

16 January 2012

Statement by the President of the Eurogroup

We take note and will examine the consequences of the decision announced by Standard and Poor's to downgrade the credit rating of the European Financial Stability Facility (EFSF) from AAA to AA+. This follows from the rating action of 13 January 2012 that concerned a group of euro area Member States.

EFSF continues to be assigned the best possible credit rating by Moody's (Aaa) and Fitch (AAA), underlining its solidity. Neither rating agency has indicated any rating action for EFSF in the immediate future.

S&P's decision will not reduce EFSF's lending capacity of €440 billion. EFSF has sufficient means to fulfill its commitments under current and potential future adjustment programmes and will continue to be backed by unconditional and irrevocable guarantees by euro area Member States.

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 euro area Member States. The adequacy of the overall lending ceiling of the EFSF/ESM of EUR 500 billion will be reassessed by March 2012.
