



Presentation of the Economic Studies Institute book

Montoro states there is no way out of the crisis other than reducing the public deficit

- The Minister of Finance and Public Administrations said that foreign debt is the biggest problem that needs solving in the Spanish economy
- He maintains that a well organised State of Autonomous Regions need not be wasteful, since federal countries have a more developed organisational model with the most efficient economies

21 May 2012. The Minister of Finance Public Administrations, Cristóbal Montoro, today stated that reducing the public deficit is the only way out of the crisis. During the presentation of the Economic Studies Institute book (*Instituto de Estudios Económicos, IEE*) entitled, *El ajuste fiscal de las comunidades autónomas visto desde dentro* [The fiscal adjustment of the Autonomous Regions seen from within], he explained that the political

stability required for the deficit reduction already exists. "Correcting the public deficit is a priority" that transcends political circumstances, the minister said during his speech.

Foreign debt is the biggest problem for the Spanish economy and he called for a reduction in foreign borrowing. The Minister of Finance and Public Administrations attributed a critical role to the Budget Stability Act, since it requires public accounts to be balanced and transparent, helping public finances to be understood.

Cristóbal Montoro took the opportunity to refer to the application of the supplier payment plan, which will settle outstanding commercial debts and has brought an unrecognised part of the deficit to light. "This reality must be faced," the Minister said, and the plan will inject 27 billion euros into the economy.

At the end of May the outstanding bills of local authorities will be paid, and in June, those of the regional governments.

The Minister defended the current State of the Regions, saying that it reflects the plurality of Spain, "the best of Spain", and that most citizens agree. He flatly rejected the idea that this State has wasted money, while also pointing out that countries with non-centralised federal states have the most developed organisational models, with the most efficient and orderly economies.