

Eurogroup Statement on Greece

The Eurogroup formally approved the second disbursement under the second economic adjustment programme for Greece, following the finalisation of the relevant national procedures and after having reviewed the outcome of the debt buy back operation conducted by Greece.

The Eurogroup welcomed the result of the debt buy back operation, which will lead to a substantial reduction of the Greek debt-to-GDP ratio.

The Eurogroup reaffirmed that this, together with the initiatives agreed by the Eurogroup on 27 November and full implementation of the adjustment programme, should bring Greece's public debt back on a sustainable path, to 124% of GDP in 2020. Greece and the other euro area Member States are prepared to take additional measures, if necessary, to ensure that this objective is met.

On that basis, Member States have authorised the EFSF to release the next instalment for a total amount of EUR 49.1 billion.

The disbursement will be made in several tranches. EUR 34.3 bn will be paid out to Greece in the following days. The remaining amount will be disbursed in the first quarter of 2013. First, a further amount to cover bank recapitalization and resolution costs will be paid out in January 2013. Second, funds to cover budgetary financing will be disbursed in three sub-tranches, linked to the implementation of specific MoU milestones to be agreed by the Troika.

The Eurogroup is convinced that continued fiscal and structural reforms, building on the strong commitment demonstrated in the recent past and the wide range of reforms already carried out, will allow the Greek economy to return to a sustainable growth path with higher employment, thus paving the way towards a more prosperous future. We strongly encourage the Greek citizens to sustain their efforts and to implement the necessary reforms.