

## **Economic crisis: National Economic Recovery Plans short-sighted and not very 'smart'**

As EU Heads of State and Government will gather at the Spring European Council in Brussels on 19-20 March to assess the European Economic Recovery Plan, a Chamber assessment of national recovery plans shows that they are strong on short-term actions, but do little to support the EU's long term crisis exit strategy and lack coordination.\*

### **Good short-term actions**

Most Member States have either announced or undertaken actions in the fields of employment, demand for labour and access to finance for businesses. Relevant actions have also been taken in most Member States with regard to investments in infrastructure. Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, commented: *"Of course it would have been better if all Member States had already taken action in this field... Also, we think that more has to be done to produce tangible effects for businesses, who still face difficulties in accessing credit. An EU Guarantee Fund for SMEs should be set up."*

### **Lack of long-term vision**

Worryingly for the EU's longer term competitiveness, actions at national level are much less intense or even non-existent (for more than 50% of respondents) in the so-called 'smart' fields related to energy efficiency, green products, clean technologies and investment in R&D. Several Chambers deplored a lack of resources devoted to education and innovation. Mr Abruzzini said that *"the lack of initiatives by Member States under this second pillar – actions to reinforce Europe's competitiveness in the long term – is a cause for concern."*

### **No coordination**

Some Chambers also stressed the need to coordinate national recovery efforts, to avoid negative spill-over effects and to multiply the impact of recovery measures. Also, uncoordinated actions may lead to a distortion of competition in the Internal Market – for example if a specific sector is bailed-out in one country and not in others.

Mr Abruzzini however expressed some pessimism on this point: *"Member States have to date not even managed to agree on the release of €5bn of EU budget money in response to the crisis – i.e. about 0.05% of the EU's GDP. We will need much more efforts of coordination on economic recovery measures amounting to 1.5% of the EU's GDP if they are to have the desired effects."*

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\* EUROCHAMBRES asked its member Chambers of Commerce across the EU to evaluate their domestic recovery responses taking the ten 'Actions for Recovery' included in the European Economic Recovery Plan as a benchmark.

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