

## **Statement of G7 Finance Ministers and Central Bank Governors**

**August 8, 2011**

In the face of renewed strains on financial markets, we, the Finance Ministers and Central Bank Governors of the G-7, affirm our commitment to take all necessary measures to support financial stability and growth in a spirit of close cooperation and confidence.

We are committed to addressing the tensions stemming from the current challenges on our fiscal deficits, debt and growth, and welcome the decisive actions taken in the US and Europe. The US has adopted reforms that will deliver substantial deficit reduction over the medium term. In Europe, the Euro area Summit decided on July 21 a comprehensive package to tackle the situation in Greece and other countries facing financial tensions, notably through the flexibilisation of the EFSF. We are now focused on the quick and full implementation of the agreements achieved. We welcome the statement of France and Germany to that effect. We also welcome the statement of the Governing Council of the ECB.

We are committed to taking coordinated action where needed, to ensuring liquidity, and to supporting financial market functioning, financial stability and economic growth.

These actions, together with continuing fiscal discipline efforts will enable long-term fiscal sustainability. No change in fundamentals warrants the recent financial tensions faced by Spain and Italy. We welcome the additional policy measures announced by Italy and Spain to strengthen fiscal discipline and underpin the recovery in economic activity and job creation. The Euro Area Leaders have stated clearly that the involvement of the private sector in Greece is an extraordinary measure due to unique circumstances that will not be applied to any other member states of the euro area.

We reaffirmed our shared interest in a strong and stable international financial system, and our support for market-determined exchange rates. Excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability. We will consult closely in regard to actions in exchange markets and will cooperate as appropriate.

We will remain in close contact throughout the coming weeks and cooperate as appropriate, ready to take action to ensure stability and liquidity in financial markets.