

## **Remarks by Minister Pierre Gramegna at the occasion of the 20<sup>th</sup> Anniversary of the first Eurogroup meeting**

Dear Colleagues, dear guests,

It is my pleasure to welcome you today to mark the 20<sup>th</sup> anniversary of the first Eurogroup meeting.

Twenty years ago, on 4 June 1998, our predecessors, the Ministers of Finance of the 11 founding members of the Euro, gathered here at the Château de Senningen shortly before the Euro was to be introduced on 1 January 1999.

The aim of that historical meeting, just like today, was to discuss economic and financial matters of relevance to them as members of a currency union. We, as the members of the Euro Area, indeed all have a common interest to discuss and coordinate, whenever possible, our economic and fiscal policies as we are using the same currency.

When you move into the same house with your partner or spouse, some things simply need to be discussed and decided collectively.

In the run up to the introduction of the Euro, many countries already undertook substantial efforts and reforms to ensure the necessary convergence and “fitness” for being members of a common currency area.

Our debts and deficits were brought down, stable price developments were ensured, exchange rate volatility limited and long-term interest rates converged.

These were the four key criteria, which allowed to move ahead with the so-called Stage 3 of EMU to launch the Euro, first as a currency behind the bank transactions in 1999, followed by the physical introduction of coins and bills in 2002.

Over time, the Euro Area grew from its 11 founding members to the 19 members we count today. On its own, this fact is already a clear sign that the Euro has been a success, not just economically or financially, but also from a political perspective. Today the popularity of the Euro measured by Eurostat is at 74 %. Few policies receive such a high approval rating.

It is not without reason that the Euro is deemed to be one of the most successful projects of political and economic integration in the history of our continent.

But the road has also been “bumpy” at times over the past 20 years.

From today’s perspective, we know for instance that the initial architecture of our common house the Euro Area was still incomplete and that the hard work undertaken to satisfy the entry criteria was sometimes neglected once we entered the Euro Area.

And, to underpin the importance of the Eurogroup and ensure the implementation of a strengthened Stability Growth Pact the Eurogroup chose a permanent president – in the person of Jean-Claude Juncker – as of 1 January 2005. Without a doubt a major milestone to solidify this newly created institution as one of the cornerstones of the EMU architecture.

The biggest test for the Euro and challenge for the Eurogroup arrived only a few years later, with the global financial crisis that broke out in the US in 2008 and 2009 but would have repercussions worldwide, including on the Euro Area.

Countless meetings of the Eurogroup, sometimes – or very often – late into the night, were necessary to counter the most acute effects of the crisis during those years. We agreed on the reinforced governance with the 2 pack, the 6 pack and the fiscal compact. We also had to elaborate new instruments to help the countries in financial difficulties, first Greece, followed by others.

Today, the enormous efforts undertaken by the programme countries, with the support from us European partners, are paying off. We are even about to close a chapter of the crisis by bringing the 3<sup>rd</sup> financial assistance programme for Greece to a successful end later today. Hopefully!

Not only did we show financial solidarity, but through the crisis we created a major new player in the Euro Area set-up, first as the EFSF, now the European Stability Mechanism (ESM), with its seat here in Luxembourg. The ESM is now a powerful, permanent firewall, or should we say a fire insurance for our common house the Euro Area.

We can all thank Klaus and his staff for their contributions over the past years to overcome the crisis. This work could of course have not taken place without the hard work of the Commission and the ECB, which was set up together with the Euro in 1999.

And, when I mention the ECB, we mustn't forget the words of Mario stated in July 2012 when he said that the ECB is ready to do *“whatever it takes to preserve the euro”*. This was an important turning point in the course of events, as it underscored the determination of the Euro countries and of the ECB and boosted confidence.

My first meeting of the Eurogroup was back in December 2013 where we agreed the Banking Union. A breakthrough, which many doubted, would be implemented, because it had never been done in history. Today we can prove sceptics wrong and be proud of having achieved a common umbrella that protects us and makes the Euro Area one of greater financial stability than before.

From a historical perspective, these are remarkable achievements, which have underpinned the excellent economic recovery, which kicked in during 2016. Today the Euro is more credible than ever in his 19 years history. That is what we are celebrating here today.