
Economy: EU Forecast. Gentiloni, pandemic is a “global shock. Recovery delayed”

“The coronavirus pandemic represents a very large shock for the global and EU economies, with very severe economic and social consequences”. The bad news - which is no surprise - was given by EU Commissioner for Economic Affairs, Paolo Gentiloni, at a press conference in Brussels. In presenting the Economic Forecast, he insisted on the word “shock” recorded in the first half of the year; a “rebound” was registered in the third quarter “as containment measures were gradually lifted”. But the “resurgence of the pandemic in recent weeks is resulting in disruptions” to production and business activities “as national authorities introduce new public health measures to limit its spread”. The epidemiological situation means a “high degree of uncertainty and risks” for EU economies. Indeed, the Autumn 2020 Economic Forecast projects that the euro area economy will contract by 7.8% in 2020 before growing 4.2% in 2021 and 3% in 2022. The EU27 economy will contract by 7.4% in 2020 before recovering with growth of 4.1% in 2021 and 3% in 2022. Compared to the last Summer Economic Forecast, growth projections for both the euro area and the EU “are slightly higher for 2020 and lower for 2021”. Output in both the euro area and the EU “is not expected to recover its pre-pandemic level in 2022”. A real recovery is only expected in 2023.

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