



Statement by President von der Leyen at the joint press conference with President Michel, following the EU Leaders' videoconference on coronavirus of 23 April

Brussels, 23 April 2020

Thank you very much Charles,

I can seamlessly follow up on your words. The health situation is by far not fully under control and many Member States have not yet reached the peak. At the same time, we already know that the scale, the speed and the impact of the economic crisis is unprecedented in modern times.

While the pandemic certainly knows no borders and is blind to nationalities, some countries are certainly hit harder than others. And unless we act decisively and collectively, the recovery will not be symmetric and divergences between Member States will increase.

I am therefore very happy that the leaders this evening tasked the Commission with shaping our collective response to the crisis. We will indeed carry out a thorough assessment of the impact of the crisis on the overall European economy, on our Member States, but certainly also on some specific sectors.

We know definitely that the GDP will fall everywhere, but it will fall more sharply in some Member States than in others and there will be more damage certainly to certain sectors, like for example tourism, than to others. We know also that the fiscal impact of the crisis differs significantly, as some Member States are able to provide much more direct budgetary support to their economies than others.

We have discussed one example that is state aid. Up to today, state aid amounts to almost EUR 1.8 trillion. But there are huge differences in how much state aid our Member States are giving and this is also linked to the financial space they have. This difference will have massive effects on the level playing field, unless we counter-balance that.

We have to design a common, future-proof answer to this, to ensure the integrity and the cohesion of the Single Market and its shared prosperity. The response that we will have to give must be first repair crisis damage and then generate recovery, build resilience and guide our economies along the path of the green and the digital transitions in a fair manner.

I am convinced that there is only one instrument that can deliver this magnitude of tasks behind the recovery and that is the European budget, clearly linked to the Recovery Fund. The budget is time-tested, everybody knows it, it is trusted by all Member States, and it is per se designed for investment, for cohesion and convergence. Therefore, I am glad that the Member States showed unity and impressive encouragement for the Commission to explore innovative financial instruments in relation to the MFF.

The next MFF, the next seven-year budget, has to adapt to the new circumstances, post-corona crisis. We need to increase its firepower to be able to generate the necessary investment across the whole European Union. Therefore, we will propose to increase the so-called 'headroom', that is to say the space between the existing ceiling in the MFF and the own resources ceiling. Thanks to the legal guarantee by Member States, the Commission will be able to raise funds, which will then be channelled through the European budget into the Member States.

Our current estimates of the needs lead us to think that an own resources ceiling of around 2% of GNI for two or three years instead of the current 1.2% will be required. The money raised – as I said – will be channelled back into the MFF through a recovery programme and concentrated into a number of programmes that will help tackle this crisis.

Let me name four areas that I am speaking of: increased financial support for investment and reforms in Member States and cohesion – that is where the bulk of the investment will go to; more investment of course into our modern policies – this is the European Green Deal, digital transition and increased strategic autonomy; a smaller part will go into improving the resilience of our common crisis response tools – that is the lessons learnt in this crisis; and of course, there has to be a pillar which is strengthening our support to our neighbourhood and partners. The investment should be front-loaded in the first years, and of course, it is necessary to find the right balance between grants and loans.

This whole endeavour is about protecting the integrity of our Single Market and of our Union. And if we do it well and succeed, then the investments will have been worth every single cent we pay for them now.

Thank you.

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