

Business leaders express cautious optimism over Europe prospects

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BRUSSELS, May 23 (Xinhua) -- A majority of businesses say they have benefitted from Europe and express a strong desire for "more Europe," but no longer rule out changes to the Eurozone, according to a survey of European business leaders published Tuesday.

The McKinsey Global Institute study revealed investment is picking up from historic lows but companies continue to hoard cash, citing concern about future financial crises, fear of rising populism and anti-globalization sentiment, and worries about the future of the EU itself.

"We estimate that restored productive investment could boost the EU's GDP by as much as 1 trillion euros (1.12 trillion U.S. dollars) by 2030, or cumulatively, 5.7 percent of GDP," institute director Jacques Bughin said at the European Business Summit which concluded Tuesday.

"To achieve that confidence boost, the EU will need to address lingering areas of fragility including financial risk, the direction of the Eurozone and geopolitical concerns such as migration and populism. One way to bolster confidence in the EU would be to develop a new narrative showing that the forces in favor of cooperation are stronger than those opposing it," he added.

The survey cited uncertainty rather than weak demand, lack of opportunities or access to finance as the main barrier to investment.

Firms were also upbeat about the effect of digitization and the rise of emerging economies.

Addressing a plenary, president of Huawei's Western European Region Vincent Pang called for new partnerships in skills to develop the ICT ecosystem across the EU.

"Every EU business can help by working with government to train people to have digital skills and also by helping universities to sow the seeds for more digital innovation. This is a unique opportunity for Europeans to lead innovation," Pang added.