News Release

WORLD ECONOMIC FORUM

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With European Debt Crisis Spiralling, Decisive Action is Needed

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- The mounting financial crisis in Europe requires immediate decisive action by politicians
- G20 leaders should meet sooner than November summit, says former senior banker
- For more information about the Annual Meeting of the New Champions 2011, please visit: http://www.weforum.org/newchampions2011

Dalian, People ' s Republic of China, 14 September 2011 Banking, business and government leaders at the World Economic Forum ' s Annual Meeting of the New Champions 2011 warned that the world cannot " muddle through " the spiralling European debt crisis if contagion is to be contained and some measure of stability in global markets restored. With questions swirling about Greece ' s deepening fiscal woes, their impact on the rest of Europe and the financial fitness of some European banks, " the short-term banking crisis is the biggest concern Europe is facing, " said Min Zhu, Deputy Managing Director of the International Monetary Fund (IMF), to participants in a session on the global economy at the " Summer Davos " meeting. " There is no room for politicians to muddle through. They have to take decisive action today. "

" Time is of the essence, " former Citigroup Chairman William R. Rhodes, Senior Adviser for Latin America at the World Economic Forum USA, agreed. Recalling the G20 ' s swift collaborative action early in the global economic crisis, he called for G20 leaders, who are to hold their next summit in Cannes, France, in November, to advance their meeting and get together in Washington DC on 23 September when finance ministers and central bank governors of the group are set to gather. " Why wait until November? The politicians are behind the time. We ought to move ahead. " Asked N. K. Singh, Member of India ' s Parliament: " Has the G20 run out of steam? "

Europe ' s sovereign debt crisis " shows us the flaws to the structural foundations of the EU, " added Vincent Van Quickenborne, Minister of Economy and Reform of Belgium. " More short-term measures will neither ease nor calm the markets. What we need are structural solutions to the problems we have. It ' s either unity or divorce. But divorce for Europe would be like opening Pandora ' s Box. "

Entrepreneur Victor L. L. Chu, Chairman and Chief Executive Officer of First Eastern Investment Group in Hong Kong SAR warned that the prolonged global economic crisis will be hardest on small and medium-sized enterprises. He called for continued efforts to conclude a global free trade agreement and for politicians to make the tough decisions and adopt the policies necessary to restore stability in the global economy. " Without prudence in budgetary and fiscal management, we will be going on a worse path for years to come, " Chu cautioned. As for fast-growing emerging economies, concluded Singh, they have to address rising prices, particularly of fuel and food. " The most important worry is how one contains the genie of inflation while sustaining robust growth. "

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