

Europe urged to unite

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Europe warned to unite or risk being last to exit recession

By Richard Milne, Brian Groom and Jean Eaglesham in London

Europe risks being the last region to pull itself out of recession unless it can present a united front on the economic crisis and bulk up stimulus plans, according to the head of Italy's business lobby group.

Emma Marcegaglia, president of Confindustria, told the Financial Times in a video interview that the Group of 20 summit in London next month was doomed to failure if Europe did not take a co-ordinated approach to ending the crisis and forget about side issues such as hedge fund regulation.

Her warning came as business organisations from the G20 countries, meeting in London, urged political leaders to halt the rise of protectionism, renew urgently their commitment to complete the Doha world trade round and increase the supply of trade finance.

Ms Marcegaglia said: "I'm afraid, yes [Europe could be last to exit the crisis]. If Europe is not co-ordinated

and we go back to nationalism we will have a lot of trouble. The success of the G20 depends on this. If Europe shows a united point of view it could be a success."

Her comments underline the difficulty in reaching agreement in Europe alone without adding the US and other countries.

Her position on focusing on short-term stability issues such as stimulus plans is in line with the US



Emma Marcegaglia: G20 could be a success

position but out of sync with other European countries such as Germany and France.

Hubertus Erlen, chairman of the international board of Germany's BDI federation, said after the meeting that what countries had already done in terms of stimulus "seems to be quite appropriate".

He added: "The German government has done a lot with €50bn stimulus for consumption, €115bn for stabilising the real economy and with €400bn in stabilising financial institutions. Now the challenge is to spend this money in a really efficient way."

Jamshyd Godrej from the Indian Confederation of Industry said a "vicious circle" of protectionism had to be halted. "India is reacting to what it sees as protectionist tendencies round the world and starting protectionist tendencies on its own."

The British government warned yesterday against "covert forms" of protectionism it said were emerging in Europe.

Gordon Brown, UK prime minister, is seeking a commitment from the European Union summit that starts today to open markets that will extend beyond a ban on "old fashioned trade barriers", his spokesman said.

The UK wants to stamp out "covert forms... such as the way that certain industries in different countries are being subsidised." Asked if such hidden economic nationalism was already in operation, the official replied: "There are some signs of it."

Ms Marcegaglia said business was not interested in matters such as hedge fund regulation but rather getting "back to normality". "The focus is on the now and how to manage the crisis."

She underlined that the crisis was a chance for Europe but only if governments acted together. "There is a fear that a kind of nationalism could come back. What business wants to say is that we are against this."



Intervista ad Emma Marcegaglia - L'Europa invitata a rimanere unita altrimenti rischia di essere l'ultima ad uscire dalla recessione (pds)