
SCHAUBLE DENIES 'GREXIT' THREAT, SAYS GREECE ON RIGHT PATH

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German Finance Minister Wolfgang Schäuble denied yesterday (19 February) that he had said Greece would have to leave the eurozone if it failed to implement economic reforms.

Schäuble said in an ARD television interview that Greece would not have problems if it implemented agreed reforms, but would if it fails to carry these out.

I never made any (Grexit) threats, Schäuble told ARDs Bericht aus Berlin programme just before the network played recent comments in which he said Greece was not yet over the hill and the pressure needed to stay on Greece or it couldnt stay in the currency union.

Schäuble said he was giving Greece the same message that it has received throughout its crisis from institutions such as the International Monetary Fund. If Greece carries out the reforms, there wont be any problems. If they dont, then there will be problems.

Schäuble added: Im confident. Greece is on the right path.

Schäuble also said he expects the IMF to participate in a third bailout package for Greece after German magazine Der Spiegel said the Fund would contribute up to 100 billion. The IMF declined to comment.

I assume it will, Schäuble said when asked about the IMFs participation. He noted the IMF had said in 2015 it would participate if Greece fulfils its reform targets. I assume that can be achieved in the coming weeks.

It remains unclear whether the Fund will be involved in the programme, and this is likely to be one of the main talking points when Chancellor Angela Merkel and IMF Managing Director Christine Lagarde meet on Wednesday.

Germanys government, gearing up for what is forecast to be a tight national election in September, opposes debt relief for Greece as sought by the IMF. Still, Berlin says the current programme can only continue if the Fund joins in.

European law does not allow (national) debt relief, Schäuble told ARD ahead of a meeting in Brussels on Monday with eurozone finance ministers. Greece has to become more competitive. Thats what the programme is for.

A spokeswoman for Schäuble had said on Friday that the German government has always considered IMF participation to be essential in Greeces third aid-for-reforms package.

The Fund has insisted on debt relief and precautionary fiscal measures to ensure that Athens can meet its fiscal targets before it will consider participating in the bailout. Without new policies, the IMF believes Greece can only meet a primary fiscal surplus target of 1.5% of gross domestic product by 2018.

<http://www.euractiv.com/section/all/news/schauble-denies-grexit-threat-says-greece-on-right-path/>

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