



Joint Statement by Ministers Luis de Guindos, Spanish Minister of Economy and Competitiveness and Wolfgang Schäuble, German Minister of Finance

Berlín, 24 julio 2012.- We agree that the programme to strengthen the Spanish banking sector is an important element to overcome the confidence crisis in Spain and the Euro Area as a whole.

The German government as well as an overwhelming majority of the German Parliament supports the programme, which will contribute to breaking the vicious circle between the banking and sovereign debt crisis. Now, the decisive and swift full implementation of the roadmap included in the programme is essential to restore confidence in the Spanish banking sector.

The Spanish Government has enacted important steps to put its economy back on track. These measures are vital for the Spanish economy to achieve a sustainable growth path and to regain competitiveness.

Comprehensive reforms have been undertaken, particularly in the area of fiscal policy, on the labour market, and in restructuring the banking sector. By reducing the excessive deficit by the end of 2014 Spain pursues a well-balanced consolidation strategy.

Moreover, a budget balance rule has been enshrined in the constitution. In addition, the recent reforms of the national fiscal framework will contribute to sustainable fiscal consolidation of the regions and thereby of the general government.

The current level of interest rates prevailing in the sovereign debt market does not correspond to the fundamentals of the Spanish economy, its growth potential and the sustainability of its public debt.

Ministers stress the importance to work – together with European Partners – on the quick implementation of the European Council decisions of June 29; this particularly includes the thorough building-up of an effective banking union with a single European banking supervision.

Ministers welcome the initiative of both countries to co-operate in the field of youth unemployment and improve national vocational training.