

Barroso warns of eurozone economic standstill

BRUSSELS, Nov. 16 (Xinhua) -- European Commission President Jose Manuel Barroso on Wednesday warned of an economic standstill in the 17-member eurozone.

"Since our last fully-fledged forecast in May, global economic conditions have worsened. Growth forecasts are low and unemployment is set to remain at around 10 percent for the next two years," Barroso told a European Parliament meeting in Strasbourg, France.

He cited a series of measures EU leaders would work on to curb the crisis, including fiscal consolidation, structural reforms, strengthening economic governance.

At the same time, Barroso also highlighted the importance of economic adjustment.

"We cannot do this only through financial stability, we need economic growth," he said.

Fiscal austerity alone cannot guarantee EU countries will be able to pay back their debts. EU policy leaders have responded to this by dishing out one financing package after another.

Without economic growth, which can only be achieved through an adjustment of those malfunctioning economies, belt-tightening risks too big of a burden for both creditors and the debtor countries, thus increasing the cross-border investment risks in Europe - the very same kind of risk that was supposed to have been eliminated by the euro.

Barroso stressed that there was no opting out of the euro.

"The euro is a central part of the European Union. Not something separate, or apart. The euro is not an opt-out from the EU," he said.

He also promised that a Green Paper on the "euro stability bonds" will be presented on November 23.

"I believe that euro stability bonds will be seen as natural when we achieve our goal of reinforced governance and of course discipline and convergence in the euro area," said Barroso.

On November 23, the Commission will also present its second Annual Growth Survey.