

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.