

Experts believe Greece could say goodbye to the Euro

If Greece has to leave the Eurozone the cost will be massive

The European Central Bank and the single currency bloc's governments and banks would be hit with a bill of hundreds of billions of Euros. It is estimated that the ECB, the International Monetary Fund and Eurozone nations hold close to 200bn Euros worth of its debt. A Greek exit from the Euro would mean Athens defaulting on those loans which is why the IMF is ready for the worst. IMF Chief Christine Lagarde explained, "We at the IMF have to be technically prepared for anything, because it is our job. But I'm not suggesting that this is a desirable solution. I'm just saying this is within the range of multiple options, one that we have to technically look at, obviously." Economists say Athens' default following a Greek euro exit would wipe out the European Central Bank's capital reserves. ECB President Mario Draghi has just acknowledged for the first time that Greece could leave the currency union though the Bank's 'strong preference' is for it to stay. Making things more difficult, Greece is without an elected government until next months re-run elections. That means it is politically and economically frozen, with no one to take



People withdraw money from a branch of National Bank of Greece in central Athens

essential decision on cuts and reforms that are part of its latest bailout.

What was once dismissed as unthinkable is now talked about openly. Greece could leave the euro. In fact US bank Citigroup puts the chances of an exit within the next 18 months at 75 percent. So now ex-

perts are not just speculating about if it will happen, but what will be the result. "Political chaos and social instability will follow", says George Tzougopoulos of the Hellenic Foundation for European and Foreign Policy. "Small business and enterprise will become immediately bankrupted, and

the new Greek currency will be devalued, so its very difficult to see how people will react."

Analysts have come up with a scenario whereby a newly introduced drachma would suffer an immediate 50 percent drop in value. A predicted reduction in GDP of 20 percent would follow.

Inflation would soar to 50 percent with debt rising to over 200 percent of GDP. Even without a euro pull-out, unless some political stability returns to Greece soon, the European Central Bank along with the IMF and EU could stop the bailout money, effectively crippling Greece.

Spain prepares to nationalise Bankia amid market turmoil

Spain's Ministry of Finance has confirmed the government is to mount a rescue of the country's fourth largest lender with a partial nationalisation of the BFA-Bankia group

It is part of Prime Minister Mariano Rajoy's attempt to shore up Spain's banking sector to restore trust in the financial system without overburdening public finances.

The operation will be carried out by converting a previous four-and-half billion Euro rescue loan into shares giving the government a controlling interest. Many banks have taken huge losses, among them Bankia which has taken the biggest hit.

Spanish bank shares plunged at the prospect of the government forcing lenders to set aside a further 35 billion Euros against loans to the moribund building sector on top of 54 billion Euros already being held.

Moonrise Kingdom kicks off Cannes Film Festival

This year's Cannes Film Festival has kicked off in the south of France, opened by Bérénice Bejo, star of the multi-award winning film *The Artist*

The lack of women directors among any of the 22 films in the contest has sparked controversy. One jury member has refuted allegations of sexism. Italian film director Nanni Moretti is the jury's president. An award-winner five times at Cannes, he said, "Thanks to the Cannes Festival, thanks to this country which unlike others, always reserves an important role to cinema in society. You have a good festival — as for us it's down to work!"

The festival began with a screening of *Moonrise Kingdom*, a quirky American comedy by director Wes Anderson whose cast includes Bruce Willis and Bill Murray. The plot explores childhood and young love, based on two 12-year-olds who run away together.



An employee of Sotheby's displays the Beau Sancy

'Royal' diamond Beau Sancy sells for \$9.7m

One of the world's oldest and most famous diamonds, the Beau Sancy, has sold for \$9.7m (£6m) at auction in Geneva — twice its reserve

The 35-carat gem was worn by Marie de Medici at her coronation as Queen of France in 1610. It has since passed among the royal families of Europe, used to show off their wealth — and pay their debts. The pear-shaped, rose-cut stone attracted fierce bidding and was won by an anonymous buyer.

"It's extremely rare for a diamond of this importance to

come on the market," said David Bennett of auction house Sotheby's. "It's never been out of royal hands, it's of immaculate provenance, it's in all the history books of famous stones." After being worn at Marie de Medici's coronation, the diamond was pawned by Mary Stuart to finance the fight by her brother, the future Charles II, for the English throne, following the English Civil War.

Later still it was the centerpiece in the crown of the first king of Prussia, and it was sold by the Royal House of Prussia, the descendants of those who once ruled Prussia.

Energy turbine installed

The windswept beauty of the Orkney islands in Scotland is the obvious place to harness renewable energy produced by mother nature

This time engineers are plunging beneath the ocean's surface to take advantage of

the strong currents. In a joint initiative between Spain's Iberdrola and its affiliate Scottish Power, the first underwater energy park is being tested. Team member Álvaro Martínez, Manager of the navy department of Iberdrola explained, "This is where we have installed a turbine at a

depth of around forty meters with a one megawatt capacity able to supply 500 homes."

With no controversial towering structures above ground to mar the view a larger scale installation is expected to be fully operational next year with another off Islay in 2013.

EU reports drop in deadly goods

Brussels says better detection has led to a substantial drop in the amount of deadly products coming into Europe from outside the bloc

More than half of the dangerous products entering the EU are from China. Cancer-causing toys, faulty electrical goods and suffocating clothes are the most common.

EU Commissioner for Health and Consumer Policy John Dalli said that, "We have been working with China, with our policy of quality at source, to make sure that we train, that we give technical assistance to make sure that they produce good and safe



A fake LVMH handbag next to products at a Louis Vuitton store

products for our markets, and also our importers are being much more aware to insist on European standards when they are importing from China"

Overall, the Commission

says the number of potentially lethal items has dropped by around 20 percent. But, consumer groups fear that figure may simply be because some products are slipping through the net.