

# EU ministers make breakthrough on coronavirus economic response

Finance ministers of eurozone countries reached an “excellent accord” on fighting the pandemic-triggered recession. Europe has proven itself to be “a match” for the crisis, said French representative Bruno La Maire.



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After hours of talks on Thursday, representatives of 19 eurozone countries agreed to make €500 billion (\$547 billion) available “immediately” to stimulate the EU economy as it struggles with the economic fallout of the ongoing pandemic.

“Excellent accord between the European finance ministers,” tweeted France’s Bruno La Maire.



*Bruno Le Maire@BrunoLeMaire*

*Excellent accord entre ministres des Finances européens sur la réponse économique au #Coronavirus : 500 milliards d’euros disponibles immédiatement. Un fonds de relance à venir. L’Europe décide et se montre à la hauteur de la gravité de la crise.*

EU heavyweights France and Germany had been working on a solution to address

the economic consequences of the coronavirus pandemic, with EU finance ministers negotiating into Thursday evening.

Germany's Finance Minister Olaf Scholz praised the decision as a "great day of European solidarity."

He said that the plan provides "three strong answers" to the crisis, including aid to small and mid-sized businesses through the European Investment Bank, short-term work programs for the labor force, and loans to affected states through the European Stability Mechanism.

Credit lines to the European Stability Mechanism "will be available until the COVID-19 crisis is over" according to a draft document cited by Reuters.

Spain's representative Nadia Calvino also said a "good deal" was reached and would provide a "triple security network for workers, companies, and states."



*Nadia Calviño@NadiaCalvino*

*Hemos alcanzado un buen acuerdo en el #Eurogrupo, con una red de seguridad triple para #trabajadores, #empresas y #estados en la lucha contra el #COVID19.*

*Seguiremos trabajando en mecanismos comunes de financiación para la recuperación económica. #EsteVirusLoParamosUnidos*

*<https://twitter.com/nadiacalvino/status/1248333360382062592> ...*

*Nadia Calviño@NadiaCalvino*

*#Eurogrupo (parte II)*

*<https://twitter.com/nadiacalvino/status/1247545185518653440> ...*



## Germany's Merkel rejects "coronabonds"

The EU countries had been at odds on whether or not the loans should be conditioned on financial reforms. The EU states were also at loggerheads on how to finance the fund itself, with Italy, Spain, France, and other, mostly southern EU countries, wanting a joint "coronabonds" borrowing scheme that Germany, the Netherlands, Finland, and Austria opposed.

The ministers had been unable to come up with a solution at the marathon-length talks on Wednesday, reportedly due to the Netherlands wanting tougher conditions for member states to take cheap loans.

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Pressure was on the Dutch government to accept the compromise solution presented by Berlin and Paris.

The European Investment Bank will now support EU companies with €200 billion in loans, according to Eurogroup chairman Mario Centeno. The EU leaders

would try to have ESM crisis support operational in two weeks, he added.

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Earlier on Thursday, German Chancellor Angela Merkel had rejected the joint borrowing initiative, telling members of her conservative political bloc there was no “political consensus” for it. However, she also told them she had been in contact with France’s Emmanuel Macron, the Netherlands’ Rutte and Italy’s Giuseppe Conte, saying that a compromise solution was “very close.”

dj/rc (AFP, AP, dpa, Reuters)

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