

€1 trillion EU regulatory burden on business, study reveals

On the eve of Competitiveness Council discussions on better regulation, a new study published by EUROCHAMBRES estimates that complying with and reporting on EU regulation introduced in the last 11 years has cost European businesses over €1 trillion (1 followed by 12 zeros!).

The 'Counting the Cost of EU Regulation to Business' study* reveals both the alarming scale of the EU regulatory burden on business and dramatic ongoing shortfalls in the measurement of these costs.

Commenting on the findings, Pierre Simon, President of EUROCHAMBRES, said: *"Such a vast figure represents a significant proportion of EU GDP and dwarfs the European Economic Recovery Plan. Better evaluation of the costs and benefits of EU regulation would save businesses billions, which could be re-invested in areas crucial to Europe's competitiveness, such as R&D and training. The ongoing shortfalls in such evaluation at EU and especially national level are unacceptable."*

EUROCHAMBRES has always been a strong advocate of the Better Regulation agenda, repeatedly calling for its acceleration and reinforcement. Despite progress made by the European Commission during its last term, this analysis of the cumulative EU regulatory burden on business clearly indicates that much remains to be done.

"While economic recovery plans may grab the headlines, our message to Competitiveness Council Ministers on 28-29 May is more mundane: measure, manage and improve regulation. Savings resulting from rigorous regulatory cost-benefit analysis can be instrumental in re-launching the economy. The current recession should thus galvanise politicians at all levels in the pursuit of the Better Regulation agenda, rather than distract them from it," added Mr Simon.

Concluding, Mr Simon reiterated a key message from the Chambers network since the beginning of the economic downturn: *"We cannot allow the crisis to be interpreted as a reason for increased regulation of the real economy."*

* The study, commissioned by EUROCHAMBRES and carried out by Francis Chittenden from Manchester Business School and Tim Ambler from London Business School, estimates the regulatory costs of EU legislation on businesses of all sizes and sectors between 1998 and 2008.

The full study 'Counting the Cost of EU Regulation to Business' can be downloaded from www.eurochambres.eu/content/default.asp?PageID=1&DocID=1834

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