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Greek bailout clears last eurozone hurdle

By Peter Spiegel in Brussels



The new €174bn bailout of Greece cleared its last European hurdle on Wednesday after national and parliamentary approvals were completed in all eurozone countries, according to Jean-Claude Juncker, the Luxembourg prime minister who chairs the group of eurozone finance ministers.

The approval releases the first €39.4bn in European Union aid disbursements to Athens, much of which will be used for a rapid recapitalisation of Greece's banking sector, which saw a large portion of its capital base wiped out when the Greek sovereign bonds it held were slashed in value as part of Greece's €206bn debt restructuring.

"This second programme constitutes a unique opportunity for Greece that should not be missed," Mr Juncker said in a statement.

Klaus Regling, head of the eurozone's €440bn rescue fund that will be disbursing the EU's portion of the rescue, said the first payments would come in three monthly tranches, including €5.9bn this month, €3.3bn next month, and €5.3bn in May.

After Greece's banking sector is shored up, which will include a total of €48.8bn in aid payments through September, rescue payments are expected to resume their normal quarterly schedule, Mr Regling said.

Although Wednesday's approval clears the way for €145bn in EU aid, the International Monetary Fund has yet to sign off on its €28bn portion of the programme. That is expected to come at an IMF board meeting on Thursday, however.

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