

TIMELINE OF GREEK CRISIS

Source: Christos Laskos and Euclid Tsakalotos [*Crucible of Resistance*](#), 2013

9 January 2009	Standard and Poor's place Greece on negative Watch (along with Ireland and then, on 12 January, Spain)
14 January 2009	Greece's rating cut by SBcP from A to A-
18 March 2009	Finance minister (Papanastasiou) announces measures including public sector wage freeze to keep deficit target of 3.7% of GDP for 2009 on track
2 September 2009	Karamanlis calls elections; deficit expected to be above 7% «i nnp in 7nnq
4 October 2009	National elections; PASOK wins outright majority
20 October 2009	Papaconstantinou announces that deficit will reach 12.5% of GDP for 2009
10 November 2009	EC reprimands Greece for its budget deficit
25 November 2009	Dubai World asks for a debt moratorium; contagion effects on Greece
8 December 2009	Fitch downgrades Greece to BBB+ with negative outlook; first time in ten years that Greece falls below A rating
14 December 2009	Papandreou announces new measures to curb deficit (cutting waste and cracking down on corruption)
17 Decembers 2009	Pharmaceutical companies claim they have not been paid arrears of 67 billion by Greek public health system
24 December 2009	Budget for 2010 passed in Parliament; forecasts deficit to GDP ratio of 9.1%(cf. 12.7% in 2009). Fiscal consolidation measures are half from expenditure side and half from the revenue side
6 January 2010	Stark (member of ECB Executive Board) states that EU will not bail Greece out
14 January 2010	Greece announces three-year plan to cut deficit to 2.8% of GDP by 2012. Growth expected to be 0.3%, 1.5% and 1.9% over the three-year period 2010-12. Markets greet announcement as too optimistic
27 January 2010	Greek bond yields and spreads at their highest level since joining euro area; MoF denies that it is selling bonds up to 625 billion of government bonds to China
28 January 2010	Prime minister and minister of finance in Davos to sell fiscal consolidation programme. EU officials state officially that they will not abandon Greece. Emergency support would come from euro area governments and not the IMF
2 February 2010	Papandreou holds emergency talks with opposition on fiscal consolidation measures
3 February 2010	EC tells Greece to cut public sector wages and improve tax collection
9 February 2010	Government announces cap on executive salaries in public sector enterprises, wage cuts for public sector workers, tax and pension reform
25 March 2010	Euro area leaders agree rescue package for Greece with participation of IMF
29 March 2010	Greece raises €5 billion through sale of seven-year bonds at interest rate of 5.9% (spread of 325 bps above German equivalent)
11 April 2010	Euro area countries agree to lend up to €30 billion to Greece in 2010 if needed; IMF likely to provide another €15 billion
23 April 2010	Greece officially requests assistance from euro area countries/IMF
2 May 2010	Euro area countries agree €110 billion package for Greece in return for cut in fiscal deficit from 13.6% of GDP to 3% by 2014
3 May 2010	ECB suspends it minimum credit rating for Greek government-backed assets used in its liquidity providing operations
10 September 2010	First review of the adjustment programme positive -'strong start'
15 November 2010	Eurostat revises Greek budget deficit figures for previous years upwards (2010 deficit now 9.4% and not 7.8%). Greek ten-year bond yields back to levels seen before package negotiated

18 November 2010	2011 Budget goes through Parliament with additional measures of €3.5-4 billion
23 November 2010	Second review of the adjustment programme concludes that it is broadly on track
14 December 2010	Wage cuts for private and public sector workers voted in parliament to secure next tranche of bailout money
22 December 2010	Greek parliament passes budget with €14 billion of measures
30 January 2011	Greece in talks with EU and IMF to restructure debt through buyback; ECB signals its disagreement with strategy
11 February 2011	Third review of the programme ends with IMF/EC/ECB noting delays in major policy areas
15 February 2011	Economy shrunk by 4.5% in 2010
7 March 2011	Moody's reduces Greek credit rating by three notches to 'highly speculative' status
April 2011	Greek restructuring now considered inevitable
2 May 2011	Papaconstantinou announces plan to collect €11.8 billion over 2011-13 through fighting tax evasion
May 2011	Programme probably off track; debt restructuring and second programme likely required. Exit from euro area is rumoured
18 May 2011	Row surfaces over Greek restructuring between ECB, IMF and Commission
20 May 2011	Fitch downgrades Greece by several notches from BB+ to B+ and placed the country on rating watch negative
22 May 2011	Greek government fallen behind on payments to medical companies despite restructuring its debts only a few months ago
29 May 2011	IMF threatens to withhold next tranche of bailout money if financing for Athens is not secured for at least twelve months
3 June 2011	Fourth review concluded, noting progress on fiscal consolidation but need to move on structural reforms
9 June 2011	The Medium-Term Fiscal Strategy is adopted by the Cabinet and a bill submitted to parliament
17 June 2011	Venizelos replaces Papaconstantinou as finance minister
21 June 2011	Papandreou wins a vote of confidence in Parliament
24 June 2011	An extra €5.5 billion of measures needed in the four-year budget plans if targets are to be met
29 June 2011	MTFS is adopted by Parliament
3 July 2011	EU approves next release of next tranche after Greece passes measures; failure to agree to second adjustment programme
21 July 2011	Emergency summit of euro area leaders. Private sector involvement {PSI} agreed, with an average haircut of 21% in bond exchange for bonds held by the private sector. Second adjustment package agreed in principle, providing finance of €109 billion through to 2014
21 September 2011	Further spending cuts and tax increases in order to secure next tranche of finance. GDP now expected to fall by 5% (2011)
29 September 2011	New property tax paid through electricity bills passes in parliament
3 October 2011	Draft budget for 2012 presented to parliament. 2011 budget deficit revised upwards to 8. % of GDP (target 7.6%). It contains fiscal tightening of €5 billion
4 October 2011	Euro area finance ministers agree to overlook missed targets for 2011. Instead they will look at 2011-12 as a package. However, further consolidation in 2013-14 will be necessary. Moreover, the 21% haircut agreed on 21 July is likely to prove too little
11 October 2011	Fifth review mission concluded. Agreement is announced with authorities to bring programme back on track
19 October 2011	New austerity measures approved on first reading
20 October 2011	Troika approves next tranche of finance, but points to rapidly deteriorating situation. Debt to GDP ratio in particular is projected to rise to 181% in 2012 without further measures
25 October 2011	Measures passed on unified salary scale for public sector workers, the 'labour reserve', reductions in pensions, labour market reform, changes in income tax
27 October 2011	European leaders raise PSI haircut to 50%. Goal is debt to fall to 120% of GDP by 2020

31 October 2011	Papandreou calls for a referendum on the second bailout package - euro area membership
5 November 2011	Papandreou starts negotiations to form a coalition government
11 November 2011	New three-party government sworn in under leadership of Lucas Papademos. Government charged with negotiating the second adjustment programme and overseeing the completion of PSI
18 November 2011	Final budget submitted to Parliament. It sets a target of 5.4% of GDP if the debt swap is completed. It assumes a 2.8% decline in real GDP in 2012. 2011 deficit expected at 9% cf. targeted 8.5%
6 December 2011	Budget passed by parliament
10 January 2012	Omnibus bill submitted to parliament containing prior actions required to secure agreement on the second adjustment programme
31 January 2012	Omnibus bill passed - contains measures of a structural character
3 February 2012	All three leaders of the parties in the coalition reject new measures demanded by Troika in return for agreement on second adjustment programme. This leads to a delay in agreeing to the new programme at the euro-area level
12 February 2012	Measures worth €3.3 billion passed through parliament, involving pension cuts, reductions in the minimum wage and 150,000 public sector job losses
14 February 2012	Real GDP falls by 7% in 2011. Meeting of euro-area finance ministers on second adjustment programme is postponed because of disagreements between euro-area countries on whether Greece should be allowed to go bankrupt
18 February 2012	A date between 8-11 March is set for the swap of €200 billion worth of Greek debt. The swap offers bondholders 10-15% cash up front, new 30-year bonds with a coupon of 3.75% (higher if growth is faster)
21 February 2012	Agreement on second adjustment programme provided Greece passes a series of prior actions before end-February. The PSI haircut is increased from 50% to 53.5%
24 February 2012	Debt swap offer launched
1 March 2012	Finance ministers delay their approval for more than half of the second programme. The remainder will be agreed once the Greek government shows that the measures are being implemented
9 March 2012	Results of bond swap offer: 85.8% of bonds eligible were offered; with the activating of collective action clauses (CACs), the amount that will be swapped will rise to 95.7%
19 March 2012	Credit default swaps will pay out €2.5 billion on Greek bonds (21.5% of par)
11 April 2012	Elections are to be held on 6 May
6 May 2012	New Democracy are the first party with 107 seats; there follows SYRIZA with 52 seats, PASOK with 41 seats, Independent Greek with 33, KKE with 26, Golden Dawn with 21 and Democratic Left with 19. No agreement on coalition; elections called again for June 17
17 June 2012	New Democracy 129 seats; SYRIZA 71 seats, PASOK 33 seats, Independent Greek 20, Golden Dawn 18, Democratic Left 17 and KKE 12
20 June 2012	Antonis Samaras is sworn in as prime minister leading a three-party coalition of New Democracy, PASOK and the Democratic Left
20 July 2012	ECB announces Greek bonds no longer eligible as collateral in monetary policy operations
24 July 2012	Troika arrives to meet with new government
26 July 2012	Commission president Barroso visits Athens with message that reforms need to be accelerated
1 August 2012	The three-party coalition agree to €11.5 billion of cuts for the period 2013-14; PASOK drops objections to further cuts in wages and salaries
14 August 2012	€11.5 billion due to be disbursed in June now expected to be disbursed in September after Troika visit and report

14 August 2012	Greece expected to request a two-year extension to its austerity programme
25 August 2012	Hollande and Merkel reject two-year extension but reiterate their support for Greece staying in the euro area
14 September 2012	Greece's creditors hint at extension. Head of IMF states that it should be considered as an option
21 September 2012	Inconclusive talks with Troika over measures leads to rumours of a delay in disbursement of funds until November
27 September 2012	Three-party coalition agrees to new package of measures. A formal request will be made by the PM at the October EU Summit for an extension of the package to 2016
1 October 2012	Draft budget for 2013 includes measures worth €7.8 billion
31 October 2012	Revised budget for 2013 tabled in parliament, Debt-to-GDP ratio forecast to rise to 192% in 2014
7 November 2012	Parliament passes omnibus bill containing measures required to execute budget along with various prior actions
11 November 2012	Parliament passes the 2013 budget
12 November 2012	Euro area meeting of finance ministers fails to agree to release next tranche to Greece because of disagreements about debt sustainability
14 November 2012	GDP shrinks by 6.7% in the first nine months; the budget for 20.13 assumes a fall of 6.5% over the whole year
18 November 2012	IMF piles pressure on EC to accept more radical measures to reduce Greece's debt to 120% of GDP by 2020
21 November 2012	Eurogroup again fails to agree on the release of some €44 billion in finance
27 November 2012	Eurogroup agrees to release of finance. Additionally, a package of measures is agreed to reduce Greece's debt burden to 124% of GDP by 2020. The package includes reductions and deferments in interest rates, lengthening of maturities, return of profits on ECB holdings of Greek bonds and a buyback scheme. Successful debt buyback necessary for release of finance
3 December 2012	Details of buyback announced. Discount on buyback expected to be between 60 and 70% of face value of bonds
13 December 2012	Buyback completed (reducing debt by 620 billion - 10% of GDP), the Eurogroup gives its approval for release of finance
19 December 2012	ECB readmits Greek government bonds as eligible collateral