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SME UNION President Leitl: bleak economic outlook requires courageous, rapid and exceptional responses

Yesterday's Commission's autumn forecasts confirm that the EU economies are strongly affected by the financial crisis and that GDP growth comes close to a stand-still in the EU and euro area. Euro zone growth is expected to be at only 0,1% in 2009. The big EU economies like Germany, France and Italy are expected to experience 0% growth, UK and Spain might even turn towards recession.

President Christoph Leitl commented the alarming downward prognosis by saying that „the mood of European enterprises is at its lowest level. Europe needs a coordinated joint action program, if we don't want to wake up with a massive hangover in 2009.” Leitl responded to those who argue that the present crisis could be handled at a national level only. "In the current situation the European Union must put a growth package on the table that earns its name" It is simple like that: either we row together or we will sink collectively."

Leitl continued by highlighting that "the European Central Bank has to follow now the US example by considerably lowering interest rates this Thursday and becoming a more active player as a further important step out of the EU credit crunch. The current inflation data would also allow this move. Especially SMEs would profit from it."

Bearing in mind this bleak economic outlook, the SME UNION supports all European initiatives to stabilize and boost the European economy. "By addressing the current financial crisis, French President Nicolas Sarkozy has shown that he is an excellent European leader. Therefore, he should stay in the EU executive chair for another six months. It would not be wise to change this successful trouble-shooting team at this decisive moment for Europe's future!" reiterated SME UNION President Christoph Leitl. Nevertheless, he added, that "this does not mean to leave out the Czech Presidency, but to agree on a consensual basis to stick for another semester to the current team that has already shown important successes for Europe and to postpone all the following presidencies for half a year. It is not about taking anything away from somebody, but to have the best way out of this exceptional economic crisis." Furthermore, the SME UNION President stressed that "yet this has to be based on a consensual basis including all the member states to pull on one string."

Last but not least President Leitl not only supports, but strongly urges the EU leaders to sustain the extension of a 'unified economic government' of the Eurogroup calling for more regular coordination at head of state and government level to better coordinate the EU responses to the global financial crisis. "This economic government could be the first step towards a deepening of a core group of European countries and a further necessary integration process on our continent. We do not need less but more Europe, and we need a Europe which is able to address the real problems of the economy and especially the entrepreneurs", he said. "This Eurozone economic government would complement the EU Presidencies and would be an important and necessary value-added bringing more stability in uncertain times", concluded SME UNION President Leitl.

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SME UNION (Small and Medium Entrepreneurs Union) of the EPP (European People's Party) is the network of pro-business Christian-Democrat, Conservative and Liberal politicians and political organizations. Its main objective is to help in shaping EU policy in a more SME friendly way. www.sme-union.org