



**EUROPEAN COUNCIL  
THE PRESIDENT**



Brussels, 22 May 2013  
EUCO 118/13  
PRESSE 207  
PR PCE 103

### **Remarks by President Herman Van Rompuy following the European Council**

This meeting was brief – as brief as it was effective. Good preparation at different levels during the last week, and the very fact of having this meeting, allowed for good results. We discussed two issues of critical importance for citizens and our economies: taxation and energy.

Let me start on tax evasion and tax fraud, where it is high time to step up the fight. We've seen headline-after-headline highlight loopholes in tax systems. Fuelling public indignation, and rightly so.

The amounts are staggering. Hundreds of millions of euro go missing each year. At a time of fiscal pressure and social tensions, fighting this is a matter of fairness and credibility. I decided we had to use the momentum. Already in March, leaders had touched upon this, and the prospect of today's European Council debate put more pressure and helped set things into motion, after years of standstill.

Tax matters are always sensitive – hence the treaty-need for unanimity – but by nature tax evasion is something no country can solve on its own. And just to be perfectly clear: we're not talking about tax harmonisation, but about jointly fighting despicable practices like deliberate tax evasion.

So I am pleased that today's European Council managed to unblock a number of frozen files. There is movement, a real acceleration, with clear deadlines-for-result. Especially on four points.

First, on VAT fraud: leaders expect their ministers to sign off no later than end of June on a set of rapid-response measures so governments can crack down on fraudsters. This is a breakthrough.

# **P R E S S**

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Dirk De Backer - Spokesperson of the President - ☎ +32 (0)2 281 9768 - +32 (0)497 59 99 19  
Preben Aamann - Deputy Spokesperson of the President - ☎ +32 (0)2 281 2060 - +32 (0)476 85 05 43  
[press.president@consilium.europa.eu](mailto:press.president@consilium.europa.eu) <http://www.european-council.europa.eu/the-president>

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It follows last week's breakthrough – and this is the second point – on the negotiation mandates on savings taxation agreed by finance ministers, after two years of blockage. The Union is now in a position to start negotiating straight away with Switzerland, Liechtenstein, Monaco, Andorra and San Marino to ensure these countries apply EU standards. It will do so on the basis of the revised savings directive. This in itself is an important signal, as it points to a Union-wide consensus on a text now in its fifth year of negotiation – for which we set today an end-of-the-year deadline.

Third point, and building on this, we all want the Union to push hard for a global standard of automatic sharing of information, covering a full range of taxable income, and we'll promote this strongly in fora like the G8 and G20. I am glad the timely initiative by a group of member states that sparked this action is now firmly embedded in a Union-wide approach.

Fourthly and finally, a number of issues related to business taxation. Tackling profit-shifting, tax-base-erosion and aggressive-tax-planning calls for a coordinated approach, in Europe and worldwide: we all agree on that. Here too we set deadlines for the end of the year, for instance on revising the parent-subsidiary- and the money laundering directives.

Let me turn to energy. To me it was the right moment for a strategic debate. For a simple reason. The world is in the midst of an energy revolution, doubled with a race for resources. Soon Europe could be the only continent to still depend on imported energy. Households feel the weight of high prices. Industry finds it hard to compete with foreign firms who pay half the price for electricity, like in the United States.

So all leaders are keenly aware that sustainable and affordable energy is key to keep factories and jobs in Europe. They also know that we have no major 'game changer' on the horizon, so we need to keep working on several fronts. And ideally, with a common approach – rather than 27 separate ones. Today we discussed four points.

First, energy efficiency. There is still a huge potential. After all, the cheapest, cleanest and safest energy is the one not consumed!

Second: turning 27 markets into a true European single energy market. We reaffirm the deadlines we'd set ourselves in February 2011: to have all rules and standards in place by 2014 and no country left unconnected to the common grid by 2015. There's no time to lose: it would bring down prices and could save Europeans collectively each year up to €30 billion in both gas and electricity.

But for that – and it's my third priority – we need investments. No less than €1 trillion by 2020, in modern infrastructure and also in R&D. This is not just about money. Investors are ready to invest, but to spend on, say, pipelines today they need a sense of where we want to be in ten or twenty years time. So a more predictable energy and climate policy is vital.

Fourth and final priority: diversifying our energy sources. Import-wise –making sure no country relies on a single supplier or supply route. And production-wise, exploiting Europe's energy potential to the full. There is so much more to do on renewable energy, also in terms of jobs. Countries could also develop safe and sustainable ways to tap other resources – conventional and unconventional. Yes, this includes shale gas, which could become part of the energy mix for some member states, perhaps less for others. It's of course up to each country to decide its own energy mix. More generally, leaders agreed on the need to better coordinate, especially, and in advance, on major national energy decisions with an impact on other countries.

Finally let me stress that the interest and rights of consumers were central in our exchanges. We asked the Commission to analyse prices and impact on households by end of the year. In the end people need to feel the difference.

Finally, we briefly discussed the situation in Syria, reaffirming our commitment to a political solution. We welcome the initiative for an international conference in Geneva, as a chance to re-start the political process. We tasked foreign ministers to prepare it and to take a common decision on the sanctions regime, since it is due to expire on June 1st.

So all in all we had a focused European Council, which set many things into motion – with many deadlines – and incidentally taking place exactly one year ahead of the beginning of the European elections.

At our next meeting in June, we will focus on economic policies, and I hope we can make progress against unemployment, especially for young people. Today I called on colleagues to be ambitious in national efforts and invited them to put forward new ideas, at all levels in the weeks ahead, for jobs for young Europeans.

I repeat youth unemployment will be a mayor theme on our June European Council

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