
GREECE CRISIS TALKS OVER EU BAILOUT TO RESUME

Oya EREN ÖZER

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6 January 2012 BBC Party leaders in Greece's governing coalition are to resume crisis talks on backing a 130bn-euro (£108bn; \$171bn) European Union rescue plan. The meeting between PM Lucas Papademos and the leaders of three parties ended on Sunday without any deal. The premier is seeking support for tough reforms as a condition for the bailout. Athens needs the money by mid-March to avoid a debt default. Meanwhile, the German and French leaders are due to hold talks in Paris. Chancellor Angela Merkel and President Nicolas Sarkozy - who have worked closely on resolving the eurozone debt crisis - will take part in a joint Franco-German cabinet session in the French capital. 'Unable to bear' Mr Papademos had hoped to reach a deal with the leaders by Sunday night - but the talks ended without agreement on the painful reforms demanded by the EU and also the International Monetary Fund (IMF). "Political leaders should give a response in principle tomorrow [Monday] afternoon," Socialist Party (Pasok) spokesman Panos Beglitis told Reuters news agency. The leaders of the other two parties in the coalition said after the end of Sunday's talks that they were still opposed to further austerity measures. "I am not going to contribute to a revolution that will humiliate us and that will burn Europe", said Giorgos Karatzaferis, leader of the far-right Laos party. Antonis Samaras, leader of the conservative New Democracy party, said the country was "being asked for more austerity, which it is unable to bear," AFP reports. However, the BBC's Mark Lowen in Athens reports that Mr Papademos's office has put out a statement saying some agreement was reached on the reduction of public spending by 1.5% of GDP, and on bank recapitalisation. But there was no deal on cuts to the minimum wage or to holiday bonuses, he said. If there is no agreement, then Greece's international loan will be blocked and the country would be staring default in the face - something that could send shockwaves through the global economy, our correspondent adds. Athens faces loan repayments to private lenders of 14.4bn euros on 20 March. Eurozone ministers had hoped to meet on Monday to finalise the bailout - Greece's second - but that meeting had already been cancelled. High stakes EU officials have expressed frustration with Greece over delays in backing the terms of the latest rescue package. Reforms that international lenders want to see include a lower minimum wage, the removal of a "13th and 14th month" extra salary which is paid to workers as an annual bonus, and the liberalisation of workplace regulations. Opponents say that more cuts will worsen living conditions which have already been affected by two years of austerity measures. Unless Greece promises to implement reforms, the eurozone ministers say Greece will not be able to go ahead with a plan to restructure its privately-held debt. Greece has prepared a debt plan with private creditors to halve the value of Greek debt and in return receive new, 30-year bonds with an average interest rate of less than 4%. The restructuring is to help cut Greek debt to 120% of GDP in 2020 from 160% now.