Brussels, 14 November 2013

Press remarks by Jeroen Dijsselbloem following the meeting of the Eurogroup

Let me debrief you on the outcome of our meeting today. It has been a particularly important meeting because we discussed and decided on two exits, on Ireland and on Spain. I will also report on the programme countries and debrief you on the state of play of our discussions on the Banking Union very briefly. I will say a few words about the economic situation, which Olli will say more about and highlight what you can expect from next week's meeting of the EG which will be on the draft budgetary plans.

We first discussed the two countries that are about to exit their adjustment programmes, Ireland and Spain.

I would like to congratulate both countries at this important moment for the Euro Area. Both countries have always shown strong commitment towards the implementation of their programmes. This has shown results, as the recent developments on the financial markets have shown. The Irish and Spanish people have gone through a difficult period but I am now confident that their efforts will pay off in the coming years. Now these economies are back on the road to recovery.

On Ireland, a statement has been distributed to you. Let me just highlight the main points: starting by saying that we fully support Ireland's decision to request a clean exit from the programme. The programme implementation has been successful, as evidenced by the return of market confidence, the ongoing economic recovery and declining unemployment. We have full confidence in the ability of the Irish government to maintain the reform momentum in order to address the remaining challenges in the fiscal, banking and structural areas. The final review will unlock a last disbursement of €800 million.

There is a statement has also been distributed on Spain and our message is very similar to the one for Ireland. We fully support Spain's decision to cleanly exit the programme. Thanks to the programme, the Spanish banks are now stronger and more resilient and supervision and regulation have been tightened. And this is confirmed by the positive market sentiment and the encouraging recent economic data from Spain. The structural reform agenda has advanced in parallel, allowing a return to growth and a decrease in the macro-economic imbalances. The Spanish authorities are determined to keep the reform momentum as I noticed when I visited Madrid two weeks ago.

A few remarks on other programme countries which we discussed today. On Cyprus, we took stock of the main results of the second review mission to Nicosia that ended last week. Overall, the programme seems well on track and all fiscal targets were met with comfortable margins. In addition, we were glad to hear that significant progress has been made towards recapitalisation and restructuring of the financial sector of Cyprus. Finally, some words on Greece. The Greek authorities need urgently to deliver on four main areas: (1) the milestones agreed at the previous review, (2) the measures to close the fiscal gap in 2014 and 2015, (3) the structural reforms and (4) the improvement of the governance of the privatisation process. We need progress on these four outstanding areas in order to be able to conclude the review and the troika to conclude the review. We are aware of the efforts already undertaken by Greece, but the job is not yet done. In order to return to a path of sustainable growth and job creation, the programme needs to be further implemented.

We also talked about the Banking Union today in the EG. Shortly discussed the state of play as we will regularly do in the coming months. Of course, the main debates of the Banking Union and the legislation will be done in the Ecofin.

We focused our discussion on the issue of the public backstops in view of next year's stress tests. We are working on a statement that will provide clarity to all participants on the order of the backstops. The elements are, of course, well known. Private solutions must be explored first. Then, only if no private solutions can be found, public money could be engaged at national level in line with State aid rules. If a Member State could not afford to contribute, then the ESM could come into play. We will continue that debate and discussions in Ecofin tomorrow and the President will tell you more afterwards.

On the economic situation, we discussed the Commission's autumn forecast released last week as well as the Annual Growth Survey and Alert Mechanism Report that were published yesterday. I will let of course Olli tell you more in detail. Let me just say that the economic outlook for the euro area seems to become more positive, however important challenges remain, such as high levels of public and private debt and record high levels of unemployment. Therefore, there is no reason to be complacent.

Finally, next week we will have an extra dedicated EG meeting, which will be an important milestone for fiscal surveillance in the euro area, as this will be the first time that we will discuss draft budgetary plans, on basis on the Commission's assessment of all euro area Member States. This will show that we are following on our commitment to strengthen fiscal policy coordination. So, that will be our main aim for next week's meeting.