
MOSCOVICI SEES DEAL ON GREEK LOANS, FAIR SOLUTION ON DEBT

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European Union Currency Commissioner Pierre Moscovici said he expects Greece and its international lenders to reach a compromise deal on new loans this week and that a fair solution will be found on debt relief.

No one wants a debt cut anymore. Its about debt relief, for instance, longer repayment schedules, Moscovici told the Funke group of German newspapers in an interview published today (14 June).

Lets not play with fire with Greece, Moscovici said in an interview with Le Parisien.

He said Greece should be rewarded for the tough reform package approved by its parliament and eurozone finance ministers would likely agree tomorrow to pay out the next tranche of loans. Things are moving in the right direction, he said.

Moscovici stated that the third tranche of aid would be the last, after which Greece would again be a normal member of the eurozone, enabling its likely return to capital markets in 2018.

His remarks echoed comments by officials who predicted on Monday that euro zone finance ministers and the International Monetary Fund would likely reach a deal that paved the way for new loans while delaying decisions on debt relief.

A conclusion of the second review of the 220 billion bailout would include the unblocking of new loans for Greece, which are needed to pay debts due in July.

On 22 May Eurozone ministers were unable to settle deep differences on debt relief pitting Germany against the IMF.

Eurozone fails to reach Greece debt deal amid IMF row

Eurozone finance ministers failed to reach a deal for fresh bailout cash for Greece yesterday (22 May), as a row with the International Monetary Fund over debt relief dragged on.

The IMF says Greeces debt is unsustainable and will be explosive in the long run, and advocates a debt relief.

German Finance Minister Wolfgang Schäuble opposes debt relief, but at the same time refuses to unlock more loans to Greece without the partnership of the IMF, which he sees as a guarantor of financial rigour.

Kaynak/Source: