



EUROPEAN CENTRAL BANK  
EUROSYSTEM

*COURTESY TRANSLATION*

Mr Nuno Melo  
Member of the European Parliament  
European Parliament  
60 Rue Wiertz  
B-1047 Brussels

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### **Your letter**

Dear Mr Melo,

Thank you for your letter with a question on Portugal's public finances, which was passed on to me by Sharon Bowles, Chair of the Economic and Monetary Affairs Committee, with a covering letter dated 23 March 2011.

I would like to remind you that, as a principle, the European Central Bank (ECB) does not comment on media reports. I would also like to recall that, in the context of the Excessive Deficit Procedures, all Member States are required to notify by 1 April and 1 October of each year the balance of their government accounts for the past four years and the projected balance for the current year. In addition, I would like to use this occasion to state the following as regards developments concerning Portugal's public finances.

The additional fiscal measures announced by the Portuguese government in March 2011 did not receive parliamentary support. Therefore, in the context of the EU/IMF adjustment programme that was finalised on 5 May 2011, and endorsed by the euro area Finance Ministers at the Eurogroup meeting of 16 May, a new set of measures has been decided by the Portuguese government. These measures are reported on the website of the Portuguese Ministry of Finance<sup>1</sup> and on the website of the Portuguese Government.<sup>2</sup>

The Governing Council welcomes the economic and financial adjustment programme which was agreed by the Portuguese government following the successful conclusion of the negotiations with the European Commission, in liaison with the ECB, and the International Monetary Fund. The programme contains the

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<sup>1</sup> [http://www.min-financas.pt/discursos/default\\_MF\\_110505.asp](http://www.min-financas.pt/discursos/default_MF_110505.asp).

<sup>2</sup> [http://www.portugal.gov.pt/pt/GC18/Governo/Ministerios/MF/ProgramaseDossiers/Pages/20110504\\_MFAP\\_Doss\\_Assistencia\\_Financaira.aspx](http://www.portugal.gov.pt/pt/GC18/Governo/Ministerios/MF/ProgramaseDossiers/Pages/20110504_MFAP_Doss_Assistencia_Financaira.aspx).

necessary elements to bring about a sustainable stabilisation of the Portuguese economy. It addresses in a decisive manner the economic and financial causes underlying current market concerns and will thereby contribute to restoring confidence and safeguarding financial stability in the euro area. The Governing Council welcomes the commitment of the Portuguese public authorities to take all the necessary measures to achieve the objectives of the programme.

Yours sincerely,

[signed]

Jean-Claude Trichet