

## II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

## DECISIONS

## COUNCIL

## COUNCIL DECISION

of 20 January 2009

granting mutual assistance for Latvia

(2009/289/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 119,

Having regard to the recommendation from the Commission made after consulting the Economic and Financial Committee (EFC),

Whereas:

(1) Against a background of very high external financing needs, Latvian capital and financial markets have recently come under pressure, reflecting a general deterioration in market sentiment, and increasing concerns about the health of the Latvian economy given its large imbalances in terms of wide external deficit and very large external debt, weakening public finances and high rates of cost and price inflation. The Latvian banking sector has experienced serious liquidity and confidence problems. The level of foreign currency reserves has decreased as the central bank intervened to preserve the currency peg.

(2) The Council regularly reviews the economic policies implemented by Latvia, in particular in the contexts of Latvia's convergence programme and National Reform Programme, as well as in the context of Convergence Reports.

(3) Latvia's total external financing needs up to the first quarter of 2011 are estimated at EUR 7,5 billion.

(4) The Latvian authorities have requested substantial financial assistance from the EU and other international financial institutions and countries to support balance of payments sustainability.

(5) There is a serious threat to the Latvian balance of payments which justifies the urgent granting of mutual assistance by the Community in conjunction with the IMF and other contributors. In addition, in view of the urgency of the matter, it is imperative to grant an exception to the six-week period referred to in paragraph I(3) of the Protocol on the role of national Parliaments in the European Union, annexed to the Treaty on European Union and to the Treaties establishing the European Communities.

(6) The financial assistance package would be provided subject to a strong commitment from the Latvian authorities to implement an ambitious fiscal, financial system and structural reform programme to facilitate the necessary external and internal adjustments, to stabilise the economy and to restore economic policy credibility. The Commission will review regularly and closely, in collaboration with the EFC, that the economic policy conditions attached to the assistance are fully implemented,

HAS ADOPTED THIS DECISION:

*Article 1*

The Community shall grant mutual assistance to Latvia.

*Article 2*

This Decision is addressed to the Member States.

Done at Brussels, 20 January 2009.

*For the Council*  
*The President*  
M. KALOUSEK

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