

# Economic Outlook Committee

- 19<sup>th</sup> February 2010 -

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# Update on Greece



## Strong conditionality, cautious political support and no detailed commitment

- February 2<sup>nd</sup>: the Greek government unveiled tougher measures
  - Further cuts in the pension and wage bills
  - Higher taxes on oil
- February 3<sup>rd</sup>: The European commission cautiously approves the Greek adjustment program
  - The program is approved, but it must be detailed further and suffer from optimistic growth forecast
  - Excessive deficit procedure adopted; Greece may face sanctions
  - Strong monitoring process over the months and years to come (monthly monitoring at first and then every 3 months, with first report on the 16th of March)
  - Infringement procedure opened against Greece requesting the government to tackle statistical, institutional and governance deficiencies
- February 11<sup>th</sup>: The European council gives political support to Greece
  - But did not commit to any form of specific help.
  - The statement reads “Euro area Member states will take determined and coordinated action, if needed, to safeguard financial stability in the euro area as a whole. The Greek government has not requested any financial support”.
- February 16<sup>th</sup>: The Eurogroup adds no details on the circumstances of a potential bailout

