

STATEMENT
Brussels, 8 December 2014

Eurogroup statement on Greece

The Eurogroup welcomes the recent positive macroeconomic developments in the Greek economy. The improving growth prospects for Greece reflect the remarkable adjustment efforts undertaken by the Greek citizens and authorities. The economic adjustment programme is starting to pay off and is proving to be a cornerstone for Greece's return to sustainable and balanced growth and job creation.

We also welcome the progress made by the Greek authorities in order to address the outstanding issues to conclude the fifth review, as assessed by the European Commission (EC), the ECB and the IMF. However we take note that despite this recent progress the current review can no longer be completed before the end of year. Therefore, the current review will need to continue into early 2015 until the staff-level agreement is reached and all the prior actions are deemed to be fulfilled. This would pave the way for the disbursement of the EUR 1.8 billion outstanding under the current EFSF programme.

Therefore, the Eurogroup would be favourably disposed to a request by Greece for a technical extension of 2 months of the current EFSF programme. The Eurogroup asked the institutions to prepare a factual report on the state of play of the current review and gave a mandate to the EWG to report to Member States in order to launch the national procedures with a view to reach a final decision on the extension of the current EFSF Master Financial Facility Agreement by the EFSF Board of Directors by the end of the year.

Moreover, we were informed by the EC, the ECB and the IMF that it would be prudent to extend the availability period of the EFSF bonds in the HFSF buffer until the end of February 2015, in parallel to the extension of the EFSF programme. The Eurogroup looks favourably at such an extension. Following a request by Greece, the EFSF can make the necessary arrangements before the end of the year.

The Eurogroup urges the Greek authorities to ensure a rapid and full implementation of all the reform measures necessary to conclude the fifth review. These reforms are key for the smooth functioning of the Greek economy and will contribute to bringing about sustained growth and employment and to secure the sustainability of public finances, thereby fully delivering on the programme objectives.

Euro area Member States remain favourably disposed to granting Greece an ESM precautionary credit line (ECCL), if Greece were to request this and subject to the finalisation of the reform measures that are still pending under the current review, continued involvement of the IMF, and the completion of relevant national and EU procedures.