



GOVERNMENT STRIVES FOR SWIFT COMPLETION OF BAILOUT REVIEW

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The second review of Greece's bailout program enters a crucial phase this week as the so-called Euro Working Group (EWG) is scheduled to meet Monday to take stock of progress made by Athens so far in the implementation of the adjustment program and agreed reforms.

The Eurozone deputy Finance Ministers will assess how close to completion the review is. Following this initial assessment a fresh round of negotiations between the Greek government and envoys representing the country's creditors will begin for about one week.

European Commission president Jean Claude Juncker spoke with Greek Prime Minister Alexis Tsipras last week. According to reports, Juncker urged Tsipras during the telephone call to strive for a swift conclusion of the review in order for talks to shift to the issue of offering Greece debt relief.

EU Commissioner for Financial Affairs, Pierre Moscovici, will be in the Greek capital on Monday to participate in an economic conference and hold talks with Greek officials.

The European side of Greece's creditors will also deliberate privately with the International Monetary Fund this week focusing primarily on how to deal best with Greece's huge sovereign debt.

The Greek side had set the Eurogroup on 5 December as a crucial date as it is expected to seek a political agreement during this session. Ideally, Athens would like the review to be wrapped up and talks on debt relief to begin on 5 December with the latter coming to a close at the end of December.

Labor sector liberalization and fiscal issues (including primary budget surplus targets after 2019) are still unresolved. According to analysts these issues will be critical to developments and it is considered unlikely that they will close before the 5 December deadline set by the Syriza-ANEL government.

Government sources remain upbeat, however, citing progress on creditors' forecast that a fiscal gap of 600 million euros will emerge in the 2018 budget.

Should the implementation of necessary prior actions stall and an agreement appears elusive, a deal could come in a set of phases during which bailout funds and short term debt relief measures will be offered to Greece in return for reforms and achieving milestones./IBNA

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