



NEWS

Exchange of views with the Troika on the Economic and Social Crisis in Greece:

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SUMMARY

- extracts
EP Joint Economic and Monetary Affairs / Employment Committees

Background:

The Economic and Monetary committee and the Employment committee held a joint meeting with the Troika: European Commission, European Central Bank and International Monetary Fund. The situation on implementing the programme had been explained by Olli REHN, European Commissioner for Economic and Financial Affairs, Joerg ASMUSSEN, ECB Executive Board Member and Poul THOMSEN, IMF Deputy Director.

Only the original language version is authentic and it prevails in the event of its differing from the translated versions.

SHOTLIST

00:00:00	Title
00:00:05	Exterior shot of the European Parliament, Brussels, Belgium (1 shot)
00:00:10	SOUNDBITE (English): Olli REHN, Vice-President, Commissioner for Economic and Financial Affairs, European Commission: "Greece now has the opportunity to bring its debt burden from 160 percent to 116 percent in 2020. And this opportunity of course must be used well. The unprecedented financing solidarity provided to Greece proves that there is a strong political commitment by the governments and the National Parliaments of the Euro area to give Greece the time and the means to repair the damage and heal its economical programmes."
00:00:47	SOUNDBITE (English): Olli REHN, Vice-President, Commissioner for Economic and Financial Affairs, European Commission: "The reductions in ranks in the health care system is designed for maximal benefits for the ordinary citizens, the tax system has been made more progressive and more importantly the fight against tax evasion is critical for the programme, not only because of fiscal revenues but also for the sake of social fairness and acceptability of the programme."
00:01:16	SOUNDBITE (English): Olli REHN, Vice-President, Commissioner for Economic and

Financial Affairs, European Commission:

"The EU, IMF Troika can facilitate, can enable, can support, but in the end of the day it is the Greeks themselves who need to take action to reform their country and carry the responsibility for these reforms."

00:01:34 SOUNDBITE (English): Jörg ASMUSSEN, Member of the Executive Board, European Central Bank: "We do think that we do not help Greece by creating false expectations. Calls for loosening the fiscal stance are illusory. Greece could hardly face larger financial constraints than at the moment: it has lost market access and can only draw on a fixed envelope for official support."

00:01:56 SOUNDBITE (English): Jörg ASMUSSEN, Member of the Executive Board, European Central Bank: "Still the size of the government is still too large compared to Greece's capacity to generate and collect revenues. Moreover the quality of fiscal adjustment was mixed.

On the one hand important reforms have started to address Greece's high level of public wages and employment and the previously unsustainable pension system. On the other hand, fiscal adjustment has so far excessively relied on an increase in tax rates and across-the-board expenditure cuts."

00:02:32 SOUNDBITE (English): Jörg ASMUSSEN, Member of the Executive Board, European Central Bank:

"One key area, the tax administration reform had been rather disappointing so far: in many cases, wealthy Greeks still contribute less than possible to the overall adjustment effort, partly on account of tax evasion."

00:02:51 SOUNDBITE (English): Poul THOMSEN, Deputy Director of the IMF's European Department, IMF's Mission Chief of Greece:

"The main focus of reforms more recently has been in the labour market to facility a real alignment of wages and productivity in the individual enterprises, we think this is key to ensuring an early out put response to ensuring that the inevitable contraction in domestic demand soon, in a year, in a year and a half, will begin to be offset by more offset of expansion in export, but labour market reforms are clearly not enough."

00:03:19 SOUNDBITE (English): Poul THOMSEN, Deputy Director of the IMF's European Department, IMF's Mission Chief of Greece:

"I certainly agree with those who say that the programme will fail, if the primary channel of adjustment keeps being contraction in GDP and contraction in wages, that is if the adjustment takes place by making Greece making poorer. The adjustment most primarily takes places by making Greece more productive, to the structural reform that will unlock significant potential for productivity gains that are in the present in the Greek economy. And the programme includes a lot of measure for doing that."

00:03:52 SOUNDBITE (English): Poul THOMSEN, Deputy Director of the IMF's European Department, IMF's Mission Chief of Greece: "There is little room for manoeuvre, little room for slip on fiscal and privatisation and above all on this reinvigoration of structural reform that is key to the programme, this why we say that the programme, the debt sustainability, shows some downside risks and Greece needs to implement this programme in full."

00:04:14 cut away shots (6 shots)

00:04:44 END

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