



**EUROPEAN COUNCIL
THE PRESIDENT**

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**Comments by
Herman Van Rompuy,
President of the European Council,
on Greece and solidarity in the Euro area**

“Herman Van Rompuy, President of the European Council, made the following remarks on Greece and on solidarity in the Euro area at a press conference following the EU-Canada summit:

"We are all concerned by Greece's economic and budgetary situation, though at the moment our thoughts turn to the human victims in Athens.

Greece was in a difficult situation with regard to its public finances and its competitiveness.

A major programme has just been concluded. The agreement is both ambitious and credible, given the efforts it foresees in budgetary terms and in terms of competitiveness:

- Budgetary consolidation will amount to 11% of GDP between now and 2014. The measures that make up this effort have been clearly identified. This effort is quite considerable and on the scale of the challenges that confront Greece, but it is not without precedent. Greece itself, in the 1989-94 period undertook an adjustment effort on the same scale in terms of primary balance.
- Ambitious structural reforms dealing with retirement pensions, reform of the employment market and products will enable a fundamental restructuring of the economy, and a return to competitiveness and growth.

The agreement is also historic in terms of the amount of financing provided to one country (110 billion Euro).

We agreed in March to ensure the financial stability of the Euro area, and in this context to provide financial support to Greece. Without any instrument provided by the Treaty, it was necessary to establish a mechanism for bilateral loans coordinated by the Commission. We did this and the mechanism is now fully operational.

P R E S S

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At the same time, the Central Bank has taken exceptional measures to contribute to stabilising the financial situation in Greece.

What I now see are totally irrational movements on the markets set off by unsubstantiated rumours, for instance yesterday with Spain, but also as regards Portugal.

I would like to make it very clear that objectively, the situation in these countries has nothing to do with that of Greece, the latter being unique on account of a combination of three factors that can be found nowhere else, namely a deficiency in the reliability of statistics, a serious competitiveness problem and a very high level of public debt.

This does not mean that we should draw lessons from the crisis in the Euro area. We have fundamental reforms to carry out and we will carry out those reforms. It is a major priority for me and for the European Council.”
