

Heated EU talks on virus aid fund enter 4th day amid impasse



Brussels, July 20 (RHC)-- European Union talks aimed at striking a deal over a massive coronavirus aid plan have entered a fourth day as the bloc's leaders failed to hammer out deep differences on how to repair Europe's post-pandemic economy.

Following all-night discussions, the EU leaders left the marathon summit in Brussels early Monday morning without any agreement on the proposed \$750-billion aid package.

The negotiations -- the longest EU summit in two decades -- are scheduled to resume at 1400 GMT later in the day. The fund is being negotiated at the same time as the EU's next long-term budget.

The EU heads of state remain divided on how to help the European Union states worst hit by the outbreak, including Italy and Spain.

Some leaders argued that the proposed package is too big and should go to the worst-hit states in the form of loans instead of grants.

The so-called "frugal five" group — consisting of Austria, Denmark, Germany, Sweden and the Netherlands say \$375 billion is as far as they will go, while others — including Spain and Italy — are refusing to agree on anything below \$400 billion.

Reports coming out of the talks said the debates grew tense at some points. President of the European Council, Charles Michel, who is hosting the summit, on Sunday night reminded the European leaders of the gravity of the situation in Europe, which is the worst-hit continent by the coronavirus disease (COVID-19) with more than 200,000 deaths.

He called on the European leaders to double their efforts towards reaching a deal and achieving the “mission impossible.” “Are the 27 EU leaders capable of building European unity and trust or, because of a deep rift, will we present ourselves as a weak Europe, undermined by distrust?” Michel said.

Meanwhile, European Central Bank (ECB) President Christine Lagarde said it would be better for EU leaders to sign an “ambitious” aid package rather than ink a quick deal at any cost. “Ideally, the leaders’ agreement should be ambitious in terms of size and composition of the package ... even if it takes a bit more time,” she said.

Lagarde’s comment suggest she was not worried about any negative impact on financial markets if the summit fails.

Following the adjournment of the summit, Dutch Prime Minister Mark Rutte, who is leading the “frugal five” group, told reporters on Monday that the leaders were “close to failure” and talks could still “fall apart” despite progress on some issues. “At times it didn’t look good last night, but I feel that on the whole we are making progress,” Rutte said.

French President Emmanuel Macron also urged EU leaders to “take responsibility,” warning of the dire consequences of cutting the grants to the crisis-hit countries as envisaged in the proposed budget. “We are facing an unprecedented health, economic and social crisis,” he warned, insisting that the EU leaders must endorse the fund “because our countries need it and European unity needs it.”

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