
EU Commission: economy, Dombrovskis calls on Member States to carry out reforms and implement NRRP

“Following a robust expansion throughout most of 2022, real GDP contracted towards year-end and barely grew in the first three quarters of 2023”. This is according to the European Commission’s Forecast which provides insights into the present situation and future developments. “Still high, though declining, inflation, and tightening monetary policy took a heavier toll than previously expected”. “The latest business indicators and survey data for October point to subdued economic activity also in the fourth quarter of this year, amid increased uncertainty”. “Economic activity is expected to gradually pick up as consumption recovers on the back of a steadily robust labour market, sustained wage growth and continued easing of inflation”. Despite tighter monetary policy, investment is projected “to continue increasing, supported by overall solid corporate balance sheets and by the Recovery and Resilience Facility”. European Commission Vice-President Valdis Dombrovskis said: “This has been a challenging year for the EU economy, which has been dragged down by the impact of Russia’s war in Ukraine, weak global demand and higher consumer prices. Following very weak growth this year, we can expect growth to rebound modestly in 2024, helped by strong labour markets and continued easing of inflation”. However, “we still face a highly uncertain geopolitical landscape, now further aggravated by a conflict in the Middle East. Despite our resilience in the face of consecutive shocks, the EU economy must also deal with longstanding structural challenges. This makes it even more urgent for Member States to carry out – fully - the reforms and investments set out in their Recovery and Resilience Plans”.

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