to take all necessary actions to implement the private sector involvement agreement and to adopt the new programme by the end of the week, well in time for the launching of the 'PSI' by mid-February.

Final point. Although it was not formally on the agenda today, we also briefly touched upon foreign relations. I have issued a separate press statement on this, so let me just mention the three topics we discussed. We endorsed the restrictive measures against Iran, including an oil embargo, as decided by the Foreign Ministers last week. We expressed our outrage at the atrocities and repression committed by the Syrian regime, and urged the members of the UN Security Council to take long overdue steps to bring an end to the repression.

And -- since we should not forget there is also good news -- we welcomed and encouraged the path of peaceful reform chosen by the government of Burma/Myanmar.