
EU Commission: Economic Forecast. GDP up by 4.2%. Recovery driven by investment and private consumption

According to the Spring 2021 Economic Forecast, the EU economy will “expand by 4.2% in 2021 and by 4.4% in 2022” and “the euro area economy is forecast to grow by 4.3% this year and 4.4% next year”. This is evidenced in the documents presented by Commissioner for Economy, Paolo Gentiloni, in Brussels today. “This represents a significant upgrade of the growth outlook compared to the Winter 2021 Economic Forecast which the Commission presented in February. Growth rates will continue to vary across the EU, but all Member States should see their economies return to pre-crisis levels by the end of 2022”. The COVID-19 pandemic “represents a shock of historic proportions for Europe’s economies”, the Commission highlighted. In 2020, the EU economy contracted by 6.1% and the euro area economy by 6.6%. “Although in general, businesses and consumers have adapted to cope better with containment measures, some sectors - such as tourism and in-person services - continue to suffer”. “The rebound in Europe’s economy that began last summer stalled in the fourth quarter of 2020 and in the first quarter of 2021, as fresh public health measures were introduced to contain the rise in the number of COVID-19 cases. However, the EU-27 economies are expected to rebound strongly as vaccination rates increase and restrictions are eased. This growth will be driven by private consumption, investment, and a rising demand for EU exports from a strengthening global economy”.

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