

Mrs Ursula von der Leyen

President
European Commission
Rue de la Loi 200
BE-1049 Brussels
BELGIUM

28 April 2020

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Dear President,

CIP – the Confederation of Portuguese Business would like to highlight the measures the European Commission has put in place so far, which have been effective in face of this unprecedented crisis we are experiencing. But much more is needed.

The European Council has, during its 23rd April meeting, tasked the Commission to analyse the needs and come up with a proposal for the recovery. CIP believes the revised proposal on the Multiannual Financial Framework must have the necessary dimension and instruments to face the economic and social consequences of the crisis we face and, simultaneously, prepare the EU for the future, ensuring its competitiveness and leadership in fundamental areas such as digital and research and innovation, notably in the health sector. This is no easy task and will require ample means.

The Recovery Fund will be a fundamental part of this proposal. We believe it must be built in the form of grants, to the maximum extent possible, in order not to overburden the future of countries with already high levels of indebtedness. It should also be mobilised easily and swiftly, in proportion of the difficulties caused by the crisis, and without unnecessary conditionalities.

The European Union must strive for an ambitious Recovery Plan which addresses the severe economic and social consequences we are all already experiencing, as well as preserving the EU single market. Alone, countries like Portugal have no budgetary capacity to act with the same speed and depth as other European partners. Today that is already clear, and that uncertainty is causing unemployment and divestment at very worrying levels and with consequences that, if nothing changes, will last over time, and will create an even more unequal Europe. The European project would certainly suffer considerably from this.



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Without a European response, each Member State will continue to support its own economy, with uneven budgetary capacities, despite the serious efforts of economic reorganization and budgetary consolidation put in place since 2010. Member States with higher public debt are therefore in a complex and fragile position, much more exposed to market reactions. And as companies, we must ensure that measures put in place allow all governments to assist their companies' needs, rather than just allowing for greater private indebtedness.

The different reaction capacities from EU member states will also hurt the level playing field within the single market, with long term consequences. We must fight against this asymmetry to safeguard cohesion in the EU and lay the foundation for sustainable recovery.

As businesses, we cannot stress more the urgency of rapid measures. Negotiations ahead must reveal unity and solidarity, and ensure the fund is operational as soon as possible. This will be fundamental to restore confidence in the recovery and the capacity of the EU to act in support of its citizens and companies.

Yours sincerely,

António Saraiva
President

c.c.: European Commissioner Elisa Ferreira and Portuguese Members of the European Parliament