
EU TELLS GREECE, 'NO IMF, NO MONEY'

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The onus is on the Greek prime minister to decide whether Athens will legislate fresh measures for 2019, as the countrys creditors are demanding, while the latter have formed a common front against Athens, and both the European Stability Mechanism and Berlin on Monday stressed the need for the International Monetary Funds participation in the program.

Any disbursement to Greece will take place only with the IMFs participation in the program, the head of the ESM, Klaus Regling, said on Monday, adding that the technical know-how of the Fund is necessary.

The German Finance Ministry toed the same line, with a spokesperson saying on Monday that we continue to believe that the IMF will fulfill its promise, and it is too early to assume what will happen if that is not the case, underscoring that the IMFs participation concerns the supply of both know-how and financial support.

When questioned, European officials simply describe the situation the negotiations are in after last Thursdays Eurogroup, without referring to any form of solution, making it clear that the decision now rests with Prime Minister Alexis Tsipras, who has to accept or reject the measures for 2019 that all of the countrys creditors are demanding.

While the eurozone stresses that Greece must adopt all reforms it has committed itself to, Bloomberg reported on Monday that the letter Finance Minister Euclid Tsakalotos sent to the creditors last week included the admission that only a third of the reforms set as milestones for the second review have been fulfilled. Another third is to be completed in the coming weeks and the rest will require just 10 days but only after an overall agreement has been reached.

Among the reforms that are still pending are closing the 2018 fiscal gap □ that the creditors put at 700 million euros while the government argues its extra measures will fetch 550 million □ reforms in labor relations and opening up the energy market.

The Tsakalotos letter, according to Bloomberg, states that there is no fiscal gap expected for this year as the primary surplus of 2016, estimated at 2.3 percent of gross domestic product, was higher than its target.

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