

Brussels, 5 May 2011

## **Statement on Portugal by Olli Rehn, European Commissioner for Economic and Monetary Affairs, and Dominique Strauss-Kahn, Managing Director of the International Monetary Fund (IMF)**

"We would like to express the strong support of the EC and IMF for the economic programme announced today by the Government of Portugal and supported by the main political parties.

The Portuguese economy faces considerable challenges and we believe that the bold steps being undertaken will enable it to get back on track. The programme's success will require a truly national effort. The total financial support being provided –78 billion Euros--from the European Union and the IMF clearly indicates the international community's commitment to help ensure that Portugal will succeed.

The programme is built on three strong pillars. First, a set of pro-growth measures aimed at making the country competitive again and creating jobs--especially for the young people of Portugal. Second, a set of ambitious fiscal measures needed to reduce the public debt and deficit, implemented at a pace that is realistic and which allows Portugal the time it needs to demonstrate policy implementation and restore market confidence. Third, a set of measures aimed at ensuring the stability of Portugal's financial sector.

We recognise that this programme will require major efforts from the Portuguese people. In this context, we strongly support the authorities' intention to protect the most vulnerable groups and to ensuring that it is implemented in a socially balanced way. One of the goals of the substantial external support being provided is to help reduce the social costs of the economic changes that are needed to build a better future for the country.

This is a defining moment for Portugal. Significant challenges lie ahead. The Portuguese people have shown many times before in history that they can rise to the challenge. We have every confidence that they will do so again--and we offer them our strongest support."