

Statement of EU ministers of finance on the Stability and Growth Pact in light of the COVID-19 crisis

The COVID-19 pandemic has led to a major economic shock that is already having a significant negative impact in the European Union. The consequences for our economies will depend both on the duration of the pandemic and on the measures being taken by national authorities and at European level.

The severe economic downturn now expected this year requires a resolute, ambitious and coordinated policy response. We need to act decisively to ensure that the shock remains as short and as limited as possible and does not create permanent damage to our economies and therefore to the sustainability of public finances in the medium term.

Ministers of Finance of the Member States of the EU agree with the assessment of the Commission, as set out in its Communication of 20 March 2020, that the conditions for the use of the general escape clause of the EU fiscal framework – a severe economic downturn in the euro area or the Union as a whole – are fulfilled.

The use of the clause will ensure the needed flexibility to take all necessary measures for supporting our health and civil protection systems and to protect our economies, including through further discretionary stimulus and coordinated action, designed, as appropriate, to be timely, temporary and targeted, by Member States.

Ministers remain fully committed to the respect of the Stability and Growth Pact. The general escape clause will allow the Commission and the Council to undertake the necessary policy coordination measures within the framework of the Stability and Growth Pact, while departing from the budgetary requirements that would normally apply, in order to tackle the economic consequences of the pandemic.

Today's agreement reflects our strong determination to effectively address the current challenges, to restore confidence and support a rapid recovery.