

UK to stay out of second Greece bailout, Osborne will insist

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Chancellor George Osborne will insist Britain should not be part of any new aid package to bail-out the beleaguered Greek economy.

Daily Express

The UK was not involved in the original 110 billion euro (Â£96.5 billion) deal approved a year ago, which was put together by the eurozone countries to help save one of their own.

The only UK commitment came from its share of an International Monetary Fund contribution, in the form of loan guarantees which would only be called in if Greece defaults. At the time that prospect was dismissed as scare-mongering.

But with the pace of Greek deficit reduction painfully slow and the economic crisis far worse than even pessimists feared, a second bail-out is now considered inevitable.

Germany and France have already signalled that there is no reason for London to pay a share of a repeat bail-out, likely to be finalised within weeks and for a similar sum as the first.

And Mr Osborne was making clear at today's talks in Luxembourg that the issue remains one for the eurozone alone.

However, a bail-out fund was set up by the EU after last year's Greek crisis, precisely to finance future economic problems in the member states, and it involves all 27 member states.

And if a majority of the 27 vote to use the fund for a second Greek aid package, rather than repeat a eurozone-only rescue, the UK Treasury would be responsible for 12% of the new loan guarantee to the Greek government.

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