



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

**ECB-PUBLIC**  
*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Stelios Kouloglou  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 5 April 2017

L/MD/17/150

**Re: Your letter (QZ-009)**

Honourable Member of the European Parliament, dear Mr Kouloglou,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 3 February 2017.

We believe that the measures agreed as part of the third economic adjustment programme for Greece, if implemented swiftly and thoroughly over the programme's horizon, will allow Greece to reach the programme's primary surplus target of 3.5% of GDP in 2018. In the medium term, we recognise that the requirement to maintain the primary surplus at this level for a protracted period of time is ambitious. The period of time for which Greece can realistically maintain this target beyond the end of the programme needs to be carefully evaluated. This evaluation, however, will only be possible after the conclusion of the second review of the programme.

There is cause for concern as regards the sustainability of Greece's public debt. With reference to the framework identified in the Eurogroup's statement of 25 May 2016<sup>1</sup>, the latest debt sustainability analysis carried out and published by the Institutions (in June 2016) indicates that Greece's gross financing needs are projected to exceed the relevant thresholds over both the medium and the long term under a wide range

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<sup>1</sup> According to that Eurogroup statement, debt sustainability should be assessed on the basis of gross financing needs over the medium to long term. This statement is available at: <http://www.consilium.europa.eu/en/press/press-releases/2016/05/24-eurogroup-statement-greece/>

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of working assumptions. As such, the report raises serious concerns regarding the sustainability of Greece's public debt. A debt sustainability assessment would need to be conducted not only under a baseline scenario but also under a number of adverse scenarios.

The European institutions, including the ECB, have expressed concerns about the sustainability of Greek public debt. The significant challenges Greece still faces today can only be addressed by a continued implementation of the agreed policies while benefiting from a strong political support from all stakeholders. As such, we are looking forward to a solution in the Eurogroup that can restore the confidence in the sustainability of the Greek public debt.

Yours sincerely,

[signed]

Mario Draghi

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