



## European Commission - Speech [Check Against Delivery]



### **Remarks by Executive Vice-President Dombrovskis at the informal ECOFIN press conference**

Brussels, 16 February 2021

Ladies and gentlemen

Thank you Mr Minister, good afternoon everyone,

Our discussions today focused on Europe's overall response to support the recovery and the implementation of the Recovery and Resilience Facility. As the Minister already said, it will enter into force in a few days' time.

While the pandemic continues to determine our outlook, the Commission's latest forecast shows that at last, we are turning the corner in overcoming the economic crisis.

It is still subject to high uncertainty and downside risks.

Nonetheless, there are grounds for cautious optimism.

Growth should resume in the spring and gather momentum as vaccination campaigns advance, pressure on health systems starts to subside and containment measures ease.

The EU economy should return to pre-pandemic GDP levels in 2022, earlier than previously forecasted.

In the meantime, we still have to contain the socio-economic fallout.

That is no easy task. But it is where the Next Generation EU recovery package and its centrepiece Recovery and Resilience Facility will give further support, provided that its funds are well spent and go hand in hand with effective reforms.

It opens up a unique chance to ensure a sustainable and inclusive recovery so that Europe emerges more resilient from the crisis and better prepared for a green and digital future.

This money needs to start flowing as soon as possible.

EU governments are now working to prepare their Recovery and Resilience Plans and submit them to the Commission for assessment.

With the regulation now approved, they can do so as of Friday.

These national plans must address all, or a significant subset of challenges in the country-specific recommendations.

They should set out how each country will contribute to the green and digital transitions.

And they should strike a proper balance between reforms and investments.

In parallel, the Commission is working hard to put all elements in place for the finalising operations of Next Generation EU.

This will be done through market funding of up to €750 billion in 2018 prices, or some €800 billion in current prices.

This will make the Commission one of the biggest euro-denomination issuers, on a level with the largest sovereigns.

Commissioner Hahn informed ministers today about the options we are considering to address the various aspects of this complex borrowing exercise.

We expect to start the borrowing with the first issues under Next Generation EU already this summer.

However, this depends on all Member States ratifying the own resources decision.

Six EU countries have already done so and many have advanced in the process.

I call on the remaining countries to ratify the own resources decision quickly so that the Commission can start its borrowing programme under next Generation EU.

Ladies and gentlemen

The pandemic and its impact affect the whole world. We can only overcome it if all countries have enough capacity to do so.

This is why ministers discussed today how to support the world's poorest countries, many of which are at high risk or in debt distress.

We considered various actions in the context of our Global Recovery Initiative and within the context of the G20.

These include extending the Debt Service Suspension Initiative, which the EU promotes in the G20 as a major achievement of multilateralism.

Another idea is to support a new general allocation of IMF Special Drawing Rights, to help provide much-needed liquidity for low-income countries. This would first have to be subject to a thorough analysis by the IMF.

We also looked at ways how low-income countries can enhance their capacity in tax policy and tax administration.

Thank you and I am open for your questions and comments.

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