

EU Commission: Economic Forecast. “Recession narrowly avoided”. Dombrovskis, “uncertain global landscape”

“In 2023, growth was held back by the erosion of household purchasing power, strong monetary tightening, the partial withdrawal of fiscal support and falling external demand. After narrowly avoiding a technical recession in the second half of last year, prospects for the EU economy in the first quarter of 2024 remain weak”.



[The European Commission's Economic Forecast](#) cites a number of elements. [“However, economic activity is still expected to accelerate gradually this year. As inflation continues to abate, real wage growth and a resilient labour market should support a rebound in consumption”.](#) Indeed, [the recovery should be visible, also from the data, next year. “Despite falling profit margins, investment is set to benefit from a gradual easing of credit conditions and the continued implementation of the Recovery and Resilience Facility. In addition, trade with foreign partners is expected to normalise, after a weak performance last year”.](#) [European Commission Vice-President Valdis Dombrovskis said: “After a bruising 2023, the European economy has emerged a little weaker than expected, although the rebound should speed up gradually this year and into 2025. Inflation continues its broad-based decline; real wage growth coupled with a resilient labour market should help](#)

[Valentina Bombelli](#)