

## **Declaration on restoring confidence in Europe's economy**

Europe's business community – especially smaller companies - is suffering during the current crisis: bank lending is tighter and costlier, the economic outlook is uncertain, growth has come to a standstill and the main currency is the subject of countless rescue packages.

The perception among businesses is that policy makers are focusing heavily on remedying the financial system's ills and fiscal consolidation. While recognising the importance of addressing these elements, Chambers stress that they must be accompanied by policies to deliver growth that will in turn create jobs and drive the economic recovery.

In this context, the Presidency of EUROCHAMBRES, the European association of Chambers of Commerce and Industry, highlights the following economic and financial priorities to European policy makers:

- Safeguard the euro, a key factor in the future growth and competitiveness of European businesses and a cornerstone of EU integration and the internal market. The debt crises and insecurity across the financial markets should be addressed through decisive actions, notably reducing debts, improving competitiveness and implementing the instruments of the European Financial Stability Facility.
- Stimulate access to finance for businesses, particularly small and medium sized enterprises (SMEs). This entails encouraging bank lending in the short term, notably through enhancing the role of loan and equity guarantee funds at both national and European level, while also developing attractive and viable alternative sources of funding through, for example, an integrated European venture capital market.
- Ensure that new financial regulations, either individually or cumulatively, do not impact negatively on bank lending to businesses. Recent proposals from the Commission to raise capital requirements on larger banks over a period of months rather than years risk exacerbating the shortfall in lending. Chambers moreover fear that implementation of the Basel III recommendations will further restrict bank lending unless the risk weighting ratio for SMEs is lowered.
- Accelerate delivery of the many remaining elements of the EU internal market, with rapid adoption, approval and implementation of the 12 priority measures included in the 2011 Single market Act. Exceptional measures also should be taken to render the internal market more business-friendly, for example the recent Commission proposal to accelerate the implementation of the recast Late Payments Directive.

The real economy did not get Europe into this financial and economic crisis. However, if policy makers set in place an environment that favours growth, job creation and innovation, the real economy can and will get Europe out of the crisis. The business call for 'more Europe' is stronger than ever in these difficult times and we look to EU leaders – especially the Polish and Danish Presidencies of the European Council – to pursue policies that reflect this.

In this period of unprecedented economic and financial challenges for the EU, Chambers of Commerce across Europe remain committed to fulfilling their long-established role of assisting, advising and representing Europe's business community.