European Commission

EUROPEAN ECONOMIC FORECAST

Autumn 2024

#ECForecast

15 NOVEMBER 2024

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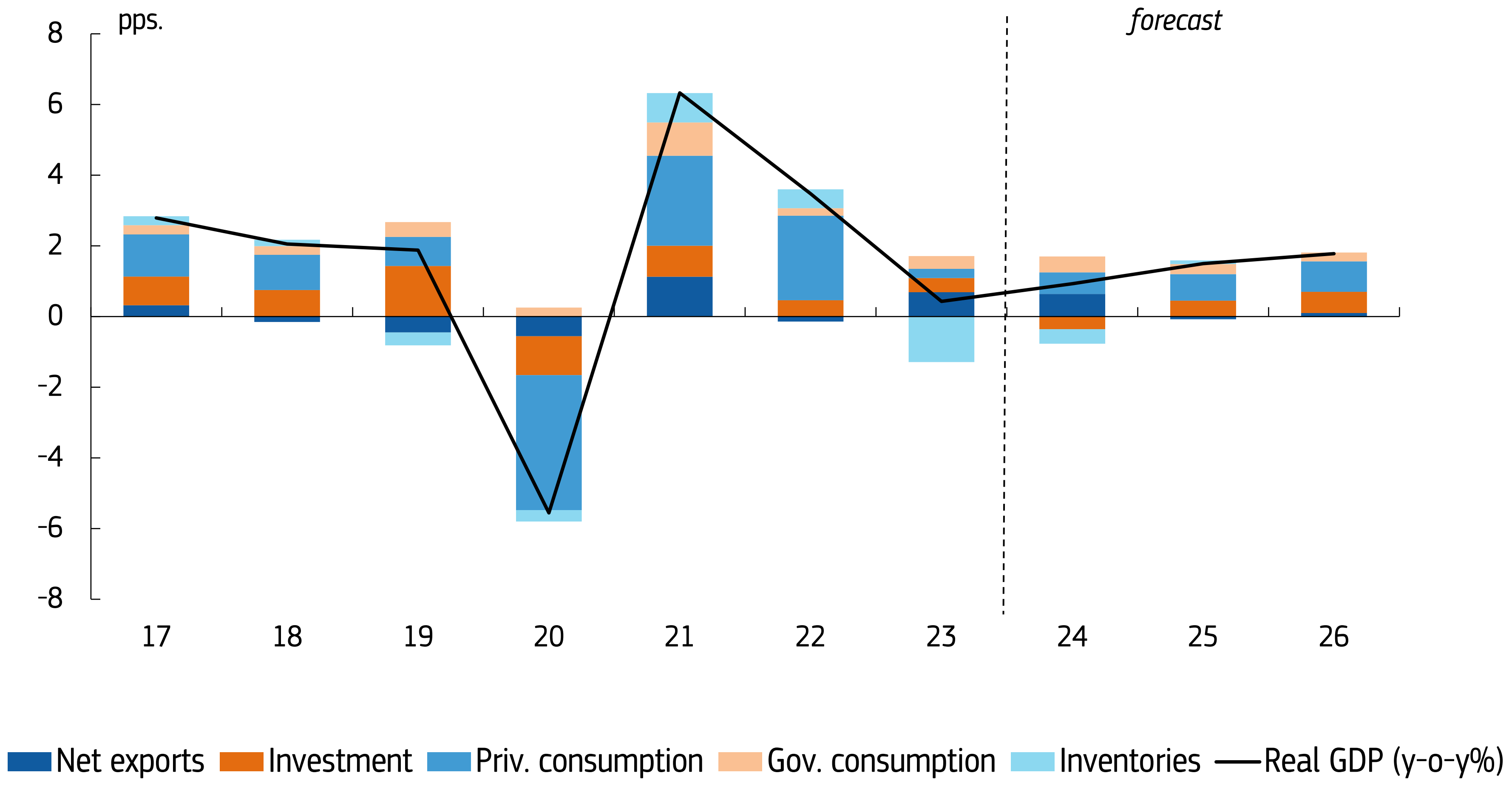
Commissioner for Economy

Key messages from the 2024 Autumn Forecast

- The EU resumed growth in an increasingly challenging context
- Service inflation is set to drive the disinflation process ahead
- Labour market expected to cool but to remain strong
- Government deficits improve but debt ratios edge up
- Uncertainty and downside risks have increased

Economic rebound led by domestic demand

GDP and contributions



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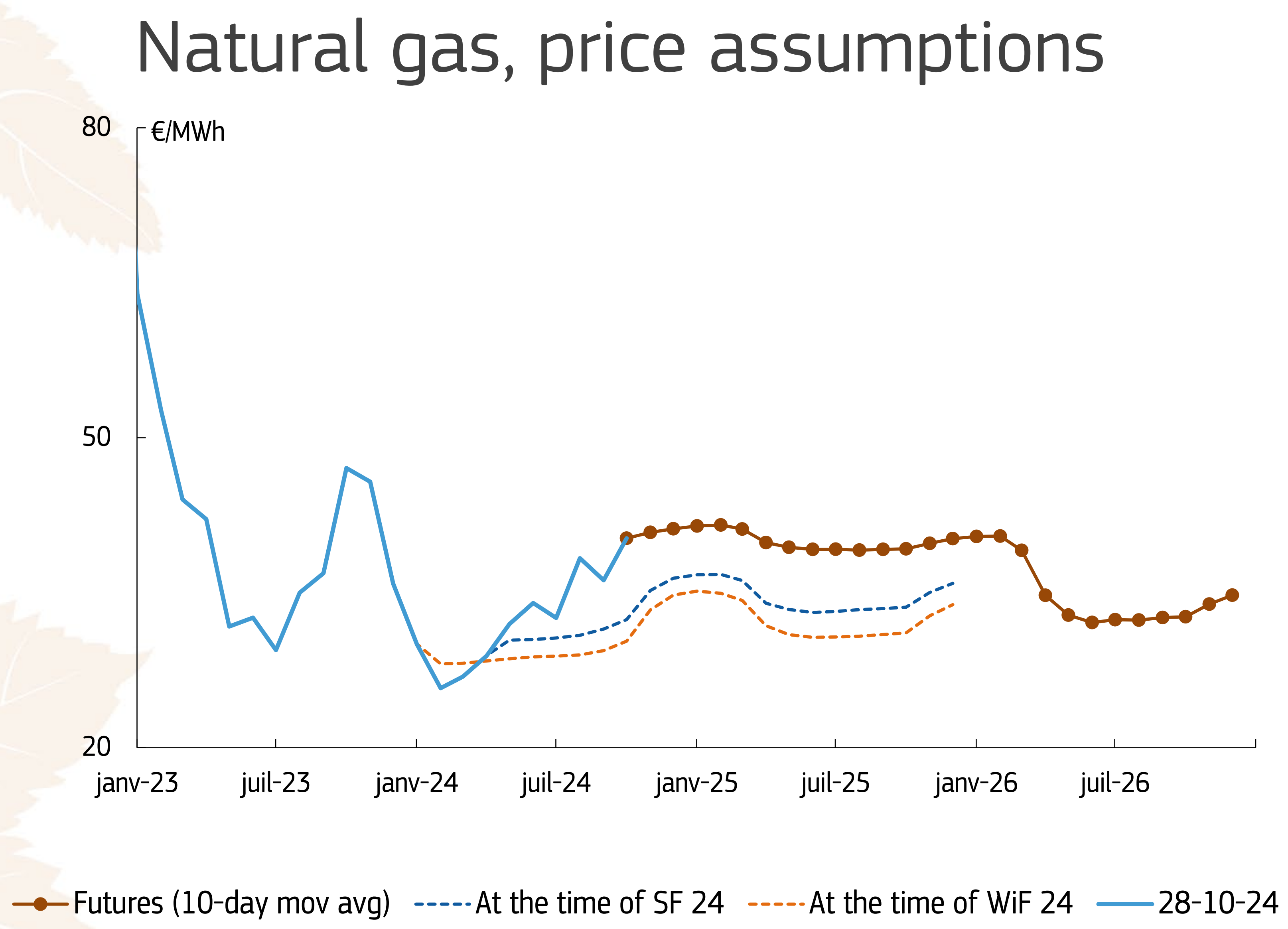
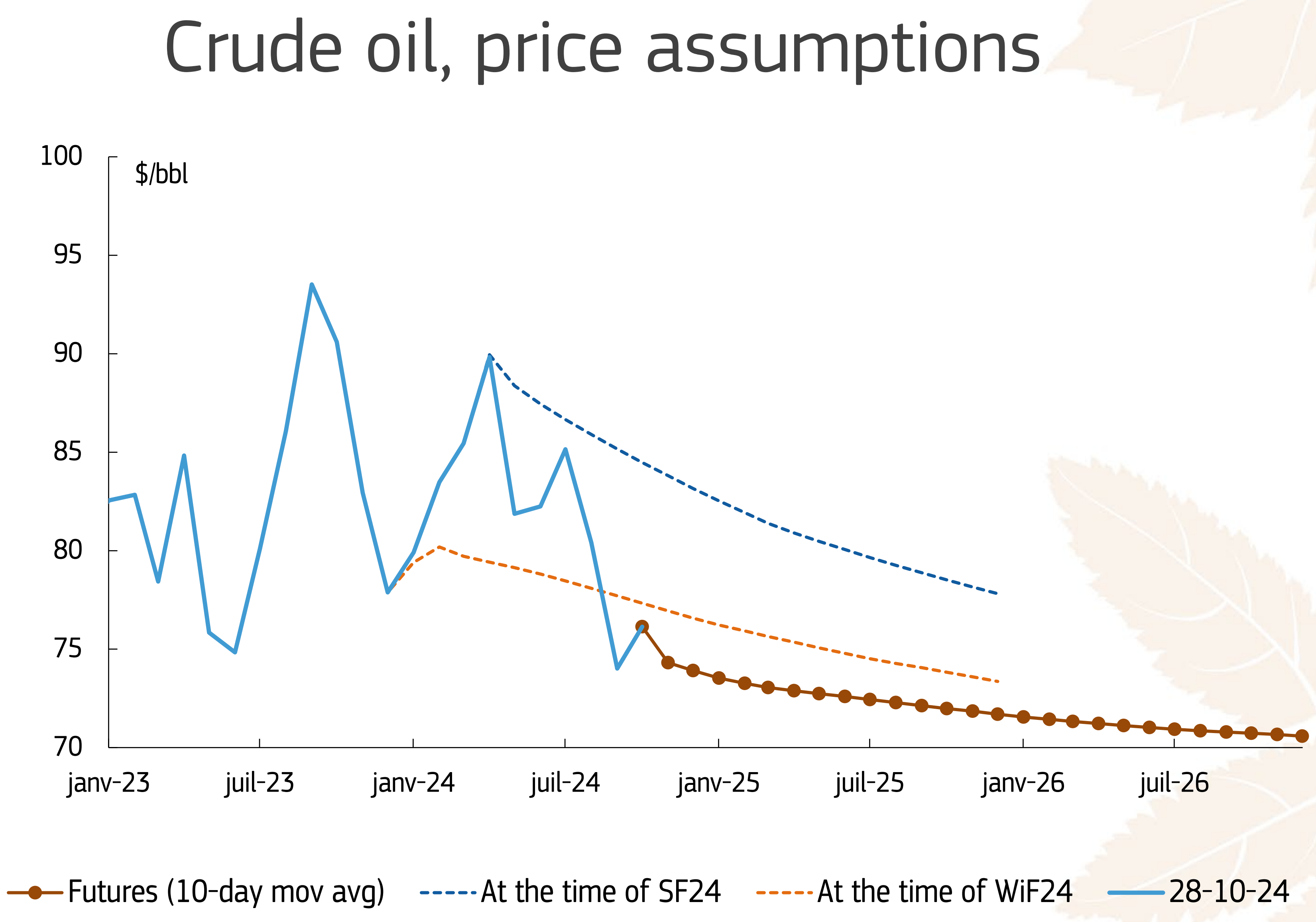
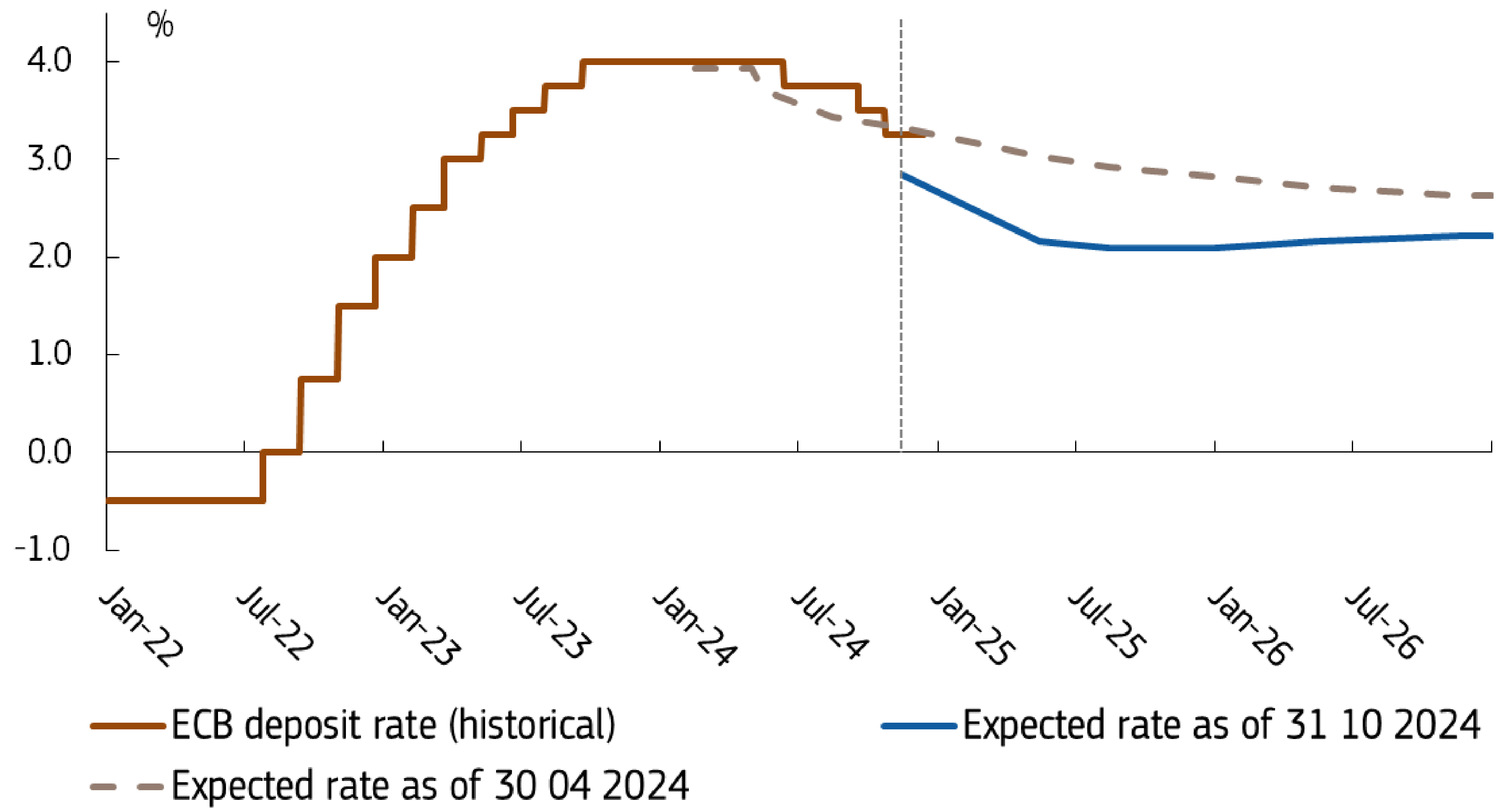
Commodity prices since Spring: higher for gas, lower for oil





ECB expected to cut policy rates faster than in spring

Short-term euro interest rate expectations



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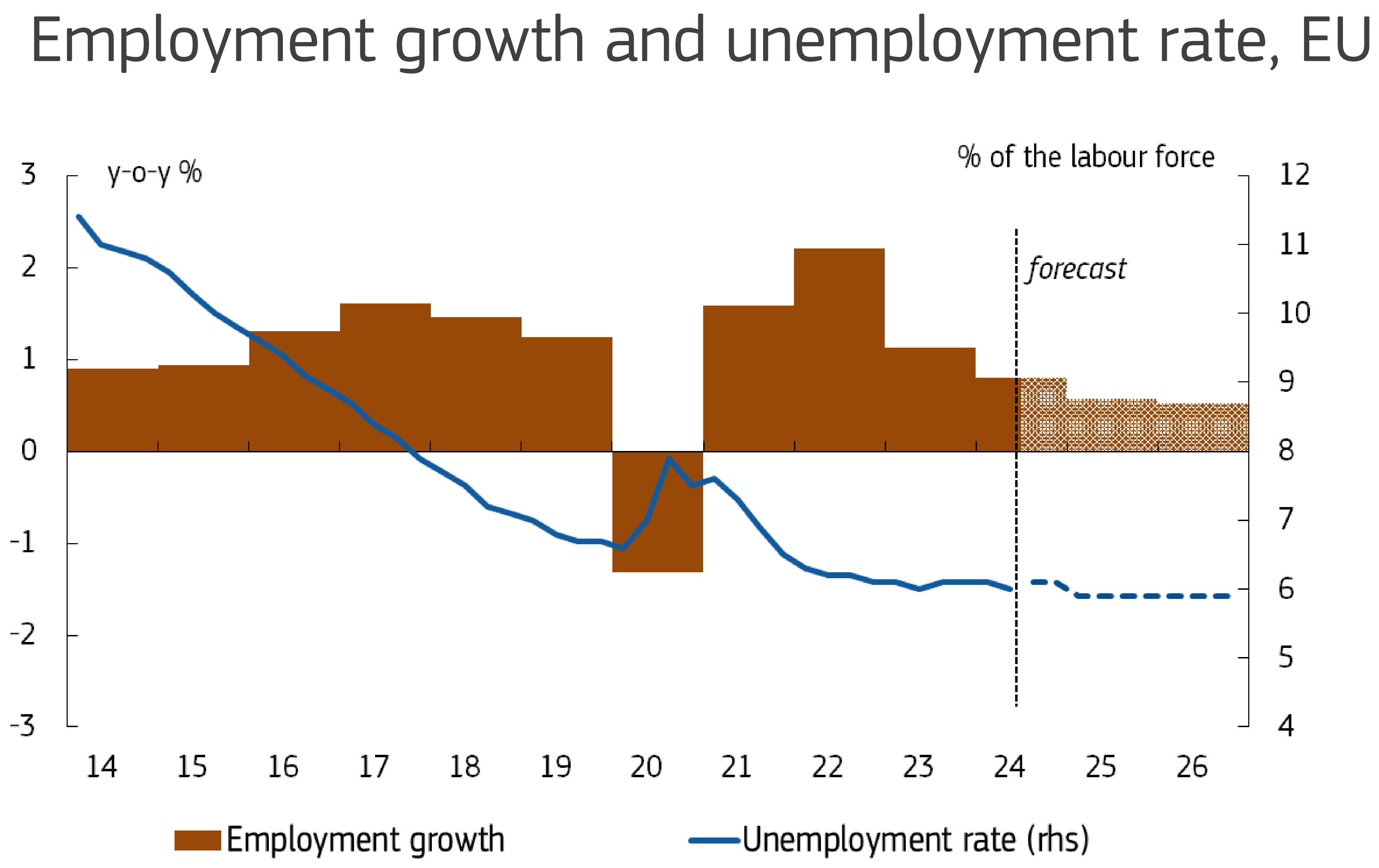
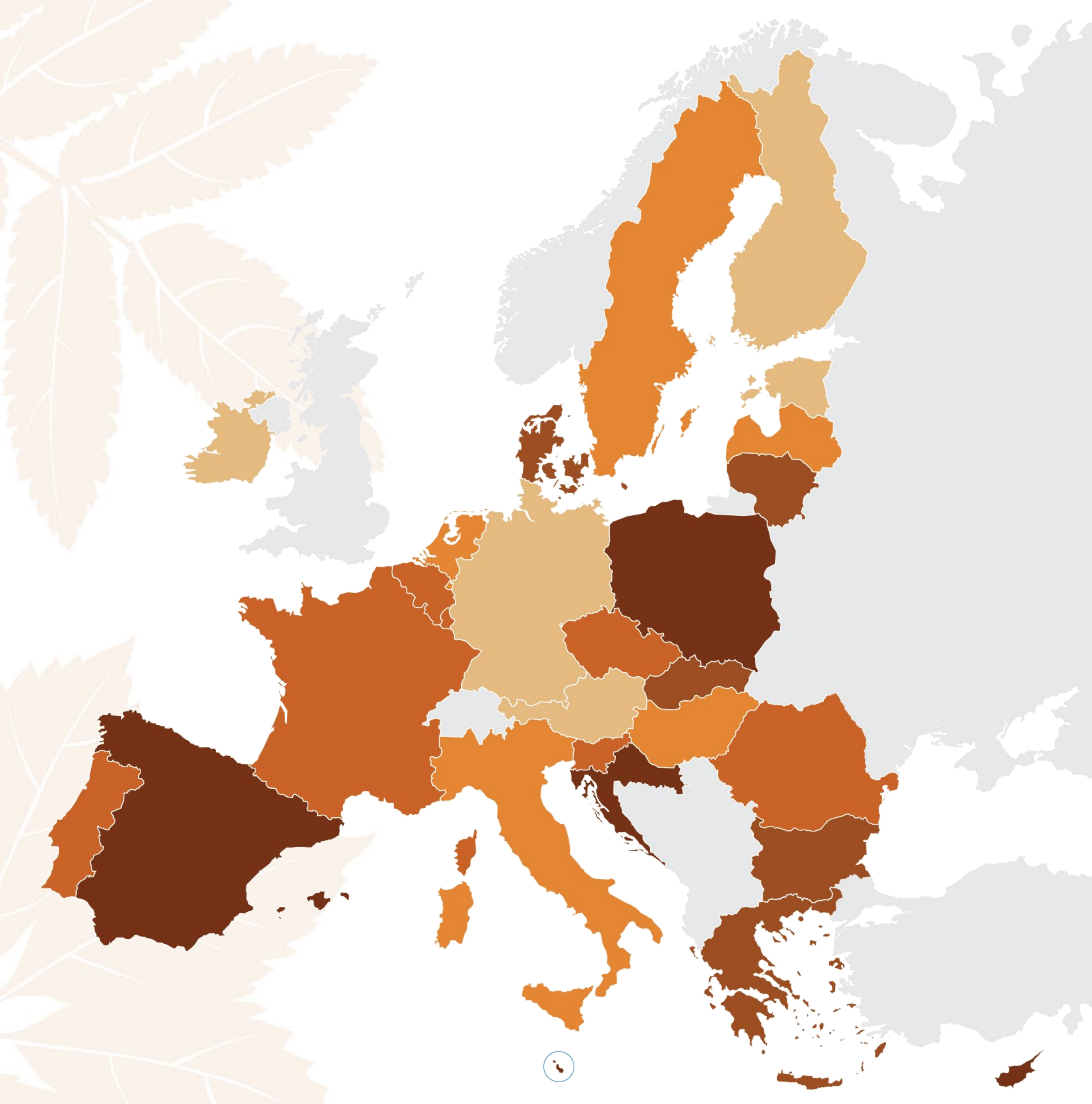
Employment growth to continue though at a slower pace

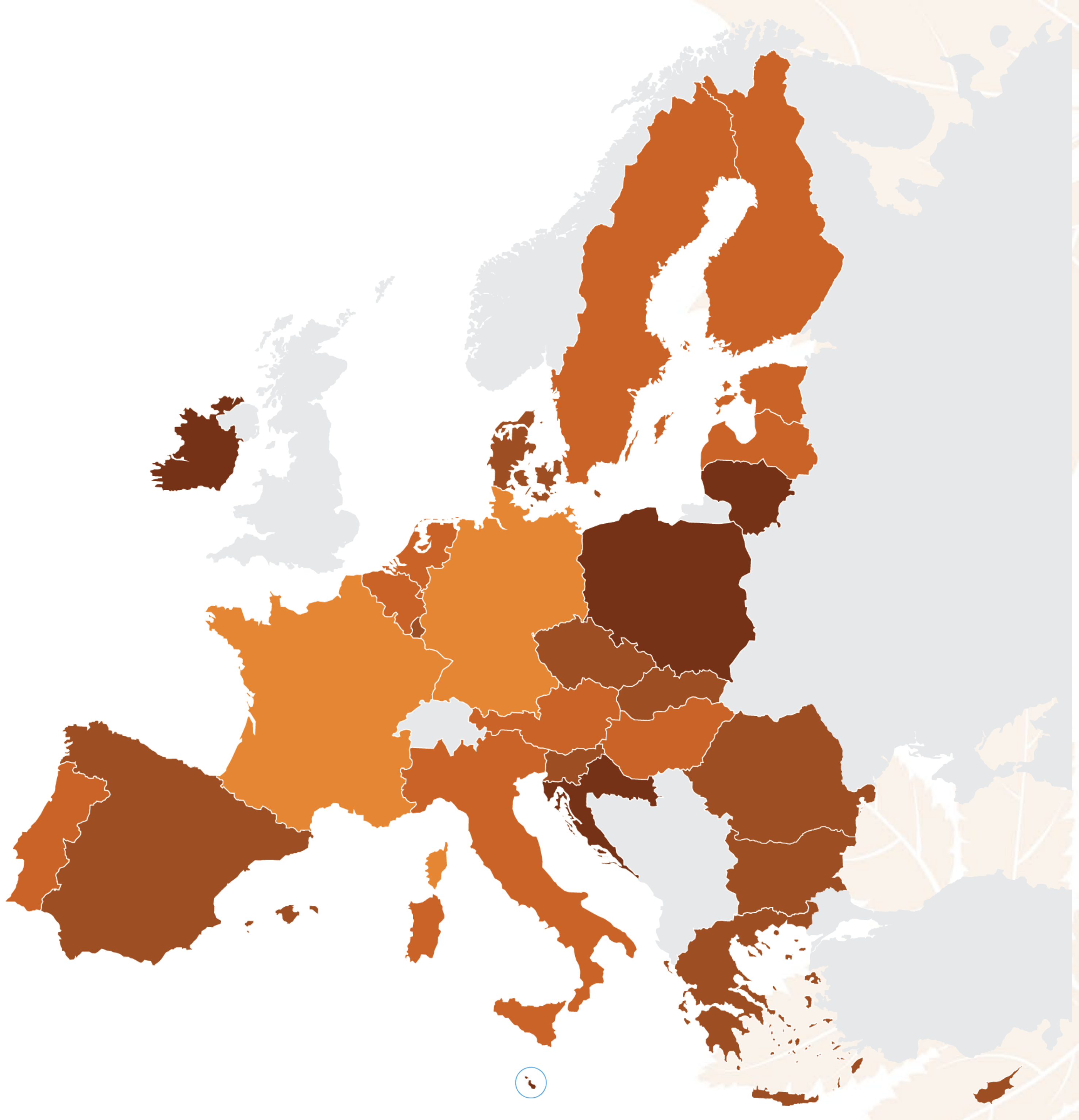


EU growth map 2024 & 2025



Real GDP growth, %

- < 0 %
- ≥ 0 %
- ≥ 1 %
- ≥ 2 %
- ≥ 3 %



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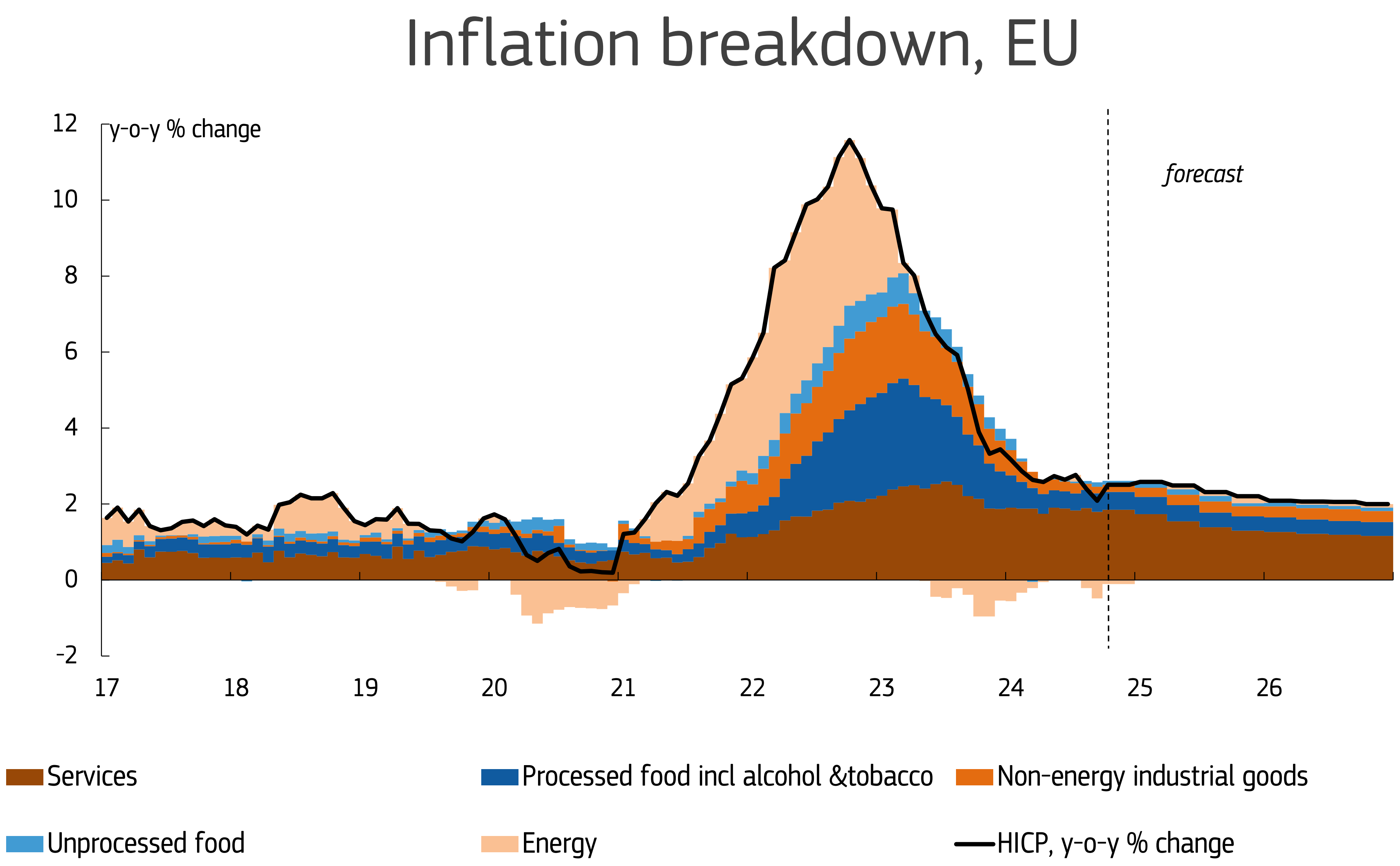
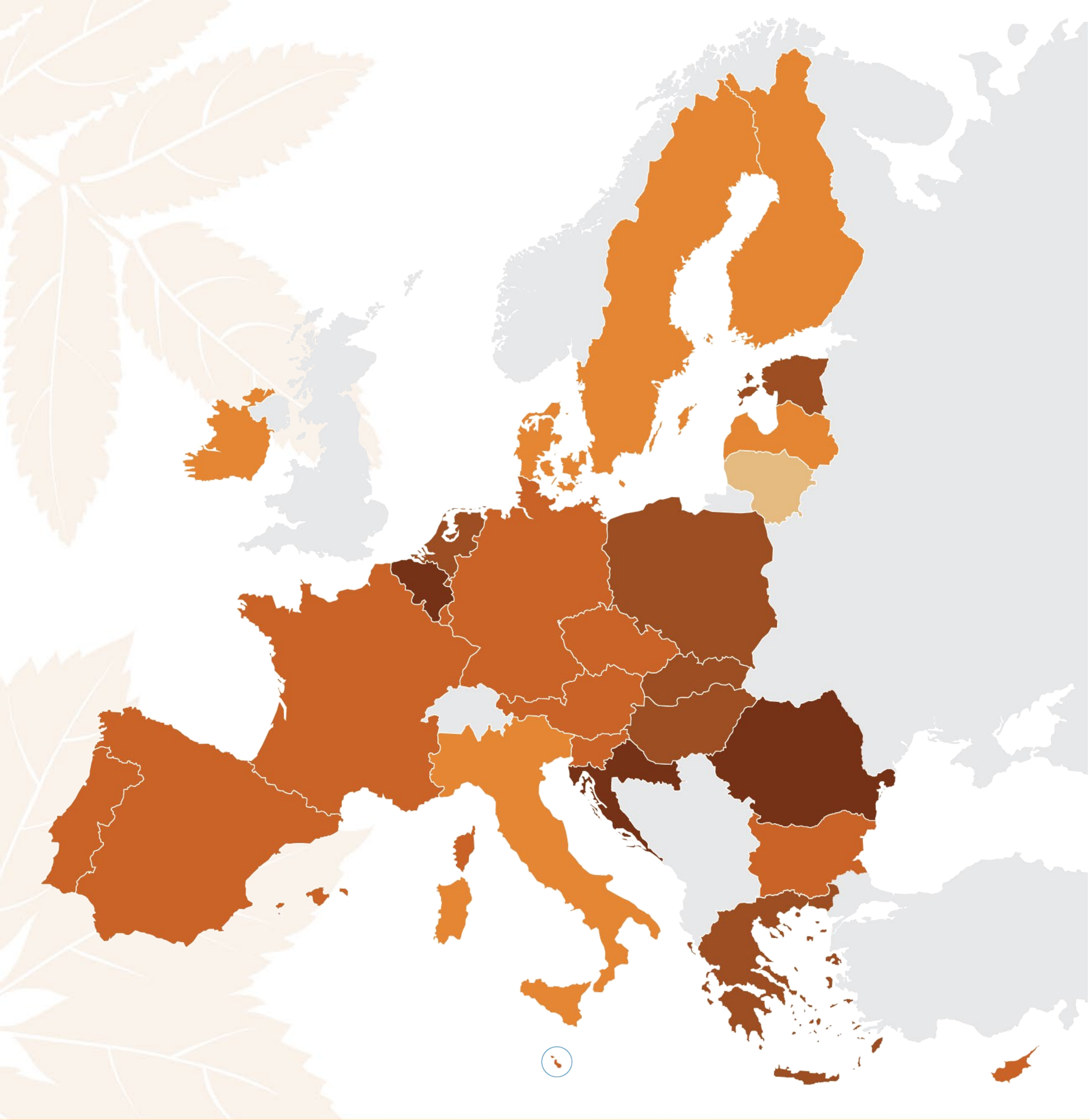
Inflation to ease further thanks to services

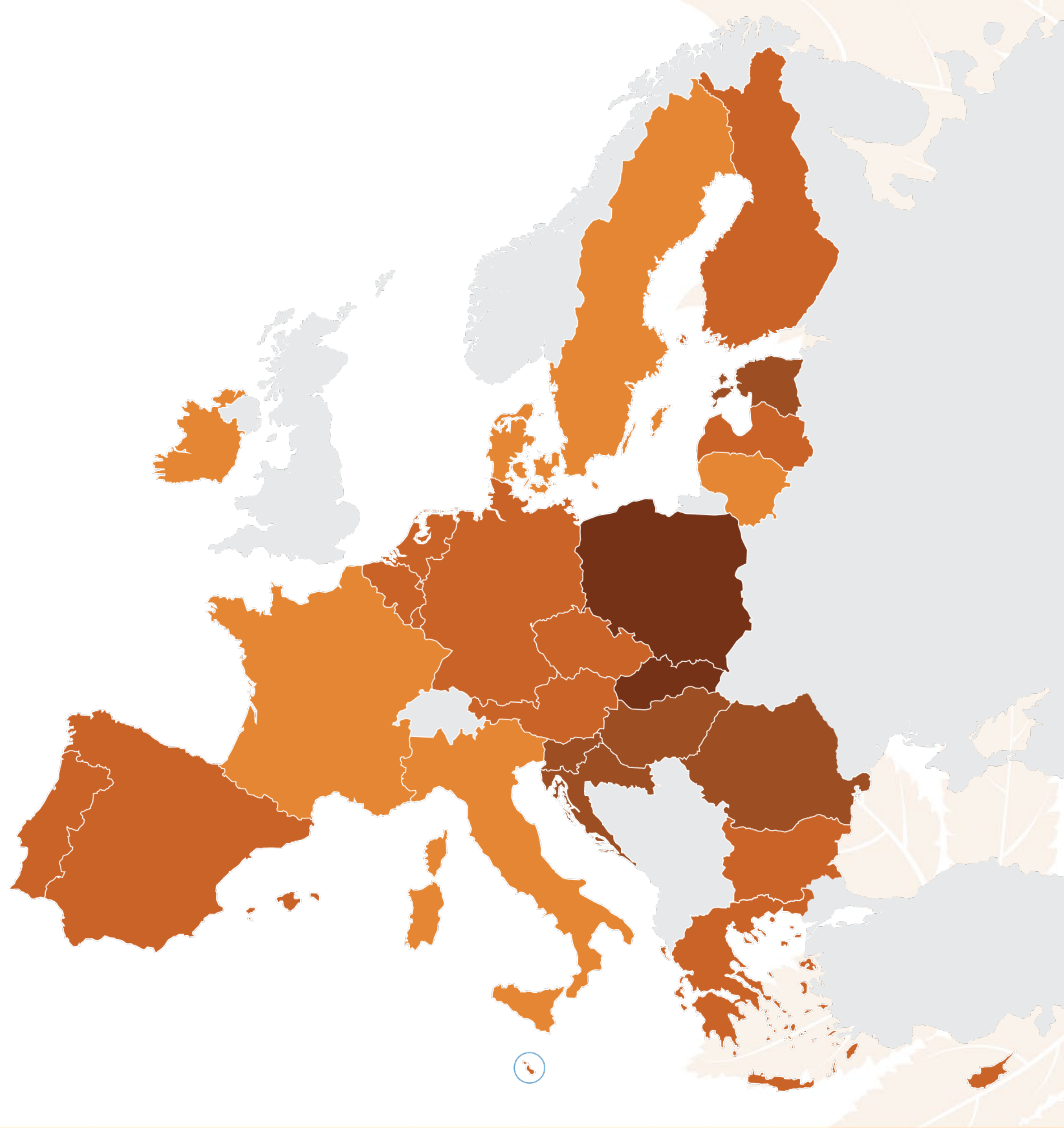


EU inflation map 2024 & 2025



Annual HICP inflation, %

- < 1 %
- ≥ 1 %
- ≥ 2 %
- ≥ 3 %
- ≥ 4 %



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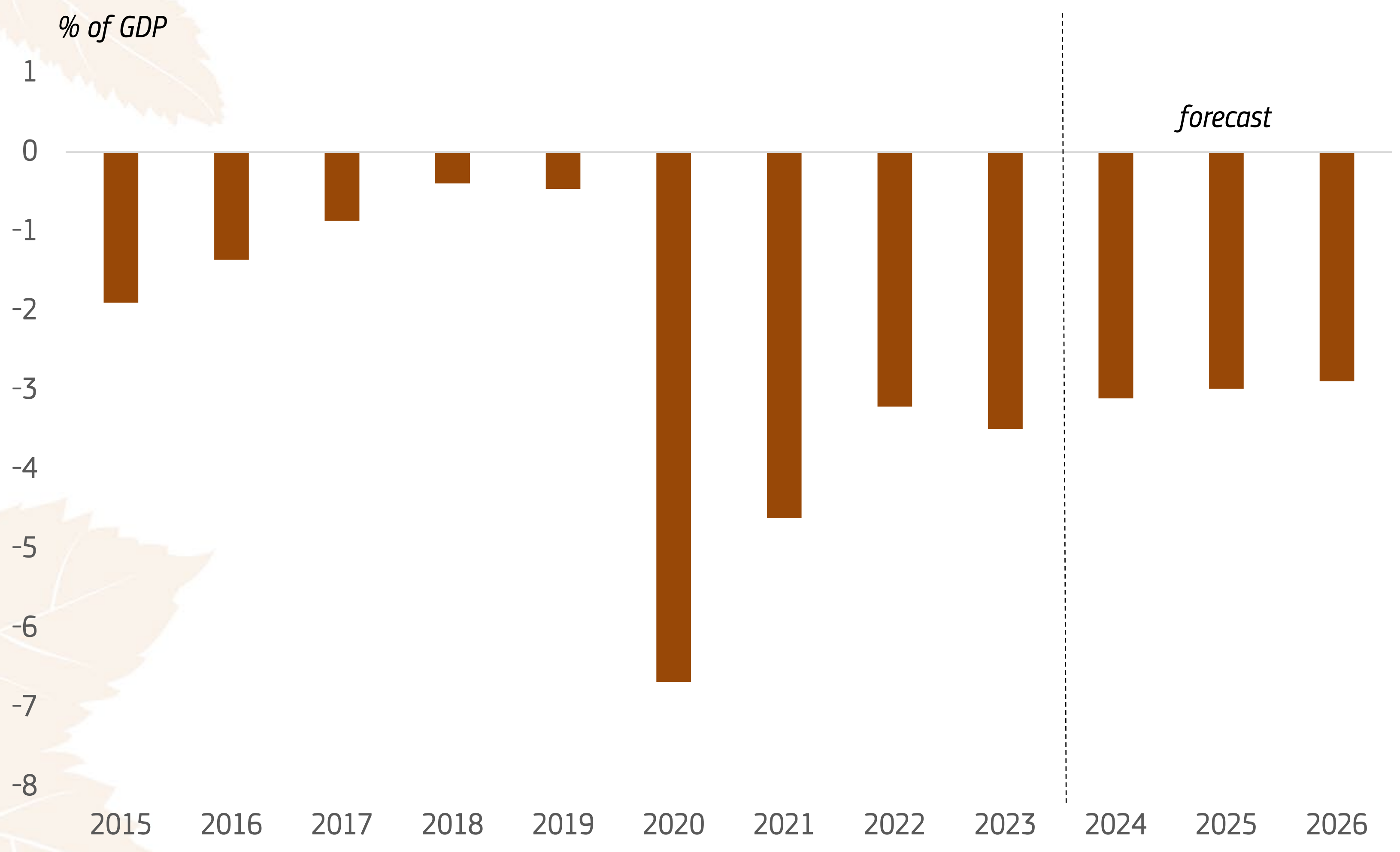
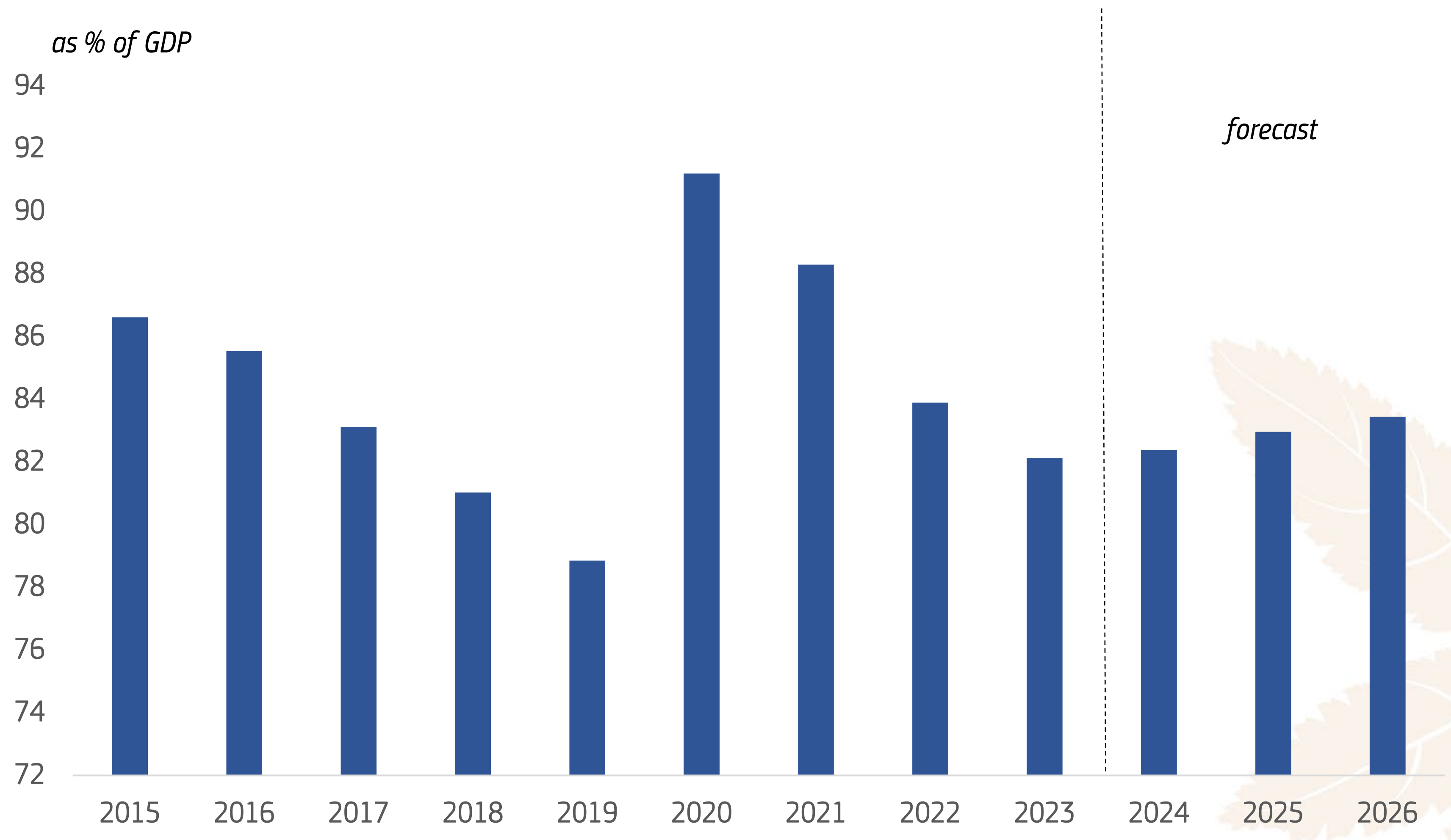
Government deficits edging down, debt ratios creeping up

General government budget balance, EU



General government debt-to-GDP ratio, EU



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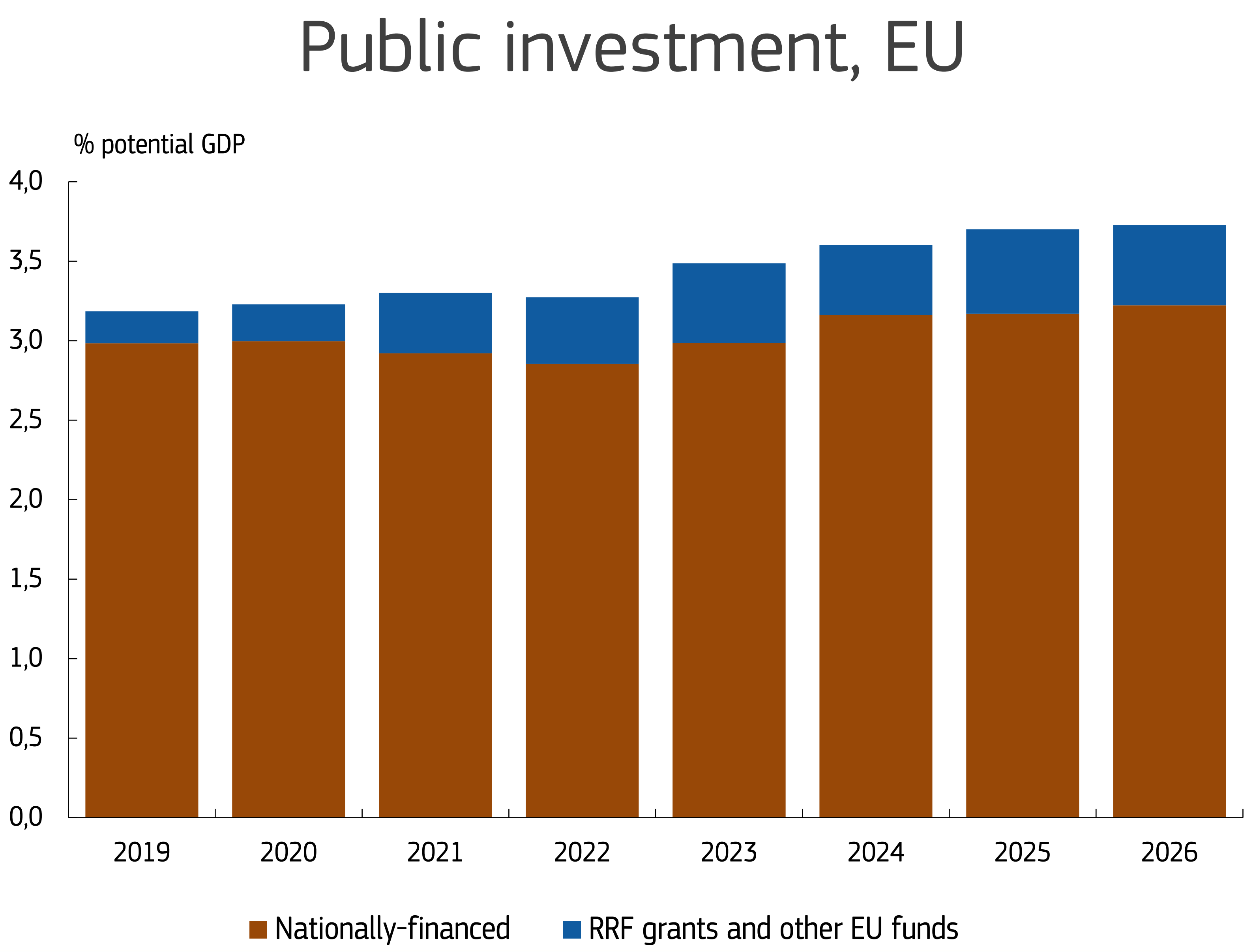
EU funds lift public investment in the EU



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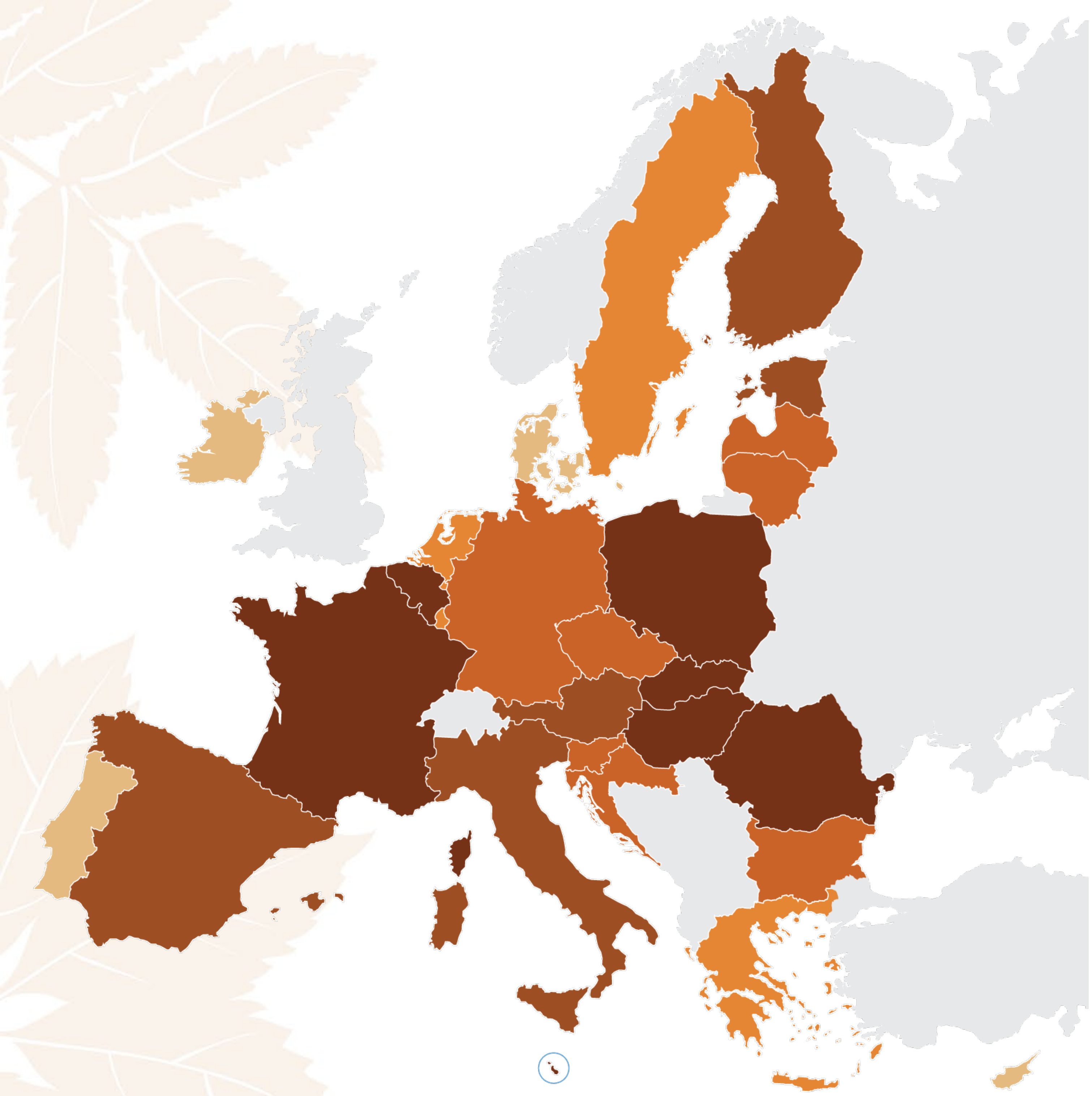
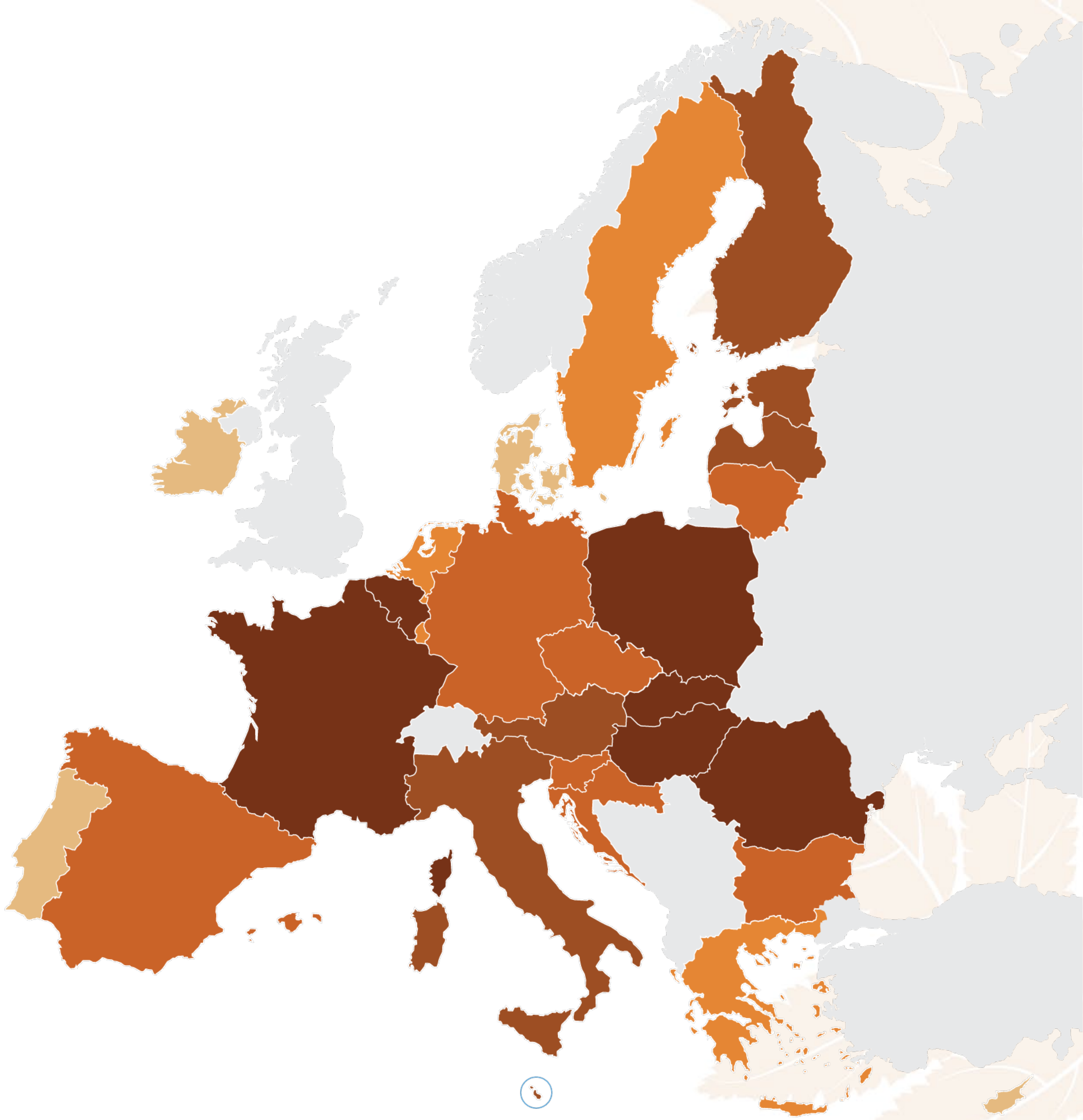
Budgetary outlook 2024 & 2025



Public deficits as % of GDP

- > 0 %
- ≤ 0 %
- ≤ -2 %
- ≤ -3 %
- ≤ -4 %



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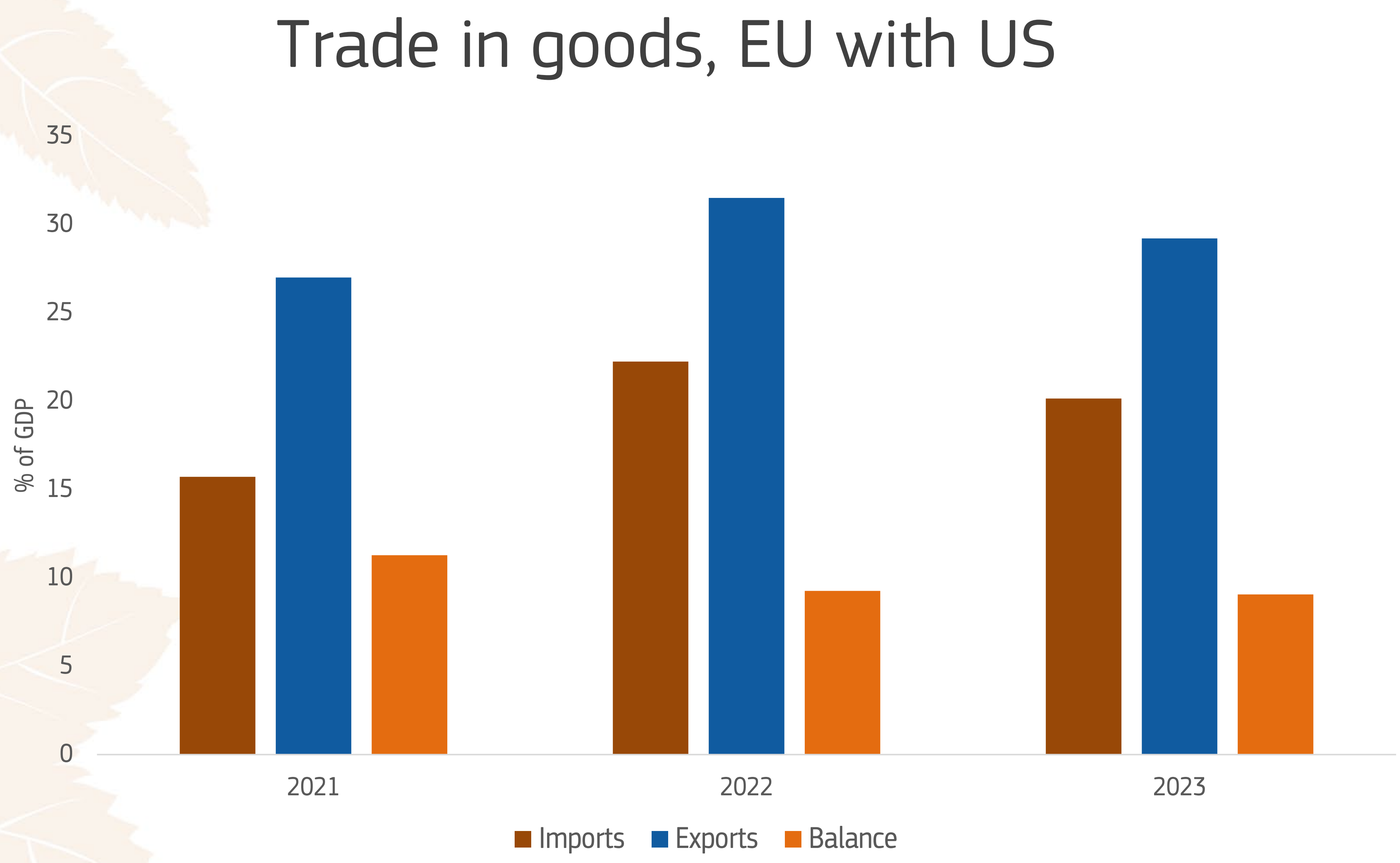
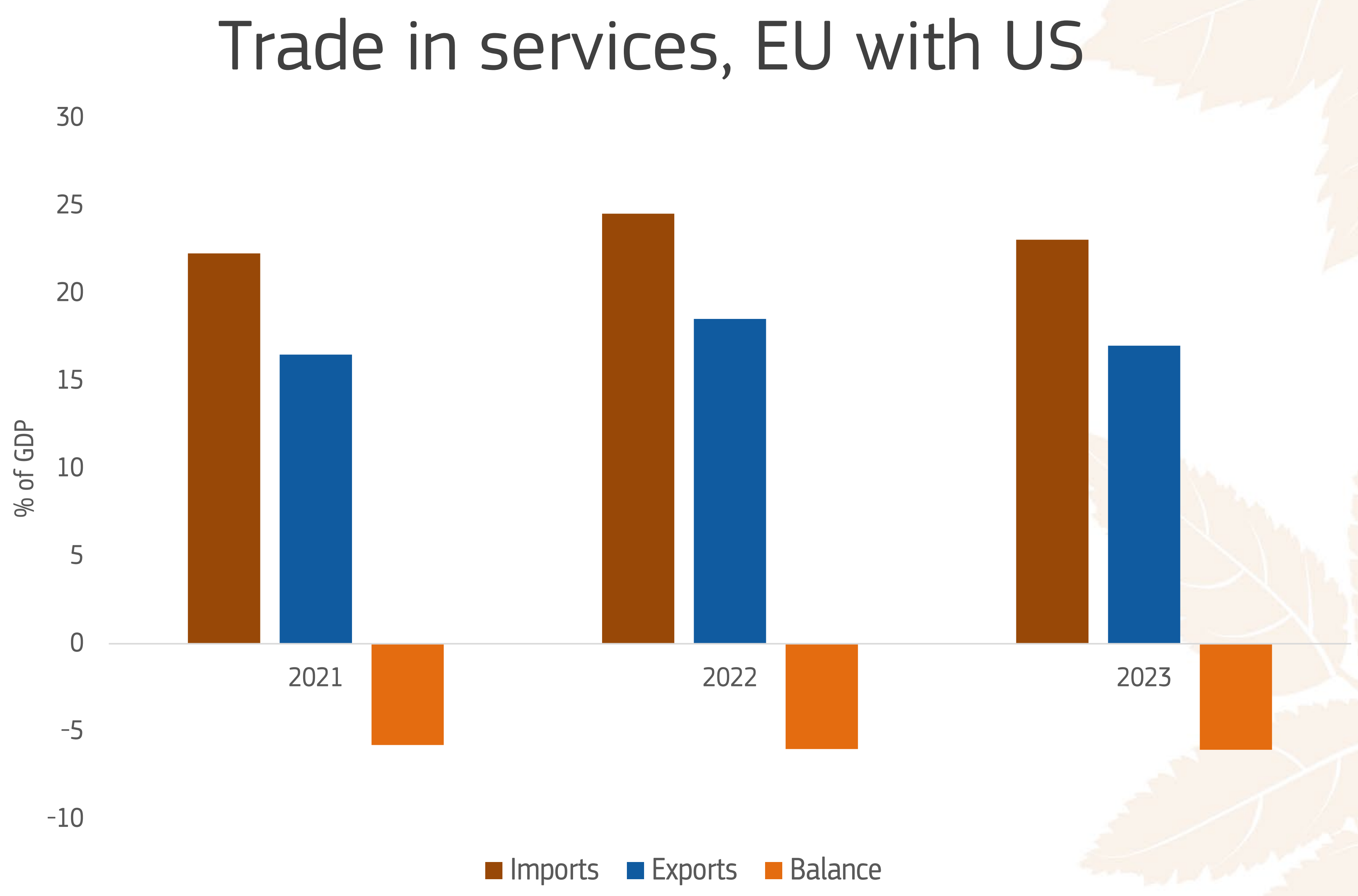
Downside risks and uncertainty have increased

- Heightened geopolitical risks
- More restrictive fiscal stance
- Increased exposure to environmental risks

+/- Broadly balanced risks on inflation

EU and US: key trade partners





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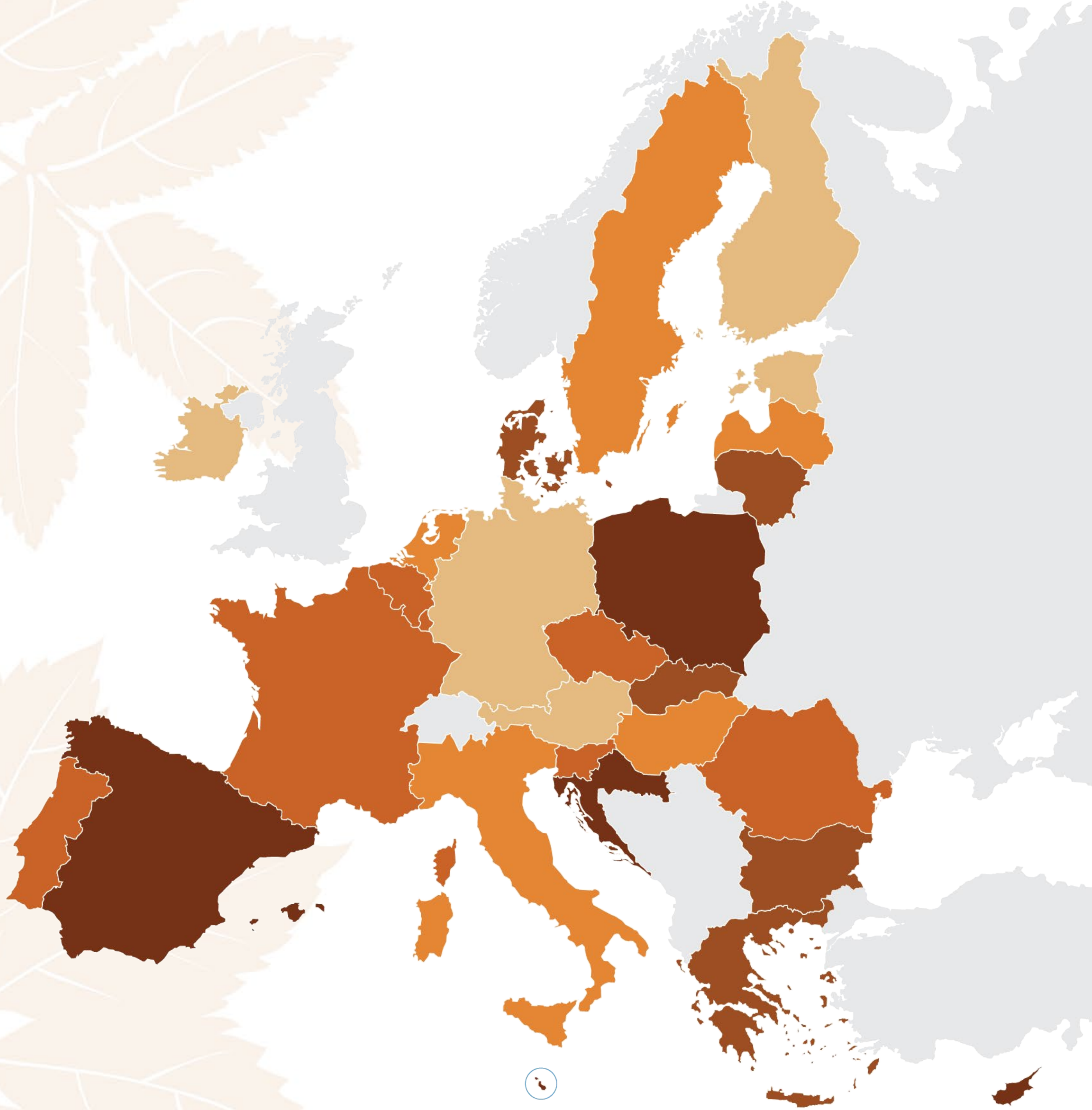
EU growth map 2024 & 2025



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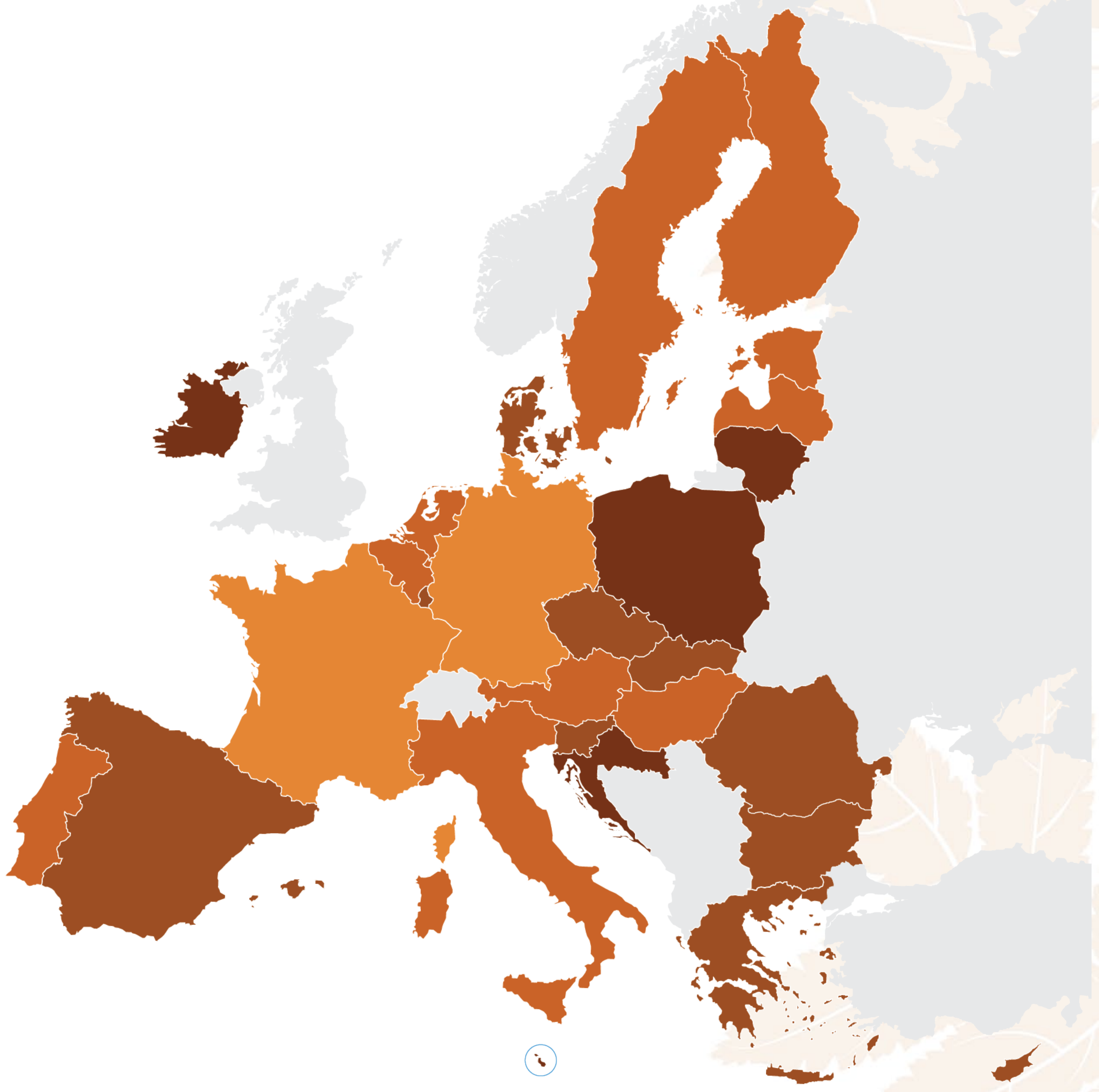

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