

EU budget agreement “not there yet:” Hollande - Tehran Times

World Desk

04 February 2013 15:35 -



PARIS (Reuters) - President Francois Hollande said on Sunday France was keen to agree the European Union's 2014-2020 budget at a summit in Brussels in coming days, but there was still much work to be done.

The 27-nation bloc failed to agree on its 1 trillion euro (\$1.37 trillion) budget at a meeting in November.

“We will do everything to find an agreement at the next summit, but conditions are not there yet,” Hollande told reporters, flanked by Italian Prime Minister Mario Monti.

Hollande said there was still time to reach a deal before the summit starts on Thursday.

Monti said he hoped a deal could be found on the basis of a package that European governments discussed late last year. “I hope that the system that will follow will be fairer,” Monti said.

Monti wants a reform of the EU system of rebates, arguing that Italy's contribution to the budget is out of proportion to its real wealth. Some net contributors, such as Britain, have demanded deep reductions in EU spending plans.

German Chancellor Angela Merkel has urged her EU partners on to work together to get a deal.

Hollande also voiced concern about recent strengthening of the euro against the currencies of major trading partners.

“The markets have welcomed with magnitude, with excess, via the level of the euro, the confidence they place in the countries that make up the (euro) zone,” he said.

The euro last week reached its highest level in 14 months against the dollar and in 33 months against the yen.

A strengthening euro would weigh on exports from euro-zone countries, as well as reducing the cost of imports. (\$1 = 0.7301 euros)