

European Union must prove its value through a more coordinated response to coronavirus

As Eurogroup finance ministers hold discussions today, EUROCHAMBRES is calling on EU member states and institutions to coordinate more effectively to mitigate the damaging economic impact of the coronavirus.

The association of European Chambers of Commerce and Industry welcomed the announcement by the European Commission last week of a Coronavirus Response Investment Initiative. However, this alone will not have a noticeable impact on businesses struggling to survive during the coming weeks and months. The Chamber network sees a clear need for further measures at EU level given the escalating impact of the crisis on the real economy.

Despite the best efforts of entrepreneurs and their staff, the necessity for social distancing is going to impact on productivity, spending and investment. EUROCHAMBRES President, Christoph Leidl, said: *“This is of course a public health crisis first and foremost, but our political leaders must in parallel take measures to ensure that it does not escalate into another major financial crisis. We need to keep our millions of SMEs afloat and the jobs that they provide viable during this period of inevitable economic slowdown”*.

As a pre-condition to any economic plan, member states must reach agreement on the next EU multiannual budget, new programmes on innovation, research, sustainability and skills, as well as financial instruments to stimulate investment, will be crucial in driving the recovery and cannot be any further delayed. But the EU budget alone will not be enough and must be flanked by measures to enhance liquidity throughout Europe’s real economy.

“We have seen fiscal stimulus measures in the US, the UK, Australia and other economies in recent days. The European Central Bank (ECB) and finance ministers must work together to devise and implement a plan to stabilise the economy and ensure adequate liquidity”, said President Leidl.

Since the beginning of the coronavirus crisis, Chambers of Commerce and Industry have been offering guidance on how to make use of support measures for businesses. Companies are encouraged to [contact Chambers](#) through their website page. In addition, Chambers are in close dialogue with national governments to analyse the impact and define the best measures to help the business community affected by the coronavirus.

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