
GREEK MPS APPROVE WATER AND ELECTRICITY PRIVATISATION

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The Greek parliament has passed measures that will open the way for a 100 billion aid package to be released in the coming weeks.

The bill, which was approved by 152 votes against 141 on Tuesday (27 September), includes privatising water and electricity facilities, liberalising the electricity market and suppressing some exemptions in pension contributions.

In total, it includes 13 measures out of the 15 that the Greek government agreed to adopt in May at the conclusion of the first review of the bailout programme agreed in 2015 with the EU, the European Central Bank (ECB), the European Stability Mechanism (ESM) and the International Monetary Fund (IMF).

Last week, MPs approved the concession of a large part of the former Athens national airport at Elliniko to an international consortium.

Greek authorities and the European Commission also recently agreed on the nomination of the three Greek members of the privatisation board that was set up as part of the programme.

Under the May agreement, and after adoption of the first two prior actions on pensions and tax, Greece received a 10 billion sub-tranche for its debt servicing obligations and to help clear domestic arrears.

A second sub-tranche of 10 billion could now be disbursed after Tuesday's adoption of the bill. The decision could be taken at the next Eurogroup of eurozone finance ministers on 10 October, if creditors are satisfied with the details of the measures.

A meeting of the Euro Working Group, the expert-level part the Eurogroup, will take place on Thursday to examine the bill and give a first indication of the creditors' intentions.

A quick disbursement would be good sign politically but there is no financial emergency as Greece is not under liquidity pressure, sources say.

If the Eurogroup authorises the disbursement of the 10 billion, the second review of the programme could start in October. It would focus on the implementation of the measures adopted in the first review.

The discussion in the coming months will also focus on Greece's debt.

In May, European creditors and the IMF agreed on the principle of debt relief measures, because the IMF said it would stay in the programme only if it considers the Greek debt as sustainable. The Washington-based institution said it would decide by the end of the year.

Discussions on debt relief could start as soon as early October, when EU and IMF officials meet in Washington for the IMF's annual meetings.

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