

ECOFIN Presidency statement

Following discussions today in the Economic and Financial Committee, the attached statement on the decision by the Portuguese authorities to forego the final EFSM disbursement has been adopted.

* * *

Statement of the Economic and Financial Committee on the decision by Portugal to forego the final EFSM disbursement

We commend the Portuguese authorities on the programme achievements of consolidating public finances, stabilising the financial sector and bringing the economy back on a recovery path.

At the same time, we take note of Portugal's Constitutional Court ruling of 30 May that certain budgetary measures are regarded as unconstitutional. We understand that the authorities need some time to assess the rulings of the Constitutional Court to be able to address the resulting budgetary shortfalls with compensatory measures that are adequate to attain the agreed fiscal targets.

We take note that the government has decided not to present replacement measures until concrete views on the constitutionality of such measures are obtained from the Constitutional Court, therefore foregoing the disbursement of the remaining EUR 1.7 bn of EFSM funds available until the end of June. This decision should also be seen in the context of the government's comfortable cash position and the significantly improved access to financial markets.

We welcome the authorities' reaffirmed commitment to maintaining the reform momentum and the targets agreed in the course of the programme in order to safeguard its achievements. We call on all stakeholders to support the reform process.
