

Transcript of statement by ESM Managing Director Klaus Regling

Press conference following Eurogroup meeting, 22 April 2016

A few words on Greece from the ESM perspective: I can confirm what you already heard, that there has been good progress in Athens; there was good cooperation among the institutions, and also with the Greek authorities. And I welcome that there is now an overall agreement on the package of fiscal measures and key structural reforms.

As the data from Eurostat yesterday confirm, the fiscal performance last year was substantially better than expected – that is encouraging. But we have to look into the future, and the future is uncertain. There is not a full agreement on the forecasts; in principle the ESM shares the Commission's analysis, but we have to admit that looking over a 2-year horizon, uncertainty is high when we make forecasts and therefore I also believe, like the other speakers, that to identify contingencies, as an extra insurance in case something happens unexpectedly, is a useful way to go, and that hopefully can be done in the next few days. That would be the precondition, as the President [of the Eurogroup] said, to look into debt relief, in accordance with the statement by leaders and the Eurogroup last July and August. Because the ESM is by far the largest creditor of Greece, we have a particular interest to find solutions that make Greek debt sustainable, and therefore at the technical level, we are looking into options such as maturity extension or grace periods. But again, as said by President Dijsselbloem, nominal haircuts have again been excluded by everybody in the Eurogroup today.

I hope that all this can be concluded soon, because the liquidity situation is becoming tight; it's now exactly 4 months ago when we made our last disbursement from the ESM to Greece. There have been and there are debt service payments; more are coming due in the next few months. There is a risk that the government may have to accumulate domestic arrears again, which would be very detrimental for the economic situation, therefore I hope we can make good progress in the next few days and weeks.