



European Economic
and Social Committee

STATEMENT by the President

20/03/2020

President Jahier urges ECB and EBA to allow EU banks to help families, workers and companies with extraordinary measures

Following the EESC declaration "COVID-19: Now, we are either a Union or we are nothing", adopted by the Bureau on March 17, 2020, President Luca Jahier has urged today all institutions, authorities, regulators, both at European or national level, to take urgent and decisive actions to contain and fight against the pandemic and address the risks of a long-term shock for the economy and people's wellbeing.

In a letter addressed to Andrea Enria, Chair of the Supervisory Board of the European Central Bank (ECB) and José Manuel Campa, Chairperson of the European Banking Authority (EBA), President Jahier stressed that in the face of extraordinary circumstances, the current regulatory system, designed to adapt to normal downturns in the economic cycle, is not fit to address a catastrophic event as the COVID-19 pandemic and needs additional new flexibilities in order to become more resilient and avoid the worst once the emergency is over.

"These exceptional times require exceptional and decisive actions to avoid that the health emergency will turn into an economic and social emergency with unpredictable consequences. SMEs and corporates must survive and receive the liquidity needed to reduce the risks of default and preserve employment as to guarantee a future for the next generations: this forbearance measures for healthy businesses substantially impacted by the consequences of the pandemic should be supported by a freezing of the NPL regulation and guidelines, at least on a temporary base. These very same measures should complement forbearance measures to support households in these dramatic circumstances," Jahier urged.

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