

Survey on economic crisis: Less access to credit and lower investment are main consequences for businesses

Over two thirds of European businesses face growing difficulties in accessing credit, and – as a consequence – 45% of them will decrease their investment activities over the 6 months ahead. This may also have repercussions on employment, with 35% of European companies that might cut the number of employees over the next 6 months.

These are the findings of a survey on EUROCHAMBRES' European Parliament of Enterprises members last week. The 220 responding entrepreneurs come from all sectors of activity and represent mainly small and medium enterprises.

Overall, entrepreneurs see the general macroeconomic uncertainty, the steep decline in domestic demand and increased difficulties in accessing finance as the main obstacles.

European businesses are also concerned about the lengthening delays in payments by clients. Payment times from the public sector have increased for 43% of respondents, and the situation is even worse from private clients, with 60% of companies suffering from longer payment delays. This exacerbates the difficulties created by reduced access to credit.

Commenting on these findings, EUROCHAMBRES Secretary General Arnaldo Abruzzini said: *“European businesses – and particularly smaller ones – are sending us a clear message: the crisis is hitting them hard. They ask for concrete solutions to their concrete problems, today, not tomorrow! Inaction would lead to a paralysis of Europe’s economy.”*

Ministers gathered for the ECOFIN Council tomorrow and Heads of State meeting at the Spring European Council later this month cannot ignore the businesses' loud call for action. They should ensure that:

- injections of public money or public guarantees in European banks are strictly dependent on the commercial banks' assurance to their government that the money will be used to ensure businesses' access to credit, as is already the case in some Member States;
- the issue of late payments is addressed very rapidly, since it is threatening the cash flow and the solvency of thousands of reputable businesses across Europe.

The overall results of the survey can be downloaded from
www.eurochambres.eu/content/default.asp?PageID=1&DocID=1634

Further information: Mr Giovanni Campi, Tel. +32 2 282 08 83, campi@eurochambres.eu
Press contact: Ms Guendalina Cominotti, Tel. +32 2 282 08 66, cominotti@eurochambres.eu
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