

## **Statement by the Eurogroup Ireland**

The Eurogroup welcomes the significant efforts of Ireland to deal with the challenges it faces in the budgetary, competitiveness and financial sector areas.

The Eurogroup welcomes in particular the announcement by the Irish authorities that their four-year budgetary strategy will be frontloaded by € 6 billion in 2011 on a total consolidation effort of € 15 billion.

We have full confidence that the four-year strategy to be announced by the end of the month will be thorough and detailed and will firmly anchor the 2014 target date for the correction of the excessive deficit. This strategy will also ensure that the public debt ratio will be put on a firm downward path.

Together with the structural reforms that will be announced in the strategy, this budgetary adjustment should allow Ireland to return to a strong and sustainable growth path while safeguarding the economic and social position of its citizens.

We nevertheless invite the Irish authorities to include an annual review in their strategy that will allow them to cope with the implications of less favourable macro-economic developments were they to arise.

We welcome the measures taken to date by Ireland to deal with issues in its banking sector, via guarantees, recapitalisation and asset segregation. These measures have helped to support the Irish banking sector at a time of great dislocation. However, market conditions have not normalised and pressures remain, giving rise to concerns that further reforms and stabilisation measures may be appropriate.

We welcome the determination of the Irish government to engage in a short and focussed consultation with the Commission, the ECB and the IMF in order to determine the best way to provide any necessary support to address market risks, especially as regard the banking sector, in the context of the four-year budgetary plan and the upcoming budget.

We confirm that we will take determined and coordinated action to safeguard the financial stability of the euro area, if needed, and that we have the means available to do so.

## **Statement by the Eurogroup**

### **Portugal**

The Eurogroup, the European Commission and the ECB welcome the recent confirmation by the Portuguese government of its commitment to ensure a reduction of the public deficit to 4.6% of GDP in 2011, and the draft budget proposal recently released.

The rigorous implementation of this deficit reduction plan will ensure the stabilisation of the public debt ratio as planned.

We also welcome the announcement that the government will step up the structural reform agenda. We invite the Portuguese authorities to further specify such reforms, which shall aim at enhancing potential GDP growth and competitiveness by focusing on removing rigidities in the product and labour markets, including in wage formation, and improving productivity.

We are confident in the ability of the Portuguese government to pass the 2011 budget previously agreed with the main opposition party and to implement the appropriate measures in order to achieve the 2011 deficit target.

## **Statement by the Eurogroup**

### **Greece**

The Eurogroup, the European Commission and the ECB welcome the efforts undertaken by the Greek Government to comply with the agreed adjustment programme, in view of a substantial reduction of the deficit in 2010 and the abrogation of the excessive deficit by 2014. In particular, we acknowledge that, with the substantial execution of the programme achieved over the past 5-6 months, the required adjustment is broadly on track.

We note the recent validation by Eurostat of fiscal data notified by the independent Greek statistical authority for 2009. Based on methodology fully in line with European standards, there is, as expected, a substantial revision in government deficit and debt data for 2009. This revision is expected to affect the 2010 deficit figures. We welcome the support given by the Commission (Eurostat) and some Member States to provide assistance to Greece in the area of fiscal and other macroeconomic statistics. We also welcome the efforts of the Greek authorities to correct the deficiencies in the administrative and accounting systems in parallel with improvements in the statistical system.

In this respect, we welcome the strong commitment of the Greek government to undertake the required additional measures in the budget for 2011, in order to confirm the ambitious deficit target of € 17 billion next year.

The government is currently specifying the details of such additional measures in the 2011 budget as well as in the revised Memorandum of Understanding. We stress in particular the need for further expenditure reductions, as well the acceleration and deepening of structural reforms in particular in the area of taxation, labour markets, business environment, health care and the efficiency of public administration.

We remain confident that the significant progress made during the course of this year will continue, allowing the consolidation of the Greek budget to remain on track.