

Greek solution looks to eastern rescue plan from 2009

2011-06-07 14:57:16 by webmaster

7 JUN 2011

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EUOBSERVER / BRUSSELS - Brussels is looking to deliver a rescue option to Greece similar to the 2009 solution to the eastern European banking crisis that followed the wider global economic downturn, it was revealed on Monday.

The European Union's top economy official, commissioner Olli Rehn, told the European Parliament that the EU and IMF are working on a plan akin to what he called the "Vienna initiative".

"We are working on a Vienna-style initiative so banks and financial institutions would maintain exposure to Greece, and in that context we are also examining the feasibility of voluntary rescheduling or 'reprofiling' of Greek debt," the commissioner said.

Two years ago, Austria, home to banks with massive exposure in eastern Europe, warned of a banking "collapse" across the region that could snuff out the Alpine nation's banking system.

Part of the solution was a scheme under which western European banks rolled over their loans to their eastern equivalents. A similar operation could be co-ordinated for Athens, the commissioner said.

Such a roll-over, it is hoped, would go some way to solving Greece's immediate funding gap.

A solution to the current Greek impasse is to be settled at the next meeting of Eurogroup finance ministers on 20 June, he added, to be followed by endorsement at a summit of EU leaders three days later.

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