

8 October 2012

Eurogroup Statement on Portugal

The Eurogroup welcomes the conclusion of the Troika's fifth review mission that the adjustment programme for Portugal remains broadly on track.

Acknowledging the good track record in implementing policy conditionality and the fiscal impact of the faster than expected rebalancing of the Portuguese economy, the Eurogroup concurs with the agreement reached between the authorities and the Troika on revised fiscal targets, in conjunction with the proposed revised recommendation of the Council regarding the excessive deficit procedure.

The Eurogroup has been reassured of the Portuguese government's resolve to achieve the revised fiscal targets. In this context, the Eurogroup welcomes the determined action the government has taken to swiftly replace the originally envisaged shift in social security contributions by alternative measures.

The Eurogroup notes with satisfaction that the government's active preparation of a return to the financial markets in 2013 has recently been met with success.

Following the completion of the relevant national procedures, the Eurogroup approved the next EFSF disbursement of EUR 0.8 billion and looked forward to the adoption by the Ecofin of the legal texts paving the way for the EFSM disbursement of EUR 2 billion and to the approval of the 1.5 billion disbursement by the IMF Executive Board at the end of the month.