EUROPEAN COMMISSION

MEMO

Brussels, 22 January 2014

Statement by Vice President Rehn on Spain

At midnight tonight, the Spanish financial sector programme formally concludes after 18 months.

Spanish financial markets have stabilised, banks have increased liquidity, their solvency position remains comfortable, deposits have been rising and access to funding markets has been improving. The restructuring of banks having received state aid is well underway, guided by the restructuring plans adopted by the Commission. The governance, regulatory and supervisory framework of the banking sector has been significantly strengthened, so as to ensure that the irresponsible practices which led to the crisis in the first places will not be repeated.

The programme has achieved its twin objectives of repairing and reforming the Spanish financial sector, and in so doing, helping to create a sound basis for the economic recovery. These efforts have been carried out alongside major structural reforms aimed at restoring competitiveness, and significant fiscal consolidation to ensure the sustainability of public finances.

The challenges facing Spain remain considerable and there should be no complacency. Efforts must continue to deliver a steady and sustained fall in unemployment, which remains dramatically high. Reforms must be pursued and fiscal consolidation must proceed as agreed.

Nonetheless, today we can conclude that the programme has worked. Thanks to the Spanish authorities' determined efforts and the support and solidarity of the euro area Member States, confidence in the Spanish economy has returned, and justifiably so.