

Interview of ESM Managing Director Klaus Regling with “Bild”

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BILD Does the 3rd package (for Greece) have to be stopped or is it possible to ensure that the new government complies with the agreement?

Klaus Regling: Already before the negotiations started, Greece had to pass important reforms in parliament: for example tax laws, pension reforms, the independence of the statistical office. The country has committed itself to three years of tough reforms. And after the elections Alexis Tsipras will presumably have a more stable majority in parliament and also within his own party than today. In any case the rule for all of our loans is that we only disburse money once the reform conditions have been implemented.

But Tsipras already says that he wants to renegotiate the reform package. Is that possible?

Regling: I don't see that. I have seen the new Greek finance minister as a serious negotiating partner. On behalf of his country he has committed himself to a comprehensive reform programme. He and Prime Minister Tsipras know now that if they want to lead Greece out of the crisis they need the help of the euro partners and they need our rescue loans.

How important are the rescue funds as the provider of money for Athens?

Regling: Currently investors don't trust the government in Athens and they don't lend the government any money. Therefore Greece depends on getting loans from the ESM rescue fund – against conditionality, of course.

Would the ESM be able to finance the aid package of € 86 billion alone if the IMF does not participate?

Regling: Theoretically yes. But the euro countries think that the IMF will again participate in the financing later. IMF Managing Director Lagarde has made comments along these lines. Additionally, if Greece implements the agreed reforms with determination, it is possible that investors will start to lend money again to Greece while the programme is still ongoing. In that case the ESM would have to disburse less.