Economic consequences of the attacks of 11 September 2001

2001/2240(INI) - 05/02/2002

The committee adopted the own-initiative report by Othmar KARAS (EPP-ED, A) on the economic consequences of the attacks on 11 September 2001. Pointing out that the world economy was slowing down even before the attacks, the committee warned Member States and businesses not to use 11 September to cover up their own economic and political shortcomings. Businesses were urged not to cut jobs "just in case" and the Member States were urged not to respond to the attacks with outdated support measures and a return to state economic programmes. The report called for the forthcoming Barcelona Summit to start a campaign to "stimulate growth, investment and employment through justified economic optimism". It also called for consistent adherence to the stability and growth pact thresholds and suggested that the ECB should attempt, where feasible, to make further interest rate cuts to stimulate investment. The EU institutions, for their part, should respond to the challenge of 11 September by speeding up integration and carrying out economic, structural, employment and social policy reforms in order to improve the EU's capacity for action. In particular, the report called for an improvement in the business environment for small firms, which were crucial to ensuring growth and employment. Companies should take their corporate social responsibility seriously and pay particular attention to human rights objectives. Consumers were also urged to be more socially aware when purchasing products. The report acknowledged that the aviation and insurance industries had been particularly hard hit by the crisis. It recommended that the Commission should allow further state aid to airlines and airports which should be targeted at overcoming problems related to insurance against terrorism. The Commission was urged to play a coordinating role in this area so that the general question of insurance against war and terrorism would be governed by "unified European principles". Lastly, the Member States were urged to coordinate their tourism promotion activities, particularly in the USA and Japan, to stress the safety and attractiveness of European destinations.