

IMF says Cyprus rescue deal unique in nature

WASHINGTON, March 28 (Xinhua) -- The International Monetary Fund(IMF) said Thursday that the agreement reached this week to bail out Cyprus is unique and may not be applicable elsewhere. In a news briefing, IMF spokesman Gerry Rice called the case of Cyprus "very complex, unique in nature" when asked whether the rescue for Cyprus could be a model for other countries facing financial crisis. "It would be difficult to extend the case to the rest of Europe or to the world," he added. Rice defended the rescue deal reached between Cyprus and Brussels earlier this week, saying it upfront addresses challenges as the oversized banking sector and two deeply insolvent banks had tipped the tiny Mediterranean country into crisis. The plan, which may help Cyprus secure the 10 billion euro bailout from international lenders, would impose heavy losses on uninsured depositors of the two major banks. Rice said the Cyprus case showed "the need for Europe to continue moving towards a banking union, that includes not only the single supervisory mechanism but also a single resolution mechanism." After being closed for nearly two weeks, banks reopened in Cyprus Thursday with strict restrictions on transactions. IMF staff are in Cyprus now finalizing the technical details of the rescue agreement, Rice said. After that, the IMF executive board will make an official decision on its share of the financial package for the debt-laden country.