

Speech by the President of the European Parliament at the meeting of the European Council

11 December 2008 - Brussels

President of the European Council, Nicolas Sarkozy,
Heads of State and Government,
President of the Commission, José Manuel Durão Barroso,
High Representative for the Common Foreign and Security Policy, Javier Solana,
Ministers,

xxx Financial and economic crisis xxx

The international financial crisis has left the world as a whole facing exceptional challenges. The breakthrough in the efforts to bring about closer international cooperation and a reform of international financial institutions achieved at the G-20 meeting in Washington on 15 November owes much the coordinated approach developed in the European Union.

If we can now see a chance of resolving the crisis, it is because the European Union has shown the determination needed to take a pioneering role at world level.

On behalf of the European Parliament, I should in particular like to thank the President of the European Council, President Nicolas Sarkozy, and the President of the Commission, José Manuel Barroso, for their perseverance.

You have all contributed to the positive results - but so has the European Parliament.

However important these reforms at international level may be, they must on no account serve as a pretext for postponing action here in the European Union. We must not waver in our efforts to revise the European legal framework and we must not continue to take refuge behind national reservations.

Crucial to all this is the creation of a suitable legal framework for supervising the financial markets in a single European internal market. In pursuing that aim we must take due account of the clear principles underpinning the social market economy: freedom requires regulation.

The courage you demonstrated in introducing Monetary Union is exactly what is needed today. Let us now take a determined step towards establishing a European legal framework for this supervision in which all the Member States are represented on an equal footing, as they are in the European System of Central Banks, and which can protect our citizens effectively.

The European Parliament expects to be kept regularly informed about and to be closely involved in the work the Larosière Group carries out to shape that architecture.

In addition, the legal status and powers of the three committees, on securities regulation, on European banking supervision and on insurance and pensions supervision, set up as part of the Lamfalussy Process should be laid down under the codecision procedure, and not solely on the basis of a Commission decision. This would guarantee the committees' independence, and scrutiny by the European Parliament at the same time.

I would also point out that the European Parliament has repeatedly drawn attention to the need for further measures to improve the regulation of the financial markets.

In particular, with a view to forestalling crises more effectively in the future we are calling for all financial institutions and products to be required to comply with European rules, since certain products, such as hedge funds and derivatives, which are usually traded outside the traditional banking sector, have been instrumental in triggering the current crisis, by virtue of the important role they play in the 'shadow banking system'.

In this area as well, the European Union should take the lead. With that aim in view, the Commission's Legislative and Work Programme for 2009 should be more ambitious: the legislation we need cannot wait until 2010!

Heads of State and Government,

The economic situation is setting the European Union major challenges. This calls for joint European solutions, a policy based on strength, responsibility and stability.

On behalf of the European Parliament, I should like to thank the Commission for the communication it issued on 26 November which provides a sound framework for coordinated action to revive the economy in the European Union and, at the same time, contribute to long-term, sustainable prosperity.

In particular, the European Parliament welcomes the fact that the economic recovery plan focuses on research, innovation and long-term growth, in other words on sustainable investments.

In keeping with the principles of a sustainable social market economy, it is also important to invest more in training and re-training in order to offer people new prospects.

This is not a competition to see who can spend the most. We need targeted investment in the technologies which hold the key to a viable, environmentally-friendly future – measures which increase the competitiveness of the European Union.

The circumstances we are dealing with are truly exceptional. A combination of overly generous financing terms and inadequate regulation seduced banks in almost every country of the world into granting reckless loans and engaging in risky financial trading and produced a property and securities bubble which has now burst.

The financial crisis has stripped many banks of their capital and created a general atmosphere of mistrust between credit institutions.

Those who exercised budgetary discipline during the good times can now use that hard-won breathing space to stabilise the banks and offer businesses incentives to make sustainable investments without jeopardising the Stability and Growth Pact and the favourable long-term financing possibilities which go with it.

The economic recovery plan will have significant implications for the 2009 Community budget. As one arm of the budgetary authority, in the negotiations the European Parliament

has already made clear its support for appropriate measures to address the current crisis.

We are aware of our responsibility and prepared to do our best to ensure that the decisions at European level which are fundamental to the prompt implementation of the Commission package can be taken without delay.

For its part, the European Commission has a responsibility to clarify the implications of its proposals quickly and to report regularly on their implementation.

Heads of State and Government,

The third industrial revolution is already taking place and this process of radical structural change is also presenting us with an opportunity.

Combating climate change, and thus safeguarding creation, is certainly our once-in-a-century task.

It is a task which requires the European Union to display responsible leadership, but one which, at the same time, offers us ways out of the economic crisis and represents the approach best suited to securing sustainable energy supplies.

In other words, we can, if we so wish, create growth and jobs, reduce our energy dependence and make progress towards achieving the climate objectives we set in.

xxx Energy and climate package xxx

Today, an historic preliminary decision on the energy and climate package is about to be taken.

The European Parliament has acted highly responsibly in the face of this challenge. Our approach to the work of establishing the procedure and conducting the negotiations has been pragmatic. We have brought forward our committee discussions by many months and made every effort to ensure that an agreement could be reached in good time. We have done our duty as Europeans!

The European Parliament has endeavoured to strike a balance between climate objectives and economic imperatives. We have aimed at balance between the necessary flexibility for Member States in implementing the package, and the equally-important assurance that key objectives will be met. This is what gives the energy package its credibility.

In the negotiations conducted under the codecision procedure significant progress was achieved because the European Parliament was prepared to compromise.

However, the European Parliament is adamant that funding for investments in the new, clean technologies of the future, such as carbon storage, must be guaranteed.

Heads of State and Government,

Now the Council must do its part, now the responsibility rests with you.

If we fail to achieve an acceptable result now, it may no longer be possible to adopt the energy and climate package on schedule. This is not what either the Council or the European Parliament wants, and any such failure would also undermine the European Union's leadership in this area at world level.

However, if we are to resolve this matter before the end of the French Presidency any agreement which you reach today as Heads of State and Government must also be acceptable to and secure a majority in the European Parliament.

The outcome must therefore also take account of the standpoint democratically adopted by the European Parliament in its role as an equal co-legislator with the Council.

The European Parliament will not relinquish its rights under the codecision procedure, and recognition of this fact will be crucial to the adoption of the package as a whole next week

Regular, open exchanges of views between the Council and the European Parliament's decision-makers during the negotiations conducted here are vital, therefore.

xxx Lisbon Treaty xxx

Mr President of the European Council,
Heads of State and Government,

Over the past year the European Union's resolve has been tested as it rarely has before. The cost of the Lisbon Treaty not being in force has been brought home to us anew every day.

The significant challenges ahead of us make an effective, democratic European Union which is close to its citizens more essential than ever.

The European Parliament welcomes the recent ratification of the Lisbon Treaty in Sweden and we thank Prime Minister Frederik Reinfeldt for his determined advocacy of that ratification.

We are convinced that, following the decision by the National Court of Justice, the new Czech Council Presidency will also make its contribution to the prompt completion of the ratification process. The Czech Republic has given its word and should now ratify the Treaty without delay.

Expectations are now high on all sides that agreement can be found on a way forward which respects both the democratic decision taken by the citizens of Ireland and those taken by the 25 Member States which have already completed ratification of the Lisbon Treaty by the parliamentary route.

The special subcommittee of the Oireachtas, the Irish Parliament, submitted its report on the future of Ireland in the European Union in late November. That report concluded that there are no legal objections to a fresh referendum.

That report also emphasised how beneficial European Union membership has been for Ireland.

The financial crisis has hit Ireland hard, but the country's membership of the eurozone has spared it a much more serious crisis. The euro has been Ireland's salvation.

Prime Minister Cowen, this afternoon you will outline the Irish Government's current thoughts on the situation and suggest possible solutions.

We need a roadmap which frees us from our current institutional paralysis, clears the way for the Lisbon Treaty to enter into force as soon as possible, respects existing legal obligations and makes it possible for the President of the Commission to be elected on 15 July reflecting the outcome of the European elections, as foreseen by the European Parliament's calendar.

All the Member States and the European institutions now have a major responsibility to work together with Ireland to draw up a suitable roadmap which is acceptable to everyone.

The European Parliament is prepared to take account of the justified interests of Ireland and its citizens. I am confident that you will find a solution today which safeguards our shared future.

Thank you for your attention.