

'The Transatlantic Economy Ten Years After the Crisis: Macro-Financial Scenarios and Policy Responses'

Ladies and gentlemen,

In a world economy which never sleeps, 10 years seems like an eternity. Indeed, much has changed in the world since the fall of Lehman Brothers. And Europe has changed after 10 years of steady reform. Today is a good opportunity to look back on this decade, and reflect on what we can learn from it. So I thank you for the invitation to speak today.

- I will first briefly address our response to the crisis, both in Europe and here in the US.
- Then, I will move to discuss those post-crisis reforms that we are still working to complete.
- And I will end by looking at some of the common challenges we face today, one decade later.

Starting with the crisis, it is clear that overall the US recovered faster than Europe did. This is in part due to the structure of the American economy, which allowed it to bounce back more easily. Here I could mention more flexible product and labour markets, as well as more integrated and deeper capital markets. And these aspects have certainly inspired EU policies in recent years.

In Europe, we learned the hard way that a crisis of this scale cannot be dealt with at national level alone. Although each country had to remedy their particular weaknesses, the existence of major spill-overs between them meant that this was not enough. Let me recall a few reforms that have improved our ability to prevent and respond to shocks:

First, we have put in place the European Stability Mechanism – or ESM – to provide support to Member States in difficulty, against the necessary policy conditionality. With half a trillion euro of fire power, it helps to ensure financial stability for the euro area.

Second, we have put in place a single rulebook for banks, and set up the European Supervisory Authorities to ensure more convergent financial supervision. We have adopted more than 40 pieces of legislation to restore financial stability and market confidence, building on the G20 agenda for financial reform. Today, our financial system is more stable and resilient, and banks are stronger and much better capitalised.

Third, the single currency calls for more integration, so in the euro area we have set up a unified framework for bank supervision and crisis management – this is the Banking Union. Along with a deeper single market in capital – the Capital Markets Union – it should help to fuse together European financial markets, and increase their shock-absorption capacity.

Fourth, we have strengthened EU-level frameworks for economic and fiscal governance and surveillance. This allows us to better tackle cross-border spill -overs and to coordinate economic policies among the Member States.

And finally – as in the US – all of our efforts were supported by the monetary policy of the European Central Bank. These actions were combined with substantial national reform programs across Member States.

To sum it up, the times when each euro area government considered itself an island are long gone. We are fundamentally connected, and so we act accordingly.

As a result, the EU economy is back on track. Europe is growing at its fastest pace in a decade: we had 2.4% growth last year, and we expect equally solid growth in 2018, at 2.3%. Employment is at record levels, and the unemployment rate is at its lowest level since 2008. Social trends are following suit, however unevenly, and the share of people at risk of poverty or social exclusion has fallen to pre-crisis levels. But we will keep up the focus on making our economic recovery more inclusive. All members of society should feel the benefits of this growth.

The euro came out stronger from the crisis. But we should keep up our efforts to ensure we are better equipped in the future. The crisis started as a financial crisis, so completing the Banking Union is at the top of our agenda.

We now have a single supervisor overseeing systemic banks. And we have a single resolution mechanism to resolve banks in an orderly manner, so that taxpayers are no longer first in line to pay for the banking sector's mistakes. These two institutions should help prevent a repetition of the massive bail-outs, capital injections, and other ad hoc emergency measures that we saw during the crisis.

But to manage a banking crisis with the least possible impact on financial stability and taxpayers, we need more. First, we need a common backstop to the Single Resolution Fund, to act as lender of last resort in the case of a serious bank crisis. There is a broad agreement that this could be done on the basis of the European Stability Mechanism.

We also need a European Deposit Insurance Scheme. This would ensure that depositors enjoy the same level of protection, regardless of where their account is in the euro area. It would reduce the risks of bank runs, and also give more time to conduct an orderly resolution of banks when needed.

Our second immediate priority is to develop a deeper and more integrated

single market for capital in the EU, the Capital Markets Union. We launched this programme as a response to what we saw during the crisis: bank financing became scarce, and alternative sources of financing were hardly available. It is about giving businesses more diverse sources of funding and deepening our economy's shock-absorption capacity. And with London, Europe's largest financial centre leaving the single market, this has become more urgent.

On this the EU has already adopted significant legislation. This includes EU labels for Venture Capital, a simplified prospectus for raising capital on public markets, and new rules on securitisation. But there are many more proposals currently waiting to be adopted. Our goal remains ambitious but realistic: to have the building blocks of the Capital Markets Union in place by 2019.

Finally, markets cannot be expected to smooth all shocks alone. To be well-prepared, the right stabilisation tools to manage large economic shocks should be put in place. We also want to build on the success of the existing ESM and turn it into a European Monetary Fund. This should help it to tackle future crises even more effectively, and with greater democratic oversight. We also need to strengthen the resilience of the euro area countries, by providing additional support for structural reforms.

Our position is clear: The current economic tailwinds provide us with a window of opportunity to deepen the Economic and Monetary Union of the euro area countries. We cannot and should not wait for another crisis.

Ladies and gentlemen,

In a world where markets and financial systems are globalised, no country exists in a vacuum. So let me now turn to challenges that we have in common and which, I believe, are best addressed if working together. We are indeed interconnected in deep networks, and this is important for financial and economic regulation. Because without joint action to safeguard financial stability and work for healthy economic growth, we would have neither. To sum it up: global markets need global rules.

This lesson guided actions at the European and international level after the crisis. It is still our guiding principle today. The EU is committed to maintaining and developing strong international standards and global cooperation in the area of financial services. We want to avoid regulatory arbitrage and renewed instability. And we want to ensure a level-playing field for companies and promote continued financial integration.

For instance, international cooperation is crucial for maintaining a level playing field for banks. So we welcome last December's agreement on reforms to the Basel III framework, which represents the last major piece of the global post-crisis regulatory reform. It is essential that all major jurisdictions implement all the key elements of the agreement, and we in Europe are committed to doing so.

But finance is changing rapidly, and new areas call for new efforts to cooperate and set policies together. Cryptocurrencies and cybersecurity are two good examples which the G20 has agreed to look into.

In addition, there is the hot topic of Brexit, which has a potentially global impact, not least when it comes to finance. The negotiations are proceeding. Important issues remain to be resolved. We cannot yet be sure of the final outcome. As Vice President in charge of financial stability, I cannot stress enough the importance of all parties – both firms and supervisors – being prepared for all different scenarios. I am confident that we will manage risks in a responsible way. And I am confident that the EU and the UK will find a new way of working together.

Fight against climate change is another global task that we need to undertake together. The situation is urgent, and the potential risks for the global economy and financial stability are high. 17 of the last 18 hottest years in recorded history have occurred since the year 2000. Last year, insurance companies paid out an all-time high amount – 135 billion USD – in premiums to the victims of natural catastrophes. This is just one example. The financial industry also needs to factor in this reality before it is too late. [We should also seize the opportunities that the transition to the low carbon economy brings.]

To tackle climate change, public money will not be enough. We want to facilitate private investment in green and sustainable projects. We need to put finance at the service of our planet. This is why the European Union has presented a strategy for green and sustainable finance.

In May, we will table a draft EU law to develop a unified EU classification of sustainable economic activities. We will define what is green and what is not. Based on this, we will be able to define EU-wide standards and labels for green bonds and other green financial products.

Next month we will also propose a law which will task asset managers, insurance companies and pension funds to incorporate environmental, social and governance factors into their investment decisions. This should help increase the awareness of sustainability risks, and steer more funding towards green and sustainable projects.

However, Europe's ambition on this will reach twice as far if the US joins forces with us. We hope that each of you in this room can give a chance to this long-term objective and new policy.

Finally, I will briefly touch upon trade. The EU is a champion of free trade, and for good reason. In the last decade, open trade systems have helped both the EU and US economies recover and create many high-quality jobs for our citizens.

That is why the EU is open for business: We have recently adopted a trade deal with Canada, and we are in the final stages of doing so with Japan and Singapore. We have just reached an agreement in principle with Mexico, and negotiations are ongoing with four countries in the Mercosur association.

The EU and the US should heed our long-standing tradition of working together for fair trade through multilateral fora like the World Trade Organisation.

Ladies and gentlemen,

The transatlantic leadership can ensure a rules-based order and level playing field for the global economy. It is in our mutual interest to uphold this partnership, especially given the challenges ahead of us, be it geopolitical, economic or societal. Strong economies can prevail by staying open to cooperation and dialogue.

I am sure that awareness of this fact is shared on both sides of the Atlantic, although we have witnessed falling support for such approach amongst our people. Not all people are convinced of the benefits of globalisation. We cannot ignore it. This is why we should focus on making globalisation work for everyone.

What we really need is not less globalisation, but more fairness: fair pay, fair tax, fair trade, and fair treatment of countries and individuals. These are the policies we should aim for in a cooperative and multilateral way.

Thank you very much.

[Speech by Michel Barnier at Hannover Messe](#)

Dear Burkhard Balz,

Ladies and gentlemen,

Guten Abend!

I would first like to thank Jochen Köckler and Carl Martin Welcker this opportunity to speak with you.

Today I saw a lot of impressive innovation by creative companies, in particular European ones.

I saw great ideas and projects, made possible by talented people.

Many of these innovative companies have been supported by the eco-system created by the EU's Single Market.

- Thanks to the Single Market, both talent and knowledge move freely between our countries. This boosts the dynamism of our economies.

- Thanks to the Single Market, companies can offer products and services in other EU countries as if they were in their home market.
- Thanks to our customs union and our common commercial policy, businesses can export more easily: the EU has free trade agreements with 60 countries around the world. The most recent piece of good news is Mexico, the partner country for Hannover this year. EU rules and standards are frequently replicated around the world.

Today, the Single Market is our home market, *our Heimatmarkt*, and Brexit will not change that.

The Single Market at 27 will consist of 440 million consumers and 22 million enterprises. EU citizens and businesses will continue to trade without barriers – based on the trust that is created by our common rules and common legal order.

We can never make compromises on these fundamental principles of the EU because of Brexit.

Let me remind you that, for the EU27 today, 6% of trade in goods is with the UK, while 60 % of this trade is inside the EU27 Single Market. Ten times as much!

But of course, ladies and gentlemen, innovation needs to work across borders. And naturally, many of your companies have strong ties with the UK.

The UK has been a member of the EU for the last 45 years.

Because of a long shared history and strong ties, our mutual responsibility is to work for an orderly withdrawal.

And we have made good progress, in particular:

- By making sure that EU citizens in the UK and British nationals in the EU can continue living their lives as before.
- By ensuring that all financial commitments taken at 28 are honoured at 28. I want to thank Günther Oettinger, not only for being present today, but also for our excellent cooperation on this point in particular.
- And by agreeing on a transition period of 21 months after the UK's withdrawal, during which all benefits and obligations of EU membership will still apply to the UK – even if, as a third country, it will not take part in the decision-making process anymore.

This transition would give business more time to adapt.

But make no mistake: certainty on the transition will only come once the whole Withdrawal Agreement has been agreed and ratified by both sides, hopefully at the beginning of next year.

We are not there yet for the orderly withdrawal. There are still important issues to solve, in particular on Ireland and Northern Ireland and the

governance of the Withdrawal Agreement.

This means that companies must waste no time, and prepare for all scenarios now.

In order to help that work, the European Commission has published more than 60 notices on a wide range of economic sectors. We hope that these documents will be helpful, and also help smaller market participants to prepare. They are available on our website.

Ladies and gentlemen,

I have just spoken to you about settling the past. But I know that innovators like to look to the future.

You might ask yourselves what will happen next – once the UK is no longer a Member State and the transition is over.

On the scope of the future relation, the EU's comprehensive offer is already on the table. It is set out very clearly in the European Council guidelines of 23 March, which are very detailed and precise.

As the Heads of State and Government, and also the European Parliament made clear, we would like to have a partnership with the UK that is as close as possible.

Not only on trade and economic cooperation, but also on justice and home affairs, and on a foreign, security and defence policy.

But of course, we need to take into account the UK's position.

In her Mansion House speech in early March Prime Minister May clarified that the UK will be leaving the Single Market and the Customs Union. The UK wants to diverge from EU rules. The UK wants an independent trade policy. And it wants to end the direct jurisdiction of the European Court of Justice.

With these red lines, the UK is closing doors. And the European Council has shown the highest possible level of ambition in its offer of a free trade agreement.

At the same time, the European Council has made clear that, if the UK's red lines were to evolve, the Union would be prepared to reconsider its offer. We are flexible, never dogmatic. We are open for business.

But of course any change from the UK must respect our principles, the principles we have built with the UK over 45 years. In particular, the four freedoms of the Single Market go together. They are all indivisible. You cannot have free movement of services without free movement of goods, and so forth. And you cannot have free movement of goods without free movement of people.

Ladies and gentlemen,

Even with the UK's current red lines, our intention is to reach an ambitious and wide-ranging free trade agreement with:

- Zero tariffs and no quantitative restrictions on goods;
- Customs cooperation to facilitate goods crossing the border;
- Rules to limit technical barriers to trade and protect food safety [sanitary and phytosanitary measures];
- A framework for voluntary regulatory cooperation to encourage convergence of rules;
- An open market for services, where companies from the other party have the right of establishment and market access to provide services under host state rules – I repeat, under host state rules;
- Access to public procurement markets, investments and protection of intellectual property rights.

This comprehensive offer already reflects our high level of ambition for an FTA with the UK.

But we believe that our future economic relationship should go even further. Let me mention four points.

1- First, in our future partnership we would like ambitious provisions on the movement of people, including related areas such as coordination of social security and the recognition of professional qualifications.

2- Secondly, in addition to trade, we offer a socio-economic cooperation.

- For instance, we propose an air transport agreement, combined with aviation safety and security agreements.
- The UK could also participate in certain EU programmes, for instance in the field of research and innovation, where participation of third countries is allowed. That said, it would be on a different financial and legal base than today.

3- Thirdly, since data flows will be important for several components of the future relationship, it should include rules on data.

- As already made clear by the European Council, for personal data, it will be for the EU to take adequacy decisions, where the level of protection in the UK is equivalent to that of the EU.

4- Finally, given the UK's geographic proximity and economic ties with the EU, the future relationship must be based on a strong level playing field.

- It is in our economic interest – in your businesses' interest – not to be undercut by unfair competition.
- So there will be no ambitious partnership without common ground on competition and state aid, social and environmental standards, and guarantees against tax dumping.
- This will require adequate enforcement and dispute settlement mechanisms.

- And let me add that these questions are not only economic or social, but also political.
- Simply because the answers will be key to the ratification of any future deal by each national parliament and by the European Parliament

Ladies and gentlemen,

With their comprehensive offer, the EU's Heads of State and Government have shown their high level of ambition for the future relationship, taking account of the UK's red lines.

This future relationship should of course cover solidarity in terms of security and defence.

The next steps will therefore not come from the EU – stakeholders, business, society all know where the EU stands.

It is now up to the UK to come up with its vision for the future, which should confirm the UK's red lines or adapt them.

- This is true for the future relationship.
- It is also true for issues of the withdrawal such as Ireland and Northern Ireland, where we have done our share of the work.

Once we have more clarity from the UK, we will prepare a political declaration on the framework for the future relationship to accompany the Withdrawal Agreement in the autumn.

And continue our work to ensure that we maintain a high level of opportunities for businesses in their relations with the UK while preserving the Single Market, which is our common economic good.

Thank you for your attention.

[Mergers: Commission opens in-depth investigation into Apple's proposed acquisition of Shazam](#)

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"The way people listen to music has changed significantly in recent years, with more and more Europeans using music streaming services. Our investigation aims to ensure that music fans will continue to enjoy attractive music streaming offers and won't face less choice as a result of this proposed merger."*

The proposed transaction involves Apple's acquisition of Shazam. It would combine two significant and well known players in the digital music industry that are mainly active in complementary business areas. In particular, Apple offers the music streaming service "Apple Music", which in the last three years has become the second largest music streaming service provider in Europe. Shazam offers the leading music recognition app for mobile devices in the European Economic Area (EEA) and worldwide. Music recognition applications allow consumers to recognise music based on a short audio sample by using microphones built into their mobile devices.

The Commission's preliminary competition concerns

The Commission's initial market investigation raised several issues relating to the combination of Shazam's strong market position in the music recognition apps market and Apple's market position in the music streaming services market.

At this stage, the Commission is concerned that, following the takeover of Shazam, Apple would obtain access to commercially sensitive data about customers of its competitors for the provision of music streaming services in the EEA. Access to such data could allow Apple to directly target its competitors' customers and encourage them to switch to Apple Music. As a result, competing music streaming services could be put at a competitive disadvantage. In addition, while at this stage the Commission does not consider Shazam as a key entry point for music streaming services, it will also further investigate whether Apple Music's competitors would be harmed if Apple, after the transaction, were to discontinue referrals from the Shazam app to them.

The transaction was notified to the Commission on 14 March 2018. The Commission now has 90 working days, until 4 September 2018, to take a decision. The opening of an in-depth investigation does not prejudice the outcome of the investigation.

Companies and products

Apple is a US based global technology company which designs, manufactures and sells mobile communication, media devices, portable digital music players and personal computers. It also sells and delivers digital content online through the "iTunes Store", the "App Store", "iBookstore" as well as "Mac App Store". It also offers the music and video streaming service "Apple Music".

Shazam is a UK based developer and distributor of music recognition applications for smartphones, tablets and PCs. It mainly generates revenues from online advertising, and commissions earned on referrals of users to digital music streaming and download services, such as Apple Music, Spotify and Deezer.

Referral request

On 6 February 2018, the Commission [accepted a request](#) from Austria, France, Iceland, Italy, Norway, Spain and Sweden to assess the acquisition of Shazam

by Apple under the EU Merger Regulation. The proposed transaction was initially notified to Austria for regulatory clearance as the transaction did not meet the turnover thresholds of the EU Merger Regulation. Austria submitted a referral request to the Commission pursuant to Article 22(1) of the EU Merger Regulation on 21 December 2017.

Merger control rules and procedures

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

In addition to the current transaction, there are 3 ongoing Phase II merger investigations: the proposed acquisition of [Ilva by ArcelorMittal](#), the [proposed acquisition of Cristal by Tronox](#) and the proposed merger between Praxair and Linde.

More information on the transaction will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8788](#).

Indicative programme – “Supporting the future of Syria and the region” **Brussels II conference of 24-25 April 2018**

Press contacts

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Accredited journalists will have access to the events of the 24 April taking place in the Charlemagne Building and to the press opportunities of the 25

April at the Justus Lipsius and Europa buildings.

Specific accreditation is required. See the media advisory [here](#).

All times are approximate and subject to change

Programme of 25 April 2018 – MINISTERIAL PART

Place: Europa building, Brussels

+/- 07.30

Arrivals – Access for accredited journalists ([live streaming](#))

+/- **09.00** (roundtable Photo/TV opportunity Group A)

Opening ceremony by EU High Representative Federica Mogherini followed by representatives of the UN and by representatives of the three main refugee-hosting countries in the region, Lebanon, Turkey and Jordan ([live streaming](#))

+/- **10.00**

Family photo (Photo/TV opportunity Group B)

+/- 10.15

First plenary session – political focus

Co-chaired by EU High Representative Federica Mogherini and UN Special Envoy for Syria Staffan de Mistura

+/- 12.00

First parallel session: inclusive human capital development and economic recovery for the region

Introductory remarks by European Commissioner Johannes Hahn and UNDP Administrator Achim Steiner ([live streaming](#))

+/- **12.45**

Press conference – Access for accredited journalists (Europa building press room)

([live streaming](#))

EU High Representative Federica Mogherini, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Head of OCHA Marc Lowcock and UN Special Envoy for Syria Staffan de Mistura

+/- 14.45

Second plenary session – regional focus

Co-chaired by European Commissioner Johannes Hahn, UNDP Administrator Achim Steiner, UN High Commissioner for Refugees Filippo Grandi

+/- 14.45

Second parallel session: humanitarian protection issues inside Syria

Introductory remarks by European Commissioner Christos Stylianides, and UN Under-Secretary-General Marc Lowcock

+/- 16.30

Third plenary session – humanitarian focus

Introductory remarks by European Commissioner Christos Stylianides and by UN

Under-Secretary-General Marc Lowcock ([live streaming](#))

+/- 18.15

Closing remarks and announcement of final amount of pledges ([live streaming](#))

Programme of 24 April 2018 – DAY OF DIALOGUE

Place: Charlemagne building, Brussels

08.00

Welcome of participants – Access for accredited journalist

09.00

Opening session

including statements by:

Commissioner Hahn, Commissioner Stylianides, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Mark Lowcock and UN High commissioner Filippo Grandi

(available on [EbS](#))

+/- 09.20

Session I '**Protecting Syrians across the region**', co-chaired by Commissioner Stylianides and UN High Commissioner Filippo Grandi

+/- 11.30

Session II '**How to better deliver assistance: challenges and best practices**' co-chaired by Christian Danielsson, DG NEAR, European Commission and Panos Moumtzis, Regional Humanitarian Coordinator for the Syria Crisis

+/- 13.20

Event 'Education for the future', with participation of Commissioner Christos Stylianides

+/- 14.30

Session III '**Fostering inclusive economic and social development in hosting countries**' co-chaired by Commissioner Hahn and Mourad Wahba, Assistant Administrator and Director of the UNDP Regional Bureau for Arab States

+/- 16.30

Session IV '**Securing a future for children and young people: "No Lost Generation" and beyond for all youth in the region**' co-chaired by Commissioner Christos Stylianides and Omar Abdi, Deputy Executive Director, UNICEF

+/- 18.00

Closing session

24 April 2018 – MEETING WITH SYRIAN CIVIL SOCIETY REPRESENTATIVES

Specific registration needed, see [here](#)

+/- 13.00

Press point by High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini and UN Special Envoy for Syria Staffan de Mistura following their meeting with Syrian civil society representatives

(available on [EBS](#))

[Download as pdf](#)

Resilience, Recovery and Resolution: three essential Rs for CCPs speech by ESMA Chair Maijoor at ILF Conference 2018

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