

# The Facts on Greek Government Financial Sustainability and Stability

(Part 1 of 4)

Supporting materials at:  
**[www.MostImportantReform.info](http://www.MostImportantReform.info)**

## Overview Points: The Facts on Greek Government Financial Sustainability and Stability

- 1. Greek Government Received Massive EZ Debt Relief:** The southern axis countries have given Greece €128 billion in highly concessional loans with an opportunity cost to southern axis taxpayers of €8 billion per year. Since 2010, Greece has received €354 billion in debt relief, which is 17 times more than the EZ programme country average. The 3<sup>rd</sup> programme has already provided €23 billion in debt relief. Additionally, Greece receives on average €6.6 billion per year in EU funds which is 251% of comparable size Portugal and Ireland.
- 2. Greek Government Significant Debt Competitive Advantage:** The Greek government has been given a significant debt competitive advantage, with a debt burden of about 50% of investment grade EZ member state peers, but earns worse ratings and higher borrowing costs. Greece 2015 YE Balance Sheet Net Debt, correctly calculated in accordance with international accounting or statistics rules is 41% and 58% of GDP, respectively. Greece will save €10 billion from a lower cash interest burden compared to the southern axis from 2016 to 2020. Greece debt service is 50% of EZ peers versus a gross financing needs of 123%. Greece floating rate debt is only 17% of total debt, not the 69% reported.
- 3. Greek Government High Capital Spending:** The Greek government spent on average €364 million per week on capital spending from 2013 to 2015, which is 297% of comparable size Portugal and Ireland.
- 4. Greek Government Total Balance Sheet of ½ Trillion Euros:** At year-end 2015, the Greek government had over ½ trillion euros in assets and liabilities to manage or mismanage, which is €48,060 per citizen.
- 5. Greek Government €69 Billion Asset Value Lost:** Analysis indicates that €69 billion, or on average €625 million per week, of Greek government asset value was lost from 2014 to August 2016. From 2001 to 2015, Greece added only 10 cents in GDP for each additional euro of debt, compared to EZ peer average 45 cents.
- 6. Greek Government Little Progress in Financial Transparency:** Little progress on Greek government financial transparency and accountability processes to win the trust and confidence of taxpayers. No opening balance sheet. No senior level ministers with professional turnaround, financial, or accounting experience.

*Materials prepared under the direction of:*

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