

Europe's businesses pin hopes on exports for tough 2012

A EUROCHAMBRES survey of nearly 70,000 businesses across 25 European countries highlights export markets as the main source of optimism for 2012, a year that will otherwise be characterised by restricted investment, negligible job creation and constrained domestic sales.

The 19th annual edition of the EUROCHAMBRES Economic Survey (EES) indicates that the ongoing effects of the economic downturn and the eurozone debt crisis have undermined business confidence and prospects across and far beyond the single currency area. Indeed, the survey-wide average for the business confidence indicator is negative for only the second time in the EES' 19 years.

EUROCHAMBRES President, Alessandro Barberis, commented: *"It is inevitable that our businesses are adversely affected by ongoing macroeconomic instability and unsettled by the indecisive reaction of policy makers. It is clear that cautious consumer behaviour and reduced availability of credit further undermine their prospects. Yet despite this and the lack of signs of imminent improvement, the EES results show that European businesses remain resilient."*

The results of the employment indicator suggest that while few new jobs will be created next year, most businesses are intent on maintaining current levels of staff. Domestic sales predictions are low and, mirroring the careful spending approach of end consumers, businesses themselves plan cautious levels of investment.

The positive export predictions for 2012 stand out from a scenario that is otherwise largely defined by prudence and uncertainty. Strikingly, this export optimism is to a large degree led by eurozone businesses, which clearly identify foreign markets as a key source of sales for the coming 12 months.

A further glimmer of hope can be drawn from a comparison with the 2009 edition of the EES, conducted during the peak of the late 2008 financial market meltdown. This comparison indicates that businesses are less pessimistic now than they were three years ago.

Nonetheless, President Barberis argued that the results of EES 2012 represent a final wake up call to Europe's leaders: "After three or four years of ongoing economic decline and uncertainty, Chambers believe that 2012 is 'make or break' year for Europe. The resilience of our businesses is not unlimited and they are neither willing nor able to make the commitments necessary to drive our recovery without swift and decisive actions from political leaders to improve economic conditions."

EES 2012

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