



**Re-Define Press Release – The G-20, Greek Discussions, Italian Situation, ECB meeting
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Please find below **Re-Define's** Quick Comments on the Evolving Euro crisis, Greece, Italy, ECB and the G-20. All comments are attributable to **Sony Kapoor**, Managing Director of Re-Define an Economic Think Tank.

The damage being inflicted on the European Project

“Unless the G-20 and EU pull a rabbit out of the hat, this may well be the beginning of the end of the Euro area as we know it.”

“Incalculable economic, social and political damage is being inflicted on the European Union by its current crop of leaders.”

“Until recently, EU leaders have treated the insolvent Greece as though it was just illiquid and are letting the solvent but illiquid Italy go bust before their very own eyes.”

“At a time when only an unprecedented show of political unity could save the EU, its citizens get to see political brinkmanship and pettiness played out in their full glory.”

“This G-20, like the EU leaders summit, may turn out to be a damp squib in its failure to deal decisively with challenges confronting the European and Global economy.”

“Everyone is now playing chicken with everyone else while the Eurozone is now afflicted with a potentially fatal strain of bird flu.”

The irresponsible talk of Euro exit

“EU leaders’ propensity to talk casually about a Euro exit for Greece will come back to haunt them as doubts about this possibility spread beyond Greece.”

“The casual talk of Euro exit will undoubtedly leave a crack in the structure of the monetary union as investors start differentiating actively between Euro exposures to different economies.”

On the unfolding Greek situation

“No matter what happens, Greece is in deep deep trouble.”

“A government of national unity that is given a year to enact reforms would work best, but Samaras will not accept that.”

“Most plausible alternatives to Papandreou is likely to be worse, though former ECB VP Papademos may work well if he accepts.”

“If EU leaders thought dealing with Greece under Papandreou was difficult let them try Samaras or even Venizelos for size.”

“A ruling party that does not have the people behind it and an opposition that makes promises that it simply cannot deliver on is a recipe for disaster.”

On the urgency of dealing with Italy

“Unless the spiking Italian yields are brought under control NOW, even a large scale ECB intervention may no longer be enough.”

“There is nothing Italy can do anymore to stem the panic. Help has to come from outside though Berlusconi’s departure may make this easier.”

“It may be time to offer PM Berlusconi a graceful exit involving an amnesty and possible exile. He has inflicted incalculable damage on Italy and the European Project by staying on so long already.”

On the need for bold and unprecedented action by the European Central Bank

“No pressure Mr Dragi, it’s just the future of the Euro and the world economy riding on what you choose to do or not do today.”

“If the expectation that the Euro has a limited shelf life becomes widespread, a lame-duck ECB may no longer be able to salvage the situation no matter what it does.”

“What happens in Frankfurt at the ECB governing council meeting on Thursday will be far more important for the Euro crisis and the global economy than what happens in Cannes at the G-20.”

On the overshadowing of the G-20 Agenda

“The Euro crisis is crowding out important issues relating to development and global economic governance.”

“Europe is once again at the centre of attention, but for all the wrong reasons.”

“The G-20 must finalize important agreements on tackling tax havens, improving global economic co-ordination and improving financial regulations, with or without any agreement on Eurocrisis.”

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