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EIB Group Annual Press Conference

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10:30

(~17 mins)

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Good morning ladies and gentlemen and welcome to the press conference on the annual results of the European Investment Bank Group for 2019.

This morning I am joined up front by Marjut Falkstedt, Secretary General of the European Investment Bank; Alain Godard, Chief Executive of the European Investment Fund, and Maria Leander, Secretary General of the European Investment Fund.

The results, which I will outline today, speak to the professionalism of EIB staff, who I want to thank on this occasion for their hard work and dedication. These staff from the still 28 EU member states of the Union left their passports at the door when they joined the bank. And these staff from all 28 countries of the Union have worked very hard to strengthen Europe's competitiveness and invest in Europe's future.

...The results which I will outline today reflect on their collective efforts to bring Europe's closer, to drive change for the better and to improve lives together.

Ladies and gentlemen, the EIB Group financed more than 72 billion euros of projects last year, an increase of 13% over the year before.

I am extremely proud of this result, since we started the year without a formal solution to the impact of Brexit on the EIB.

This forced us to reduce signatures for the first third of the year considerably. In the Spring of 2019, the governors of the EIB approved plans to fully replace the subscribed capital of the UK when Brexit takes place – which as we know is at midnight tomorrow.

The EU Bank's financial capacity to operate remains whole.
Emotionally we are greatly affected.

2019 RESULTS IN DETAIL

The Group's global result – the 72.2 billion euros – shows the high demand for EIB financing across a broad range of sectors and countries.

..It shows how relevant the EIB is for the hundreds of incredibly complex projects we finance around the world.

...It's depth across firms of different sizes, sectors and policy areas is testament to the unparalleled product offering of the EIB group – from major infrastructure projects to supporting almost 400,000 SMEs across Europe and beyond.

The EIB Group enjoys unparalleled data on investment behaviour of European firms and European SMEs that ensure our high impact financing.

At the heart of the Group's business model is our ability to mobilise private capital - from our funding activities on the capital markets to our investments in the real economy...

Last year the Group's total investment supported came up to 280 billion euros. On average, we are achieving more investment while providing less of the financing ourselves to individual operations.

Last year, every euro we spent unlocked another 2 euros and 88 cents in the projects we financed – an increase of 10% against the previous year. Every euro we spend is working harder, year by year.

Ladies and gentlemen, in 2019 we signed a record 1095 deals— a 28% increase on the year before. This means that we are able to find and reach out to smaller companies, companies which for a large part we have not worked with before.

We provided 25.5 billion for SMEs. 16.5 billion for environmental projects. 15.7 billion for infrastructure. And 14.4 billion for innovation.

These are large numbers. But we measure our success by the impact they have on people's lives. Let me give you a few examples

- Projects signed this past year will create more than 13,000 megawatts of electricity generation capacity, almost all of it from renewable sources.
- They will provide improved healthcare services to almost 12 million people in Europe.

- These projects will bring the construction or upgrades to almost 30 000 kilometres of powerlines.
- They will allow more than 630 million additional trips each year across various modes of public transport.
- And they will provide improved mobile network services to almost 117 million people in Europe.

2019 was a good year for the EIB Group not because of the investment we made per se, but because of the difference this investment will make to the prosperity and quality of life of people in Europe and across the world.

CLIMATE

This past year was a year of new beginnings.

We have a new European Commission;

We have a new, pan-European commitment to fight climate change;

And we have a new partnership between the Commission and the EIB Group to fight it together.

We listened to the European Council and to the President of the Commission, Ursula von der Leyen. And last year, the EIB Group announced a goal of generating 1 trillion euros of total investment for climate and the environment between now and 2030.

We now plan to dedicate 50% of our financing to climate action and environmental sustainability as of 2025. And we will do nothing that is not fully aligned with the Paris agreement.

Among the good news I can announce today, one is that last year our financing for climate action was already at 31% of the bank's financing.

This partnership with the European Commission has gotten off to an excellent start. We are proud of the fact that the EIB will be an engine to deliver the European Green Deal announced by the Commission.

Last year we also approved our new energy lending policy. This includes the commitment to end the consideration of conventional fossil fuels from the end of 2021. We are the first IFI to do so and is an excellent example of European leadership on the climate front.

This strategic autonomy that we can offer the EU, this leadership that we can show in the world, is only possible because our shareholders are the EU member states.

Other IFIs are finding it difficult to follow suit because of the wide range of shareholders with divergent interests to those of the European Union.

Fighting climate change is the most defining challenge of our time.

It is also the greatest investment opportunity of our time. Europe has been losing ground to our competitors on the innovation front for over two decades.

Climate offers us an opportunity to stop this trend.

...Climate offers us an opportunity to invest in Europe's competitiveness, to invest in new technologies, to invest in innovation that will secure not just our quality of life now but competitiveness and quality of life for the next generations.

10 years ago, the world's largest public companies by market capitalisation included a mining company, three oil and gas companies, three banks, and a bricks-and-mortar retailer. None of them are in the top 10 today.

The only two that remain there are Microsoft and Apple. They have been joined by five other technology firms – TenCent, Alibaba, Amazon, Alphabet, and Facebook.

The change in the world's largest companies illustrates one side of the challenge: the greatest value to the economy, to our way of life, is brought today by technological innovation. ...Through companies, old and new, doing things differently.

This is a blueprint for how to tackle the next huge challenge, the transformation into an economy that creates wealth without creating additional CO2 emissions.

Climate action does not mean neglecting other areas of work. It certainly does not mean backsliding into closed mindsets. It does not mean doing less in innovation, cohesion, or development finance.

...On the contrary. Climate presents Europe with a business case and a pressing necessity to invest in these areas.

We need to develop new green markets, like we did with the first green bonds in 2007, launching a market that is now worth about 1 trillion dollars. And we will need new innovative climate products across the EIB Group.

Launched by the EIF, consider for instance the first ever sustainability venture capital fund with incentive mechanisms linked to the achievement of specific environmental impact goals. This is great.

Achieving our climate goals also means making sure we pay attention to the regions that have thus far been most dependent on fossil fuels for their jobs and economic activity.

A just transition to a greener future will need to include investments in retraining and attracting new jobs to these areas.

So climate action will not shift attention away from our core mission of cohesion. On the contrary, climate action requires action on cohesion. We can all work together for a more climate-friendly future only if no one is left behind.

And equally, just as climate action requires cohesion, cohesion requires climate action: only by investing sustainably, can regions succeed economically, in this day and age.

Climate action also means job creation. Our 2019-2020 Investment Report forecasts that green energy specifically will create around 500 000 jobs in Europe over the coming decades.

In development finance, a lot of our investments have always been, and will continue to be related to climate resilience and climate adaptation – making sure infrastructure is resilient and we can adapt to more frequent adverse climate events caused by global warming.

The causes and impact of climate change are global, so we must step up our investments globally. And we are investing in innovative projects across the world – recognising that the development of these countries should be done in a sustainable manner.

Fighting climate change is key to Europe's competitiveness and relevance on the global stage. We are thrilled to embrace the Commission's announcement of a new beginning, a new focus on climate, and an offer of partnership which we must continue in the future to strengthen the delivery of the EU's policy objectives around the world.

DEVELOPMENT. 2020 – A YEAR OF FOLLOWING THROUGH

Ladies and gentlemen, for EIB 2020 will be a year of strong partnerships and new beginnings.

In 2020 the External Lending Mandate from the European Commission to the EIB is coming to an end.

In 2020 the Cotonou Agreement signed between the EU and almost all the African, Pacific and Caribbean states will also come to an end.

2020 will be a year for completing the EIB's Economic Resilience Initiative to step up investments in the Western Balkans and Southern Neighbourhood.

In 2020 we will hit the 500 billion euro headline target for EFSI investments, thereby strengthening the legacy of the Juncker Commission and his courageous decision to launch the Investment Plan for Europe. The Juncker Plan has built on our

decades' long partnership with the European Commission in developing financial instruments. We look forward to continuing this partnership under Invest EU and NDICI.

In 2020 we will step up considerably our support for Africa. We aim to increase our investment in the continent by at least 25 per cent. We know that Africa's future is key to Europe's future. By the end of this century, more than 4 billion people will be living in Africa, up from today's 1.3 billion. There are opportunities in making sure they are our partners. There are risks if we don't.

In 2020 we aim to strengthen our presence on the ground working helping deliver EU policy objective outside the Union

We will continue to focus on high impact investments like the off-grid solar energy solutions we signed in Mozambique and Mali last year. This involves basic solar home systems that allow you

to turn on the light, charge a phone, play a radio. And more advanced systems that can even manage small fridges!

In countries with electrification rates of 10%, 30% - these are a big deal.

Not to mention the fact that the people using them won't have to burn kerosene or charcoal in their homes any more, and breathe in those fumes. This is just one example.

Ladies and gentlemen, in 2019 we invested 8.8 billion euros outside the EU over 12 percent of our investments. We opened new offices in Sarajevo and Bogota, and now have more than 50 offices around the world. We are ready to increase our outside EU activities and local presence on the ground in 2020.

We have active operations in 43 fragile states - the least developed countries in the world. Around 5.5 billion euros has

gone to more than 100 operations in these countries over the past 10 years. You can imagine the impact these sums are having on the ground. We will expand our activities in these fragile economies.

But... as the mandates I outlined above come to an end this year, we need to make sure we put in place new ways of working outside the EU. At a time of reduced EU budget resources, you can count on the EU bank to support investments and EU policy driven growth. In return, we rely on a sound, prudent multi-annual financial framework to support our activities.

Ladies and gentlemen,

The last decade started with the largest marine oil spill in human history, from the Deepwater Horizon. It ended with the absolutely devastating bushfires in Australia, reminding us of the damage that climate change and environmental catastrophe can cause.

It was a decade of schoolchildren having to reprimand adults.
...And it was a decade when we woke up to the climate emergency with the Paris Agreement.

We are starting this decade with the EU embarking on a European Green Deal. It is now time to roll up our sleeves and get down to work.

We have set ourselves a huge task at the EIB Group, the execution of which will require a lot of adjustments. As we have shown in the past, we are up to the job.

Thank you very much!