

Eurozone Releases Partial Bailout for Greece Amid German Doubts



Brussels, October 12 (RHC)-- Eurozone ministers have unlocked \$1.2 billion for Greece from its huge third bailout after it delivered the necessary reforms, but held back more funds amid doubts from Germany.

Jeroen Dijsselbloem, the head of the Eurogroup of 19 eurozone finance ministers meeting in Luxembourg, told reporters: "Greece has completed implementation of all 15 (reforms) for the first review. This paves the way to disburse 1.1 billion euros," said Greece had missed several deadlines to deliver fresh reforms and unlock pending bailout loans and—more crucially—launch negotiations on debt relief later in the year.

Each set of reforms has led to more poverty for and more protests from average Greeks, who had hoped the left-leaning Syriza party, which they voted into power, would have fought against austerity demands from the EU.

Greece got an 86 billion euro bailout after agreeing to major reforms in July 2015, its third since it was engulfed by debt in 2010. "We hope before the end of October, the data will be available and on that basis we could decide on disbursement of 1.7 billion euros, that is also good news," added Dijsselbloem,

who is also Dutch finance minister.

The split payment came after complaints by powerful Germany that Athens had still fallen short, but Dijsselbloem said Athens had delivered on reforms. To satisfy Berlin, a statement from the Eurogroup of eurozone ministers urged Athens to properly deliver on details of the reforms.

The reforms, 15 in all, included the long-delayed new privatization fund and reforms in the highly sensitive energy sector.

"The disbursement of the 1.7 billion euros which correspond to the repayment of arrears" will take place on October 24, said Greek Finance Minister Euclid Tsakalotos, who added he was pleased with the result of Monday's meeting. German Finance Minister Wolfgang Schaueble did not speak to reporters after the talks.

Greece's financial troubles make it desperate for the bailout cash, with Syriza eager to complete a second review by the end of the year, which would then trigger talks on reducing the country's huge debt load.

Germany, which holds elections next year, is loath to forgive any of Greece's debt, but tackling the problem is a firm demand of rescue partner, the International Monetary Fund. The Washington-based IMF, a key player in Greece's three bailouts, has said it won't give a penny to the latest one until it sees a concrete plan from the Europeans to substantially cut Greece's massive debt burden.

But the IMF and EU creditors disagree sharply on how much Athens can improve its finances through ongoing reforms. "I wish the IMF remains what it is already, a structural player in this programme," EU Economics Affairs Commissioner Pierre Moscovici said.

Athens said last week that Greece's debt will grow to \$351 billion or 178.9 percent of output this year.

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