



Coronavirus: Commission proposes to activate fiscal framework's general escape clause to respond to pandemic

Brussels, 20 March 2020



Message by President von der Leyen on further measures to support the European economy in face of the coronavirus crisis. (EN version)

The Commission today proposes the activation of the general escape clause of the Stability and Growth Pact (SGP) as part of its strategy to respond quickly, forcefully and in a coordinated manner to the coronavirus pandemic. Once endorsed by the Council, it will allow Member States to undertake measures to deal adequately with the crisis, while departing from the budgetary requirements that would normally apply under the European fiscal framework.

The proposal represents an important step in fulfilling the Commission's commitment to use all economic policy tools at its disposal to support Member States' in protecting their citizens and mitigating the pandemic's severely negative socio-economic consequences.

President Ursula **von der Leyen** said: *"Today we propose maximum flexibility for our rules which will allow our national governments to support everybody - their healthcare systems, staff as well as the people so severely affected by the crisis. I want to make sure that we respond to the human as well as socio-economic dimension of the Coronavirus pandemic in the best way possible."*

The coronavirus pandemic is a major shock for the European and global economies. Member States have already adopted or are adopting budgetary measures to increase the capacity of their health systems and provide relief to those citizens and sectors that are particularly impacted. These measures, together with the fall in economic activity, will contribute to substantially higher budgetary deficits.

The Commission calls on the Council to endorse its proposal as quickly as possible.

The Commission stands ready to take further action as the situation evolves.

Background

The Commission and the Council have already clarified that the coronavirus pandemic qualifies as an "unusual event outside the control of government". The Commission believes that more far-reaching flexibility under the SGP is required to protect European citizens and businesses from the consequences of this crisis and to support the economy following the pandemic. Therefore, the Commission decided to propose the activation of the general escape clause of the Stability and Growth Pact.

The [Commission's strategy to counter the economic impact of the coronavirus pandemic](#) includes using the full flexibility of our fiscal and state-aid frameworks, mobilising the EU budget to allow the EIB Group to provide short-term liquidity to SMEs and directing €37 billion to the fight against coronavirus under the Coronavirus Response Investment Initiative.

Today's proposal follows the [Commission's adoption a Temporary Framework for State-aid](#) to enable Member States to ensure that sufficient liquidity remains available to businesses of all types and to preserve the continuity of economic activity during and after the coronavirus pandemic.

For more information

[Questions and answers: Commission proposes activating fiscal framework's general escape clause to respond to pandemic](#)

[Communication on the activation of the general escape clause](#)

[Press release: Commission sets out European coordinated response to counter the economic impact of the Coronavirus](#)

[European Coordinated Response on Coronavirus: Questions and Answers](#)

[Press release: Commission adopts Temporary Framework to enable Member States to further support](#)

[the economy in the coronavirus outbreak](#)

[Coronavirus website](#)

[Stability and Growth Pact](#)

[Vade Mecum on the Stability and Growth Pact](#)

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Press contacts:

[Marta WIECZOREK](#) (+32 2 295 81 97)

[Enda MCNAMARA](#) (+32 2 296 49 76)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)