
Commission: economy in free fall. Gentiloni, “devastating effects of COVID. Recovery Plan urgent”

“Coronavirus has now claimed the lives of more than half a million people worldwide, a number still rising by the day - in some parts of the world at an alarming rate. And this forecast shows the devastating economic effects of that pandemic. The policy response across Europe has helped to cushion the blow for our citizens, yet this remains a story of increasing divergence, inequality and insecurity”. EU Commissioner for the Economy, Paolo Gentiloni, painted this bleak picture today as he presented the Summer Economic Forecast. The outlook for 2020 and 2021 is a deep recession this year, and a “rebound” of GDP next year which, however, will not be enough to make up for the gap created by the coronavirus crisis. “This is why”, according to Gentiloni, “it is so important to reach a swift agreement on the recovery plan proposed by the Commission – to inject both new confidence and new financing into our economies at this critical time”. Next week, the Heads of State and Government will meet in Brussels to decide on the Recovery Plan: businesses and the labour market are in urgent need of resources. But there is a somewhat optimistic note: if the forecast is confirmed, if no further “unpleasant surprises” occur, and if the EU recovery plan to sustain production, trade, tourism and consumption starts to take off, then “the worst may have passed”, according to the Commission, at least at the economic level.

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