

European Union Grants Short-term Loan for Greece



Brussels, July 18 (RHC)-- The European Union has formally approved a short-term loan of 7.16 billion euros (7.77 billion U.S. dollars) to debt-wracked Greece as Athens and its creditors are working to reach an agreement on a new bailout package.

“We have an agreement on bridge financing... This agreement is backed by the 28 member states,” Vice President for the Euro and Social Dialogue Valdis Dombrovskis told reporters in the Belgian capital city of Brussels on Friday. He added the bridge loan would allow Greece to meet a huge payment to the European Central Bank next week.

Meanwhile, German legislators have overwhelmingly thrown their weight behind Chancellor Angela Merkel over opening detailed negotiations with Greece on a new bailout package.

During an open session of the Bundestag (the constitutional and legislative body in Germany) on Friday, a total of 439 lawmakers voted in favor of the commencement of discussions for a new 86-billion-euro (94-billion-dollar) lifeline for Greece. A sizeable 191 members of the Bundestag opposed it, while there were 40 abstentions.

Addressing the chamber before the vote, Merkel said a new bailout deal for Greece was the way forward, and that “we would be grossly negligent, indeed acting irresponsibly if we did not at least try this path.”

The German chancellor went on to say that there was “no doubt that the agreement of Monday morning was hard,” but urged German lawmakers to back the deal, calling it “a last try.”

In exchange for imposing tough austerity measures, Athens has already received two bailout packages in 2010 and 2012, worth a total of 240 billion euros (272 billion dollars), from the so-called troika of international lenders -- the European Commission, the International Monetary Fund (IMF) and the European Central Bank -- following the 2009 economic crisis.

On Wednesday, the Greek parliament approved a sweeping and unpopular set of reforms demanded by creditors in return for the new bailout package. Last month, Greece defaulted on a 2-billion-euros (3-billion-dollars) debt payment to the IMF and was at risk of being forced to leave the eurozone if it had failed to reach a deal with its creditors over the country's debt crisis.

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