

EU responses to the Covid-19 pandemic

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Ladies and gentlemen,

The coronavirus pandemic has created a severe public health emergency and hit the European and global economies hard.

The European Commission has responded quickly to deal with the pandemic and cushion its impact, socially and economically. We are using all available resources to protect people's lives and livelihoods, and to keep companies afloat at this very difficult time.

We are using the full flexibility of the EU's fiscal, banking and state aid rules to tackle the socio-economic fallout.

Collectively, the European Union and its countries have mobilised almost €3.4 trillion to help health systems, companies and workers get through this crisis. And the Eurogroup recently agreed on more support measures in a major package worth €540 billion.

This package includes our proposal to mitigate unemployment risks helping to protect people's jobs and incomes.

I hear criticism in some Member States that the EU has not done enough. But I would like to stress that this is the largest EU response to a crisis.

It is important that this message gets through. At EU level, we have acted very fast in terms of the economic response.

But we do not have unlimited tools at our disposal.

This is why a central part of the recovery must be a powerful EU budget. Not just for this year, or next.

This has to be a long-term commitment - and that means the Multi-annual Financial Framework.

Its seven-year term creates certainty for investors and reliability for all parties involved.

It should be the European answer to the corona crisis.

The next budget has to be different than before.

It should have greater financing capacity and to be frontloaded with a large-scale investment.

As Europe's greatest economic asset, the single market promotes economic and social cohesion.

This is exactly what we need right now.

So the recovery has to be as inclusive as possible. In the post-crisis context, people will need jobs and incomes.

Digitalisation and greening the economy will make us stronger, more resilient and better equipped to fight future crises. These two transitions provide the right investment opportunities that will help the economy to recover. They will also make the single market work better once the worst of this pandemic has passed.

We cannot afford to lock ourselves into technologies or business models that may soon become obsolete.

The economic recovery and the transition to a climate-neutral economy go hand in hand - as does the need to embrace digital innovation.

We need to build a resilient and sustainable recovery. However, public money will not be enough: the private sector needs to provide the scale.

And the financial sector can be part of the solution. That is why one of my top priorities is still to drive forward the EU's sustainable finance agenda and bring private investors on board.

The pandemic has shown us that people and businesses rely increasingly on innovative digital financial services - for example, cashless payments.

We remain committed to presenting a strategy on digital finance later this year - including on payments - as well as legislative proposals on crypto-assets and the digital resilience of the financial sector.

Shoring up the resilience of the financial sector remains paramount, and especially in the context of the post-pandemic economic recovery.

That means, as before, two urgent priorities that have not changed: to take the Capital Markets Union to the next level and to complete the Banking Union.

Capital markets can play an important role in the recovery.

Diversifying sources of funding for European companies - of all sizes - is as important as ever.

Savers and investors will be vital for the economic recovery.

To make the most of the opportunities it will bring, they must also have the confidence to invest through capital markets.

Regarding banks: they have an especially important role to play right now. We need banks to help cushion the impact of the crisis by continuing to provide liquidity to the real economy - to companies and households.

They have already made major efforts to do this, which I appreciate. It is essential for the credit flows to continue as part of our economic recovery.

This is where we can help.

I would like to see banks make full use of the flexibility within EU prudential and accounting rules.

By the end of the month, the Commission will present a communication to clearly identify where this flexibility is available and how it can be used.

At the same time, we will come up with a targeted legislative proposal in line with recent decisions of the Basel Committee. The aim is to unlock further the lending capacity of banks in current circumstances.

What is essential at this critical stage is to make sure that the real economy is adequately funded.

That means open and continuous engagement between the European Commission, Member States and industry.

I am ready to work closely with the financial sector to discuss further steps as we continue our fight against this pandemic and its impact on our lives and economies.

Thank you.