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EUROPEAN COMPANIES CALL FOR BUDGETARY UNION TO REINFORCE THE EURO

BUSINESSEUROPE has sent a letter to Presidents Hermann van Rompuy and Jose Manuel Barroso entitled [Businesses' plan to reinforce the Euro](#). The plan, signed by the Council of Presidents at its meeting in Warsaw on 2nd December, urges leaders to use all short-term means to support the single currency, and strengthen the overall architecture of the monetary union, including a commitment to budgetary union.

The European Financial Stability Facility should be developed into a politically independent European Monetary Fund open to all EU 27 Member States. The ECB should assist the stability of the Euro by both providing liquidity to the banking sector and, for a limited period of time until other means are in place, engaging in sovereign debt markets to the extent it believes necessary to stabilise the Euro.

Eurobonds should not be seen as short-term remedy, but a long-term refinancing instrument, provided it improves rules and incentives for greater discipline, underpinned by greater Euro Area fiscal union and genuine adherence to Maastricht criteria.

This sense of urgency is further underpinned by BUSINESSEUROPE's [Economic Outlook](#) for 2011/2012, published today, which found that political uncertainty is clearly impacting on growth. Based on a survey of European business federations, growth in 2012 is expected to be only 0.8% in the euro area, and 1.0% in the EU 27. Despite adverse circumstances, EU businesses will continue to create jobs with almost a new million jobs in 2011, and potentially more than a quarter of a million in 2012.

BUSINESSEUROPE President Jürgen R. Thumann said: *"The sovereign debt crisis has resulted in falling confidence; instability in financial markets has fed through to business and consumer sentiment. This week, leaders have perhaps the last chance to take decisive action. Businesses call European leaders to make every effort to reinforce the euro including a commitment to a budgetary union."*

NOTE TO THE EDITOR

BUSINESSEUROPE represents small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE's members are 41 leading industrial and employers' federations from 35 European countries, working together to achieve growth and competitiveness in Europe. For the full list of our members, please visit our website.

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