
EU Commission: economic rebound is slowing down. Logistic bottlenecks and raw materials shortages

“As the fundamentals remain strong, we can expect the economy to regain traction”. After presenting the data pointing to a slowdown in GDP, EU Commissioner Paolo Gentiloni makes room for hope albeit in a still uncertain scenario. The Winter Economic Forecast presented at the Berlaymont building in Brussels is a mix of “bottlenecks” and “reasons for hope”. “Growth continues to be shaped by the pandemic, with many EU countries under pressure from a combination of increased strain on healthcare systems and staff shortages” in factories, offices and shops “due to illness, precautionary quarantines or care duties”. “Logistic and supply bottlenecks, including shortages of semiconductors and some metal commodities, are also set to keep weighing on production, at least throughout the first half of the year”, the Forecast reads. Last but not least, “energy prices are now expected to remain elevated for longer than expected in the Autumn Forecast, thereby exerting a more protracted drag on the economy and higher inflationary pressures”. “After the robust rebound in economic activity that started in spring last year and continued unabated through early autumn, the growth momentum in the EU is estimated to have slowed to 0.4% in the last quarter of 2021, from 2.2% in the previous quarter”.

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