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Greek Government Criticizes EU, IMF Demands for Asset Sales

By Maria Petrakis - Feb 12, 2011

Greece's government criticized demands from the European Union and International Monetary Fund for sales of state assets to raise 50 billion euros (\$67 billion).

"The behavior of the representatives of the EU, IMF and ECB during yesterday's press conference was unacceptable," government spokesman George Petalotis said in a statement today, referring to the European Central Bank. "The only agent responsible for these decisions is the Greek government. We take orders only from the Greek people."

Petalotis spoke after Poul Thomsen, head of the IMF's Greece mission, and the EU's Servaas Deroose told reporters the country must focus on a tax-system overhaul and asset disposals that may raise as much as 50 billion euros by 2015 to pay down debt. The government had said in November, during the last EU- IMF review of Greek progress, that it could raise 7 billion euros over the next three years.

Thomsen and Deroose spoke in Athens after the latest quarterly review under a 110 billion-euro EU-IMF bailout that Greece received last May to avert a debt default. Approval of the country's efforts would ensure payment of the plan's next installment of 15 billion euros in March. Deroose said he's "confident" the funds will be disbursed.

Prime Minister George Papandreou and his socialist Pasok party won power in October 2009 on a platform of more spending and opposition to state asset disposals, such as the sale of a stake in Hellenic Telecommunications Organization SA to Deutsche Telekom AG. Papandreou backtracked on those pledges when he revealed a deficit twice as large as previously reported, sparking Europe's debt crisis and leading to the bailout amid strikes and protests.

Papandreou spoke by phone with Dominique Strauss-Kahn, managing director of the Washington-based IMF, to discuss the issues, according to an e-mailed statement from the prime minister's office today.

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