

**PRESS RELEASE**

## **ECB raises interest rates: EUROCHAMBRES stresses need to balance inflation concerns with employment creation**

Following today's decision by the European Central Bank (ECB) to raise interest rates to 2.50%, EUROCHAMBRES questions whether this will really strengthen EU growth, and improve the prospects of 18 million unemployed in Europe.

EUROCHAMBRES understands that sharp increases in consumer and business borrowings and house price rises in some parts of the Euro-zone raise inflationary concerns in the ECB.

However, while agreeing on the need to control inflation, Pierre Simon, President of EUROCHAMBRES, warned against rate increases that put the fledgling economic recovery in jeopardy.

Mr Simon said: *"We encourage the ECB to have a more pragmatic and 'symmetrical' approach in the future, committing itself not only to the control of inflation, but also to the support of economic growth. It is clear that the primary objective of the ECB is to maintain price stability. However, the ECB should not lose sight of its other obligations to support the general economic policies of the Community, in particular 'a high level of employment and sustainable growth', as established by the Maastricht Treaty."*

EUROCHAMBRES appeals to the ECB to reflect carefully before introducing any further rate increase – business needs stability and confidence in order to invest, to create the jobs Europe desperately needs. Uncertainty about the cost of borrowing does not help.

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