



NEWS

**Statement on Spain by Olli REHN, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro**

Duration: **00:05:48**

First Transmission: **10/06/2012**  
End of Production: **10/06/2012**  
Location: **Berlaymont, Brussels**

Ref: **86210**

SUMMARY

statement

**Only the original language version is authentic and it prevails in the event of its differing from the translated versions.**

SHOTLIST

- | Time     | Title  |
|----------|--|
| 00:00:00 | Title  |
| 00:00:05 | Cutaways (6)   |
| 00:00:39 | <b>SOUNDBITE (in English) by Olli REHN, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro:</b><br>The decision of the Eurogroup yesterday to support Spain in the recapitalisation of its banking sector is very important in order to safeguard financial stability in Europe. This is because Spain has been the epi-centre of the market turbulences recently, which has been reflected elsewhere in the Euro area. And of course it has been in tightening credits condition in Spain for the companies and householdes which has been hampering economic growth in Spain. So therefore it is important that the Euro area member states or the Eurogroup has responded positively to the announcement of Spain for financial assistance to what its financial and banking sector and their recapitalisation. |
| 00:01:39 | <b>SOUNDBITE (in English) by Olli REHN:</b><br>It is a very clear signal to the market, to the public that the Euro area is ready to take decisive action in order to calm down market turbulence and containtion. The estimates by the IMF have been in the scale of 40 billion euros under a stress scenario, but even the IMF says this can be clearly higher. And we are at the same time waiting for the results of the two independant evaluations that will be at our disposal shortly. We have deliberately wanted to ensure that there is some additional safety margin and therefore the Euro area member states yesterday in the Eurogroup decided to have a maximum amount up to 100 billion euros.  |
| 00:02:41 | <b>SOUNDBITE (in English) by Olli REHN:</b><br>The level of public debt in Spain, though high is clearly lower than in many other countries in the Euro zone. And at the same time, Spain is taking bold and decisive action to ensure the sustainability of its public finances. Including curbing the excessive spending of the autonomous regions which has been a major problem in Spain. Furthermore, Spain is taking very decisive action in order to do structural reforms in (?) and specialy labour market. This is crucial, in order reinforce the growth potential of Spain and thus insure that the country can return to the path of sustainable growth and job creation.   |

00:03:37 SOUNDBITE (in English) by Olli REHN:

The next steps will be following the Spanish announcement and the Eurogroup statement there will be soon a former request by Spain. Then the European Commission will inliance with the ECB, the European Banking authority and the IMF will conduct a profound analysis of the needs of restructering and recapitalisation of the Banking sector in Spain. Subsequently we will define what the financing needs from the Euro area member states, and when that is done we can then proceed to sign a memorandum with Spain. Which will include of course politic conditions in the field of the financial system and banking sector and their reform and restructuring. Meanwhile there will be no new conditions in other areas like fiscal policy or structural reforms because in this areas the normal policy conditionality according to the reinforced economical governance over the European Union will be applied.

00:04:58 SOUNDBITE (in English) by Olli REHN:

We're working closely with Spain, we want to stand by Spain in this difficult challenges. That why Europe responded positively to the announcement of Spain for financial assistance to recapitalise its banking sector. This is pre-emptive action and it is decisive action that shows that Europe and Spain together are ready to take the necessary actions in order to ensure financial stability in Europe and thus to lay sustainable foundation for economic growth and job creation.

00:05:48 END

## CONDITIONS OF USE

This material is offered free of charge for EU-related information and education purposes.

For any other use, prior clearance must be obtained from the Central Audiovisual Library of the European Commission.

In no case may this material be sold or rented.

NB: Pictures containing buildings and artworks may only be used to meet the needs of current news coverage.

**Credit : © European Union, 2013**