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BUSINESSEUROPE'S SPRING ECONOMIC OUTLOOK: LIGHT AT THE END OF THE TUNNEL?

"BUSINESSEUROPE's Spring Economic Outlook confirms that the European economy is at a critical point. We expect EU output to be unchanged in 2013 and a modest expansion of 1.4% in 2014, if business confidence picks up through 2013. We are looking to the Commission's recommendations to Member States regarding reform priorities to address the real issues to be tackled in order to improve growth and public finances." – said Markus J. Beyrer, Director General of BUSINESSEUROPE.

BUSINESSEUROPE's Economic Outlook is released today. Based on a survey of our member federations it shows:

- BUSINESSEUROPE expects GDP growth in 2013 of 0.0% in the EU and -0.4% in the Euro Area.
- But output is expected to expand moderately in 2014, by +1.4% in the EU and 1.1% in the Euro Area, assuming business confidence picks up through the second half of 2013.
- The employment situation remains an acute concern, with unemployment in the Euro Area expected to remain around 12% in 2013.
- Bank lending conditions remain extremely divergent within the Euro Area, with a credit crunch hampering investment and economic recovery in a number of Member States.

Ahead of the Commission's country specific reform recommendations to be released on 29th May, the Outlook highlights the need for resolute policy actions to rebuild business confidence, improve competitiveness and restore private investment.

Member States must continue to press ahead with structural reforms, particularly to increase labour market flexibility, enhance product market competition and develop the EU single market. The EU must also urgently finalise and implement the new Single Supervisory Mechanism and progress towards a deeper European banking 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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