EUROCHAMBRES

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EU enlargement, 5 years later: Clear economic benefits, but barriers remain

What have been the economic consequences of the 2004 and 2007 EU enlargements for the 'new' member states? In parallel to the publication of the European Commission's report on the recent EU enlargements, EUROCHAMBRES asked national Chambers of Commerce from newly acquired Member States to evaluate how their inclusion in the EU impacted on their economic situation and performance.

Respondents believe that the main economic benefits of EU accession have been a higher degree of macroeconomic stability, an easier access to larger markets (including capital markets) and very positive trade ad investment flows, including Foreign Direct Investment. They also note that services, manufacturing and construction are the sectors which benefited the most from EU accession.

Yet, some significant shortcomings persist.

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, commented: *"The overall economic impact of enlargement is generally positive or even very positive. Virtually all responding Chambers believe that EU membership benefited SMEs in their countries. However, we have to reflect on some less positive messages. Our members perceive persisting significant barriers in the Internal Market, especially of administrative and regulatory nature, coupled with problems related to workers' migration and lack of qualified workforce."*

Membership expected to help through economic crisis

Most Chambers believe that EU membership will help their economy through the current economic crisis, which is hitting particularly strongly some Central and Eastern European (CEE) countries. This is thanks to enhanced macroeconomic stability, coordination at EU level and the availability of more sources of funding. Chambers from those countries which joined the Euro area mentioned the elimination of exchange rate risk as a fundamental asset in the present situation.

However, we currently witness a massive capital outflows from the CEE region. The current crisis is putting at risk the substantial economic benefits gained from enlargement, especially for those countries which are not part of the Euro area.

"We call on the Council and the Commission to make sure, through strong coordination and timely actions, that this crisis will not mark a dramatic economic setback for the new Member States, which are a vital part of the EU single market and of Europe's economic prosperity," concluded Mr Abruzzini.

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