



PRESIDENT JÜRGEN THUMANN PRESS CONFERENCE, 5 DECEMBER 2011

Ladies and Gentleman,

Firstly, I would like to welcome you all to our press conference.

Last Friday, in Warsaw, we held our Council of Presidents.

This brings together the leaders of business organisations in 35 countries from right across Europe, representing 20 million enterprises, employing 120 million people.

Once again, the European Business Community reaffirmed its belief that reinforcing the euro is essential for the future economic prosperity and social cohesion of our continent.

This is a message that comes not only from our members inside the euro area, but from those outside the euro area whose economies are dependent through trade and financial linkages on the success of the euro area economy.

As James Watson has just explained, enterprises are continuing to make every effort to sustain employment and investment.

But their efforts are clearly being undermined by continuing political and financial market uncertainty.

Leaders have this week perhaps a final chance to agree a comprehensive plan to reinforce our common currency.

Perhaps a final chance to make sure that we don't not reflect in the months and years ahead with the words 'too little too late'.

The declaration you have before you sets out in detail what we believe needs to be done to reinforce the euro.

We will meet Commission Vice-President Rehn and the chief of staff of the Van Rompuy cabinet later today to discuss our suggestions in person.

Let me start with the key point. European Business gives a unanimous call for a strong, quick and comprehensive political commitment towards a new Budgetary Union in the Euro Area.

Economic governance needs to recognise that in a Monetary Union, budgetary policy set in one member state can impact on other member states.



So budgetary policy in the monetary union needs to be a shared concern.

Let me briefly outline the other key points:

Firstly, we need to use all short-term means to support the Euro.

The European Financial Stability Facility should provide conditional support to Member States experiencing liquidity problems until the European Stability Mechanism is developed into a politically independent European Monetary Fund open to all EU 27 Member States.

At the same time, the ECB should continue to assist financial stability.

This means firstly providing liquidity to the banking sector. We need to ensure we maintain investment which is essential for long-term growth.

Secondly, for a limited period of time until other means are in place, we believe the ECB should engage in sovereign debt markets to the extent it believes necessary to stabilise the Euro.

We should also ask the IMF to provide additional assistance.

In the longer-term, the Euro needs a new governance structure to enable it to rebuild confidence and credibility.

All Member States must build trust in their commitment to structural reforms and fiscal consolidation

Improvements in governance need to build on the following principles:

- Early prevention;
- Greater surveillance of fiscal and macroeconomic imbalances;
- Independent statistics;
- Legal debt brakes for euro area members; and
- A more automatic decision-making process in the Council for the adoption of robust country-specific Commission recommendations.

There has been much discussion about Eurobonds or stability bonds.

We believe that Eurobonds must not be seen as short-term remedy.

They should be viewed as a long-term refinancing instrument for a European Monetary Fund underpinned by greater Euro Area budgetary union.



Finally, we need to see a step change in commitment to completing the single market.

We need to unleash the huge potential of the single market to increase both economic convergence and growth.

Ladies and Gentlemen,
the European Business community believes that together - and by this I mean political leaders, businesses, workers and citizens - we have an opportunity to create the Europe of our dreams and capabilities.

We have a chance to build a Europe based on growth, solidarity and enhanced integration.

We need to make sure that challenges which unfold today become the sources of our success in the future.

Thank You for your attention.

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