

Klaus Regling at Eurogroup video press conference

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Transcript of remarks by ESM Managing Director Klaus Regling Video press conference after Eurogroup meeting 16 March 2020

Good evening. Let me first join the President of the Eurogroup and Commissioner Gentiloni and also express my sympathy and the sympathy of all my colleagues at the ESM with the many who have already died because of the Coronavirus. These are dramatic times, dramatic from the health side, but also dramatic in financial markets. And all that will have significant consequences for the economy of the euro area. The statement that you have received mentions all the initiatives underway in member states. A lot is happening and rightly so. All institutions were asked, as the President said, by the Eurogroup to look into all possibilities within their mandates, how to support the economies of the member states of the euro area.

The ESM is fully functioning. We have an unused lending capacity of €410 billion,

which is around 3.4 percent of euro area GDP. We have a number of facilities and several of them have never been used. So we will think, and we could do that with the Commission, whether and how these facilities could be useful under current circumstances. And the circumstances are very different from 10 years ago.

A quick word on Greece. We looked very briefly at the fifth Enhanced Surveillance Report that was prepared by the Commission with our participation. There are some weaknesses, but overall, it's a very positive report. I was in Athens a week ago. I met with the prime minister, the finance minister and the central bank governor.

Greece, unfortunately, is hit by two new crises: one is the Coronavirus that affects all of us; the second is the migration problems that is happening at the Greek border, which also is the border of the EU. So Greece needs some help here. And Commission President von der Leyen was in Greece two weeks ago and provided help. During my visit, I was impressed by the determination of the Greek government to continue with its reform programme. Despite the new problems, the prime minister actually said that in light of these new problems, the country must accelerate reforms. So I think that is encouraging. Thank you very much.

Response to question on whether an ESM facility could be used to support euro area countries affected by the Coronavirus

On the ESM, I don't think it's a question of expanding the role of ESM because we do have our unused lending capacity. And we do have our instruments, our toolbox. And most of those have not been used in the past. This crisis is different from the euro crisis. We are dealing here with a symmetric shock. And at the same time, all our member states continue to have market access. So it's not like what we saw in 2010, 2011 and 2012 when countries lost market access and the ESM had to step in. We had a different situation, a different type of crisis. Our countries, our 19 member states all have market access. And very low, historically low interest rates. So it's all very different. But we were asked, rightly so, by the Eurogroup, to look at what we can do, how we can contribute under these very different circumstances and that's what we will do.

**Preliminary remarks by Mário CENTENO,
President of the Eurogroup, at the press
conference following the Eurogroup video
conference**

**Preliminary remarks by Paolo GENTILONI,
European Commissioner for the Economy**

**Preliminary remarks by Klaus REGLING, Managing
Director of the European Stability Mechanism**

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