

Excerpts from Klaus Regling's interview with Omega TV (Cyprus)

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Interviews

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Interview with Klaus Regling, ESM Managing Director for Omega TV (Cyprus)

Interview conducted and broadcast on 5 November 2019

Interviewer: Christina Mavrou

Original language: English

On the impending court decision on the restitution of the public salary cuts introduced in 2011 and 2012

I cannot speculate how much the amount will be in the end, but I know that court rulings have to be accepted. This happens in many countries. And then one has to find a way, but it is a fiscal risk, that's clear. From my talks with the Finance Minister and also the President that I had while I am here in Nicosia, I know that they are well prepared.

On the introduction of the National Health System

One has to keep an eye, because in most countries around the world, the health sector often becomes more expensive than foreseen by the governments, because there is so much technological progress and people want to use those services, so one should be careful. So that is one risk, but it was still a good reform.

On the reduction of non-performing loans at banks

From what I understand, there are plans being implemented to reduce them further over the next few months, so that hopefully the NPL problem will be then behind us in Cyprus, and that's important because with high NPLs, banks cannot play the role that they must in a healthy economy, so further NPL reduction is much welcome. From what I hear, there is a good chance this will happen early next year.

On Cyprus' citizenship-by-investment scheme

It is not only Cyprus, other countries like Portugal, Malta have similar programmes and the European Commission looks at that very carefully because it's in the interest of all Europeans that there is no misuse of these schemes. So transparency, good governance and accountability are important. Money laundering must be avoided. But I know the government is in talks with the European Commission to do that.

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