

PRESS RELEASE

24 April 2008

BUSINESSEUROPE'S SPRING ECONOMIC OUTLOOK 2008: SIX REASONS FOR CAUTIOUS OPTIMISM

BUSINESSEUROPE so far remains cautiously optimistic and continues to expect EU GDP growth to average 2% this year with a further decline in the unemployment rate to 6.8%.

The main reasons for a positive assessment are:

1. Higher-than-expected growth over the last two years
2. Supportive labour market conditions
3. Sound corporate balance sheets
4. Dynamic demand from emerging economies
5. Lesser impact of high energy prices compared with international competitors
6. Limited risks of significant housing market corrections at EU-wide level

However, business confidence will only be sustained if appropriate policy responses are put in place:

1. Inflationary pressures must be contained in coming months to provide central banks with the necessary leeway to address downside risks to growth.
2. This calls for responsible wage demands by trade unions and fast-track reforms particularly aimed at opening-up highly regulated markets to competition.
3. EU member states must stick to their commitments under the Stability and Growth Pact and avoid any measure that would hamper fiscal sustainability further down the line.
4. The EU must continue to forcefully engage its global partners to ensure sustainable exchange rate patterns and to avoid further deepening of the credit market crisis.

Philippe de Buck, Secretary General of BUSINESSEUROPE: *"European companies are resilient and they continue to invest, export and create jobs despite all the uncertainties. We now count on governments to create the right conditions that will support this confidence and hence growth in the years ahead."*

NOTE TO THE EDITOR

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 39 central industrial and employers' federations from 33 countries, working together to achieve growth and competitiveness in Europe.

For further information, please contact: Peter Vertessy +32(0)2 237.65.03
www.buinesseurope.eu