

Eurozone finance ministers split on banking sector reform

Eurozone finance ministers met in Luxembourg to discuss reform of the banking sector and a request by Cyprus to revise the terms of its ten billion Euro bailout



Eurozone finance ministers meet amid sharp differences over banking reforms

Austria's Finance Minister Maria Fekter criticised Nicosia's demands, saying "I can't imagine that there's a better alternative to what we have painfully agreed on all together. To question a contract we have made, and which has passed all national parliaments — including the Cypriot Parliament — is a quite bold announcement!" EU officials downplayed the chances of any changes to the Cypriot bailout. They were also set to discuss how to make progress on creating a new regulatory framework to wind up ailing banks.

French Finance Minister Pierre Moscovici said, "France hopes that we can adopt the big lines (of the banking union) and that we will have a direct recapitali-

sation that has a real sense, and that doesn't put weight on the depositors." But Germany said using the EU's permanent bailout fund to inject funds into sick banks would require parliamentary approval in Berlin. German Finance Minister Wolfgang Schäuble said, "Before deciding on a direct recapitalisation of banks within the ESM, the German parliament would have to change its laws!" Germany opposes creating a new centralised mechanism to wind down banks, fearing their taxpayers could pick up the tab.

Eurozone finance ministers have agreed on how and when their bailout fund, the European Stability Mechanism, can save banks. They have also set conditions for

the rescues and said that a retroactive application for ESM assistance will be decided on a case by case basis.

It is hoped that the 500 billion Euro fund will restore confidence in the banking sector, which has been ravaged by three years of debt and financial crisis. The German Finance Minister, Wolfgang Schäuble, said that an important step had been taken on the road to a banking union. He added that the ESM can only be a 'last resort' lender for member states and it must be under 'tight conditions'. The deal goes some distance from separating problem banks from their governments, however does not break the relationship as called for by the Euro summit last year.

British Royal Mail workers vote against privatisation

The British Government's plans to privatise the UK's postal service have been rejected by a majority of workers at the Royal Mail

That was despite an offer to give each of them shares worth around 1,760 Euros as part of the privatisation. They cannot block it, but that vote will make future investors wary. The Communication Workers Union — which organised the ballot — opposes the sale saying it will lead to a worse deal for customers and staff.

Royal Mail workers have voted overwhelmingly against the Government's controversial plan to sell off the 497-year-old postal service. More than 96 percent of postal workers who voted opposed the privatisation despite the government promising them each about £1,500 in shares as part of the flotation plan.

Billy Hayes, the General Secretary of the Communication Workers Union (CWU), which organised the ballot of 112,000 Royal Mail staff, said, "No one has yet asked postal workers what they think about privatisation. Today postal workers have spoken loud and clear. The workforce does not support the Government or Royal Mail on selling the company. This company is flourishing in public ownership as the recent doubling of profits proves."

Business minister Michael Fallon has promised that workers will collect at least 10 percent of the shares in the privatisation, which could generate up to £3bn for the Government.

Dave Ward, the Deputy General



Royal Mail workers have voted against plan to sell off postal service

Secretary of the CWU, said postal workers would not 'sacrifice their souls for a so-called 10 percent stake when they know their jobs, pensions and conditions are once again under threat'. Royal Mail workers also voted nine-to-one in favour of a boycott of delivering competitors' mail. But the company took the CWU to the high court to seek an injunction to prevent the boycott.

Royal Mail accepts letters and parcels at its mail centres that have been partially sorted by large customers and other postal operators, and delivers them to 29m homes and businesses for an agreed price. "Royal Mail is required by law to allow access to our network and deliver all the mail we are asked to,"

a spokesman said. The consultative ballot, which had a turnout of 74 percent, is likely to lead to a vote on strike action, which could severely damage the Government's chances of securing a successful sale. Some potential City shareholders have already let it be known that they will not invest in Royal Mail because of the threat of industrial action.

Fallon said he was disappointed with the CWU's vote. "I'm focused on what's best for Royal Mail's employees, customers and the taxpayer," he said. "I want to implement a share scheme that will give employees a real stake in the company as they were promised two years ago. I urge the union to continue to engage on our plans for Royal Mail."

Swiss Parliament blocks bill on easing bank secrecy

The Swiss Parliament has effectively killed off a bill designed to sidestep secrecy laws to allow banks to release some clients' details to investigators

The Lower House voted two-to-one against a debate, even though the Upper House had backed it. Right-wing lawmakers opposed the bill on the grounds that it could set a precedent that might prompt other countries to seek concessions from Switzerland. The centre-left also rejected it for different reasons, believing Swiss banks should be forced to face the music for aiding tax evasion. The Swiss government warned that without the law, banks may be sued by US

authorities chasing wealthy American tax dodgers.

Switzerland's banking lobby expressed regret about the vote and urged the government to do everything possible to help banks reach settlements under a US Department of Justice programme. "Switzerland must not take the risk of a further indictment of a bank lightly," the Swiss Bankers Association said. Finance Minister Eveline Widmer-Schlumpf said the Government would do everything in its power but its options were limited without the bill. The protection of client information has helped to make Switzerland the world's biggest offshore financial centre, with an estimated \$2 trillion in assets kept there.

Saving time and fuel

Everyday millions of people experience increasingly complex and intrusive security checks before they board for their flight



Tapping into passengers' sense of irritation, French company Safran used the Paris Air Show to display their latest automated check-in system.

Vice-President at Morpho-Safran, Christine Riveau, explained the reasoning for developing this new model, "It's not only a simple track but also a way

to democratise air travel. Today, you could not imagine taking the subway in Paris and having someone punch your metro ticket by hand. While it is still important someone accompany passengers, we have to also automate the system and give passengers control of this process."

The process itself is a simple one: a boarding card scans the fingerprints of the passenger, which quickly pass through a portal capable of detecting any dangerous objects. There is no need to remove any liquids, as the system can recognise them for what they are. A biometric passport control is automated with recognition of the eyes or face and only when a passenger is carrying something suspicious — like a knife, or explosives — is there any kind of intervention from an inspector. To conclude the experience, the passenger's personal information is deleted from the system.