

Statement by the Eurogroup Ireland

The Eurogroup welcomes the significant efforts of Ireland to deal with the challenges it faces in the budgetary, competitiveness and financial sector areas.

The Eurogroup welcomes in particular the announcement by the Irish authorities that their four-year budgetary strategy will be frontloaded by € 6 billion in 2011 on a total consolidation effort of € 15 billion.

We have full confidence that the four-year strategy to be announced by the end of the month will be thorough and detailed and will firmly anchor the 2014 target date for the correction of the excessive deficit. This strategy will also ensure that the public debt ratio will be put on a firm downward path.

Together with the structural reforms that will be announced in the strategy, this budgetary adjustment should allow Ireland to return to a strong and sustainable growth path while safeguarding the economic and social position of its citizens.

We nevertheless invite the Irish authorities to include an annual review in their strategy that will allow them to cope with the implications of less favourable macro-economic developments were they to arise.

We welcome the measures taken to date by Ireland to deal with issues in its banking sector, via guarantees, recapitalisation and asset segregation. These measures have helped to support the Irish banking sector at a time of great dislocation. However, market conditions have not normalised and pressures remain, giving rise to concerns that further reforms and stabilisation measures may be appropriate.

We welcome the determination of the Irish government to engage in a short and focussed consultation with the Commission, the ECB and the IMF in order to determine the best way to provide any necessary support to address market risks, especially as regard the banking sector, in the context of the four-year budgetary plan and the upcoming budget.

We confirm that we will take determined and coordinated action to safeguard the financial stability of the euro area, if needed, and that we have the means available to do so.