

Greece successfully concludes ESM programme

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Press releases

ESM

Luxembourg – Greece officially concludes its three-year ESM financial assistance programme today with a successful exit. This follows the disbursement of €61.9 billion by the ESM over three years in support of macroeconomic adjustment and bank recapitalisation in Greece. The remaining €24.1 billion available under the maximum €86 billion programme volume was not needed.

ESM Members agreed the financial assistance package in August 2015. Greece had also received €141.8 billion in loans from the EFSF between 2012 and 2015. The total amount disbursed by both rescue funds is €203.77 billion, which is unprecedented in modern history, as is the long maturity of the loans (currently over 30 years on average) and very favourable interest rates. From 2010 to 2012, Greece received € 52.9 billion in bilateral loans under the so-called Greek Loan Facility from euro area Member States.

“Today we can safely conclude the ESM programme with no more follow-up rescue programmes, as for the first time since early 2010 Greece can stand on its own feet. This was possible thanks to the extraordinary effort of the Greek people, the good cooperation with the current Greek government and the support of European partners through loans and debt relief”, said Mario Centeno, the Chairperson of the ESM Board of Governors. “The ultimate goal of the financial assistance plan and reforms in Greece over the past eight years has been to create a new basis for healthy and sustainable growth. It took much longer than expected but I believe we are there: Greece’s economy is growing again, there is a budget and trade surplus, and unemployment is falling steadily.”

ESM Managing Director Klaus Regling said: “Greece is the fifth country after Ireland, Spain, Portugal, and Cyprus to exit an EFSF or an ESM programme. As the ESM and EFSF are Greece’s largest creditors, holding 55% of total Greek government debt, our interests are aligned with those of Greece. We want Greece to be another success story, to be prosperous and a country trusted by investors. This can happen, provided Greece builds upon the progress achieved by continuing the reforms launched under the ESM programme. We will soon provide further support to Greece as the medium-term debt relief measures, politically agreed by the Eurogroup in June, will be incorporated into lending arrangements with Greece and are expected to be approved formally by the EFSF Board of Directors this fall.”

In the course of its financial assistance programmes, Greece benefitted from unprecedented solidarity of its euro area partners. Thanks to the ESM’s and EFSF’s extremely advantageous loan conditions with long maturities and low interest rates, Greece saves around €12 billion in debt servicing annually, 6.7% of GDP every year. In 2017, the ESM implemented short-term debt relief measures that will reduce Greece’s debt-to-GDP by around 25 percentage points until 2060 and its gross financing needs by 6 percentage points. The medium-term measures are expected to reduce Greece’s debt-to-GDP ratio further by another 30 percentage points until 2060 and the country’s gross financing needs by another 8 percentage points.

The ESM will continue to cooperate with the Greek authorities under the ESM’s Early Warning System, designed to ensure that beneficiary countries are able to repay the ESM as agreed. For that purpose, the ESM will receive regular reporting from Greece and will join the European Commission for its regular missions under the Enhanced Surveillance framework.

The International Monetary Fund (IMF) also disbursed a total loan volume of €32.1 billion to Greece in parallel to the Greek Loan Facility and the EFSF programme of which around €21 billion has already been repaid. However, the IMF did not disburse any money to Greece in parallel to the ESM programme.

More information on the conclusion of the ESM programme for Greece is available on our [website](#).

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