

Informal European Council Lisbon, 18-19 October 2007

Presidency Press Release

Having reached a final agreement on the new Lisbon Treaty, the European Union has turned an important page. The European Union can now focus on the issues that most concern its citizens, and can do so more efficiently.

The European Union's Heads of State or Government had an informal debate on how Europe can succeed in Globalisation. The President of the European Commission presented an important contribution to this debate based on the recent communication: 'The European Interest: Succeeding in the age of Globalisation', which was welcomed by the Heads of State and Government.

Building on the positive outcomes of the Lisbon strategy in terms of growth, employment and underlying internal reforms, the Heads of State or Government have discussed ways to strengthen external action, needed as a full response to globalisation: the external dimension of the Lisbon Strategy.

Europe should take the lead in this, as suggested by the Presidency motto "A stronger Union for a better world". This means we should envisage globalisation not only as a challenge but also as an opportunity to be shaped and a responsibility to be taken.

The European approach to globalisation should strive for mutual open markets, improved global standards and going further in strategic cooperation with the EU international partners.

Europe's success depends on stronger internal and external action.

In particular, the Heads of State or Government addressed two specific subjects:

On Financial Markets, the Heads of State or Government reviewed the economic and financial situation, in light of the recent developments triggered by the subprime mortgage market in the United States. They emphasised that macroeconomic fundamentals in the EU are strong and that sustained economic growth is expected. Furthermore, they encouraged the Finance Ministers, the European Commission and

the ECB to continue to monitor closely developments in financial markets and the economy.

The Heads of State or Government also noted that the EU regulatory and supervisory framework has generally proved effective, but acknowledged the need to keep pace with the increasing sophistication of financial markets. Therefore, they fully endorse the Council's work programme aimed at, alongside the EU's international partners, improving transparency, valuation processes and risk management in financial markets.

On Climate Change, the Heads of State or Government welcomed the increasing momentum in the international community's mobilization to fight global warming.

They affirmed that climate change can and must be dealt with in a cost-effective manner, through strengthened market mechanisms, as well as technology research and development.

Europe has played a leading role in this domain but must keep pushing for a strong international consensus on the need to take further and stronger action.

In this regard, Heads of State or Government stressed the importance of the upcoming UN Summit in Bali.

This Summit should agree on a roadmap for a comprehensive and inclusive negotiation process, with the aim of reaching an overall agreement on a post-2012 climate change framework by 2009 in Copenhagen.

This agreement must be reached within the United Nations framework and must include binding mandatory targets for developed countries.

They reiterated that global emissions need to peak in the next 10 to 15 years and be reduced to at least 50% below 1990 levels by mid-century. To this end, the Informal Council strongly reemphasized the commitments expressed in this year's Spring Council.

It was emphasized that tackling climate change is an important opportunity in that it can set Europe on a path to becoming the world's first competitive, energy-secure, low-carbon economy.

Finally, in view of the European Council in December the Presidency will consult with a view to propose a declaration on Globalisation. It will also start consultations to define a mandate for a wise person's group that should reflect upon the Europe we want for 2020-2030. Institutional questions are ruled out of the mandate.