

Greece Officially Defaults on IMF Bailout Loan



Athens, July 1 (RHC)-- Greece has officially defaulted on its bailout loan with the International Monetary Fund (IMF) following the failure of its negotiation with international creditors.

The country missed the Tuesday midnight deadline to repay "1.6 billion (\$1.79 billion) it owes to the IMF, becoming the first developed country to default on a loan to the fund. The development came following reports that Athens had made last-minute overtures to its international creditors to cancel the country's upcoming referendum on the issue in exchange for winning an extension of the payment deadline.

Meanwhile, Prime Minister Alexis Tsipras has called on Greek voters to massively reject the bailout terms offered by the EU which require Athens to further slash government spending and hike sales taxes.

Greece's troika of international lenders - the European Central Bank, the European Commission and the IMF - offered a \$13.4-billion extension of the current bailout deal to Athens on June 26 on the condition that the cash-strapped country accepts the list of austerity reforms under a new agreement between the two sides.

The country received two bailout packages in 2010 and 2012 worth a total of \$272 billion from its creditors following its 2009 economic crisis, in return for implementing harsh austerity measures.

According to the terms of the bailout deal, Greece had to make the \$1.6-billion payment to the IMF at the end of June. Greece's default will potentially set it on a path out of the euro with unpredictable repercussions for the EU's grand currency project as well as the global economy.

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