

Business buckles under Greek bank blues

Source: reuters.com

Key Words and Phrases:

1. **litter** - To make untidy by discarding rubbish carelessly
Example: Someone had littered the beach with food wrappers.
2. **go out of business** – to stop doing commerce or business.
Example: The new shop will probably go out of business if sales don't get better. I have to work hard to keep from going out of business.
3. **representatives** - a person chosen or appointed to act or speak for another or others, in particular.
Example: They are the representatives of the Northern University.
4. **economic policy** – a government policy for maintaining economic growth and tax revenues
5. **alternative** - one of the things, propositions, or courses of action that can be chosen: *Example: The alternative to riding is walking.*
6. **debit and credit cards** - A payment card that deducts money directly from a consumer's checking account to pay for a purchase.
7. **Pressure** - the use of persuasion, influence, or intimidation to make someone do something.
Example: "the proposals put pressure on Britain to drop its demand"
8. **imports** - bring (goods or services) into a country from abroad for sale. *Example: Japan's reluctance to import more cars.*
9. **Goods** - merchandise or possessions *Example: imports of luxury goods.*
10. **credit risk** - refers to the risk that a borrower will fail to meet financial obligations.

Initial Questions:

- What are your ideas about economic policy?

Article:

Greece's high streets are already **littered** with empty shops. And there are now fears more could **go out of business** if capital controls remain in place for any length of time. Constantinos Michalos is President of Athen's Chamber of Commerce and Industry.

CONSTANTINOS MICHALOS, SAYING: "Our major concern as **representatives** of the

business community is the 650,000 businesses that are still standing up. We are losing 59 businesses per day - six hundred jobs are being lost as a result of this **economic policy** and therefore we need to find an **alternative** solution."

Banks have been limiting cash withdrawals to 60 euros. Payments via **debit and credit cards** within Greece are still possible but not to firms with accounts outside. That's putting huge **pressure** on businesses working with international companies. And in a country dependent on **imports** there are many of those.

CONSTANTINOS MICHALOS, SAYING: "The only alternative solution is by saying 'Yes' to Europe, agreeing to a painful agreement, I agree with that, but on the other hand, it leaves us standing up in the playing field so that we can continue to re-negotiate."

The controls aren't just impacting businesses. Greeks are no longer able to buy **goods** or services from any of the main international online suppliers - that includes Amazon, Apple, Facebook and Google. FXPro's Chief Economist Simon Smith says firms also fear they won't get paid.

Simon Smith, Chief Economist, FXPro, saying (English): "Usually such transactions involve a 1 - 2 day settlements and anyone is naturally worried about doing business on that side of things, worried that they will actually get that money come through, so it's a general **credit risk** problem ."

Music download sellers are unable to take payment from Greeks either and neither are the foreign airlines. No chance then to escape the crisis or even for some musical relief from the current tensions. And they look set to continue for the coming days at least.

Comprehension questions:

1. What kind of Economic problem is Greece experiencing?
2. What are the results of these problems to the business establishments in this country?
3. Why are they having these problems?
4. Do you think Greece can solve these economic issues? Why or why not?

Things to discuss:

1. How is the economy in your country?
2. What are the biggest economic problems in your country?
3. How is economics different under socialist and capitalist systems?
4. Do you think economics is the most important thing people think about in an election?
5. What has been the most effective economic policy? Why is it effective?