

**PRESS RELEASE****EUROCHAMBRES Economic Survey 2008**  
**Greatest optimism in seven years**

According to EUROCHAMBRES Economic Survey (EES) 2008, released today in Brussels, European entrepreneurs have high expectations for next year, the highest level in seven years. Optimism is on the rise for all economic indicators, with total turnover reaching a record peak. Only export sales prospects appear cautious, showing that companies feel mostly unaffected by factors such as the weak dollar, rising energy costs and the recent credit crisis.

Pierre Simon, President of EUROCHAMBRES, commented: *“These results may sound surprising against the current forecasts which revise growth for 2008 downwards. But we believe the strong trust in the EU’s internal market, the considerable potential offered by emerging economies and positive employment trends so far are among the factors allowing entrepreneurs to feel less vulnerable to external shocks.”*

Business confidence – the EES’ main indicator – is highest in Denmark, with a net balance figure<sup>1</sup> of 73 points, while it is lowest in Estonia (-20). Spain (-12), Greece (-5.2) and Hungary (-4) are the only other countries with negative balance figures. The sharpest increase in business confidence is recorded in the Czech Republic (+23 compared to last year), while the worst regression is in Estonia (-44 points).

This year’s EES maps the expectations of over 86,000 entrepreneurs from 133 European regions in 27 countries<sup>2</sup>. On top of business confidence (feeling for the general business climate in 2008), five additional indicators were investigated: total turnover, domestic sales, export sales, employment, and investment.

**Total turnover**

Expectations on total turnover are even brighter than they were for 2007, continuing the upward trend of recent years. This positive trend is driven mainly by France (+8.5) and Germany (+4) because of their relative economic weight, but in absolute terms expectations are highest in the new member states as well as Scandinavia and Portugal.

**Domestic sales**

As 2007 expectations on domestic sales were met, respondents continue to be optimistic for the year to come. While on average expectations are marginally higher than last year, the Czech Republic (+26.3), Cyprus (+17.2) and Latvia (+15) show a marked increase. Euro zone companies largely exceed non Euro zone companies in their forecasts.

Mr Simon: *“About 70% of commercial exchanges take place within the EU, which clearly shows the relevance of the internal market to European businesses. In this respect, it is crucial to speed up a harmonised implementation of the services directive and to carry out a thorough review of the integrated guidelines for growth and jobs – putting the focus on SMEs.”*

### **Export sales**

Although the outlook for export sales remains positive, expectations are marginally lower than last year. The UK (-10.9 points) is the most pessimistic country for this indicator, because of potential repercussions of the recent turmoil on its extensive financial market. German companies have been able to compensate the loss of market potential in the US with increased exports to new emerging economies. Euro zone companies are much more upbeat about their 2008 export prospects than those of the non Euro zone.

Mr Simon: *“Even though the internal market is the predominant playing field of European entrepreneurs, exports play an important role. It is thus crucial to facilitate access to emerging markets, while ensuring that European businesses are not penalised by non-tariff barriers, and high customs duties. To this effect, we call on EU institutions to promote more European-wide programmes for the internationalisation of companies.”*

### **Employment**

The EU's relatively strong economic performance this year benefits employment, which will have grown by an estimated 1.5% at the end of the year. Business foresees even stronger growth next year. In the new and Scandinavian member states business' forecasts are particularly high, while German employers' optimism is the highest in nearly a decade with a net balance figure of 9.

Mr Simon: *“If Europe wants to sustain the move, the reform of employment policies needs to be pushed further. Flexible labour markets are needed, and external flexicurity should be promoted, so that people loose the fear of unemployment.”*

### **Investment**

Investment is expected to be at slightly higher levels in 2008 than in this year. The reason why respondents do not forecast significant growth in this area could be the effect of the credit crisis, possibly leading to higher interest rates. Nonetheless, investment is expected to be substantial, particularly in the new member states (e.g. +20.2 in the Czech Republic).

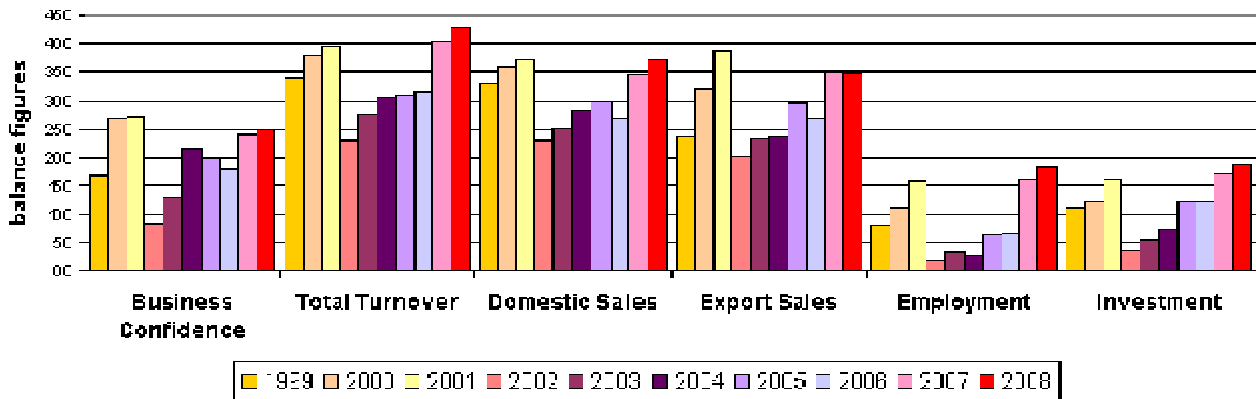
**EUROCHAMBRES Economic Survey 2008 can be downloaded from**  
**[www.eurochambres.eu/PDF/pdf\\_ees2008/EES2008\\_all.pdf](http://www.eurochambres.eu/PDF/pdf_ees2008/EES2008_all.pdf)**

-----

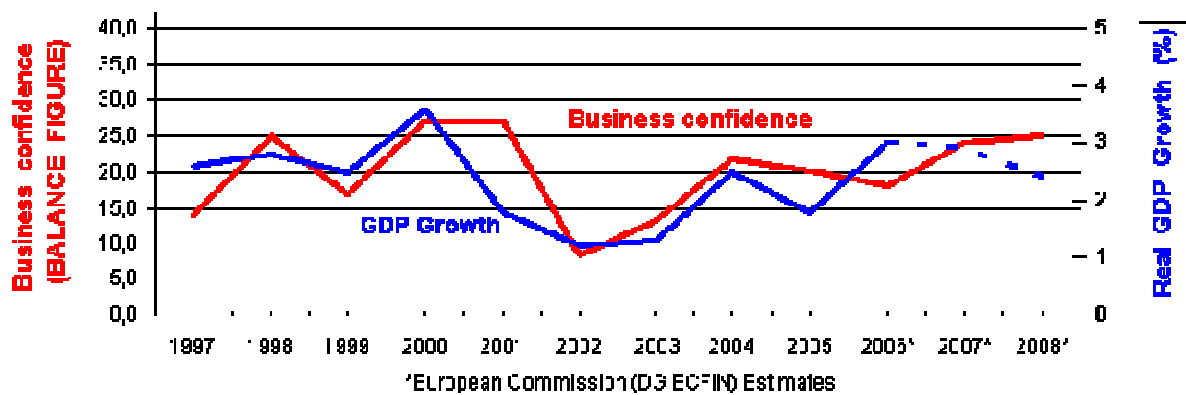
FURTHER INFORMATION: Mrs Birgit Arens, tel.: +32 2-282 08 57, [arens@eurochambres.eu](mailto:arens@eurochambres.eu)  
PRESS CONTACT: Ms Guendalina Cominotti, tel.: +32 2-282 08 66, [cominotti@eurochambres.eu](mailto:cominotti@eurochambres.eu)

All our press releases can be downloaded from: <http://www.eurochambres.eu/press/>

## ECONOMIC INDICATORS 1999 - 2008



## BUSINESS CONFIDENCE EXPECTATIONS / REAL GDP GROWTH



<sup>1</sup> Net balance= % of positive responses minus % of negative responses

<sup>2</sup> 25 EU Member States (not Ireland, Lithuania) and 2 Accession Candidate countries (Croatia, Turkey).