

UK gives Â£4.3bn to Portugal bailout

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An economic bailout package for Portugal approved by EU finance ministers includes a Â£4.3 billion contribution from Britain.

The Â£67.75 billion package, subject to strict austerity measures agreed by Lisbon, is the second to commit the UK to financial guarantees which will only be called upon if Portugal defaults on the loans it raises thanks to the EU-IMF combined bailout deal.

The first package - for Ireland - is already coming under fresh scrutiny, with Dublin using talks in Brussels on Tuesday to argue for cheaper interest rates on its bailout loans.

Meanwhile the first EU bailout package granted to Greece a year ago - with no British involvement - is also under the spotlight amid signs that the bailout system is not pulling the eurozone out of its deepening debt crisis.

Finance ministers were warned at talks on Monday night to abandon "brutal austerity" as the answer to the debt crisis and instead give struggling countries a chance to restore collapsing economies.

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