



# EUROPEAN ECONOMIC FORECAST

Autumn 2017

9 NOVEMBER 2017

**PIERRE MOSCOVICI**

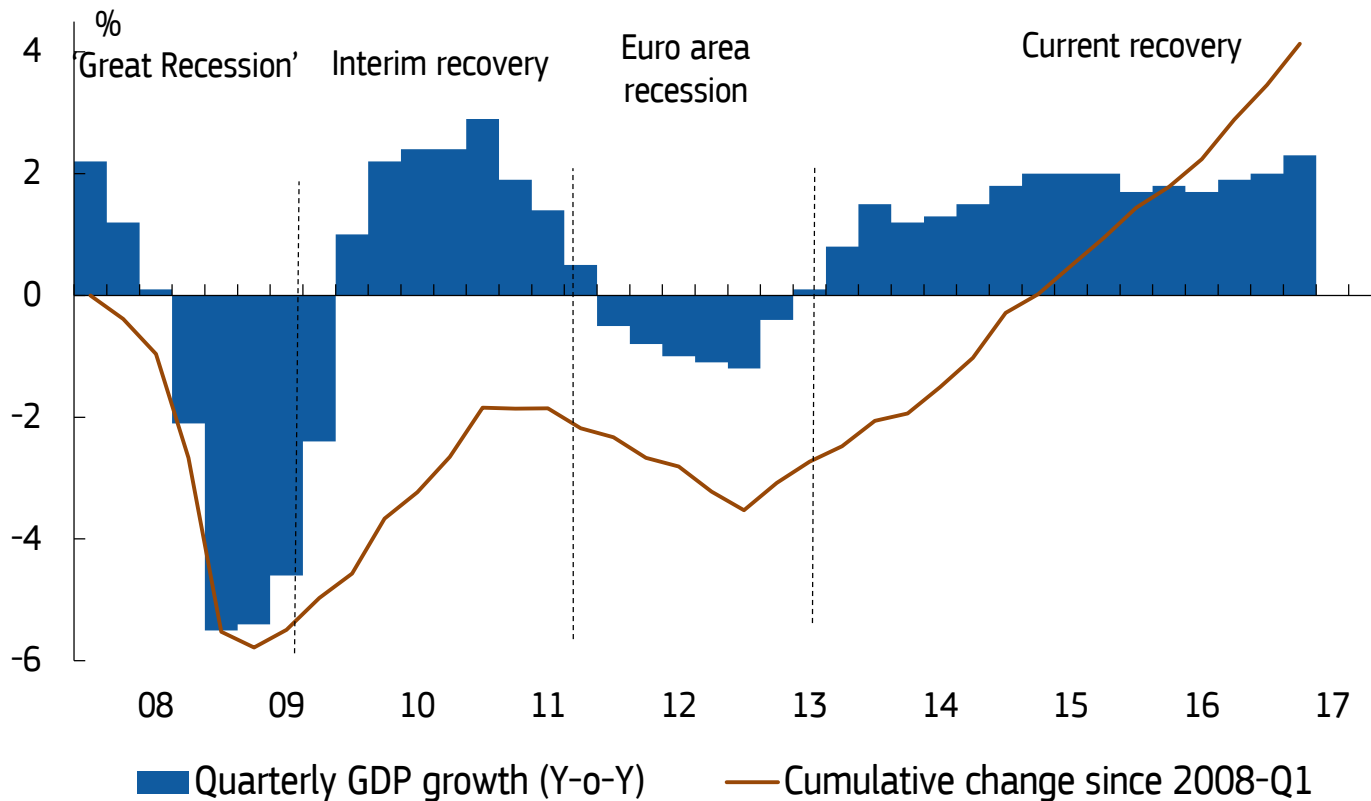
Commissioner for Economic and Financial Affairs, Taxation and Customs

# Key messages from the Autumn 2017 Forecast

- Accelerating growth in Europe with all Member States participating
- Robust employment growth ahead and lower unemployment
- Deficit and debt ratios continue declining
- But the recovery remains incomplete - the outlook for inflation remains subdued amid sluggish wage growth
- Risks to the outlook are now broadly balanced

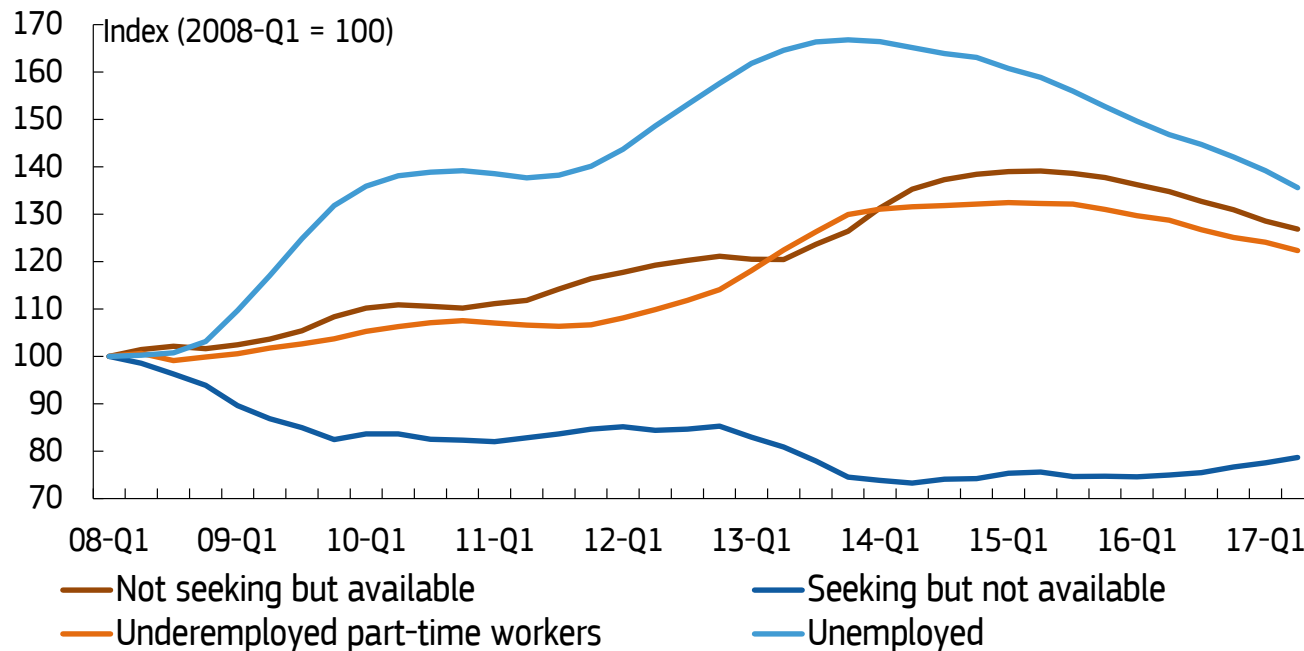
# The cyclical upswing has gathered speed...

Euro area GDP: annual growth rate and cumulative change, 2008-17Q2



# ...but the recovery is not yet complete

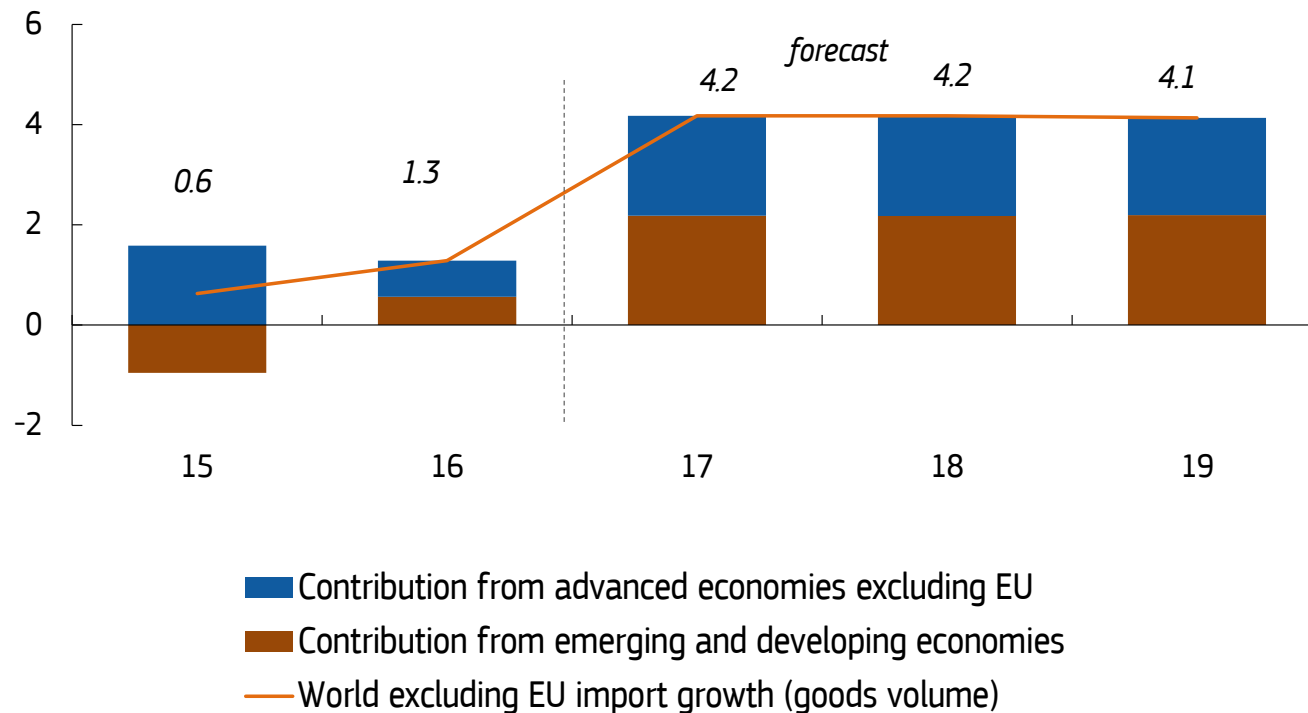
## Unemployment and labour market slack, euro area



*Four-quarter moving averages as compared to the base period 2008-Q1.*

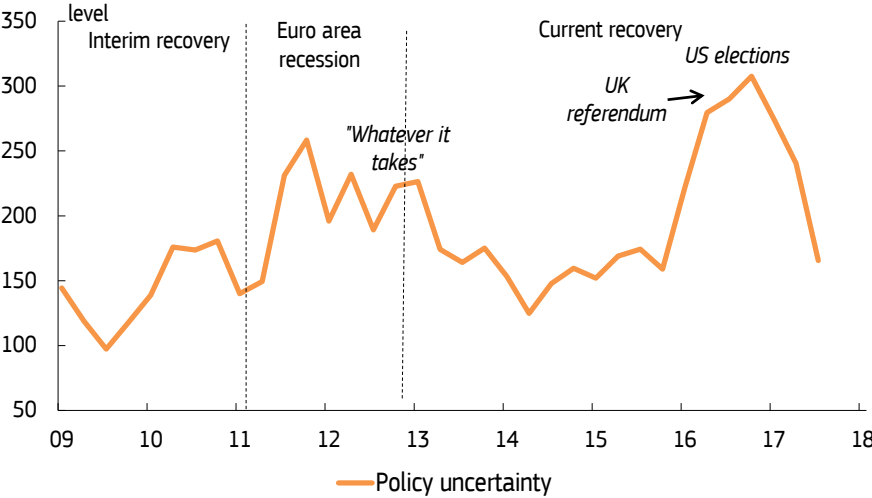
# Synchronised rebound across advanced and emerging economies

Contributions to world trade growth (excluding the EU)

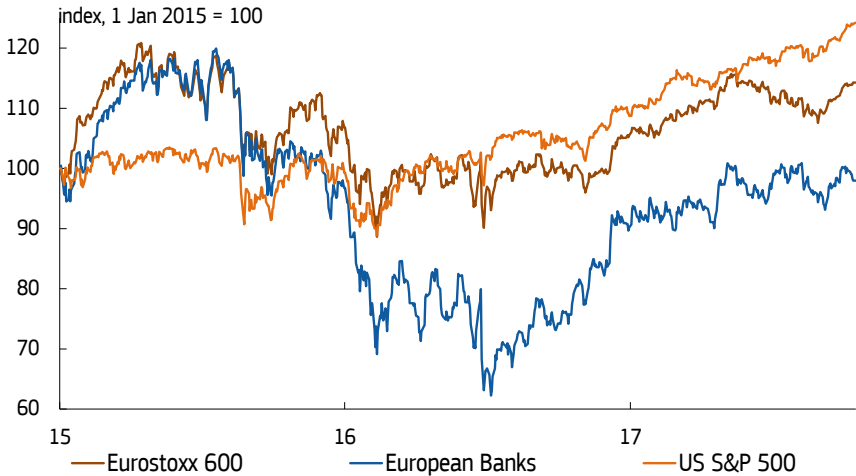


# Lower uncertainty and robust financial markets

### Uncertainty, EU

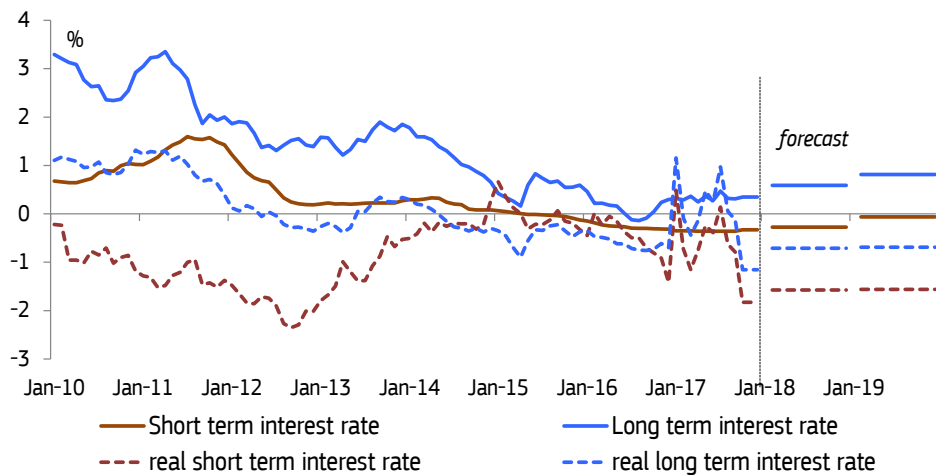


### Stock markets



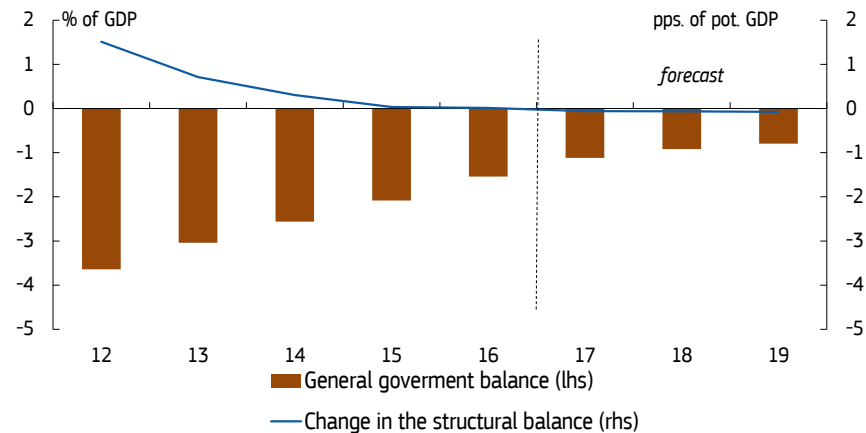
# Still supportive macroeconomic policies

## Interest rates, euro area



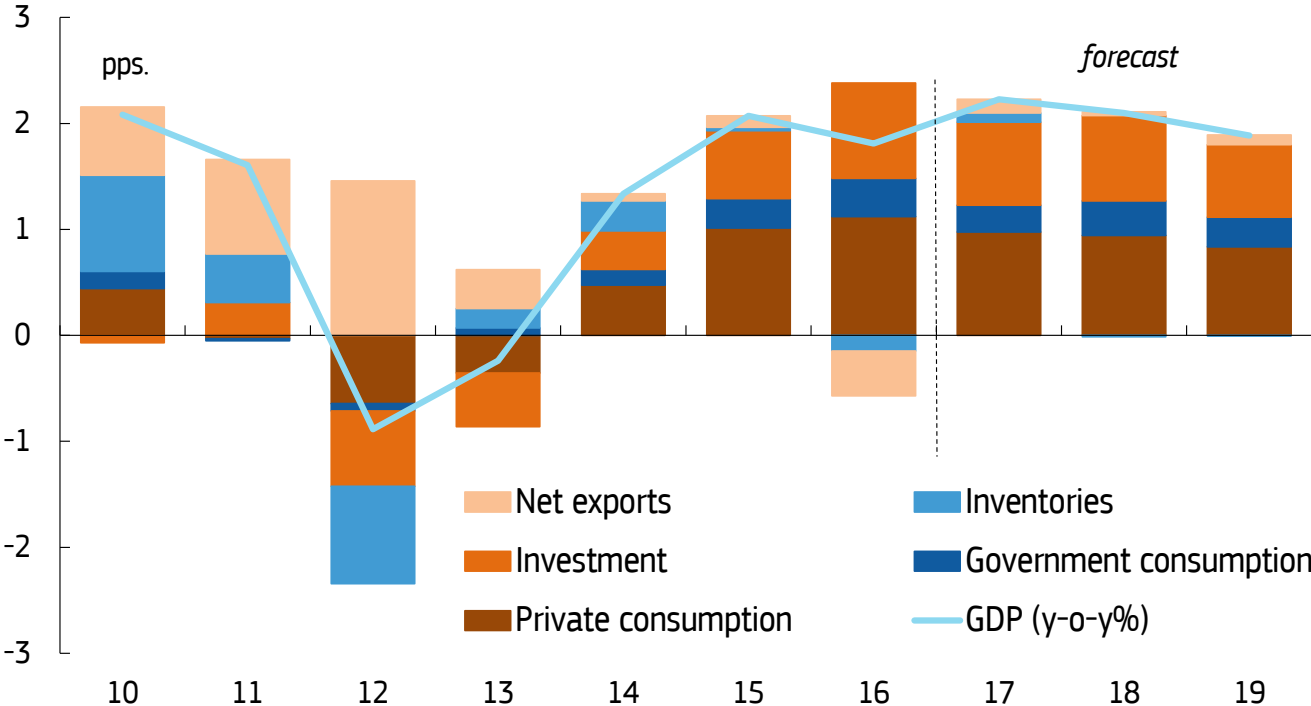
Short term rate: 3M Euribor; Long term rate: 10Y interest swap;

## Budgetary developments, euro area



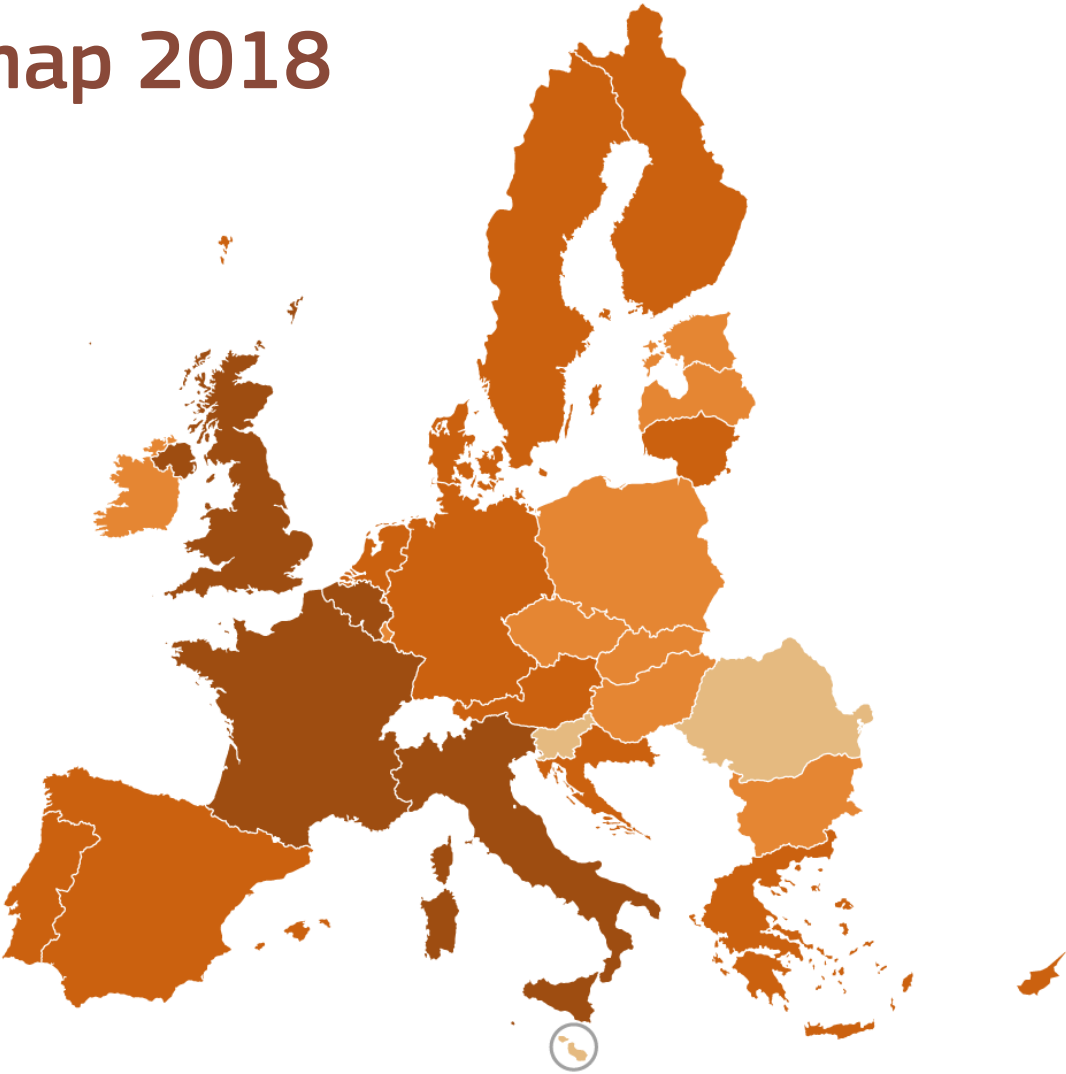
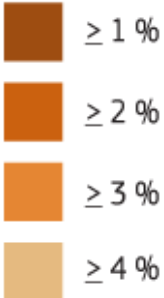
# Robust investment growth is expected

Real GDP growth and its components, euro area



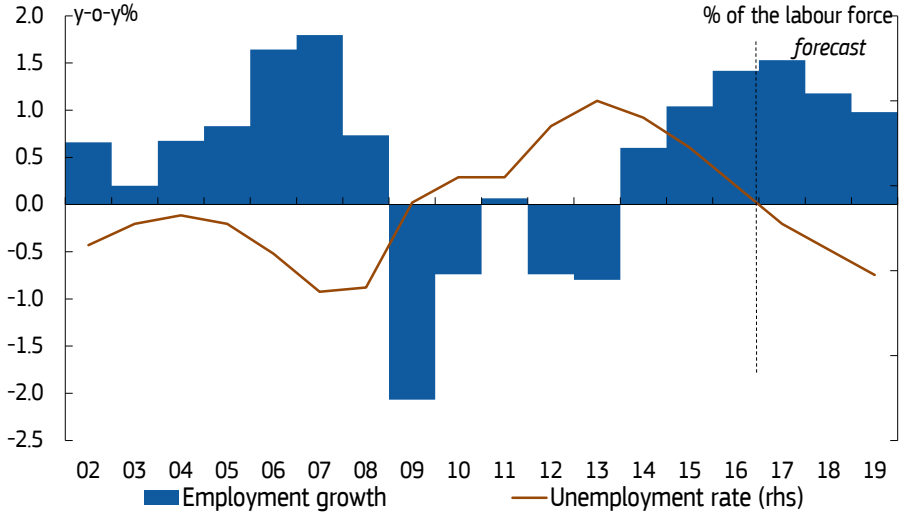


# Growth map 2018



# Wage growth remains subdued despite robust job creation

Employment and unemployment, euro area



Wage developments, euro area

