

(BN) Greece Nears EU Finance Fix After Passing 2013 Austerity Budget

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By James G. Neuger and Patrick Donahue

Nov. 12 (Bloomberg) -- European leaders were set to ease Greece's financial pain and recommit to keeping it in the euro after the Athens government delivered an austerity budget for 2013.

European and International Monetary Fund experts delivered a positive verdict on Greece's prospects, clearing an obstacle to a 31.5 billion-euro (\$40 billion) aid payout that's been on hold since June.

"The overall orientation that's emerging from the preparatory work is such that the next disbursement to Greece should be organized in the best possible way," Luxembourg Prime Minister Jean-Claude Juncker told reporters in Brussels before chairing tonight's meeting of euro finance ministers.

Renewed efforts to keep Greece's economy afloat coincide with concerns over Spain and Cyprus, with the crisis management clouded by forecasts that the broader 17-nation economy will virtually grind to a halt next year.

Finance ministers won't make "definitive decisions" at the meeting starting at 5 p.m., Juncker said. He added that he was "quite impressed" with last week's Greek economic-overhaul package and last night's passage of the 2013 budget by a 167-128 margin in parliament.

Greece reported today that it beat its deficit target for the first 10 months of 2012, narrowing the gap to 12.3 billion euros (\$15.6 billion) from 21.1 billion euros. The goal was to get the deficit down to 13.6 billion euros.

While the next aid disbursement won't be certified tonight, the ministers will find a workaround to prevent Greece from defaulting on a 5 billion-euro bill redemption on Nov. 16, a European official told reporters in Brussels on Nov. 9.

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