

Remarks by M. Centeno following the Eurogroup meeting of 7 September 2018

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Good afternoon. We had some good discussions at our Eurogroup meeting today.

We welcomed a number of distinguished guests, starting with Roberto Gualtieri, the Chair of the European Parliament's ECON committee. It was a lively and interesting discussion on our current economic outlook which remains a positive one, after five quarters of vigorous expansion. We also exchanged views on our policy mix and the need to explain to our citizens the current plans to improve the euro area.

This is the first time that the ECON committee chair attends the Eurogroup. I know I speak for all my colleagues around the table when I say that the Eurogroup takes transparency and exchange of information very seriously.

Ministers are accountable to their national parliaments for their Eurogroup activity. We all stand to benefit from a good dialogue with the European Parliament on the Eurogroup's work and policy priorities.

In this spirit, I've also informed ministers of my intention to look at the transparency initiative adopted by Eurogroup back in 2016, to consider if they can be further improved.

Today we also had a thematic discussion on how to make labour markets more efficient. We had the great pleasure to exchange ideas with an authority in this matter, Professor Pissarides, the Nobel Prize laureate. He spoke to us about artificial intelligence and the impact it will have on labour markets for the generations to come. He agreed to make his presentation public.

We recognised that investments in human capital need to respond quickly and efficiently to new economic opportunities to make our economies more resilient. The Commission's analysis of this issue shows that euro area member states have made good progress but there is still quite some way to go.

This is the second time we welcomed a prominent academic to provide food for thought for the Eurogroup policy discussions and we will continue to do this in the future.

Today we also discussed Portugal, my own country. We were debriefed by the European Commission and the ECB on the main findings of the eighth post-

programme surveillance mission carried out in June, and also by the ESM on the findings under its early warning system.

The mission witnessed the good performance of the Portuguese economy. Looking forward, and given external risks across the board, the resilience of the economy to shocks must continue to be strengthened and the public debt must continue to be reduced.

Finally, we picked up our ongoing discussions on the euro area reform, following the June Euro Summit. For that, we welcomed non euro area ministers in the room and we looked at how to organise our work until December. It is a very ambitious and challenging agenda for the next four months. Leaders asked us to cover all the items mentioned in my letter of 25 June to President Tusk, as mandated by the Euro Summit of June.

We already started today with a discussion on the common backstop to bank resolution. We addressed two key issues here: (i) When does it start and (ii) Who can decide on the activation of this new ESM instrument.

As regards the possible early introduction, the current entry date is 1 January 2024. Under a certain set of conditions, we could bring this forward. We have mandated our deputies to explore what conditions and legal changes would be needed for this to work.

Regarding the decision-making, we are closer to an agreement, although some details still need to be fleshed out. Clearly, decisions must be swift, timely and allowing national parliaments to be involved, as necessary.

In the next few months, we will address all other EMU deepening topics in turn. It will be intense and we will probably need an extra Eurogroup meeting for that matter. But until December these will be only discussions. As they say: nothing will be agreed until everything is agreed. In December, we will wrap up and prepare a decision by the Leaders in the Euro Summit.

Overall, I am happy to see a constructive spirit around the table. We have busy months ahead of us but I am confident that we will be able to deliver in time for December.

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