

[text] **Forex Market News Source:** [ACFX Forex Broker \(Review and Forex Rebate Program\)](#) The latest failure to reach an agreement which resolves the Greek debt crisis continues to tax the minds of European leaders and Finance Ministers. It is also beginning to make the markets jittery and adding to market volatility and spikes in the price action. There was much optimism earlier in the week with the Greek Government presenting what many saw as the first serious proposal since they came to power five months ago. The IMF however balked at the Greek plan which they felt was heavy on tax increases and light on budget cuts. The Greek Government is unwilling to cross its red lines of cutting pensions and salaries or head counts in the public sector. This has led the IMF to the conclusion that the math simple does not add up and that the Greek Government will not be able to boost revenues through tax increases. Far from it, increasing taxes on the wealthy and businesses could actually stifle economic growth. The International Monetary Fund's aim is for the Greek Government to create a plan that would allow for stable future budgets and the generation of budget surpluses. Interestingly unlike its fellow creditors made up of European Union member states the IMF has promoted the idea of debt relief. The Greek debt is astronomical for an economy of its size and the IMF has correctly recognized that this debt is unmanageable. The size of the Greek public debt is not the fault of the current Greek Government. The current crisis is due to the borrow and spend policies of prior PASOK and Nea Demokratia Governments. However, unfortunately this

Greek Government needs to reach an agreement by June 30 if it is going to avoid defaulting to the IMF. Therefore a compromise position has to be found that ticks all the boxes of the international creditors to the Greek Government. This will mean the Greek Prime Minister Alex Tsipras backing down and presenting an unpalatable agreement to SYRIZA members of Parliament in the Greek legislature. With the discussion having moved forward somewhat in recent weeks, it would appear that debt relief is now on the agenda. What we really need to see now is an agreement which states that debt relief will be discussed if the Greek Government agrees to the reforms that are being promoted by the IMF and the Europeans.

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