

European Commission



European Economic Forecast

Winter 2016

INSTITUTIONAL PAPER OXX | FEBRUARY 2016



EUROPEAN ECONOMIC FORECAST

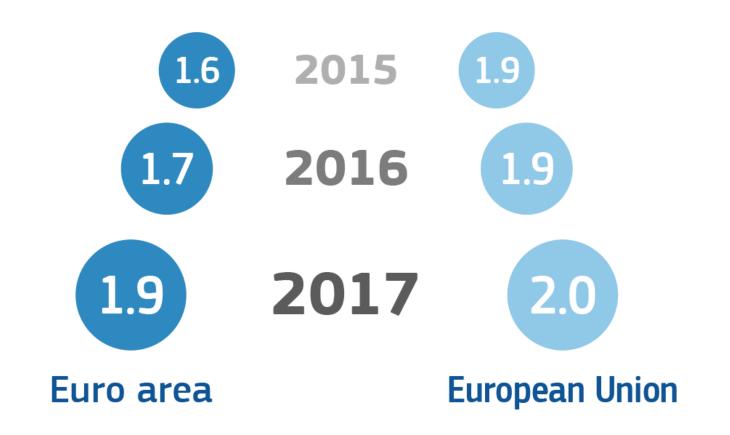
Winter 2016

4 FEBRUARY 2016

PIERRE MOSCOVICI

Commissioner for Economic and Financial Affairs, Taxation and Customs

An ongoing moderate recovery





N STATISTICS

Longer-lasting tailwinds



Cheap oil

Lower euro exchange rate



Lower interest rates



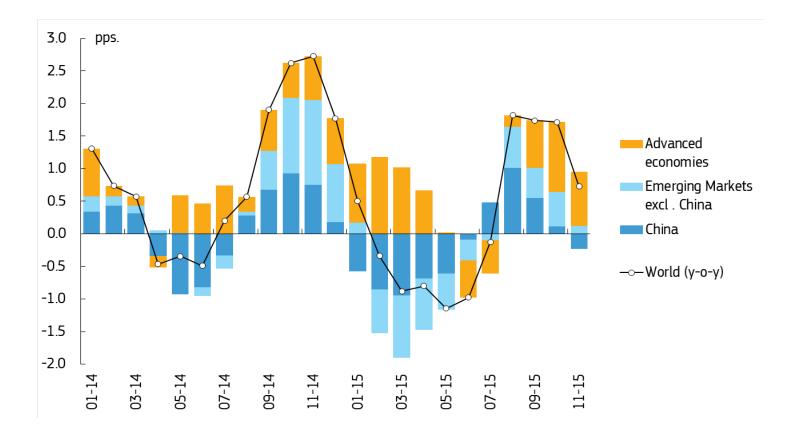
Supportive fiscal policy





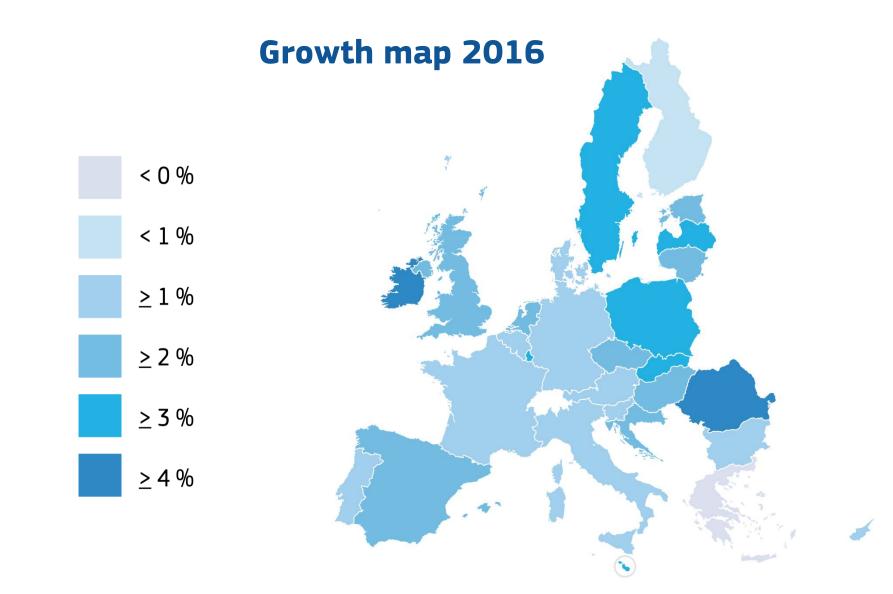
Intensified downturn in emerging markets

World goods import volumes (3m-o-3m % change)



Source: Centraal Planbureau

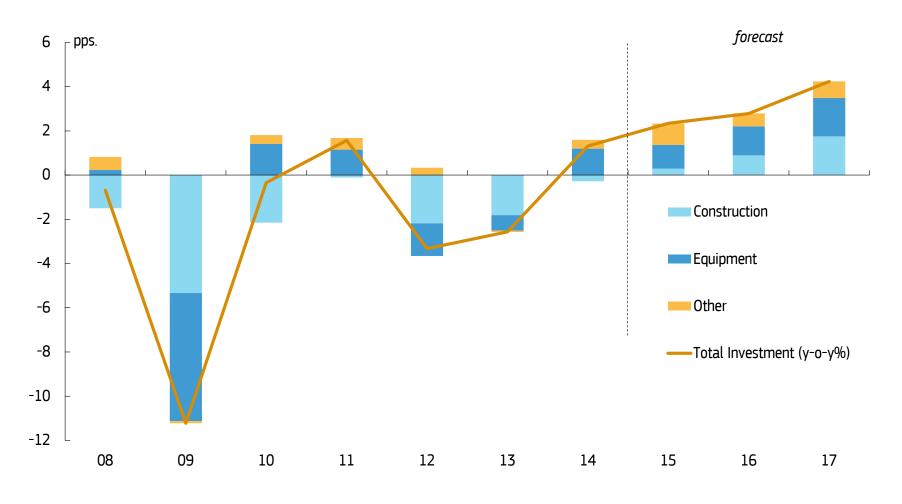




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Conditions in place for a pick-up in investment





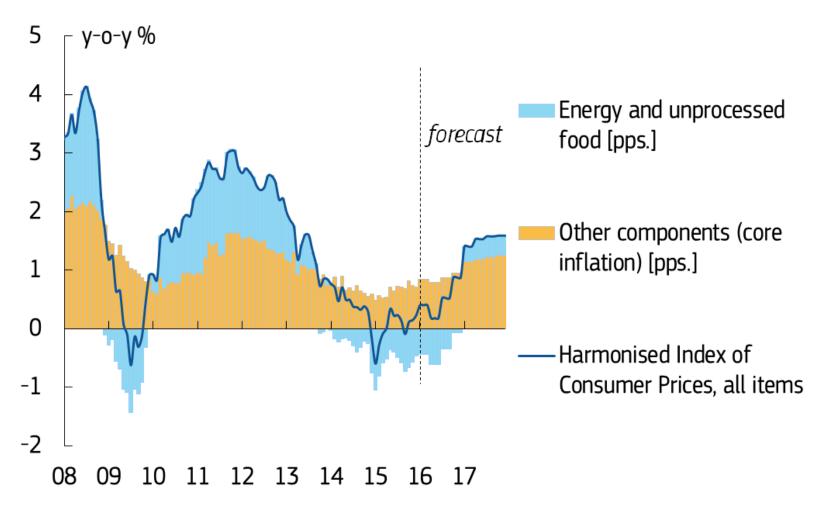
Unemployment continuing to decline



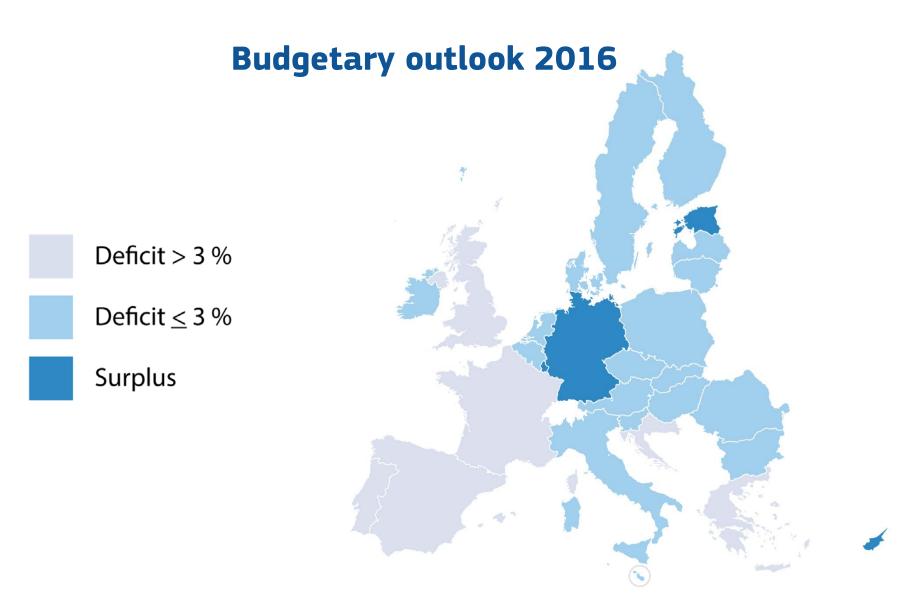




Energy prices weigh on inflation





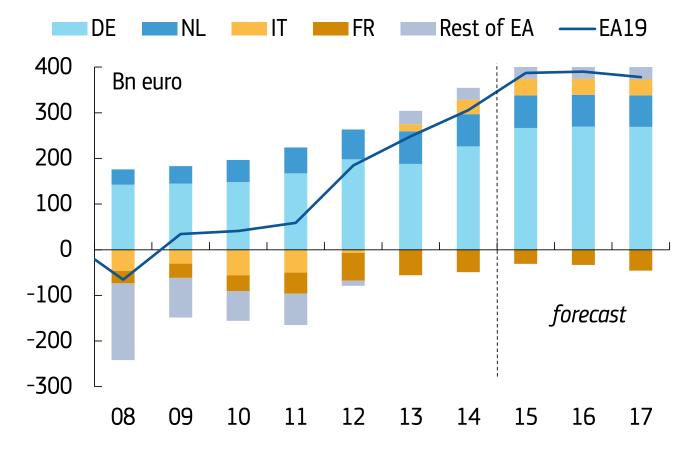


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Current account: High external surplus and slower internal rebalancing

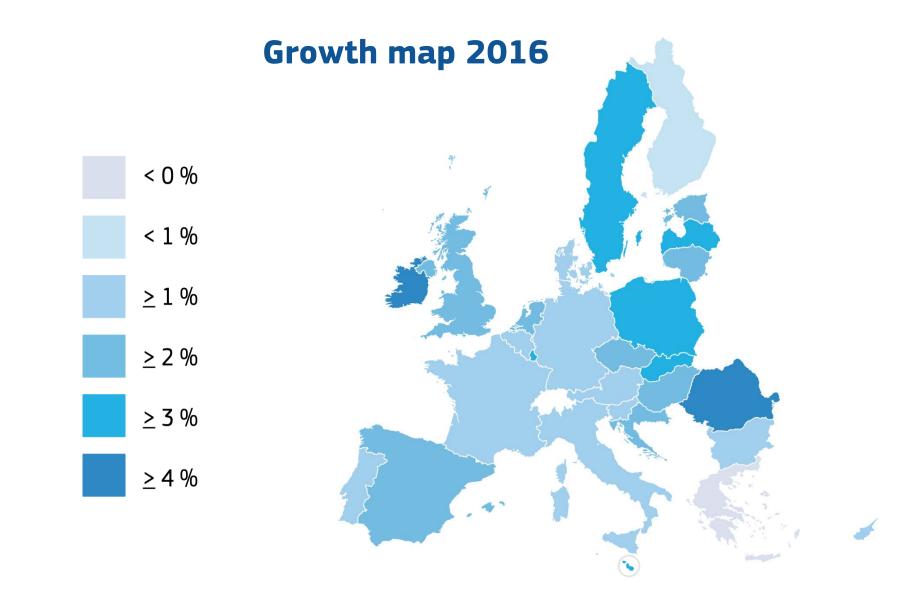




A forecast surrounded by risks

- (-) Stronger slowdown in China and emerging markets
- (-) Uncertainty regarding oil price assumptions
- (-) Geopolitical tensions
- (-) Policy uncertainty within Europe
- (+) Stronger rebound in global growth
- (+) Larger / longer impact of 'tailwinds'
- (+) Impact of structural reforms





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