

13 January 2012

## **Statement of the President of the Eurogroup**

We take note of the announced decision by Standard and Poor's on their rating action concerning a group of euro area Member States, following the CreditWatch that was announced on 5 December. We reemphasize that euro area Heads of State or Government have taken far-reaching measures, which, combined with ECB decisions, have resulted recently in a substantial decrease of tensions on the sovereign bonds and interbank markets.

Euro area Heads of State or Government on 9 December took bold and ambitious decisions to move towards a stronger economic union through a new fiscal compact, strengthened economic coordination and the acceleration of structural reforms. To that effect, a new treaty will be agreed at the European Council meeting at the end of the month before being signed and sent to national parliaments in view of its final ratification.

Heads of State or Government have also decided to reinforce the euro area stabilisation tools. The EFSF has sufficient resources available to fulfil its commitments under current and potential future adjustment programmes. The shareholders of the EFSF affirm their determination to explore the options for maintaining the EFSF's AAA rating. Heads of State or Government decided on 9 December 2011 to advance the introduction of the permanent stability mechanism ESM to July 2012. The ESM will have its own capital base and thus be less affected by ratings of its Member States. The adequacy of the overall ceiling of the EFSF/ESM of EUR 500 billion will be reassessed by March 2012. Moreover, as part of a broader international effort, euro area Member States have agreed to provide substantial additional resources to the IMF.

We reconfirm the inflexible determination of euro area Member States to do whatever it takes to overcome the crisis, ensure sound public finances and return to a path of growth and job creation.

---