

Greece Secures Billions In Delayed Aid



The decision was announced by finance ministers of the 17-nation eurozone who agreed to pay 34.3 billion euros (£27.8bn) of aid after months of wrangling which left Athens on the brink of bankruptcy.

Head of the Eurogroup, Jean-Claude Juncker, told reporters the first part of the rescue package "will be flowing to Greece as early as next week."

The move was announced just hours after a deal was confirmed to give the **European Central Bank supervisory powers** over the banking system in the single currency bloc.

Greece is to receive a total of 49.1 billion euros (£39.7bn) between now and March.

Agreement was reached after the country confirmed it would buy back 31.9 billion euros (£25.8bn) of its bonds from private investors at a third of their face value, lightening its crushing debt load as its international lenders had demanded.

The Athens Parliament had to agree further austerity measures in return for the cash but concerns remain that the damage to its economy is so severe it will either be forced to quit the euro or request a third bailout next year.

Unemployment is running near 25% and economists say the cuts to the public purse are so harsh that Greece stands little chance of returning to growth and prosperity without a return to the Drachma.

The EU's Economic Affairs Commissioner Olli Rehn said at a news conference that the European Union was "well aware of how difficult the situation is for the Greek people."

There were "no easy solutions" and "reforms are difficult", he added.

"Now it will be essential to maintain the momentum of reform," he added.

"Much has been achieved but much remains to be done."

Greece urgently needs an estimated 34 billion euros to help recapitalise its banks.