

Remarks by Vice-President Valdis Dombrovskis at the ECOFIN press conference

Thank you Hartwig. Good afternoon.

First of all, I would like to thank Hartwig Löger and his team for all the hard work during the Austrian Presidency. And it has been a very successful Presidency, delivering many important deals, as the Minister just outlined. Let me now just give the latest example.

Today ministers confirmed the key political elements for the deal on the banking package.

On this basis, after this press conference, the Minister and I will attend the final triologue to seal the agreement on the banking package.

This is a flagship legislative package. By implementing internationally agreed standards into EU law, the package contains important risk reduction measures. And it will make the European banking system stronger and safer.

From a political point of view, this agreement is also crucial for the upcoming leaders' debate on further risk sharing measures.

So congratulations to the Presidency on their exceptional leadership on this very complex file!

We also welcome the Council's conclusions on an Anti-Money Laundering Action Plan.

We welcome Member States' call to transpose the 5th Anti-Money Laundering Directive ahead of the 2020 deadline. We share this objective.

Work is ongoing on our recent proposal from 12 September, which aims to strengthen anti-money laundering supervision for a stable banking and financial sector.

Europe has the strongest anti-money laundering rules in place.

But recent cases in the banking sector showed that they are not always supervised and enforced with the same high quality standards across the EU.

So we need to enable the European Banking Authority to make sure that different national supervisors cooperate and exchange information.

And that the anti-money laundering rules should be enforced effectively across EU countries.

Today ministers also requested the Commission to propose longer term actions

to bring further improvements in the prudential and anti-money laundering frameworks.

And we will present this assessment to the Council at latest in the third quarter of next year.

Today we also presented the 2019 European Semester package. Ministers broadly shared our analysis that our strategy based on investment, structural reforms and fiscal responsibility is working.

But the situation differs from country to country. In some countries important reforms are still outstanding and public debt level remains high, reducing the room for manoeuvre in case of future shocks.

We are now in good economic times, but we cannot ignore the risking risks and global uncertainty. So the time to act is now.

At the national level, we need reforms to increase productivity growth and to ensure that growth is inclusive.

Member States must use the good times to reduce debt where it is high and to rebuild fiscal buffers.

At the EU level, it is time to decide on further strengthening of our Economic and Monetary Union. In that sense decisions taken last night in the Eurogroup are very timely.

Ministers also adopted the Commission's recommendations for the next steps under the Significant Deviation Procedure for Hungary and Romania. Both countries are recommended to do additional efforts to put their budget trajectories back on track.

The Council also discussed the proposed Digital Services Tax, including the compromise text by the Austrian Presidency and the Franco-German declaration.

On this basis, we hope that Member States can forge a compromise as soon as possible in 2019 under the Romanian Presidency. And the Commission stands ready to assist with technical work where necessary.

From the point of view of the Commission, it continues to be unacceptable that digital companies continue to pay less than their brick and mortar equivalents.

This is why we will continue to look for long term solutions to ensure fair taxation of the digital economy at EU level and at global level. To that end, we are working hand-in-hand with the OECD and G20.

I also presented ministers with the progress made in reducing the Non-Performing Loans in European banks. And as you know, overall results are encouraging as the European average stood at 3.4% in June 2018, down from 4.6% a year earlier.

Furthermore, I am glad to announce that the ice has started moving on the

Capital Markets Union, also thanks to the perseverance of the Austrian Presidency and to committed rapporteurs at the European Parliament where we had some important votes yesterday.

And I would like to thank the Austrian Presidency for balanced compromises reached on covered bonds and supervision of Central Counterparties, among other files, which the Minister already mentioned. Because many proposals are still pending.

So we invite the European Parliament and Member States to accelerate their work to lay the building blocks of the Capital Markets Union by the end of the current mandate.

Deep and liquid capital markets are crucial for strengthening the international role of the euro. So is a strong Economic and Monetary Union. The European Commission will present tomorrow our communication and accompanying documents on the international role of euro.

Once again I would like to thank the Austrian Presidency for the excellent work, which has been done so far. As we discussed at the ECOFIN, actually the Austrian Presidency is not over yet. So we expect further progress on legislative files during the Austrian Presidency. Thank you.