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Eurogroup Statement on Greece

The Eurogroup welcomes the conclusion of the fourth review mission under the second macroeconomic adjustment programme for Greece. The Eurogroup reiterates its appreciation for the efforts made by the Greek citizens and notes with satisfaction that the fiscal performance is on track to exceed the programme targets in 2013 and meet them in 2014, allowing Greece to provide additional financing for debt servicing and to undertake some one-off spending in 2014 to bolster social cohesion. Good progress is also being made on structural reforms.

At the same time, the reform process will have to continue in order to enhance the growth potential of the Greek economy by creating job opportunities and a healthy investment environment. In this context, the Eurogroup welcomes the authorities' strong commitment to the implementation of a wide range of product (goods and services) market and institutional reforms. Concrete measures to liberalise transport and rental markets and to open up closed professions are being prepared. Bold and frontloaded cuts in social security contributions are expected to improve competitiveness and boost growth. In addition, the authorities have committed to far-reaching energy market reforms and to enhancing the privatisation of public corporate and real estate assets, which would provide financing to the government while unlocking private investment. It is also important that continued progress is made in the area of public administration reforms, in order to improve the quality and efficiency of the services that the public sector provides to its citizens, as well as with labour market reforms.

The Eurogroup acknowledges the actions and commitments of the authorities to ensure the resilience of the banking sector, which will support the economic recovery. Following the publication of the Bank of Greece's supervisory stress test and asset quality review, two of the four core banks have already successfully raised more than the capital required by the supervisor (under the baseline scenario) fully from private investors. This is an encouraging sign of improving market confidence. We now expect that also the remaining two core banks will raise their capital needs swiftly first and foremost from private investors.

The Eurogroup considers that the necessary elements are now in place to launch national procedures with a view to pave the way for the approval of the next EFSF instalment of EUR 8.3 billion. The instalment is foreseen to be disbursed in three tranches. A first tranche of EUR 6.3 billion is expected to be approved by the EWG and the EFSF's Board of Directors, following the full implementation of the prior actions and finalisation of Member States' relevant national procedures. The disbursements of the second and the third tranches, amounting to EUR 1 billion each, are linked to the implementation of milestones agreed between Greece and the Troika institutions.

The programme is fully financed for the next 12 months, including by drawing on temporary sources of financing such as deposits of general government subsectors. Euro area Member States recall their commitment to provide adequate support until Greece regains market access, provided Greece fully complies with the requirements and objectives of the adjustment programme. This will be further addressed in the context of the next review.