

Europe needs €1.5 TRILLION to recover or single market could 'break in two' - EU economy commissioner



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The European Union urgently requires financial injections to stay afloat and survive the coronavirus epidemic currently ravaging the continent, the European commissioner for the economy, Paolo Gentiloni, has warned.

A whopping €1.5 trillion (\$ 1.63 trillion) could be needed to “*deal with this crisis*,” Gentiloni told Der Spiegel ahead of the EU leaders summit on the crisis sparked by the outbreak of COVID-19.

The commissioner for economic and financial affairs said that Europe is going through the “*worst crisis*” since WWII, which threatens the very existence of the EU as a single economic and political entity. Gentiloni cited an International Monetary Fund (IMF) forecast, saying the EU could see an unprecedented 7.5

percent drop in GDP this year. In 2009, during the global financial crisis, the EU's GDP fell by only 4.4 percent.

Gentiloni, an Italian, rejected the idea of common Eurobonds advocated by his own nation and consistently opposed by Germany. He called the approach "*backward-looking*," adding that Europe has had "*enough of that*." To avoid the fallout from the crisis, Europe instead urgently needs "*a common tool to fund the reconstruction*," he said.

Otherwise, we risk [a situation] when the differences between economies in the Eurozone and the rest of the Single Market become too great and the two break apart.

However, the Eurogroup – the finance ministers of the Eurozone nations – have so far allocated only €500 billion for funding medical expenses and assisting small and medium-sized enterprises, leaving Europe in need of around €1 trillion more.

The clock is ticking, Gentiloni warned. "*We cannot wait until the virus 'makes peace' with us before we rebuild. The reconstruction must start now, in spring, in summer.*"

Source: <https://www.rt.com/news/486286-eu-need-trillion-recover-coronavirus/>

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