



EUROPEAN COUNCIL
THE PRESIDENT



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Invitation letter of President Van Rompuy to the Informal dinner of the members of the European Council

I look forward to seeing you at our informal dinner on 23 May. The reason I called this meeting is very simple. A lot has happened since we last met at the beginning of March and this is the appropriate time to hold an open and informal exchange of views among us on how we can boost growth and jobs across the EU. The idea is not at this stage to draw conclusions or take decisions but to prepare politically for decisions at the June European Council in the best possible manner. If we have a common understanding on the main elements of a growth agenda at the end of our dinner, we can move things forward so that we can take decisions in June.

Over the past two or three years we have put in place a comprehensive strategy for sustainable growth containing various key elements: crisis management measures, fiscal consolidation, regulatory reform, and structural reforms in the framework of the Europe 2020 Strategy. Some of these elements have been more visible (and at times painful), while others are less visible and will only bear fruit over time. We have to stay the course because there are no quick fix solutions. That is why I insist so much on implementing what we have already decided, as I did in my letter of 26 April. But it is also true that the time has come to put more emphasis on the measures more directly linked to encouraging growth and jobs, in the continuation of our January summit, and to discuss in the most constructive manner innovative, or even controversial, ideas.

In line with the above, I suggest to focus our dinner on the following building blocks for a strategy for growth, which are also convincingly set out in the Commission's 9 May communication:

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- Sound national economic policies: the European Semester, including the “Six Pack”, constitutes the cornerstone for maintaining a growth-friendly fiscal consolidation strategy and for avoiding macro-economic slippages. Together with other legal instruments, it provides us with the right framework to ensure that fiscal consolidation and growth mutually reinforce each other. The President of the Commission could in this context provide us with a preliminary assessment of the National Reform Programmes (including the measures taken under the Euro Plus Pact) and look ahead to the package of proposals the Commission will adopt on 30 May.
- EU policies bringing added value: here, the emphasis is primarily on the measures foreseen under the Single Market Act programme, which the Danish Presidency pushes forward as much as possible and where your help is needed to overcome obstacles in the sectoral Council formations. I highlighted some of the key files in my April letter, but let me here just repeat how important it is that we finally complete work on the European patent, where only the seat problem remains. The Energy Efficiency Directive is another crucial dossier on which we must ensure rapid progress. I would also mention trade as a provider of growth and jobs. The EU is in the process of negotiating major agreements with important partners. There are of course delicate issues involved here relating to specific sectors, but at the same time the EU as the leading exporter in the world has a lot to gain from opening new markets.
- Measures improving the financing of the economy: under this heading, various interesting ideas have been floated over the past months and some of them are already being actively pursued. I would mention first the EIB, which could be better mobilized to support SMEs and key infrastructure through an increase in its capital and a strengthening of existing joint instruments (Risk Sharing Finance Facility; Loan guarantee for Transport). It is also urgent to put into place the Project Bond pilot phase. More generally, EU structural funds should be better focused on competitiveness and convergence. There is scope to do this already now, but we should also ensure in the upcoming MFF negotiations that EU funds are better geared to help growth and jobs. Then we have the difficult issue of a possible FTT. I am fully aware of the divergences of views there are on this subject, but we should not shrink from exchanging views and hopefully finding a pragmatic way forward.
- Measures to strengthen job-creation: this relates both to national and EU policies. In order to promote a job-rich recovery we will need to make concrete reforms and take measures to support labour demand and job-creation in key sectors of the economy. Reforms must go hand-in-hand with investment – EU funds can play an important role in this regard. We must further use the European Semester to reinforce the coordination of our employment policies. National Job Plans should be fully used to better stimulate synergies between national and European instruments. In this connection, the President of the Commission will inform us on the work the Commission is carrying out with eight Member States who have particularly high youth unemployment. More generally, we should look at ways of overcoming the “skills mismatch” and the “geographic mismatch”. We should for instance develop the EURES portal into a European employment services, improve the recognition of professional qualifications, better support mobile workers, facilitate the portability of pension and other rights and systematically chart future skills needs.

Since we are not going to take any final decisions on any of these themes at our informal dinner, I encourage you to engage in as open and frank an exchange as possible, with a view to moving ahead efficiently and constructively towards a credible package in June. In this context, I also believe that there should be no taboos concerning the longer term perspective. It is not too early to think ahead and to reflect on possible more fundamental changes within the EMU. In many ways, the perspective of moving towards a more integrated system would increase confidence in the euro and the European economy generally.

At the very end of our dinner, I propose that we discuss recent developments in the eurozone.

I very much look forward to greeting you in Brussels on 23 May.
