Greece begins a new chapter following the conclusion of its stability support programme

The successful conclusion of the programme is a testament to the efforts of the Greek people, the country's commitment to reform, and the solidarity of its European partners.

European Commission President Jean-Claude **Juncker** said: "*The conclusion of the stability support programme marks an important moment for Greece and Europe. While their European partners have demonstrated their solidarity, the Greek people have responded to every challenge with a characteristic courage and determination. I have always fought for Greece to remain at the heart of Europe. As the Greek people begin a new chapter in their storied history, they will always find in me an ally, a partner and a friend.*"

Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: "*The conclusion of the stability support programme is good news for both Greece and the euro area. For Greece and its people, it marks the beginning of a new chapter after eight particularly difficult years. For the euro area, it draws a symbolic line under an existential crisis. The extensive reforms Greece has carried out have laid the ground for a sustainable recovery: this must be nurtured and maintained to enable the Greek people to reap the benefits of their efforts and sacrifices. Europe will continue to stand by Greece's side*."

A total of €61.9 billion in loans have been provided to Greece under this stability support programme on the basis of implementation of a comprehensive and unprecedented reform package. This stability support programme took a coordinated approach to tackle long-standing and deep-rooted structural issues that contributed to Greece experiencing an economic crisis.

Greece has taken measures to ensure its fiscal sustainability, bringing the general government balance from a significant deficit to surplus in 2017, which is projected to be maintained. These reform measures and consolidation efforts will have cumulative effects over time, and will thus continue to positively impact fiscal sustainability well beyond the conclusion of the programme.

The financial sector is now in a much stronger position as a result of successful recapitalisation operations, an overhaul of bank governance, and work to implement a strategy to reduce non-performing loans, which must be sustained.

The efficiency and efficacy of the public administration has been improved including through the introduction of new rules on the appointment, assessment and mobility of public sector employees; the establishment of the Independent Authority for Public Revenue; and measures to make the judicial system more efficient.

Finally, important structural measures have been put in place to improve Greece’s business environment and competitiveness to make Greece an attractive destination for investment and allow businesses already in place to expand, innovate and create jobs; as well as to establish sustainable and universal pensions, health care and social benefit systems, including a guaranteed minimum income scheme.

When taken together, these transformative reforms have laid the foundations for a sustainable recovery, putting in place the fundamental conditions needed for sustained growth, job creation and sound public finances in the years to come.

Improving economic indicators confirm that while work remains to be done, the efforts undertaken are already delivering tangible benefits by restoring order to public finances, reducing unemployment, and securing a return to growth. Economic growth has rebounded from -5.5% in 2010 to 1.4% in 2017 and is expected to remain around 2% in 2018 and 2019. The fiscal balance has progressed from a massive deficit of 15.1% in 2009 to a 0.8% surplus in 2017 (corresponding to a primary surplus of 4.2% in programme terms). Although unemployment remains unacceptably high, according to figures recently released by the Hellenic Statistical Authority, unemployment fell to 19.5% in May 2018, reaching a level below 20% for the first time since September 2011.

The conclusion of the programme marks the end of one chapter and the beginning of another for Greece. It will be necessary to remain focused on fully addressing the social and economic consequences that are the legacy of the crisis years. This will require that the Greek authorities maintain ownership of reforms and ensure their sustained implementation, as per their commitments at the Eurogroup meeting of 22 June 2018. This is crucial to ingraining market confidence and strengthening Greece’s economic recovery, particularly in the immediate post-programme period.

Greece will be fully integrated into the European Semester of economic and social policy coordination to help ensure that the country and its people reap the full benefits of the efforts undertaken in recent years. In the post-programme period, the completion, delivery and continued implementation of reforms agreed under the programme will also be monitored through an enhanced surveillance framework.

The Commission’s Structural Reform Support Service will continue to assist the Greek authorities, upon their request, in the design and implementation of growth-enhancing reforms.

Background

Greece has benefitted from financial assistance from its European partners since 2010. The Greek authorities requested a new ESM stability support programme on 8 July 2015. The European Commission signed, on behalf of the ESM, a Memorandum of Understanding for a three year stability support programme on 20 August 2015.

On 23 June 2018, the Eurogroup confirmed that all of the prior actions under the fourth and final review of the stability support programme had been completed. The Eurogroup also reached an agreement on a strong package of debt measures, in addition to the short-term measures already in place, to ensure that Greece's debt is sustainable in the longer run. On 6 August 2018, the ESM approved a final disbursement of €15 billion of financial assistance.

In total, €288.7 billion in loans have been provided to Greece since 2010. This includes €256.6 billion from its European partners and €32.1 billion from the International Monetary Fund (IMF).

In parallel to the stability support programme, the Commission launched the plan for a "New Start for Jobs and Growth in Greece" in July 2015 to facilitate Greece maximising its use of EU funds to stabilise its economy and boost jobs, growth and investment. As a result of the exceptional measures adopted under the plan, Greece is now among the top absorbers of EU funds. For the period 2014-2020, Greece has already received almost €16 billion from a large pool of EU funds. This is equivalent to over 9% of the 2017 annual gross domestic product of Greece.

Greece is also the top beneficiary of the Juncker Plan's European Fund for Strategic Investments (EFSI), relative to GDP. The EFSI is now set to trigger well over €10 billion in investments and support more than 20,000 small and medium-sized businesses in Greece.

More information

Factsheets – A new chapter for Greece

Eurogroup statement of 22 June 2018

Brochure: A new start for jobs and growth in Greece – Three years on

Further background information on EU financial assistance to Greece

Press release – Commission supports normalisation in Greece through activation of post-programme framework