

European Commission



European Economic Forecast

Winter 2016

INSTITUTIONAL PAPER OXX | FEBRUARY 2016



# EUROPEAN ECONOMIC FORECAST

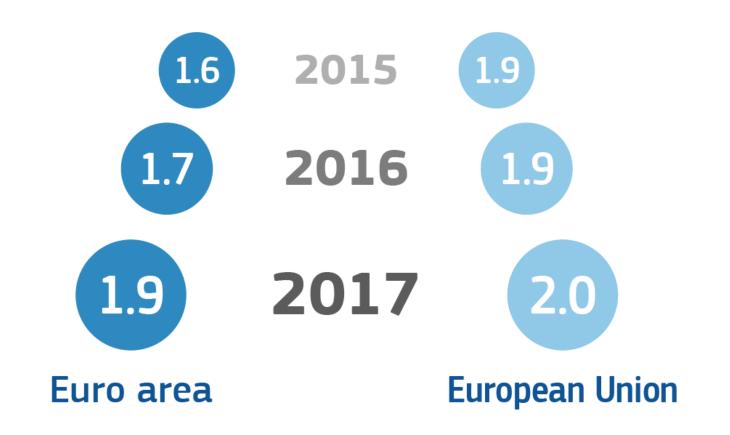
Winter 2016

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



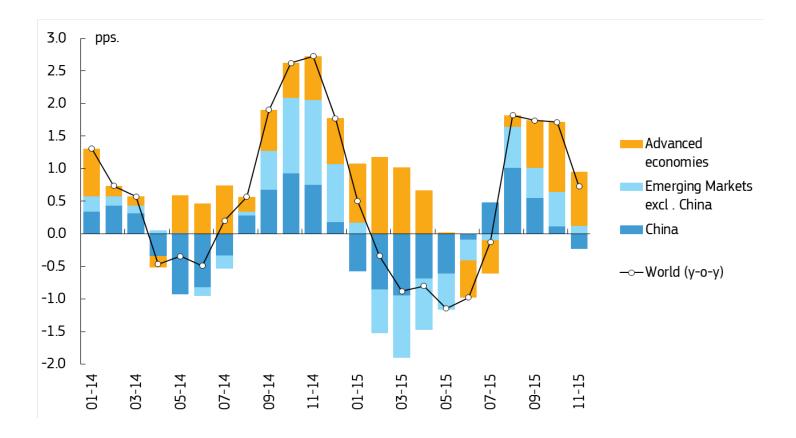
Supportive fiscal policy





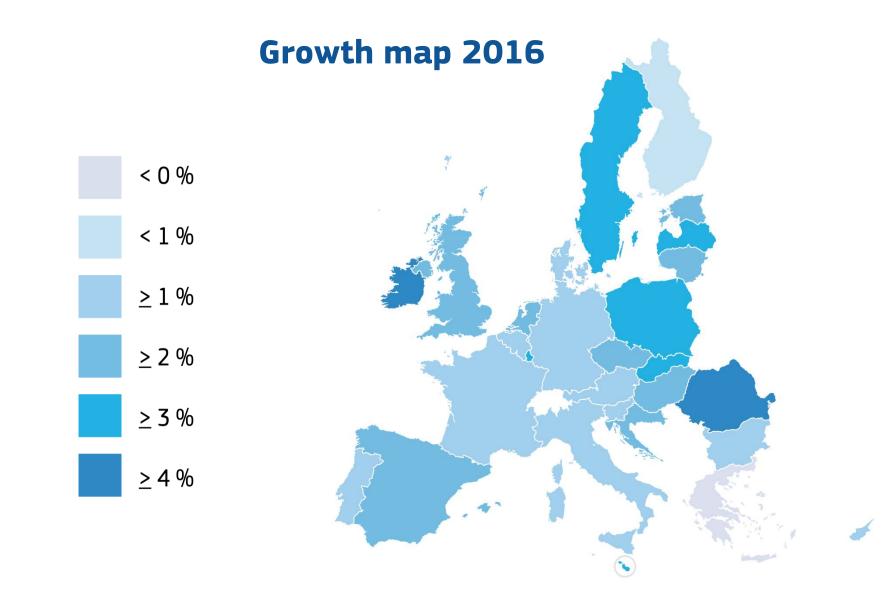
# Intensified downturn in emerging markets

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



#### Source: Centraal Planbureau

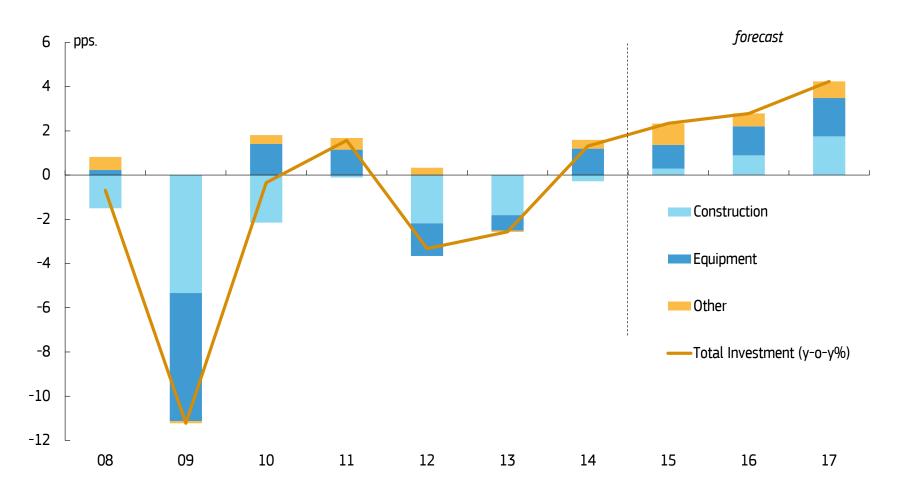




The second se

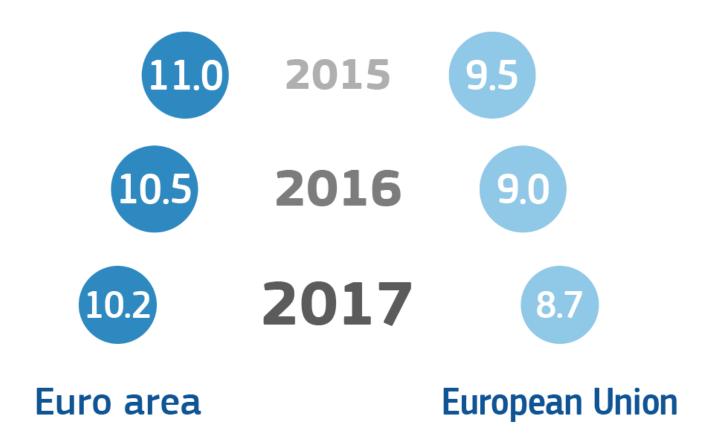


### Conditions in place for a pick-up in investment





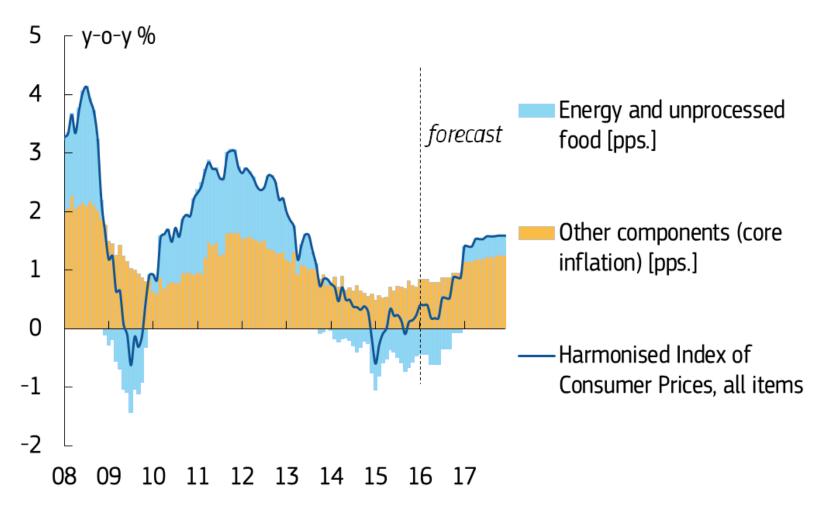
### **Unemployment continuing to decline**



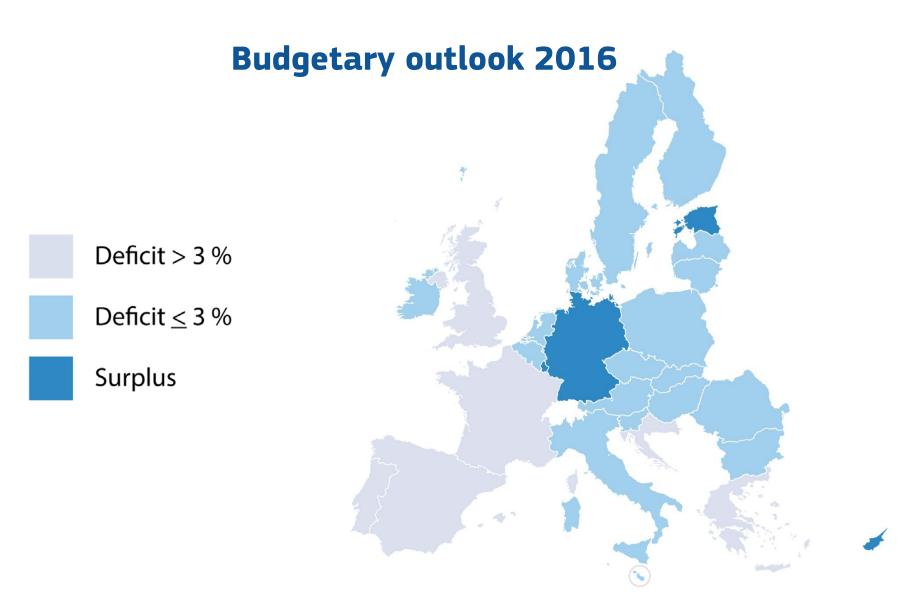




# **Energy prices weigh on inflation**





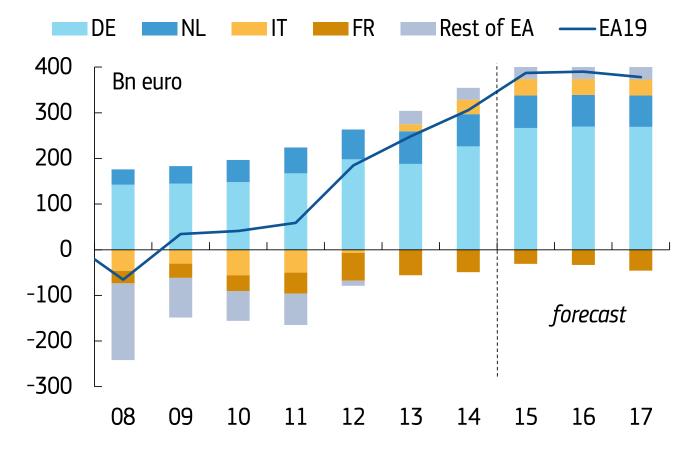


The second se



No. of the second second

# **Current account:** High external surplus and slower internal rebalancing

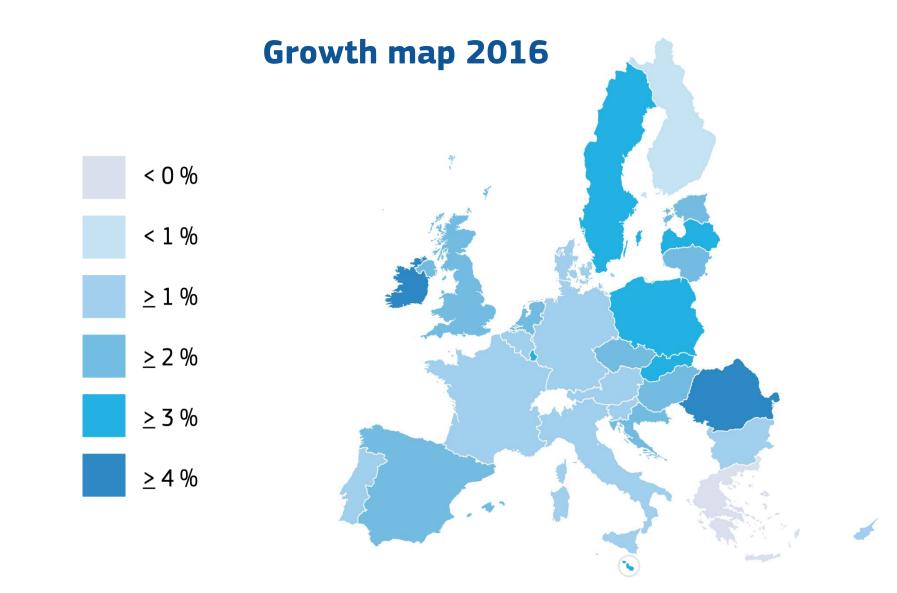




# A forecast surrounded by risks

- (-) 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





the second se

