

"Ball now in Greek camp" Mario Draghi tells economic and monetary affairs MEPs

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The European Central Bank is doing all it can to facilitate a successful outcome of the ongoing talks with Greece, ECB President Mario Draghi assured Economic and Monetary Affairs Committee MEPs on Monday. But he also made it crystal clear that ultimately, disbursing any further financial assistance to Greece is "a political decision that will have to be taken by elected policymakers, not by central bankers".

Euro area support needed to lift cap on Greek banks' T-bill holdings

Asked about lending ceilings for the ECB's emergency liquidity assistance (ELA) for Greece, Mr Draghi said they might be extended beyond the current €83 billion, "as long as the Greek banks are solvent and have sufficient collateral".

But for the ECB Board to reconsider its cap on the volume of Greek treasury bills (T-bills – short-term debt) that Greek banks can hold, there needs to be a credible prospect that euro area member states will disburse programme funds, he explained, adding that "a strong and credible agreement with Greece is needed, not only in the interest of Greece, but also of the euro area as a whole. While all actors will now need to go the extra mile, the ball lies squarely in the camp of the Greek government to take the necessary steps".

"Quantum leap" needed to complete EMU

Mr Draghi echoed a call for "bold and swift moves to substantially strengthen EMU governance" by committee chair Roberto Gualtieri (S&D, IT), who warned that "Only stronger common institutions can prevent the dynamics of national politics from putting the common European interest at risk".

Mr Draghi disclosed nothing about the so-called "four Presidents report", due any day now, on the future EMU governance framework, but he reiterated his call for a "quantum leap" to complete it. "The situation in Greece reminds us again that the Economic and Monetary Union is an unfinished construction as long as we do not have all tools in place to ensure that all euro area members are economically, fiscally and financially sufficiently resilient", he said.

Further information

- Committee on Economic and Monetary Affairs:
<http://www.europarl.europa.eu/committees/en/econ/home.html>

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