

EP President warns against deficit amid EU budget talks

BRUSSELS, Feb. 7 (Xinhua) -- European Parliament President Martin Schulz on Thursday warned against an EU with a deficit as the Union's top leaders are locked in sensitive negotiations over the 27-member bloc's 2014-2020 budget scheme.

The seven-year budget could be set at roughly 960 billion euros (1.3 billion U.S. dollars), while actual payments would fall short by around 50 billion euros to accommodate the Britain's scream for spending cuts, Schulz said in a press conference here on Thursday night.

The difference between commitments and payments would lead to a deficit for the EU, the European Parliament President complained, adding that the EU's current budget already had a 16-billion-euro deficit.

"If we carry on this methodology and set the commitments far higher than the payments, we are going to end up as an EU with a deficit," he said.

Schulz also called on EU leaders to take the budget summit as the start of the process instead of an ending point, stressing that the European Parliament would carefully follow the case.

This week's summit is the second time for EU leaders to focus on budget bargaining, since the first budget summit last November achieved little largely due to sharp conflicts of national interests.

Germany and the Britain are clearly in favor of spending cuts, in sharp contrast to outcries mainly from France and Italy. The final deal also has to obtain the consent of the European Parliament according to the EU law.

"If the Parliament is brought on board early, it is more likely for the Parliament to agree," Schulz said.

If no deal is to be reached by the end of 2013, the 2013 budget ceiling will be rolled over into 2014 with two-percent inflation adjustment, which may bring much uncertainty for long-term projects.