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President of the European Commission

Opening Remarks

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Press Point with Jacques de Larosière

Brussels, 25 February 2009

Good afternoon Ladies and Gentlemen.

Today's Commission meeting had a very heavy agenda. I know that you already met some members of the Commission. We started by receiving the representative of the European Union social partners. We adopted an important communication on the automobile industry. We took important decisions regarding the guidelines for impaired assets in the banking sector. And we received the report of the high level group that I have created under the leadership of Jacques de Larosière. It is precisely to present this report that I have invited Monsieur de Larosière to be here with me today.

Let me start by thanking Jacques de Larosière most sincerely for chairing this High Level Group on Financial Supervision whose report is published today. This is the work of this independent Group that I set up last October. I want to thank all members of the group, who have worked long and hard to produce the results we see today.

Mon cher Jacques de Larosière, I admit I have tasked you with an almost impossible mission – asking the Group to come forward with its report on the future of European supervision and regulation in barely 4 months! But in fact you have done it and I congratulate you for that.

This report is comprehensive, of high quality and is intellectually rigorous. It comes at a critical time. Faced as we are with the most serious economic and financial crisis. At a time where it is evident that if the European Union acts together, in a spirit of solidarity and cohesion, the impact of our repair policies will be greater and the costs of this crisis will be reduced.

We all agree that significant financial reform is necessary and urgent – at global level; in the EU; and at national level. In the G20 where the EU is playing a leading role. We must now strengthen our own European House. Following last Sunday's meeting in Berlin, the EU now needs to come up with a solid, common position reflecting the views of all 27 member states and the Commission in view of the London G20 summit.

This report is an important contribution for our work. It includes a number of significant proposals in areas where the Commission believes we need to act.

Above all, this is a balanced and rich report which provides a good basis for further Commission work.

Jacques de Larosière has done his job with professionalism and expertise and he has provided the menu for the Commission to choose from.

Now it is for the Commission to assess and act. The first stage of the process is over. The second stage starts today.

Next week, on the 4th March the Commission will give a first preliminary assessment and response to the main conclusions of the report. This communication will set out how we intend to move forward. This in turn will feed into the Spring European Council.

But this is not about one meeting leading to another meeting or one report to another report. The Commission is determined to act. I am determined that the European Union should move forward this year with substantial reforms. We must not miss the chance to restore lasting confidence in the European and global financial system.

And let me be very clear: the report confirms my firm belief that a European system of Financial Supervision is indispensable. I am committed to engage immediately in its preparation. And this report provides a very good basis on which to build our proposals.

In advance of broader proposals on supervision later in the year, the Commission intends to present detailed concrete proposals during April on private equity, hedge funds and immediately after that on remuneration schemes.

Let me say a word on remuneration schemes which are also covered by the De Larosière report. This is an area where decisive action is needed also at European level: it is a matter of fundamental ethics to avoid that losses are socialised and gains are privatised.

The crisis has shown why we must deepen our supervisory cooperation at EU level. Why we must have better crisis management systems. Why we must be able to have a basic core set of high level rules – both regulatory and supervisory – that are rigorously applied to all firms, by top class supervisors. Why we must avoid what Jacques de Larosière calls "chacun pour soi" solutions – everyman for himself – with no concern whatsoever about the neighbours. That is not good enough. It never was. And now it is totally unacceptable.

Workers and families across Europe and the world have suffered the consequences of hubris in the financial markets. Citizens expect us to change the rules of the game and the way the game operates. We must not let citizens down.

So, mon cher ami Jacques, over to you – now to explain your Group's work and its main recommendations. And my most sincere thanks once again.