

Remarks by Paschal Donohoe following the Eurogroup meeting of 21 May 2021



It is great to have the opportunity to be here in Lisbon, to be with Minister Leão and the Portuguese presidency. And I want to begin by thanking the minister and his team for the efficiency of the organisation of our meeting and for their hospitality. It is much appreciated by all of us.

Just on my behalf to give you an update on our Eurogroup meeting this morning. We began our reflections on where we are from a growth point of view with an update from the leaders of our institutions who are here today. It began with a perspective from where we are with our recovery. The view of ministers is that we have made progress with an accelerating vaccination programme. We have also made progress through the deployment of the SURE programme and through the effective economic decisions within the euro area by finance ministers, supported by the work of President Lagarde and our bank.

As we look at where we are, we are positive about the progress that we have made. But we are also very cautious about the outlook. We can see a recovery taking hold. But we also know that the challenges remain great, that the risk of scarring, the risk of damage from this pandemic in our societies, for our citizens and on the balance sheets of employers continues to be real. So all ministers and the institutions are committed to delivering a recovery that can be sustainable, that can be sure, and that can allow our societies to recover from the effects of this disease and we acknowledge that there is much work to do in that journey. But we will continue that journey with economic policies that are supporting our economies in recovery and with a vaccination programme that day by day, week by week, is nurturing our societies back to health.

From that, we then moved on to a discussion on our work programme, which was agreed by the Eurogroup. The work programme, as we do every six months, laid out the work that we are committed to delivering in the second half of this year. It began, as you would expect, by a renewed commitment from all of us to continue to engage in what is the right budgetary policy that will be needed for the rest of this year. We will work with Paolo [Gentiloni] and his team on the euro area recommendation, which will take place later this year. And also, what is the right mix of fiscal policies that can support our economies as they recover in 2020. So, we have scheduled a number of important discussions which we will integrate with the work of the Commission in relation to how we will plan for a fiscal policy that will get the balance right between continuing to support our employers and our citizens towards a sustainable recovery, but also doing so in a sustainable and in a targeted way.

The second area that we agreed to continue to work on is our progress on Banking Union. We will do so after an important development last November.

Our colleague Klaus [Regling] and all of his team are hard at work now in implementing that agreement. But that was a further important step in the Banking Union at an important time. I'm now engaging with all my fellow ministers to agree on how we can structure our engagement and agree on projects in time to come, and we will in turn use that for the foundation of how we will agree on those topics in the second half of the year.

And then finally, the Eurogroup agreed to continue to focus on the role of the euro, on its future, on the potential options that are there regarding it becoming even more a green currency, considering digital developments that are happening across the world and also considering how we can engage with other international partners as we look at how we can strengthen a recovery.

And then finally we concluded with an update on the status of our financial sector. Our two regulators gave ministers an update on the preparedness of our financial sector, and their work in monitoring risks and getting ready for the future.

So in conclusion, the sentiment amongst ministers was that, apart from being very glad to see each other, there is a feeling that we are now seeing a recovery take place that is very different to the prospects that we faced last year, but they are equally determined to continue to work together to deliver a recovery that can take hold, that can be sustainable, and one that will recognise the harm of the pandemic and seek to support employers and citizens in overcoming this. Thank you.

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