Statement by Nicola Giammarioli at 19th Annual Invest in Greece Forum

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Speeches

ESM

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Statement of Nicola Giammarioli

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Capital Link's 19th Annual Invest in Greece Forum

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Since the conclusion of the second review last summer, Greece tapped the market in July and was able last November to execute successfully the largest liability management exercise in history involving the so-called Private Sector Involvement bonds.

In summary, the trend is positive and will improve further if the third review is also completed swiftly as well as the remaining commitments under the programme are fulfilled.

This is the same pattern we saw for other ESM/EFSF programme countries. I have no doubt that if Greece continues delivering on the reforms, it will follow the same pattern.

In regard to debt, first, as it has now become the norm, what matters for Greece is not so much the stock but the flow, the so-called gross financing needs.

To keep them under control, what is needed is that Greece will stick to the committed primary surplus path. In addition, the European partners envisaged last year a number of debt-relief measures that are being delivered.

Today, I can report a piece of good news: the ESM has successfully implemented the so-called short-term debt relief measures for Greece over the course of 2017.

Those measures were approved just about a year ago and were presented to this very forum last December.

We now estimate that the total package of short-term debt relief measures will reduce the country's debt-to-GDP ratio by about 25 percentage points by 2060, and the gross financing needs-to-GDP ratio by around six percentage points. This is a bigger reduction than foreseen in the original estimates.

I am sure that such an outcome will help the country in its efforts to regain the confidence of markets.

In conclusion, let me stress again that Greece must continue reforming its economy so that it can successfully exit its third assistance programme by next August.

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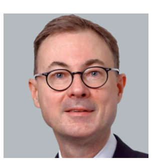

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