



EUROPEAN COMMISSION

MEMO

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Statement by Vice President Rehn following the conclusion of the fifth review mission to Portugal

Portugal has today reached another important milestone on the road to a sustainable recovery in growth and employment. In a very challenging external environment, it has maintained its strong track record in implementing its economic adjustment programme. As a consequence, confidence in Portugal among its international partners and investors continues to grow

The extension in the timeline for the reduction of Portugal's budget deficit will ease the short-term economic cost and social impact of this necessary adjustment. This extension, and the fact that the Portuguese authorities expect to be able to cover any additional financing needs, are further testimony to Portugal's enhanced credibility.

It will be important for Portugal to continue to implement all aspects of the programme with the same level of determination in the coming months, so as to continue to regain competitiveness and restore sustainability to the public finances. I am fully aware that this adjustment and reforms can also bring hardship to many Portuguese citizens in the short term. But the programme is creating the conditions for sustainable public finances, balanced growth and more and better jobs for the Portuguese people. The European Commission will continue assisting Portugal with this ambitious agenda of reform.

The programme has also benefited from broad political and social support, and that has contributed to its good implementation and the increasing confidence in the Portuguese economy. Maintaining this support for the revised adjustment programme will be important in the months ahead.