

# Fifth Troika evaluation from July 15

By Katherine Pollard

**N**on-performing loans (NPLs) and the overall restructuring of the banking sector, as well as tidying up the bank balance sheets will be at the centre of the Troika's fifth assessment of Cyprus expected to begin on July 15.

According to European Commission sources, emphasis will be placed on the quality of measures taken to handle NPLs as opposed to the speed of implementa-

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Commission spokesperson for Economic and Monetary Affairs Simon O'Connor said that international lenders will focus on seven areas during their fifth evaluation of the progress achieved in implementing the bailout agreement, with emphasis mainly on the restructuring of the banking sector, particularly with regards to tidying up banks' balance sheets and reducing the high debt in the private sector.

The assessment will also focus on macroeconomic and fiscal developments which

seem to be on the right track, as well as the preparation of the state budget for 2015. In terms of structural reforms, a basic priority will be to ensure the correct implementation of reforms for social welfare, which are already underway.

Meanwhile, international lenders and the authorities will also discuss progress regarding the design of the National Health Scheme (NHS) which aims to establish a comprehensive national healthcare system.

Developments in the reform and staffing of the unified tax authority as well as the reform of the civil service are also important items on the Troika's agenda.

Commenting on the NPLs O'Connor said that Nicosia has already taken measures, stressing that the issue is complicated but the Troika is more interested in the effectiveness of measures taken rather than the speed of implementation.

This, he explained, will lead to a gradual and effective reduction of bad loans without causing further complications.

"The reform of the legal framework on repossession and insolvency is vital in order to give balanced incentives to borrowers and creditors to negotiate and reach an agreement regarding the restructuring of NPLs, while at the same time avoiding problematic situations,"



O'Connor said.

The Commission pointed out that the supervisory authorities have to intensify their monitoring of bank actions to collect and restructure debt, based on the cur-

rent Code of Conduct and the framework for managing overdue debt.

The spokesperson mentioned that the sixth instalment of bailout cash will be decided based on the analy-

sis of the current economic situation in Cyprus, following the Troika's fifth assessment. Cyprus has passed every Troika inspection up until now and received over half the €10 billion bailout.

## THE INTERNATIONAL LENDERS WILL FOCUS ON BANK RESTRUCTURING AND NPLS

## Cyprus-Lebanon Business Forum

To enhance business relations IPC International organised and participated in the Cyprus - Lebanon Business Forum held at the Tripoli Chamber of Commerce and Industry through the efforts of George Partou and his partner in Tripoli, Sheikh Khaled Zaarour.



The event was organised to significantly boost interests and investments to Cyprus from Lebanon and was supported and attended by the following:

Toufic Dabbousi, President of the Tripoli Chamber of Commerce, Nader Ghaza, Governor of Tripoli Municipality, Homer Mavrommatis, Cyprus Ambassador to Lebanon and other VIP guests.

The forum was well supported with discussions on Cyprus Investment Opportunities for Lebanese nationals, economic relationship between Cyprus and Lebanon, closer bi-lateral ties and a new era of good co-operation between Lebanon and Cyprus in Oil and Gas. Plus Cyprus Government incentives in order to attract Foreign Direct Investment, permanent residency and immediate Citizenship via

investment programmes. During the forum, it was highlighted that IPC will arrange for the signing of the protocol of co-operation between the Beirut Chamber of Commerce, with the Nicosia chamber, and between the Tripoli chamber and Lamaca chamber, in the very near future.

IPC has received the full support for these initiatives from Mavrommatis and the Cyprus chambers.

George Partou said: "Signing the protocol of co-operation, will become a strategic opportunity for both Beirut and Nicosia to increase trade and for increasing bilateral relations between Cyprus and Lebanon."

"Once the protocol is established between the two Chambers, each side will need to host a series of business events where IPC would be keen to assist in the setting up and co-ordination. It is important to ensure that Cyprus maintains the momentum for potential Foreign Direct Investment and to explore further mutual areas of business and sovereign interests between our two countries."



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