

Statement by Klaus Regling following meeting with Greek Finance Minister Christos Staikouras

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I met Finance Minister Staikouras right after he became finance minister. That was last July here in Athens and he told me: “With me, you will have no surprises. I tell you what I do and I do what I tell you.”

The experience since then has proven that he has really chosen that approach. We meet every month in the Eurogroup. Most of the time we also have a bilateral meeting in the margins of these monthly meetings. We continued this dialogue here today, with a bit more time, going into more of the substance.

We looked at the new, unexpected double-challenge Greece faces: the economic effects of the coronavirus, and the migration issue. As Minister Staikouras said – and I agree with that – the European fiscal framework allows for some flexibility for unexpected developments outside the control of the government. Ultimately, the Eurogroup has to decide on where that flexibility should be used and to what extent, but I would be prepared to support some of the ideas that the Minister has in this

direction. I know that the Eurogroup next Monday will talk about that.

We also discussed the government's ongoing reform commitments and reform plans. They are reflected in the 5th Enhanced Surveillance Report issued a few weeks ago. The report is overall positive, but a number of areas were identified where the government should accelerate implementation. I stressed that a lot of work is still needed to successfully complete the next review, which will be the basis for approving the next set of debt relief measures for Greece.

We also discussed the minister's ideas for lowering the fiscal targets agreed until 2023. And we took stock of the developments regarding the assumptions that underlie the Greek Debt Sustainability Analysis, the DSA. We at the ESM need to look into this more thoroughly, with the other European institutions, and then ultimately present proposals to the Eurogroup.

The ESM is by far Greece's biggest creditor. We have disbursed over €200 billion in loans. We are a very patient creditor, because our loans run up to 2070, that is 50 years from now. That would be the final payment. The average loan maturity is 42 years.

We do want the money back one day. That's why it is important to look at policies, and we are fully aligned what kind of policies are good for the Greek people - policies that generate growth and jobs. These are also the policies that are in the ESM's interest, because with growth and a developing economy it will also be possible to honour our creditor rights.

Our interests are aligned. I consider the ESM to be Greece's long-term partner. In that spirit we had our meeting today and we will continue to talk next Monday.

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