
EUROZONE SEEKS COMPROMISE ON GREEK DEBT AHEAD OF IMF DEADLINE

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Eurozone finance ministers hope to reach a compromise on Greek reforms on Monday (5 December) in a final bid to get International Monetary Fund support for its bailout programme by the end of the year.

The regular gathering of the 19 ministers of the currency bloc will be held in the immediate aftermath of Italys constitutional referendum, with a defeat of Italian Prime Minister Matteo Renzi potentially putting the euro under new pressure and reigniting the smouldering eurozone crisis, further complicating the Greek talks.

If ministers are able to reach a deal in Brussels, they are likely to hold a second meeting before Christmas to discuss Greek debt relief and the IMFs role, EU officials said.

MOSCOVICI SAYS EU AND GREECE 'VERY CLOSE' TO OPENING VITAL DEBT TALKS

Greece and its European creditors are very close to an agreement that would open the way to vital debt talks, EU economy commissioner Pierre Moscovici said on Monday (28 November).

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Greece is required by its euro zone creditors to pass wide-ranging reforms and sell state assets under an 111 billion bailout programme, but negotiators have not been able to agree on labour and energy reforms or Greeces 2018 fiscal targets, leaving ministers to close the remaining gaps.

A deal would allow discussions on substantial relief measures for Greece, whose debt, at about 180% of gross domestic product, is the highest in the euro zone.

A first set of short-term measures, to be applied before 2018, will be presented by the European Stability Mechanism, the eurozone bailout fund, but they are far from enough to make Greeces debt sustainable, officials said.

PRIVATISATION OF GREEK GAS GRID OPERATOR DESFA FAILS

Greece said yesterday (30 November) that talks to sell a 66% stake in gas grid operator DESFA to Azerbaijans state-owned oil company, SOCAR, were not successful.

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New year deadline

The IMF, a key creditor in prior Greek bailouts, has linked its participation to a deal on a significant cut in Greek debt and has set the end of the year as a deadline for a decision.

Germany, the eurozones largest economy, wants the IMF onboard to reduce its own exposure to Greece and help step up the pressure on Athens to make reforms.

Greece must carry out structural reforms instead of receiving further debt relief if it wants to achieve sustainable growth and stay in the eurozone, Germanys Finance Minister Wolfgang Schaeuble said on Sunday.

The IMF considers Berlins demands unrealistic unless Greece gets significant debt relief or adopts new budget cuts. The Greek government opposes new austerity measures.

OBAMA OFFERS GREECE SOLIDARITY ON DEBT AS POLICE CLASH WITH PROTESTERS

Barack Obama offered solidarity with Greece over its debt and migrant crises yesterday (15 November) during his final trip to Europe as US president before handing over power to Donald Trump.

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Although Athens is not in immediate need of new funds, it is keen to reach an overall deal in December so that it can be included in the European Central Banks bond-buying programme before this is overhauled in March.

It also fears that elections in Europe in 2017 may make debt relief less likely, if no decision is reached soon. Germans go to the polls in the autumn and tend to shun politicians who appear lenient towards Greece and other southern European countries.

Elections in March are also likely to unsettle the Dutch government and push out Finance Minister Jeroen Dijsselbloem, who is a key negotiator in Greek talks and called last week on eurozone creditors to be realistic in the fiscal targets they set for Greece.

TIME FOR EU LEADERS TO DELIVER ON COMMITMENTS TO GREECE

The Eurogroup will today (5 December) examine the progress Greece has made so far. Now the EU must deliver on their own commitments, write Dimitrios Papadimoulis, Udo Bullmann and Pervenche Berès.

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