

Transcript from Eurogroup press conference

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Press conferences

ESM

Transcript of statement by ESM Managing Director Klaus Regling

Eurogroup press conference, 10 October 2016

Let me give you a few more details on the disbursement that we may do in the next few weeks. As you heard, the ministers discussed €2.8 billion that is left out of the second tranche of €10.3 billion. €7.5 billion was disbursed in June. The €2.8 billion as you heard has two parts: one for debt service payment and the other for arrears clearance. The ministers authorised the disbursement of €1.1 billion for debt service payments; the formal agreement for that has to come from the ESM Board of Directors, as usual, but the ministers authorised it politically. The next regular ESM Board of Directors meeting will be in two weeks, and then that decision will be taken.

The second part of €1.7 billion for arrears clearance could be authorised at that meeting also, but it depends if we get the missing information, the missing data, to be sure that the target on net arrears clearance has really been met by the end of September. We know that the money disbursed in July – it was €1.8 billion – that went into a special account earmarked for arrears clearance, has been fully used for the purpose intended, so the €1.8 billion was indeed used for arrears clearance, which is very helpful for the Greek economy, and we have all the data and information. But for net clearance, we need to know whether there have been any new arrears accumulating, so that's what we are waiting for, and hopefully we will get the information by the time our Board of Directors meet.

Just as a reminder, up to now the ESM has already disbursed €28.9 billion to Greece since the third programme of up to €86 billion was agreed last year. With that, the ESM and its predecessor, the EFSF, have disbursed €171 billion to Greece since 2011. With that, the rescue funds are obviously the largest creditor to Greece, and this provides huge benefits for the Greek economy and the Greek budget – because our loans have long maturities and very low interest rates, less than 1% for instance from the ESM. This provides savings for the Greek budget of over €8 billion every year in saved debt service payments, and that corresponds to about 4.5% of Greek GDP.

(response to question on timing of disbursement to Greece)

The Board of Directors have their next regular meeting in two weeks' time, so it will happen then. We could do it earlier, but there is no need to have a special meeting on this. It will be taken when the Board of Directors meets anyway. But this is a legal, formal requirement that we have to do; the political authorisation happened today.

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