

22 February 2017

### **Joint Statement following the meeting between Minister Luis de Guindos and ESM Managing Director Klaus Regling**

The Minister of Economy and Competitiveness of Spain, Luis de Guindos, and the Managing Director of the European Stability Mechanism, Klaus Regling, held a very constructive meeting in Madrid today.

This meeting is one of a series of regular contacts between the ESM Managing Director and ESM Members. Spain is a key member of the ESM with the fourth biggest share (11.82%) of the ESM's €80.4 billion in paid-in capital, and it also plays a very important role in the future of the euro area and its institutions. The ESM is also a creditor for Spain.

The meeting covered the economic situation of Spain, the ongoing activities of the ESM, and the future of Economic and Monetary Union.

Spain's economic recovery is one of the euro area's success stories in the recent economic crisis. Over the four years since it requested a financial assistance programme to recapitalise the banking sector, Spain has seen robust economic growth rates, well above the euro area average, and a continued improvement in the labour market, with falling unemployment and a fully repaired banking sector.

Challenges remain and the recently reappointed government is committed to fiscal consolidation and the implementation of structural reforms to spur potential growth going forward.

Underlining this good performance, Spain has kept a track record of voluntary early repayments to reduce its debt to the ESM, which now stands at €34.7 billion. Spain has offered to make additional early repayments of up to €3 billion this year, which will be assessed by the ESM governing bodies. This additional request demonstrates Spain's good market access conditions and its comfortable liquidity position.

For the euro area, the case of Spain shows the effectiveness of the ESM's instruments to deal with the recent crisis. It recapitalised its banking system and supported a swift restructuring of the banking sector which, together with a broad reform agenda implemented in parallel by the Spanish government, turned Spain into one of the fastest growing economies in the euro area. The ESM believes that this example should continue to inspire euro area countries where reform sustains current growth trends and delivers lasting prosperity to European citizens.

For the future, both Spain and the ESM remain committed to working together to promote sound economic policies, complete Banking Union, and deepen the architecture of the Economic and Monetary Union, all of which are essential for the resilience of the euro area.

The Minister again congratulated the Managing Director for his re-appointment and the good work in the last years.