

WRITTEN QUESTION P-5936/08
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to the Commission

Subject: Do no leave EU emerging economies in the dark!

Most talk about rescue packages in the financial industry in the EU, concerns, basically, eurozone member countries and other older EU Member States. The new EU Member States are hardly mentioned in this regard. Certainly, one could say that the bailout of major European banks and combating a severe economic downturn do help the emerging economies of the Union as well. However, there is much more at stake here than this kind of help, because these economies do not benefit from the advantages of having a reserve currency of their own, have large current account deficits and are feeling the pain of the flight to safe investments. All this is putting tremendous pressure on their currencies and is complicating immensely the tasks of local central banks. The irony is that some financial entities, which are asking for help at home, are engaging in operations in the emerging economies that can produce havoc locally and are increasing systemic risks. The ECB and IMF can play a part in assisting the NMSs in this very difficult period. However, the Commission has to go beyond reports that preach prudent policies.

How does the Commission intend to address the specific problems of these economies against the backdrop of the international financial crisis and a spreading recession in Europe?