

BRUSSELS (AFP) - Sweden's Finance Minister Anders Borg is not worried about Dubai debt crisis.



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Finance ministers from the eurozone said Tuesday the knock-on effects of the Dubai debt crisis would be minimal, particularly where banks are concerned.

"The exposure from the European banks seems to be, so far as we can assess, on a reasonable level," said Sweden's Anders Borg, who will chair a meeting of the 27 European Union finance ministers in Brussels on Wednesday.

"So far, I haven't seen any serious risks coming from Dubai," underlined Finland's Jyrki Katainen.

"But of course it is very worrying news that there are still areas or countries ... which can really shake our economies," he stressed, adding that "the atmosphere is still very weak."

The Dubai government's request last Wednesday for a six-month halt to debt payments sent shockwaves around the world as investors feared a possible default by Dubai and its state-owned businesses, which together owe an estimated 80 billion dollars.

"There will be some impact but I have no reason to be overly pessimistic right now," said Dutch Finance Minister Wouter Bos as he arrived for a meeting of the 16 countries that use the single currency.

Knock-on effects of Dubai crisis 'minimal'

Written by AFP / The Swedish Wire

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German minister Wolfgang Schauble also said the Dubai difficulties show that the "crisis is not over."

Emirati stock markets plunged for a second day on Tuesday after the Dubai government said it was not guaranteeing debt-ridden Dubai World, which unveiled a major restructuring plan.

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