



PIERRE MOSCOVICI
MINISTRE DE L'ÉCONOMIE ET DES FINANCES

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Joint statement by Ministers Luis DE GUINDOS, Minister of Economy and Competitiveness, and Pierre MOSCOVICI, Minister of Economy and Finance

Today we met in order to discuss the situation in the Euro area. We both agree that the financial assistance for the purpose of recapitalisation of financial institutions in Spain, confirmed by the Eurogroup on 20 July 2012, is a key step to restore confidence in the financial system in Spain and strengthen the financial stability of the Euro area as a whole. The recapitalisation of financial institutions, along with the implementation of in-depth bank restructuring plans, will restore trust and provide for a sound functioning of the financing channels of the economy.

The Spanish government has in the meantime implemented comprehensive reforms, in line with the recommendations of the European Council, in particular in the field of fiscal policy (including at the level of regions) and labour market reforms.

We believe that the current level of interest rates prevailing in the sovereign debt markets does not reflect the fundamentals of the Spanish economy, its growth potential and the sustainability of its public debt. The swift implementation of the financial assistance programme is essential to restore confidence and recreate conditions for growth. We are fully confident that they will help Spain achieve a sustainable growth path.

We also reaffirmed our commitment in fully and rapidly implementing the decisions made by the European Council on 28/29 June. Our common strategy for the stability of the Euro area includes the adoption, by the end of this year, of a single supervisory mechanism for banks of the Euro area, involving the ECB; we expect proposals by the Commission by September and commit to a swift negotiation. This supervisory mechanism will open the way for direct recapitalisations with appropriate conditionality.

We also remain committed in the “Pact for growth and employment” based in particular on a better financing for the economy and innovation - through the EIB, project bonds and structural funds. Following the European Council of 28/29 June we will also work on designing a roadmap for a genuine economic and monetary union, including ambitious proposals to create the conditions of solidarity alongside with integration.

We will remain in close contact, as well as with the EU institutions and our colleagues of the Eurogroup, and will carefully monitor the situation.

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