
EU economic forecast: Gentiloni, great uncertainty but “we see light at the end of the tunnel”. Recovery linked to pandemic and Next Generation EU

“Europeans are living through challenging times. We remain in the painful grip of the pandemic, its social and economic consequences all too evident”. In presenting the Winter Economic Forecast, EU Commissioner for Economy, Paolo Gentiloni, says the general situation is still of concern, but, he adds, “there is, at last, light at the end of the tunnel”. “As increasing numbers are vaccinated over the coming months, an easing of containment measures should allow for a strengthening rebound over the spring and summer”. The EU economy should return to pre-pandemic GDP levels in the second quarter of 2022, “earlier than previously expected – though the output lost in 2020 will not be recouped so quickly, or at the same pace across our Union”. This forecast, however, is subject to “multiple risks, related for instance to new variants of COVID-19 and to the global epidemiological situation”. On the other hand, the impact of Next Generation EU “should provide a strong boost to the hardest-hit economies over the coming years, which is not yet integrated into today’s projections”. Today’s economic forecast projects that the euro area economy will grow by 3.8% in both 2021 and 2022. The forecast projects that the EU-27 economy will grow by 3.7% in 2021 and by 3.9% in 2022.

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