



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Remarks by President Van Rompuy
at the press conference
following the Eurozone Summit**

I am glad to announce that we found a common response to the crisis situation. Our meeting was focussed: European leaders defending the financial stability of the Euro area.

Today we reached three important decisions, fully supported by all of us:

- We improved the Greek debt sustainability;
- We took measures to stop the risk of contagion.
- We committed to improve the Eurozone's crisis management.

I convened this summit of Heads of State or Government of the Eurozone because the situation was really grave. I equally invited -- alongside the President of the ECB -- the Managing Director of the IMF, Mme. Lagarde to take part in the work.

The problems the Euro area is facing could only be solved at the highest level. We had to act quickly. Convening this meeting focussed the minds and accelerated finding a solution. I could not allow a difficult situation to become a dangerous one.

From a series of national debt crises, the situation was evolving into a systemic concern, threatening the stability of the Eurozone as whole. This threat had to be contained, otherwise the situation could have led to a serious loss of confidence in our common currency and could even have jeopardised the ongoing economic recovery in Europe and the world.

P R E S S

Dirk De Backer - Spokesperson of the President - ☎ +32 (0)2 281 9768 - +32 (0)497 59 99 19
Jesús Carmona - Deputy Spokesperson of the President - ☎ +32 (0)2 281 9548 / 5150 - +32 (0)475 65 32 15
press.president@consilium.europa.eu <http://www.consilium.europa.eu/>

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That's why today we tackled the problem by addressing two main factors:

- investors' fears that losses will be imposed on a non-voluntary basis on bondholders in Greece and then maybe in other countries as well, and
- market uncertainty over the Eurozone's ability to resolve the crisis.

Let me comment today's decisions in more detail.

Firstly, we offer a solution to the Greek debt problem. We reached agreement on a new assistance programme to fully cover the financing gap and to be financed by both the EU and the IMF. Two other very important steps are the agreement to reduce the interest rate for the future loans, and to lengthen the maturities to a minimum of 15 years and up to 30 years.

The banks have today also committed to support Greece on a voluntary basis, through a menu of options.

Importantly, we have changed the approach to PSI: private sector involvement will be limited to Greece and Greece only.

This is a strong package.

Secondly, we agreed on a series of measures to stop contagion. To start, we stated clearly that the Greek situation is different from that of other countries; that's why it requires an exceptional response, including as regards the participation of the private sector. In addition, the EFSF (Financial Stability Facility) will get more flexibility to intervene: precautionary assistance, recapitalisation of banks through governments, including in non programme countries; and secondary market interventions in exceptional circumstances on the basis of an analysis by the ECB.

So, if you want: we created a solid fire-wall and better fire-brigade equipment.

Thirdly, we decided to improve the Eurozone's governance. While dealing with the short-term, we do not forget the long-term. Let me mention two points in particular:

We agreed that reliance of our own rules on external credit rating agencies should be reduced.

Furthermore, we have received a mandate to make concrete proposals on how to better organize crisis management in the euro area and to improve working methods. I will work in close consultation with the Presidents of the Eurogroup and the Commission, and present proposals in October.

Today, with all these decisions, we have shown that we will not waver in the defence of our monetary union and our common currency.

A final remark. When European leaders say that we will do "everything what is required" to save the eurozone, it is very simple: We mean it.
