

Mr Charles Michel  
President of the European  
Council  
European Council  
Rue de la Loi 175  
B-1049 Brussels

Brussels, 25 March 2020

**Subject: EUROCHAMBRES input to 26 March online meeting of the European Council on the COVID-19 crisis**

Dear President Michel,

Tomorrow's video conference among heads of state on the COVID-19 crisis represents an important milestone in ensuring an effective, coordinated European response to the pandemic. As Chambers of Commerce of Industry, collectively representing over 20 million businesses employing over 100 million people, we of course recognise that public health is priority number one.

The business community, while struggling in this period of dramatic economic slowdown, nonetheless recognises that it has a key role to play in protecting public health, so policy-makers must ensure that they still have access to the tools they need to fulfil this role.

### **Single Market**

One such tool is the single market. Restrictions to the movement of citizens imposed to control the spread of the virus need not and should not obstruct the movement of goods and essential services. We can only respond to the crisis if there is enough food in our supermarkets, enough medication and equipment for our health services and enough sanitiser products for our citizens. To ensure this, trade must continue to flow throughout Europe.

We applaud the guidelines adopted by the European Commission last week on avoiding unnecessary and disproportionate obstacles to the free movement of goods and essential services. We also support the additional guidelines adopted earlier this week to designate

'Green Lane' border crossings, open to all freight vehicles. It is vital that these are now applied rigorously throughout the internal market with immediate effect. We are confident that this will happen and Chambers will work with national authorities to this end.

## **Financial liquidity**

Economic activity has plummeted as a consequence of measures taken to ensure social distancing. Each day that the crisis unfolds, more and more enterprises are at risk of bankruptcy. Everything must be done to prevent viable businesses from perishing during this exceptional period; failure to do so will be to the detriment of the European economy and undermine our recovery.

Preserving financial liquidity is a critical tool here. Chambers acknowledge the speed and decisiveness of actions taken at EU level in releasing funds for SMEs through the Corona Response Initiative and adopting flexible temporary measures on state aid. The ECB has also acted purposefully in seeking to stabilise the economy. At national level too, Chambers report a wide range of initiatives taken not only to ensure access to finance, but also to reduce fixed costs during the slowdown, particularly for smaller businesses.

All of these decisions look good on paper, but they now need to be backed up by the delivery of practical, grass roots actions to ensure that their impact is tangible to Europe's entrepreneurs. Heads of state have a pivotal role in ensuring such implementation and this should be reflected in your discussions.

## **Charting Europe's recovery**

Looking further ahead, Chambers call on heads of state and government, the European Commission and the European Parliament to avail of every policy tool available to ensure that our business community is in a fit state to drive Europe's economic and social recovery from the COVID-19 crisis. Again, the internal market is one such tool. Even before the crisis, Chambers were reporting concerns about domestic demand levels, so the single market must effectively become an enlarged domestic market for businesses of all sizes and in all sectors. Let this crisis be a catalyst for tackling the many unwarranted obstacles to the provision of goods and services that remain between member states.

COVID-19 significantly shifts the context in relation to a whole range of foreseen proposals and initiatives for the 2019-24 EU term, some of which have already been framed in various packages adopted by the Commission since December 2019. The priorities of the European

Commission need now to revolve around a comprehensive, multiannual recovery strategy. This is certainly not mutually exclusive to many of the pre-defined priorities set out in political guidelines in late 2019. At the same time, it would be unrealistic to imagine that we can simply return to business as usual once the human health threat has abated; the dramatic impact of the current situation must be reflected in EU policy decisions, measures and scheduling.

Europe's medium to long term economic well-being depends on the ability of policy-makers and the business community to chart a path through this crisis and towards recovery. Consultation with representatives of the real economy to determine the most effective approach and gauge costs and benefits is more important than ever and Chambers are committed to contributing.

Meanwhile, I can inform you that the Chamber network is delivering a vast range of services to the European business community to help them get through this unprecedentedly challenging period. EUROCHAMBRES is enabling them to share experiences, practices and approaches and to ensure that effective measures can be rolled out across the member states. Chambers will continue to do whatever it takes and we thank you and fellow European leaders similarly for your efforts to tackle this extraordinary challenge.

Yours sincerely,



Christoph Leitl

President EUROCHAMBRES

CC: Ursula von der Leyen, President of the European Commission  
David Sassoli, President of the European Parliament