

IMF tells Greece to stop dragging its heels over reform

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The International Monetary Fund has told Greece to step up its efforts to sort out its finances in the most stern warning yet from the bailed-out nation's rescuer.

By Emma Rowley | The Telegraph

The Washington-based lender is worried the country will not meet the deficit-cutting targets agreed as part of its €110bn (£97bn) IMF/EU aid package.

"The view that seems to be taking hold is that the government programme is not working," said Poul Thomsen, head of the IMF mission currently in Greece to measure the country's progress towards tax and spending goals.

"The programme will not remain on track without a determined re-invigoration of structural reforms in the coming months," he told an Athens conference. "Unless we see this invigoration, I think the programme will run off track."

The Greek government has struggled to implement its programme of cuts and tax rises, hampered by the impact of a deep recession on its economy and widespread tax evasion.

Greece's budget deficit came in at 10.5pc of its gross domestic product (GDP) last year, more than two percentage points over an initial target. The country is on track to also miss its current 7.6pc target, Mr Thomsen warned.

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