

# Article – Covid-19: 10 things the EU is doing to ensure economic recovery



Read our [timeline of EU measures to tackle Covid-19](#) for an overview of everything the EU is doing to help Europe cope with the crisis.

## **1. Providing massive economic stimulus**

To help Europe recover from the devastating economic repercussions wrought by the coronavirus pandemic, the European Commission has proposed a [€750 billion stimulus plan](#), coupled with a revised proposal for the [EU's next long-term budget](#) (2021-2027). The plan – known as [Next Generation EU](#) – would see the Commission borrowing money on financial markets, using its high credit rating to secure low borrowing costs. The Parliament insists that the [Green Deal is at the heart of the recovery package](#) and [wants to avoid burdening future generations](#).

## **2. Supporting EU health systems and infrastructures**

With several experts mentioning the possibility of a second wave or future pandemics, buttressing the EU's response capacity to health crises is key. To help Europe cope with future outbreaks, the EU launched [the new EU4Health programme](#), which will bolster member states' healthcare systems as well as fostering innovation and investment in the sector. [EU4Health](#) is part of the [Next Generation EU recovery plan](#). The Parliament had [insisted on the creation of a new stand-alone European health programme](#).

### **3. Protecting small and medium-sized businesses**

Small and medium-sized enterprises represent [99% of all businesses in the EU](#), making their survival crucial to the EU's economic recovery. The EU [unlocked €1 billion](#) from its [European Fund for Strategic Investments](#) to incentivise banks and lenders to provide liquidity to more than 100,000 European small businesses.

### **4. Mitigating unemployment risks**

Jobs have been hard hit by the pandemic, with unemployment figures rising dramatically. To help workers in the wake of the Covid-19 crisis, the EU's [Support mitigating Unemployment Risks in Emergency \(Sure\)](#) initiative will provide [financial assistance of up to €100 billion to member states](#) in the form of loans granted on favourable terms to help cover the costs of national short-time work schemes.

### **5. Supporting the tourism industry**

Another sector badly affected by the pandemic is tourism. [Europe is the world's number one tourist destination](#) and the EU [introduced a series of measures](#) designed to help the industry cope during the crisis, as well as a [package to reboot Europe's tourism](#) in 2020 and beyond. [Relief measures for the transport sector](#) were also introduced, to minimise the effects of the pandemic on airlines, railways, road and shipping companies. To help people travel in Europe as various countries gradually lift lockdown measures, the [Re-open EU](#) interactive tool provides travellers with the information they need to confidently plan their travel and holidays in the EU while staying healthy.

### **6. Banking package to support households and businesses**

To ensure banks continue providing loans to businesses and households to mitigate the economic fallout from the crisis, the Parliament approved a [temporary relaxation of prudential rules](#) for European banks. Changes to the [capital requirements regulation](#) will enable pensioners or employees with a permanent contract to get loans under more favourable conditions, ensure credit flows to small and medium-sized enterprises and support infrastructure investment.

### **7. Supporting agriculture and fisheries**

In order to avoid disruption to food supplies and prevent food shortages, the [Parliament approved emergency measures to help farmers and fishermen](#) affected by the Covid-19 pandemic. Measures include [supporting fishermen and](#)

[aquafarmers who have had to stop their activity](#) during the crisis and an [increasing the support EU countries can give to small firms](#) dealing with farm food. Exceptional market measures were also introduced to [support EU wine, fruit and vegetable producers](#).

## 8. Helping countries fund their crisis response

To help member states fund their coronavirus crisis response, the EU launched a new initiative, the [Coronavirus Response Investment Initiative](#). It will channel some €37 billion from EU structural funds to provide immediate financial support to EU countries trying to help people and regions face the current crisis.

## 9. Relaxing state aid rules

As the pandemic was beginning to spread throughout Europe, the EU launched a [Temporary Framework on State Aid](#) rules to ensure sufficient liquidity remains available to businesses of all types and help maintain economic activity during and after the Covid-19 outbreak. Member states will be able to grant up to €800,000 to a company to address urgent liquidity needs or grant loans with favourable interest rates.

## 10. Protecting weakened European businesses from foreign competitors

The economic impact of the coronavirus pandemic has left many European companies vulnerable to subsidised foreign competitors. To help protect businesses, the Parliament [called for a level-playing field](#) for all businesses, to avoid distortions to the single market stemming from unfair competition from foreign companies. The Commission also [launched a public consultation](#) on how to deal with the negative effects caused by foreign subsidies. In parallel, the EU [issued guidelines](#) for member states on foreign direct investment, urging them to thoroughly screen investments from outside the EU to avoid risks to the EU's security and public order.

Find out [10 things the EU is doing to fight the coronavirus](#)