



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Remarks by President Herman Van Rompuy
following his meeting with President of Cyprus
Demetris Christofias**

I have known President Christofias for quite some time now, but today, I was extremely pleased to meet him at a very particular moment for Cyprus and its people. In a little more than a month, the first Cypriot Presidency of the Council of the European Union will be inaugurated. It comes at very challenging times when Europe takes additional steps to growth and job creation. Therefore, I was glad to hear that Cyprus is fully ready for the Presidency, ready to take its responsibility!

President Christofias and myself have had a very fruitful meeting today. A working meeting. We discussed two main topics: the outlook for the Cypriot Presidency, and the preparations of the June European Council. Let me say a few words about the key points of our discussion.

A few days ago, on the 23rd May, President Christofias, other European leaders, as well as myself have reached a common understanding on how to boost growth and jobs in Europe.

The discussion about growth is not new. We already share a growth strategy and it has been a constant concern. However, our ongoing work on growth has been overshadowed by our vital efforts to ensure financial stability in the Eurozone. But it is no less important.

And there should be no misunderstanding: it is obvious that opposing "deficit reduction" and "growth" is a false debate. They are two sides of the same coin. Without sound public finances there can be no sustainable growth; but without sustainable growth, the measures to bring our debt levels under control do not attain their full impact.

P R E S S

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In the short term we all agreed that we should structure our work around three pillars based on the Europe 2020 strategy.

First, we will mobilise EU policies to fully support growth. For example, rapid progress is needed on important legislative proposals, such as the Single Market Act or the Energy Efficiency Directive. We should also finalise the European patent before the end of the Danish Presidency. The European institutions need to pursue their work on how to better use international trade as engine for growth - several major trade agreements are under way.

Second, we will step up our efforts to finance the economy through investments and better access of SMEs to credit, to complement reforms. We invited the European Investment Bank Board to consider an increase of capital by June to be used in supporting projects across the EU. We welcome the agreement on the pilot on project bonds. And we look forward to the report from the Commission on reprogramming of the current structural funds to support growth and jobs.

Third, we will strengthen job creation. We need reforms and measures to support the labour demand and job-creation. National Job Plans should be given high prominence and be fully used, to exploit synergies between the EU and national level instruments, in particular to combat youth unemployment.

At the end of June, just before the change of rotating Presidencies, the European leaders will meet in Brussels and will discuss the EU's future Multiannual Financial Framework 2014-2020 for the very first time at the summit level, in the context of the growth agenda in all its forms.

This discussion will set the stage for the high-level negotiations which will continue during the Cypriot Presidency. Our goal is to conclude them by the end of this year to equip the EU with a growth and job-enhancing tool, which will support - both directly and indirectly - thousands of investments in different areas, from research and development, to enterprises, to transport or energy infrastructure, as well as people seeking jobs or upgrading qualifications.

To achieve best possible results, we, the Cypriot Presidency and myself, need to cooperate very closely and harmoniously, and we will. This is also the topic of our discussion today.

We have also discussed other important initiatives which will need to be concluded under the Cypriot Presidency, such as levers of the Single Market Act, the completion of the Asylum Package and the proposals from the financial services package.

Finally, President Christofias informed me about recent developments in the Cyprus settlement talks. The EU continues to attach utmost importance to the continuation of the negotiations and calls on both sides to make every effort to pave the way for a comprehensive settlement. Status quo is in no one's interest. Although this is a Cypriot-led process, the EU stands ready to provide necessary support. The ultimate goal is a united Cyprus in the European Union.

With regard to Turkey, I recalled the strong support which the European Council already provided in December 2011 to the upcoming Cypriot Presidency. The Presidency is a fundamental feature of our Union, based on the EU Treaty, and must be fully respected by all.
