

# Regling to ANA: Greece could tap the markets before its aid program ends

BRUSSELS (ANA/M. Aroni) - If the Greek government implements vigorously its reform program, investors' trust in the country will return, the European Stability Mechanism's (ESM) Managing Director, Klaus Regling, told exclusively the Athens-Macedonian News Agency (ANA) in an interview on Tuesday. The ESM chief also said it will be good for Greece to start connecting gradually with the markets before its aid program ends in 2018 - sometime in 2017 - adding that this aim is achievable if the government sticks to its reform agenda. The full interview is as follows:

ANA: Following today's decision by ESM to disburse 2.8 billion euros to Greece, you stated that "If the government continues to implement the reforms agreed in the ESM program, growth of the Greek economy could accelerate next year and the government may be able to start issuing bonds again next year". Why is it necessary for Greece to try to finance itself in the markets before the end of the program?

Regling: "Greece has not been on the market much since 2010. Therefore it would be good that the government starts to connect progressively with investors before the ESM program ends in 2018 and new ESM loans are not available anymore. If the government implements the agreed reform agenda of the ESM program in a determined manner investors will regain confidence in Greece. This is what happened in the middle of 2014 when the Greek government of that time was able to successfully issue a 3-year and a 5-year bond."

ANA: When do you think it is reasonable for Greece to start issuing bonds next year and with what kind of maturities?

Regling: "The precise timing in the course of 2017 and the maturities of the bonds will be decided by the Greek debt management office in Athens."

ANA: By the end of the program Greece will have to finance itself completely in the markets? Do you think that this is realistic?

Regling: "It is the aim of all programs that borrowing countries are able to finance themselves completely on the market again. This has worked well for Ireland, Portugal and Cyprus. These countries reentered the market well before the end of their respective programs. I am convinced that this is also realistic for Greece, provided the government shows strong ownership in implementing the reform agenda it agreed to under the ESM program. The government will be helped by the fact that around two thirds of the Greek public debt will be held by the rescue funds ESM and EFSF at the end of the ESM program in 2018. That means that our very favorable lending conditions will apply to the overwhelming part of Greek public debt for a long time to come because of the very low interest rates and the very long maturities of our loans to Greece."

