



25 June 2020

To the Ministers of Finance of the Euro Area

Dear Minister, dear colleague,

Herewith I am submitting my candidacy for the Eurogroup presidency for the next two and a half years.

Before setting out my views on the future priorities for the Eurogroup and how I would intend to lead our work in the years ahead, I would like to thank the outgoing President of the Eurogroup for his tireless efforts, particularly as he spearheaded our common response to an unprecedented crisis. Thank you, Mario!

Building on that work, we must now firmly set our sights on the future. To succeed over the long term, Europe must rapidly regain the path of recovery and revitalize its competitiveness, convergence and resilience, including by embracing the green and digital transitions. If given the opportunity, I would see this as a guiding objective throughout my mandate as Eurogroup President.

Prior to the COVID-19 outbreak, the Euro Area had already enjoyed a broad-based economic expansion. Importantly, unemployment had fallen below pre-crisis levels, benefitting citizens across all our countries. The crisis years were finally behind us, as no Euro Area country was subjected any longer to an excessive deficit procedure nor to a macroeconomic adjustment programme.

We should not downplay – as we sometimes tend to do – the significance of these achievements, which are not least the fruit of our common work in the Eurogroup. Both collectively and individually, enormous efforts have indeed been undertaken by all of us to strengthen our economies.

Today, we are confronted with a new challenge, namely that of creating the right conditions for a speedy upswing from an unprecedented sanitary crisis, which has hit everyone and has triggered an economic recession where every country suffers, some more than others. The challenge now lies in leaving no one behind and ensuring that a symmetric shock does not turn into an asymmetric recovery. Therefore, Luxembourg has openly called for more solidarity at this crucial moment. This solidarity must go hand in hand with national responsibility. The historical compromise we reached at our

Eurogroup meeting of 9 April 2020 over a package worth over € 540 billion to address the immediate economic fallout arising out of the COVID-19 pandemic struck the right balance between solidarity and the necessary sense of responsibility. An equally balanced approach will be necessary in the weeks ahead to find a consensus on the framework and scope of the upcoming recovery fund.

Naturally, the current crisis represents a considerable strain on our **public finances**. The general escape clause under the Stability and Growth Pact has been activated. This was the right choice. Yet, we are all aware of the need to ensure sustainable public finances over the medium term and I will endeavour to help striking the right balance between responsible fiscal policies and the continued need for macroeconomic stabilization.

In addition, the crisis has vividly reminded us of the **Single Market's** central importance and the strong links between our economies, especially within the Euro Area. It is in our collective interest to redouble our efforts to strengthen the Single Market, in particular the Digital Single Market, and focus on **structural reforms** that boost productivity and improve the business environment. Our thematic discussions have proven useful in this respect and should be continued.

This objective is also reflected in our continued efforts to deepen the **Economic and Monetary Union**. As a matter of immediate priority, I will seek to ensure that the Eurogroup plays its due role in the crisis response. Similarly, the ESM reform will have to be finalized swiftly, paving the way for the setup of the common backstop to the Single Resolution Fund. I would rapidly reignite our work on the **Banking Union**, whose completion will require renewed determination from all of us in discussing all elements on the table. In the same vein, the Capital Markets Union will form an integral part of the recovery to allow the financial sector to play its role in providing the necessary financing to the real economy.

Finally, I intend to continue my predecessors' work on the **transparency of the Eurogroup** to strengthen its legitimacy in the eyes of citizens. In the same spirit, I would continue the dialogue with the European Parliament and all other institutions.

Having been a member of the Eurogroup for over six years now, I am fully aware of the diversity of views on all issues. Those of you who have followed my interventions closely over the last years know very well that I carefully listen to all of you and try to identify the middle ground that is common to us. I am firmly convinced that Europe can only advance if it stands united, particularly in the face of the momentous challenges that await the continent over the next months. This is particularly true for the Eurogroup, which is the spearheading force in our European Union.

As President of the Eurogroup, I would therefore seek consensus and aim to build bridges between the North and the South, the East and the West, treating small and large Member States in an equally fair manner. I would devote my time as President of the Eurogroup to bringing all sides together and carefully consider all aspects in order to find the golden mean acceptable to all.

As a member of a three-party-coalition, which has been confirmed after the elections of October 2018, I am well accustomed to striking compromises between diverging interests, including by breaking with traditions of the past. I have spared no efforts upon taking office as Minister of Finance of Luxembourg in December 2013 to support the work towards fair and effective taxation and more transparency, including during my tenure as President of the ECOFIN Council in 2015. I am firmly convinced that my country can play a positive role in this transition, especially at a time when Europe is called upon to assume leadership in the global tax debate.

My track record as Minister of Finance in Luxembourg as well as my experience as long-standing member of the Eurogroup, coupled with a twenty-year career as diplomat, with postings in the USA and Japan, have helped me understand that strengthening the Eurogroup and the European Union as a whole is the best way to enhance the role of our so called old continent.

Our joint ability to support an even and sustainable recovery for all of us will prove pivotal in breathing new life in our European project, of which our common currency is the most palpable symbol to date.

Together with you, the European Commission, the European Central Bank, the European Stability Mechanism and all other partners and institutions, I am ready and motivated to dedicate the necessary energy and time to this ambitious task and I would like to thank you all for your consideration and support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P. Gramegna', with a stylized flourish at the end.

Pierre Gramegna