



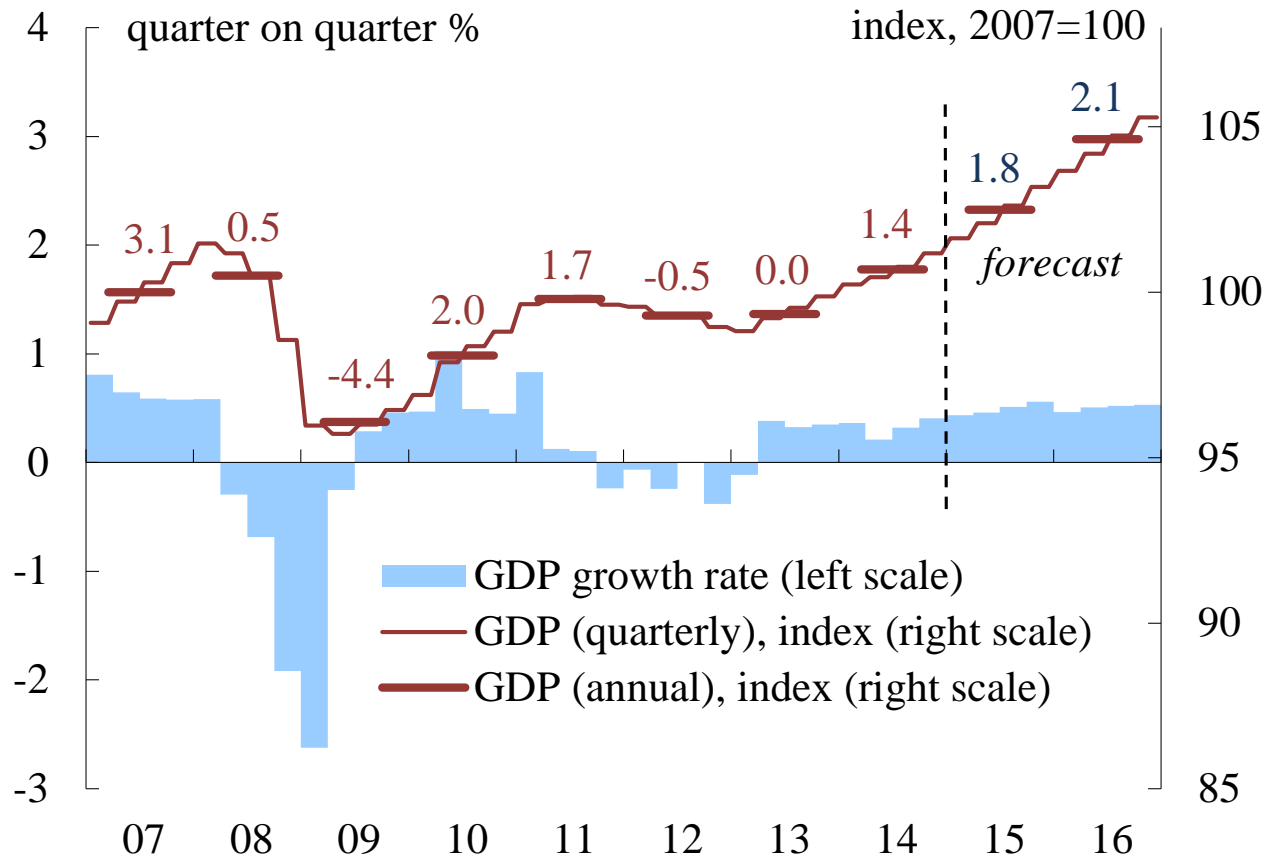
European Economic Forecast Spring 2015

Pierre Moscovici
Commissioner for Economic and Financial Affairs,
Taxation and Customs

5 May 2015

EU growth gradually firming

GDP growth in the EU

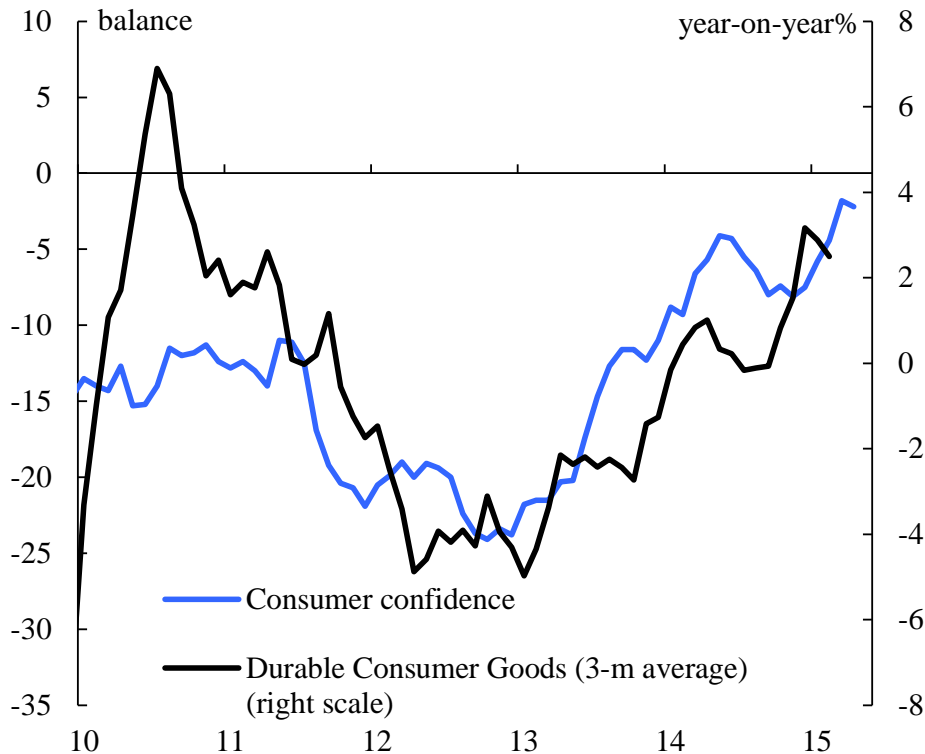


Figures above horizontal bars are annual growth rates.

Source: Eurostat, European Commission

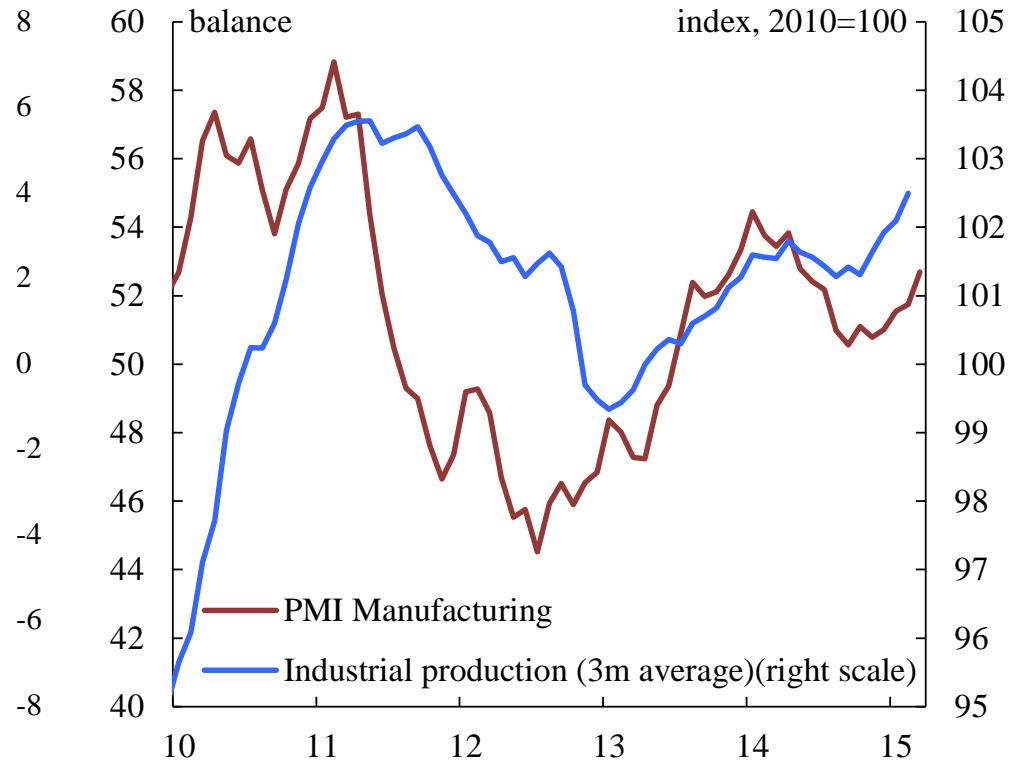
Tailwinds supporting the cyclical upswing

Consumer confidence and durable consumer goods



Source: DG ECFIN, Eurostat

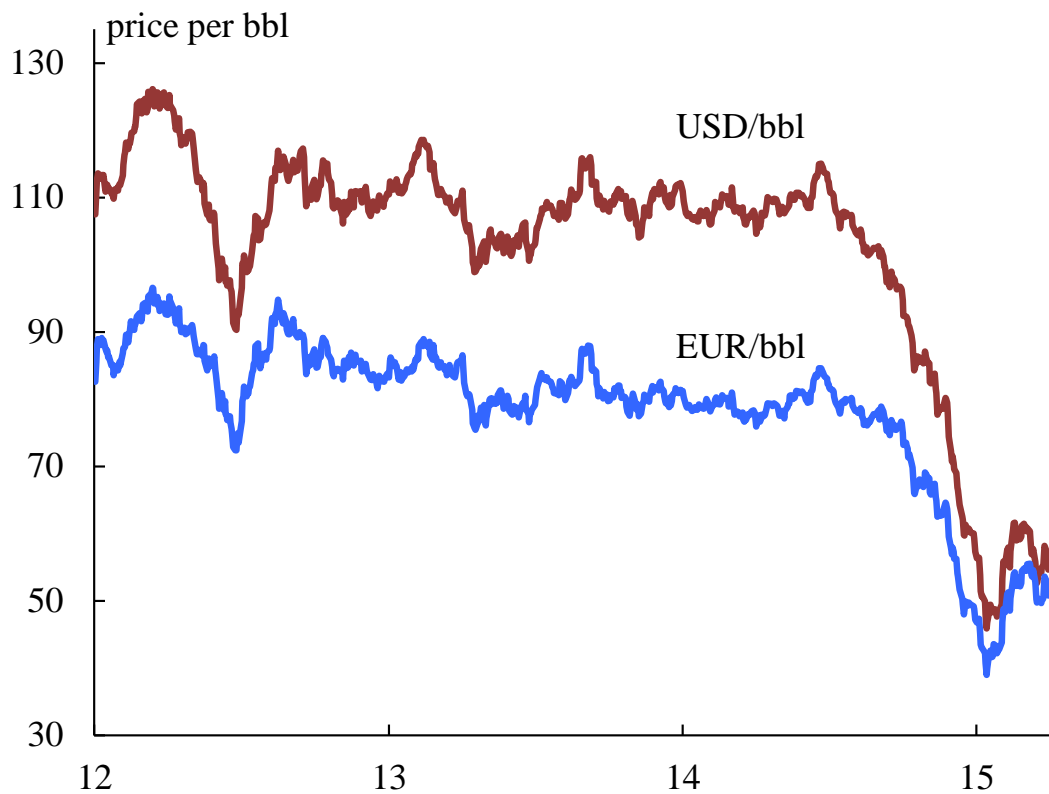
Industrial production and confidence



Source: Markit Economics, Eurostat

Still low oil prices

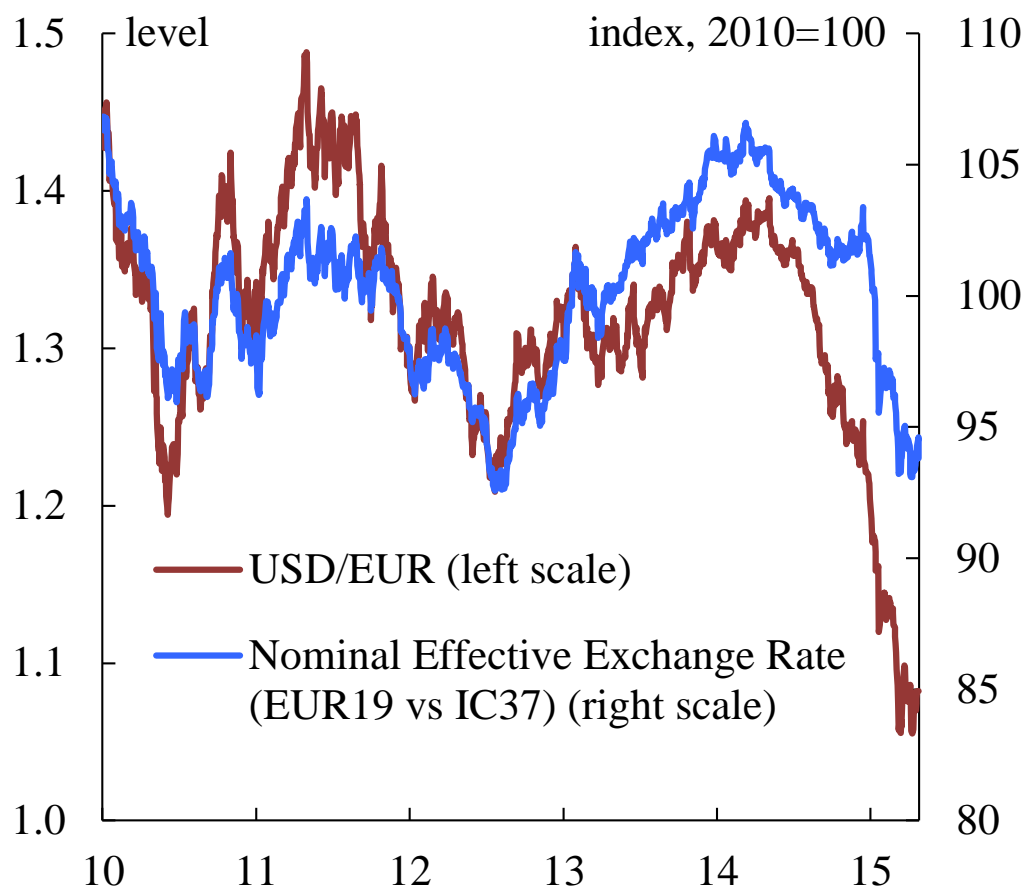
Brent oil spot prices, USD and euro



Source: ICE

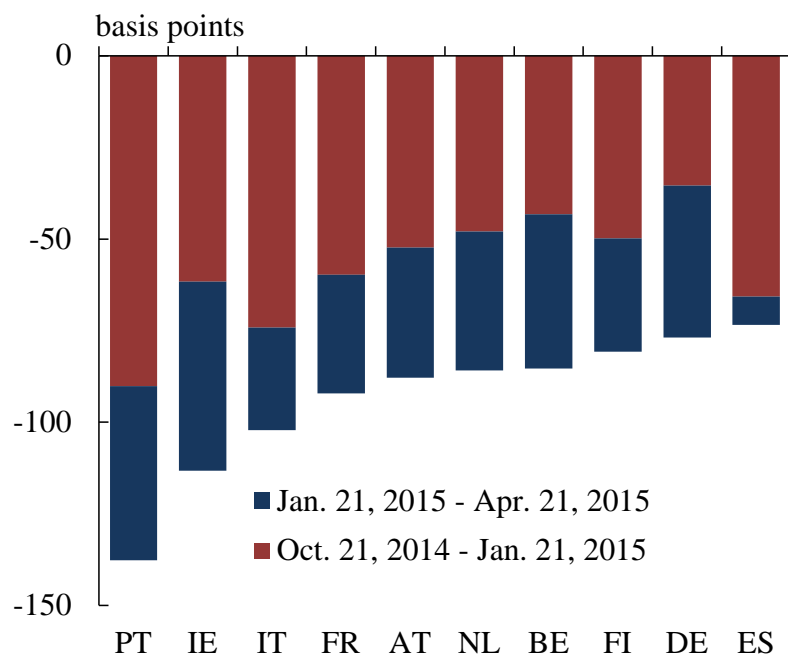
Euro has depreciated further

Euro exchange rates vs USD and NEER

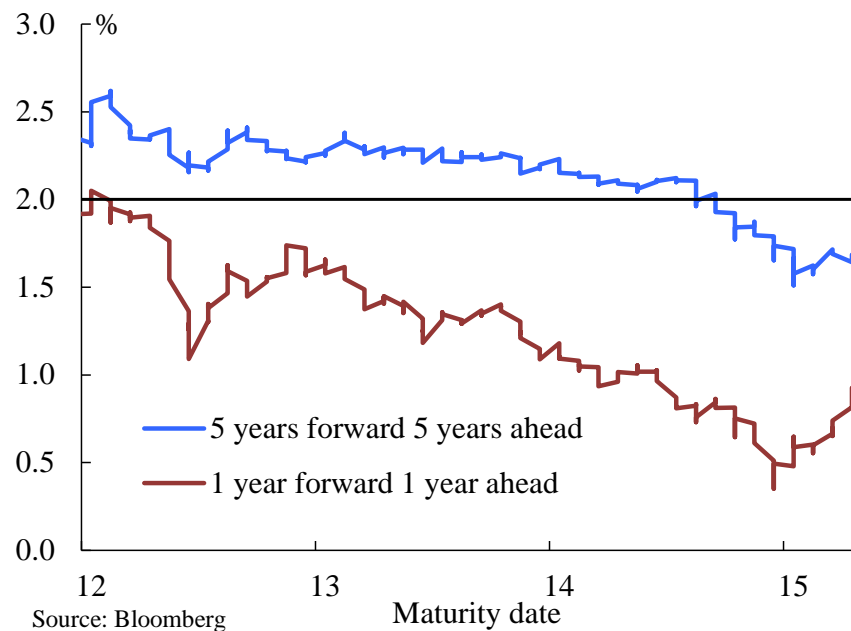


Positive impact from QE...

Decline in sovereign bond yields, 10 yrs.

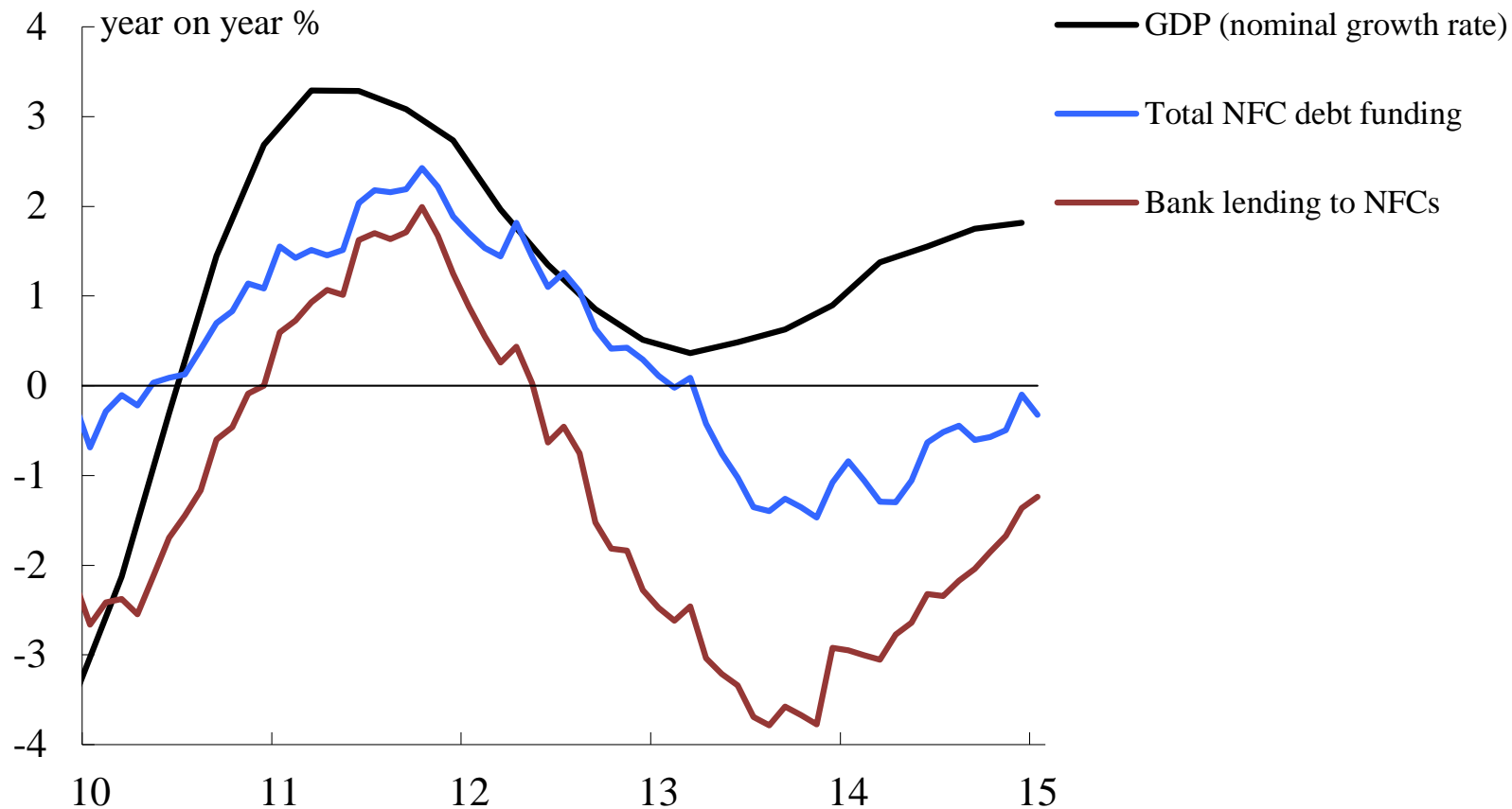


Increase in inflation expectations



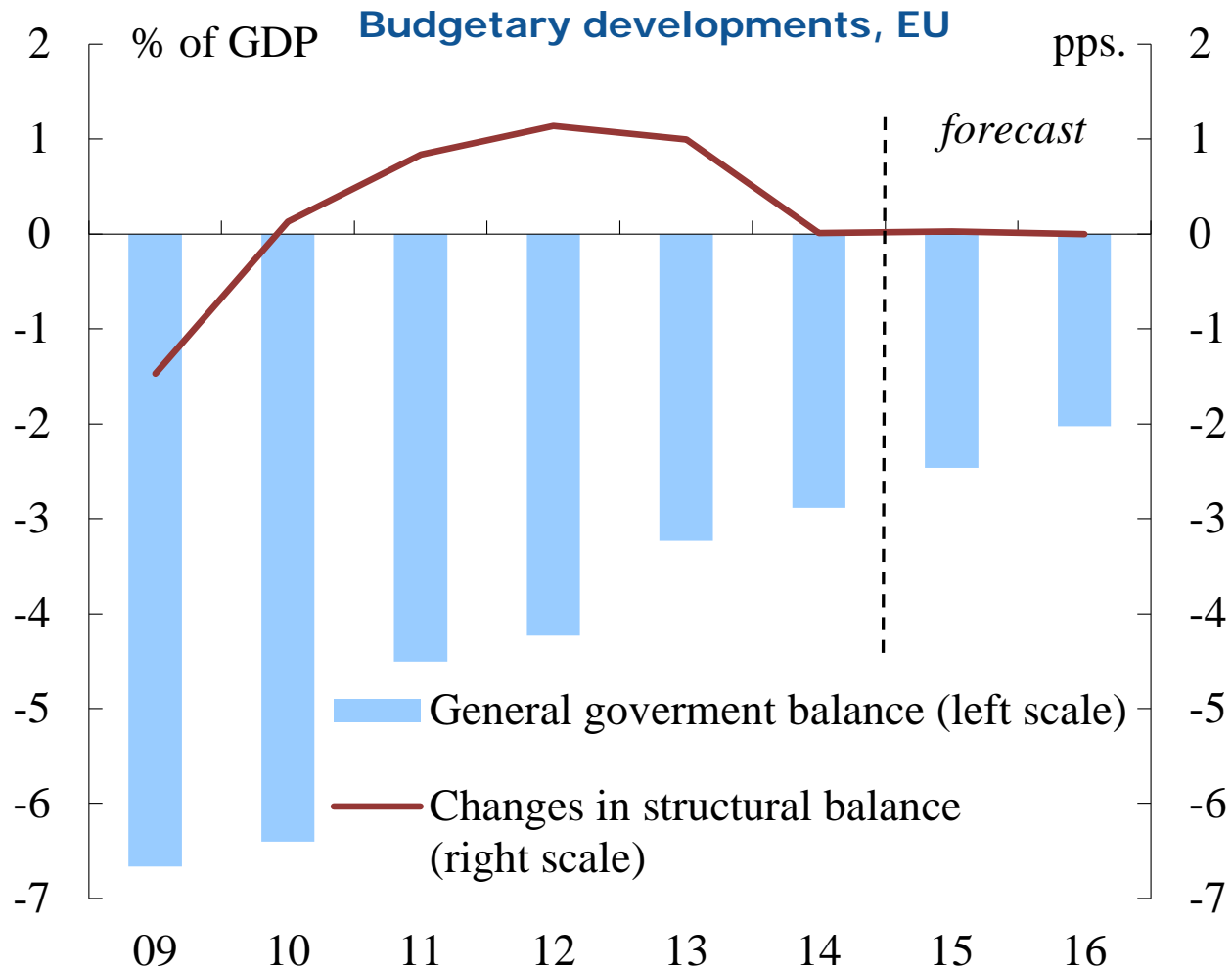
... also on bank lending

Bank lending, euro area



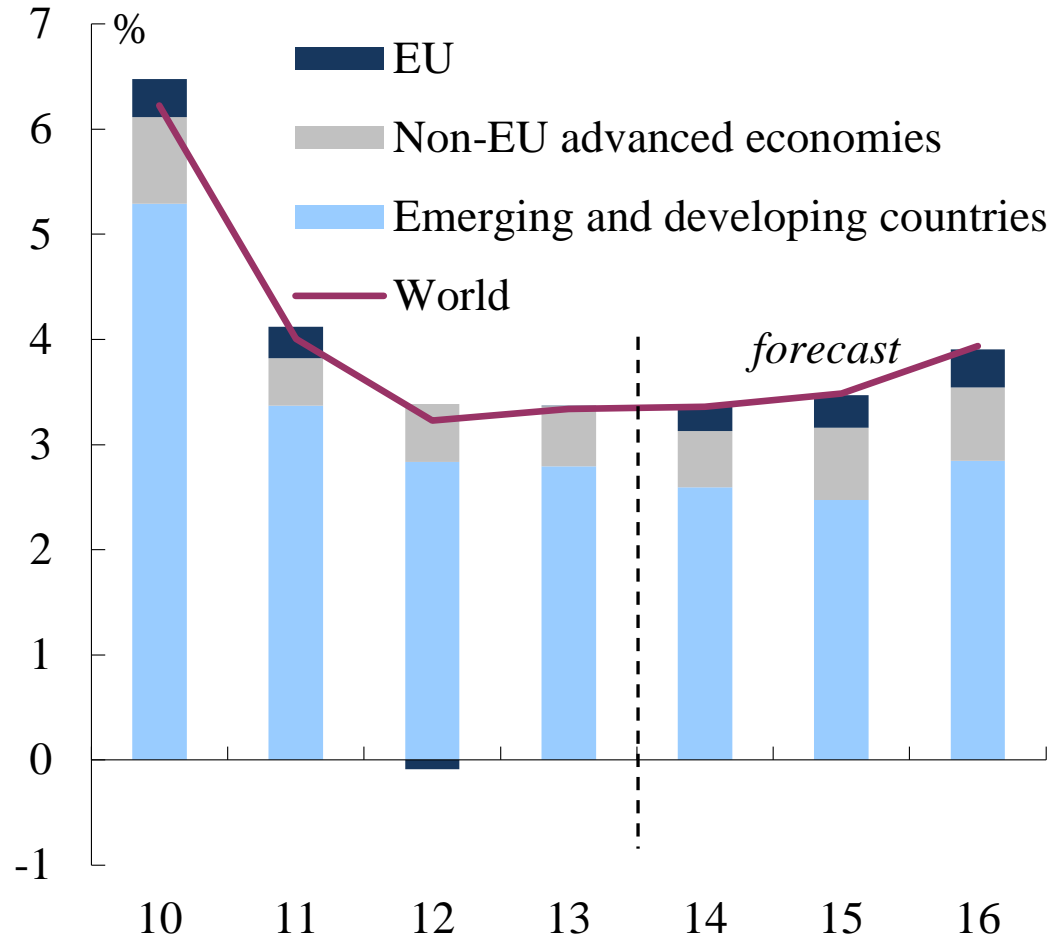
Source: ECB, Eurostat

A neutral fiscal stance



Global growth accelerating modestly

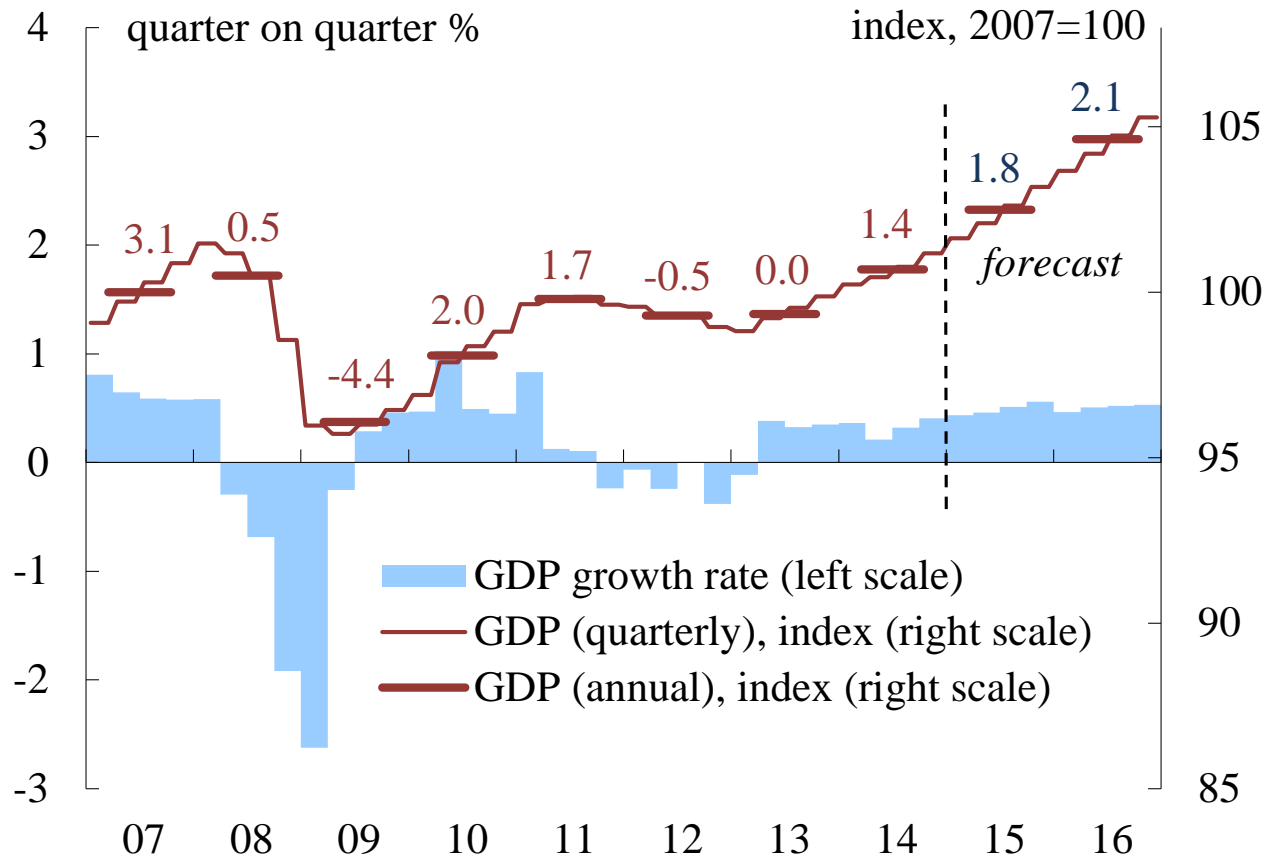
Contributions to world GDP growth



Source: European Commission

EU growth gradually firming

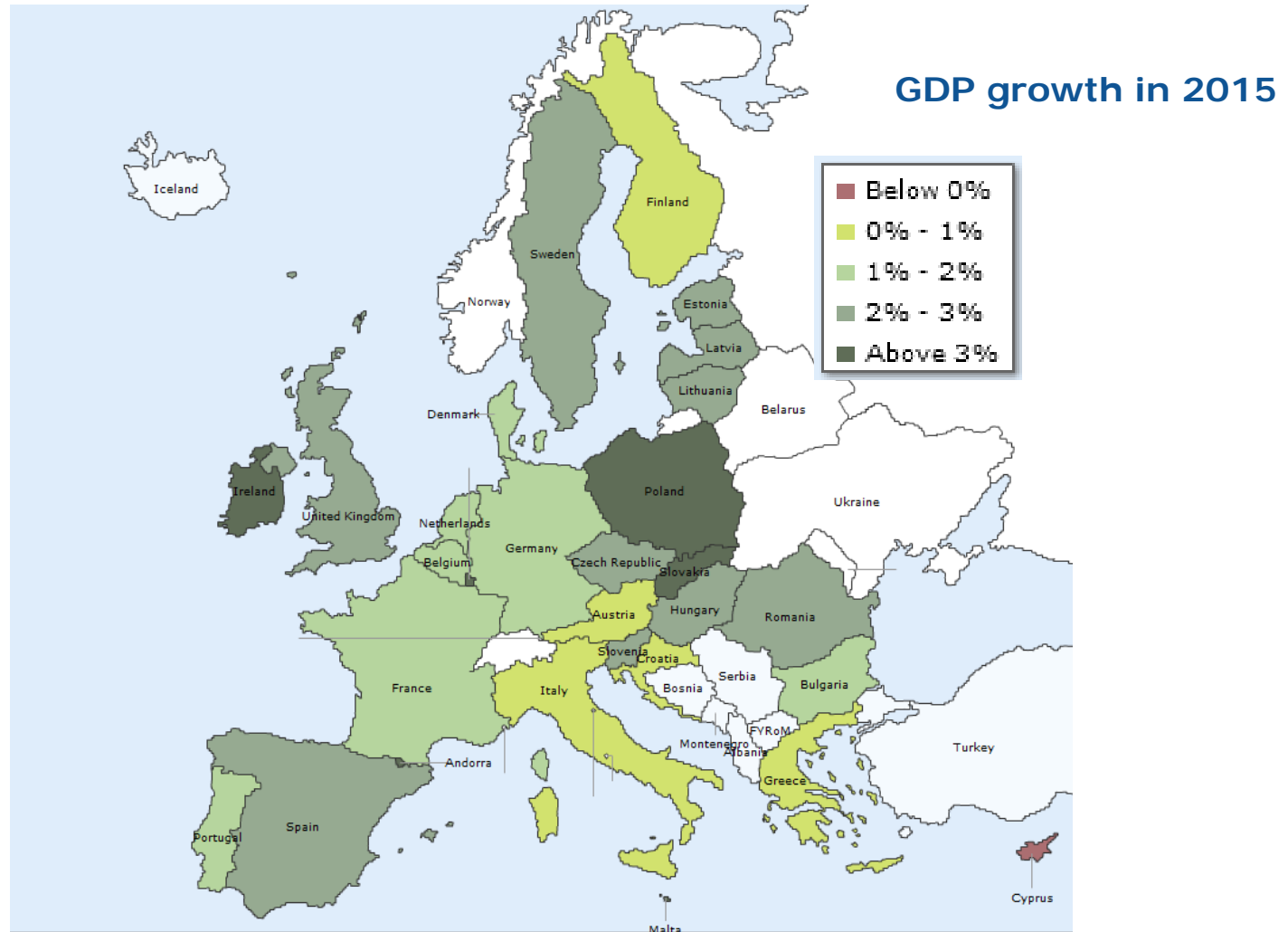
GDP growth in the EU



Figures above horizontal bars are annual growth rates.

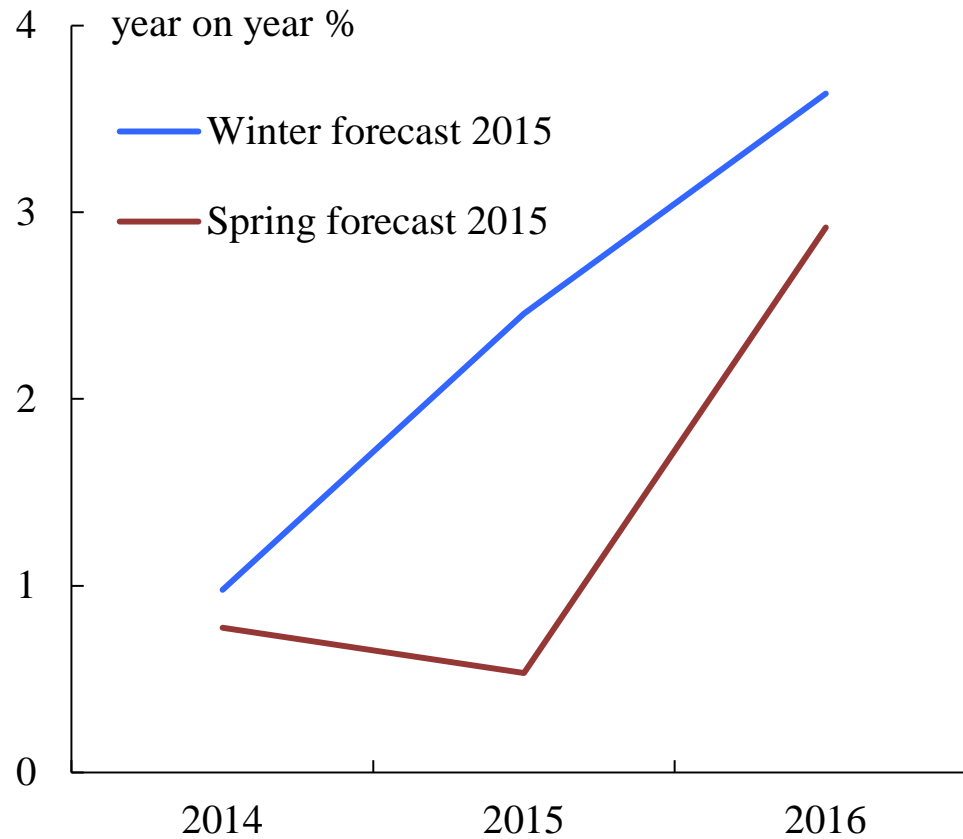
Source: Eurostat, European Commission

Tailwinds pushing activity to different degrees



Greece

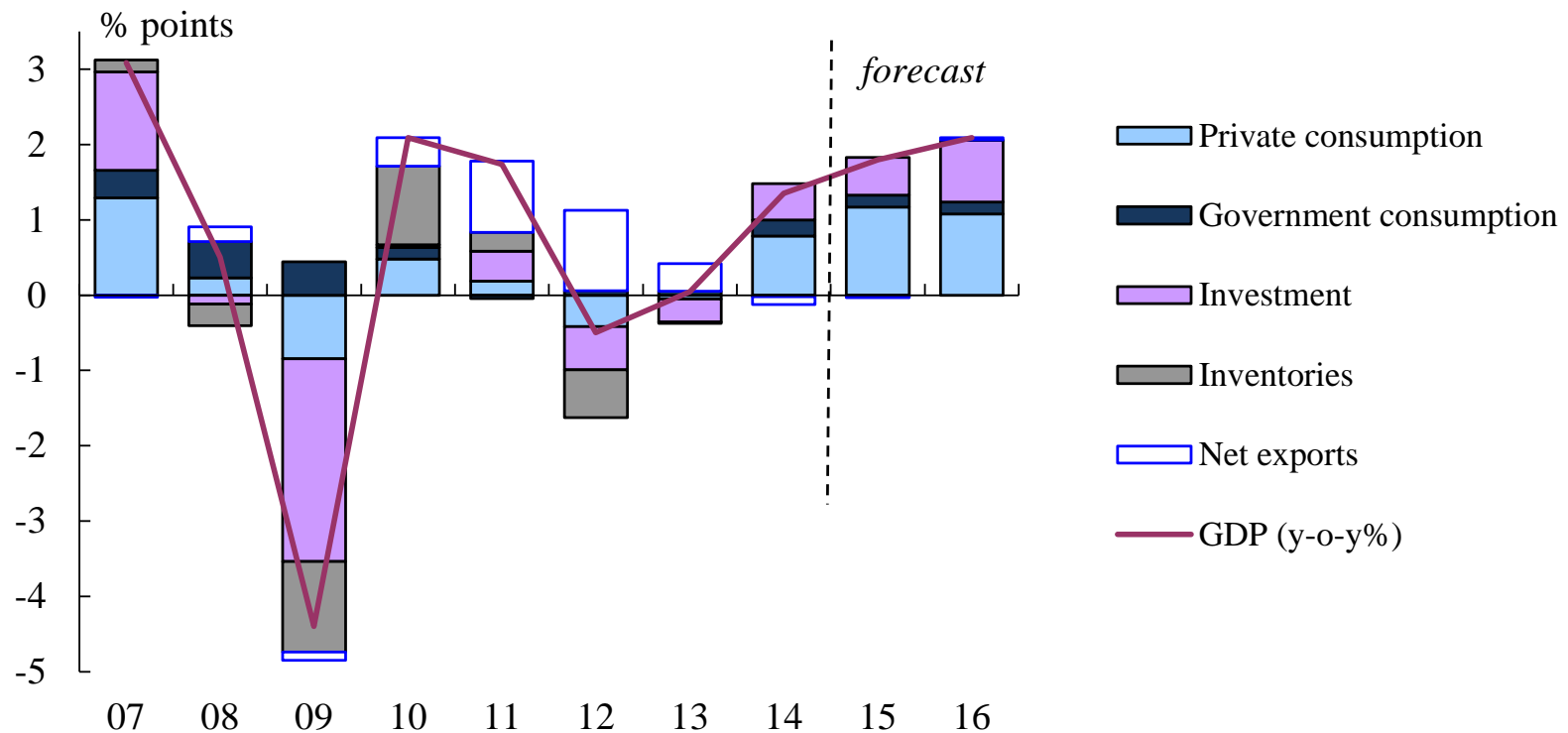
Downward revision to Greek GDP growth



Source: European Commission

Private consumption: the main growth driver

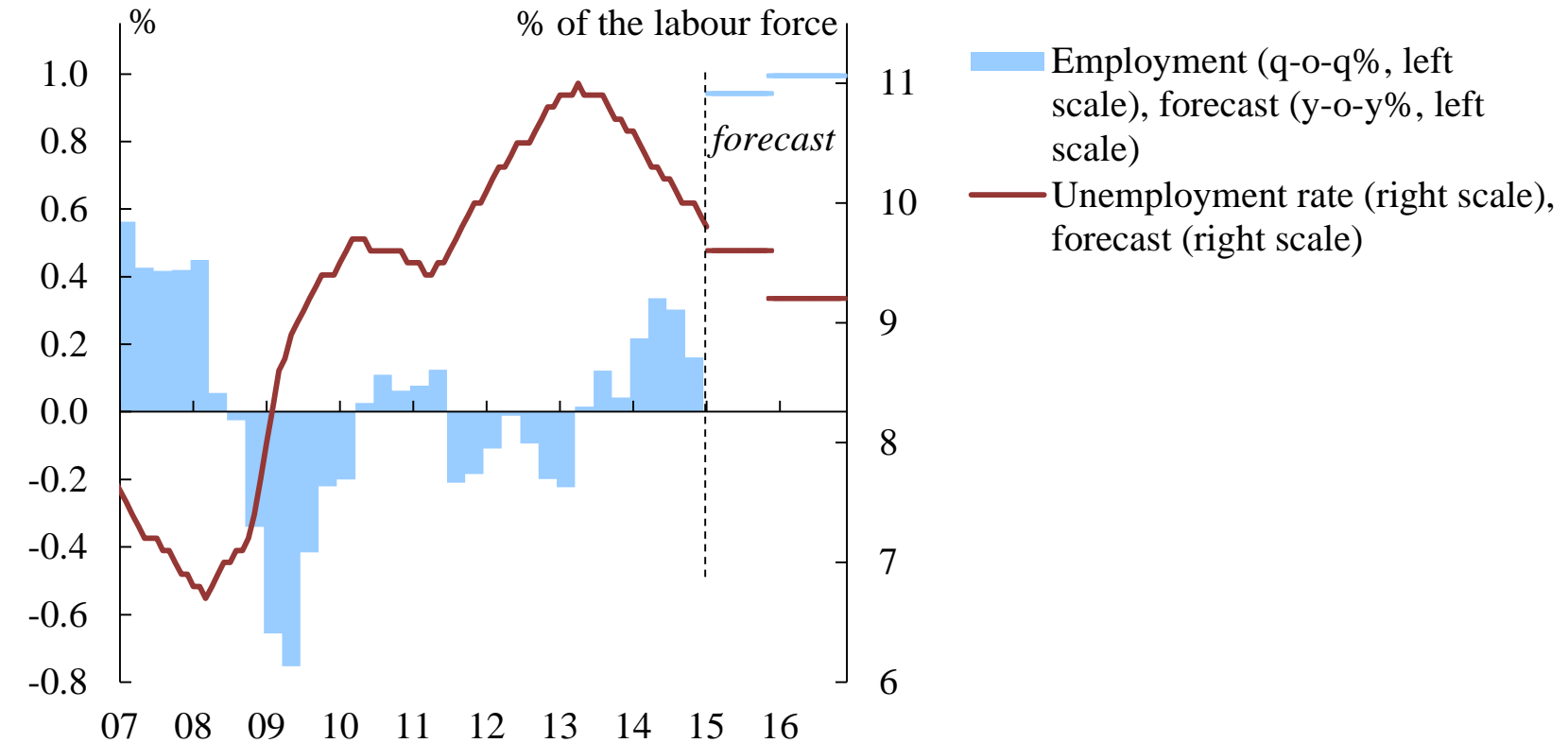
GDP growth and its components, EU



Source: Eurostat, European Commission

Recovery in the labour market progressing

Employment growth and unemployment rate, EU

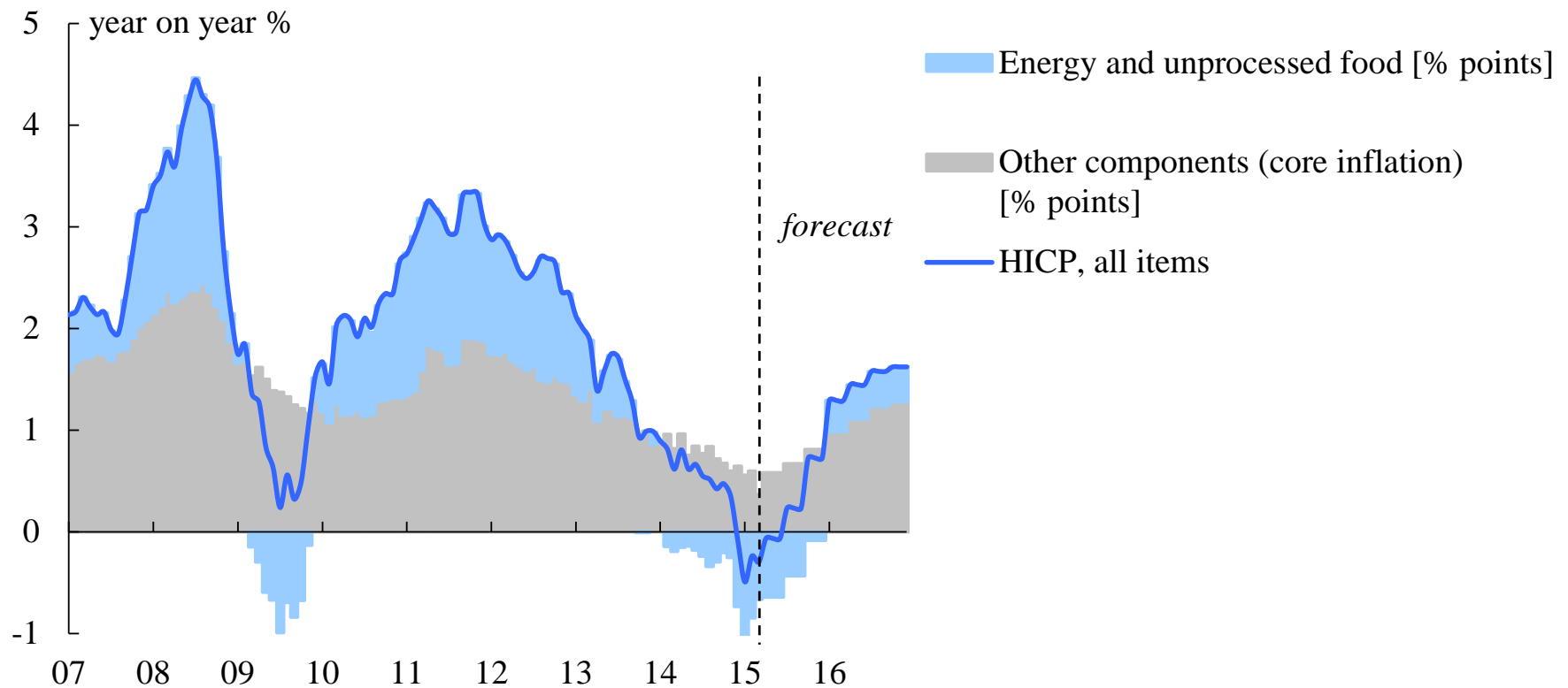


Forecast figures are annual data.

Source: Eurostat, European Commission

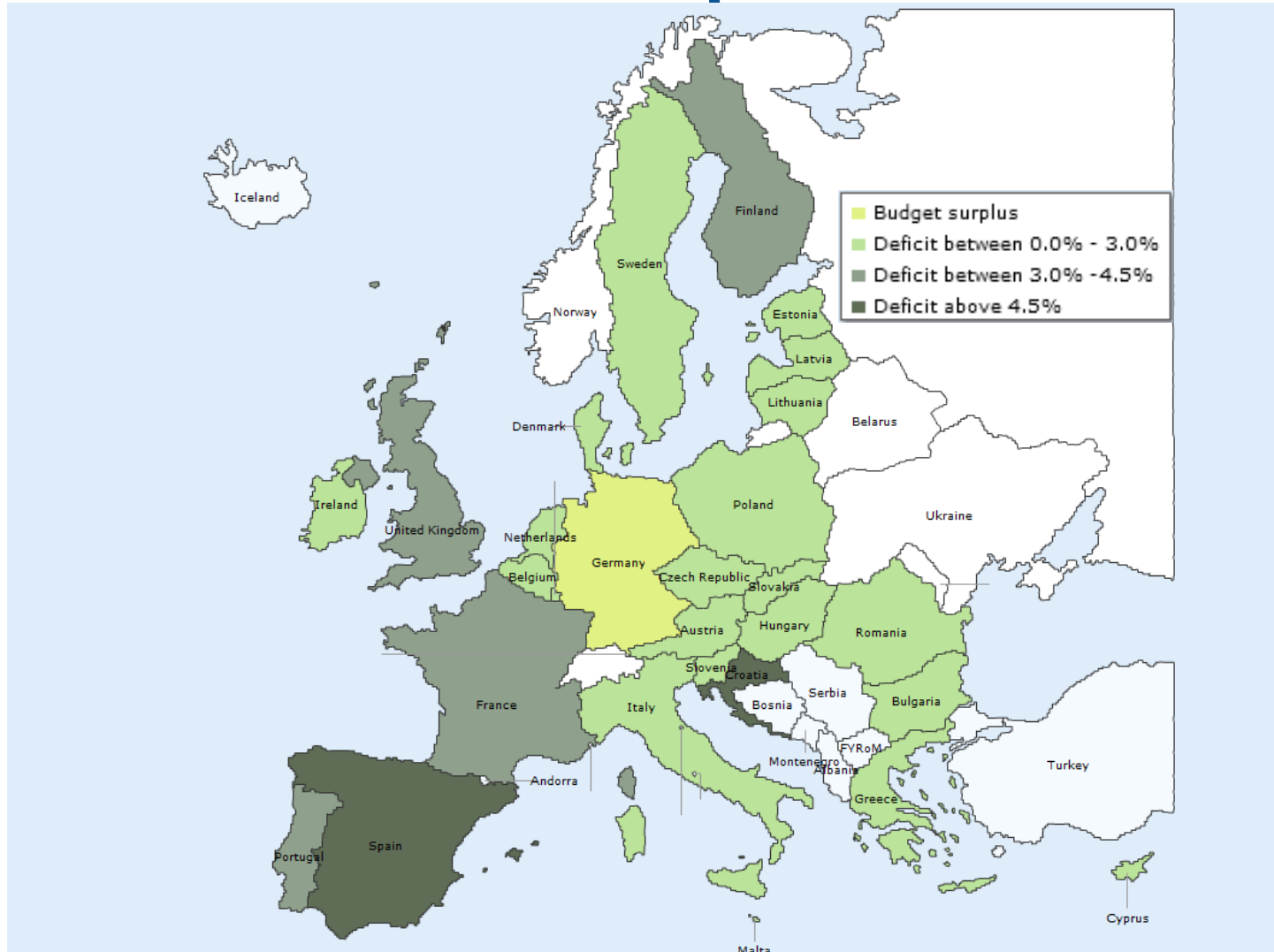
Hints of a rebound in inflation rates

Inflation breakdown, EU



Source: Eurostat, European Commission

EU deficit map for 2015



Risks to the growth outlook

Risks on the upside:

- Larger impact of low oil prices and of QE
- Larger impact of depreciation of the euro
- Larger impact of the Investment Plan for Europe

Risks on the downside:

- Geopolitical risks
- A faster rebound of oil prices
- Renewed financial market volatility

EU economic growth map 2015

