



15 March 2010

INCREASE IN PUBLIC DEBT IS A MAJOR STUMBLING BLOCK TO RECOVERY

Ahead of the Eurogroup and ECOFIN Council and in preparation of the Spring European Summit, BUSINESSEUROPE presented today its European Reform Barometer, evaluating the EU's performance and individual country position on key structural indicators in 2009, and their relative evolution since 2008. Among larger EU economies, Sweden, Austria, Germany and the Netherlands are combining above-average scores on a number of fronts with a certain degree of resilience to the crisis. However, room for improvement is identified in each and every Member State. The report highlights main growth bottlenecks and presents key recommendations for an improved system of economic governance in the EU.

BUSINESSEUROPE also presented a report on the sustainability of public finances drafted under the leadership of Markus Beyrer, Director General of BUSINESSEUROPE's Austrian member IV. It spells out the parameters of a common exit strategy, restoring fiscal sustainability and redirecting resources where it matters for future growth and job creation.

The conclusion from these two reports is clear: tackling the structural impediments to growth at EU and national level is the key to our future. The discussions of the European Council on 25 March on the so called "Europe 2020" strategy will be crucial. European business is of the view that the sense of urgency and focus should be improved.

Jürgen R. Thumann, President of BUSINESSEUROPE said: *"Since the beginning of the global financial crisis public support programmes have played a stabilisation role. It helped to avoid more serious short-term damage to the economy. But the severe increase in public debt and structural fiscal deficits now represent a major stumbling block to the recovery. The cost of inaction would simply be unviable, both for individual Member States and the European Union as a whole. Exit from the crisis will require strong resolve from policy-makers to implement the necessary reforms and promote their benefits to society."*

The reports can be downloaded and/or ordered on our new website: www.businessseurope.eu.

BUSINESSEUROPE – the Confederation of European Business represents more than 20 million small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE Members are 40 central industrial and employers' federations from 34 countries, working together to achieve growth and competitiveness in Europe.

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