



European
Commission

EUROPEAN ECONOMIC FORECAST

Winter 2016

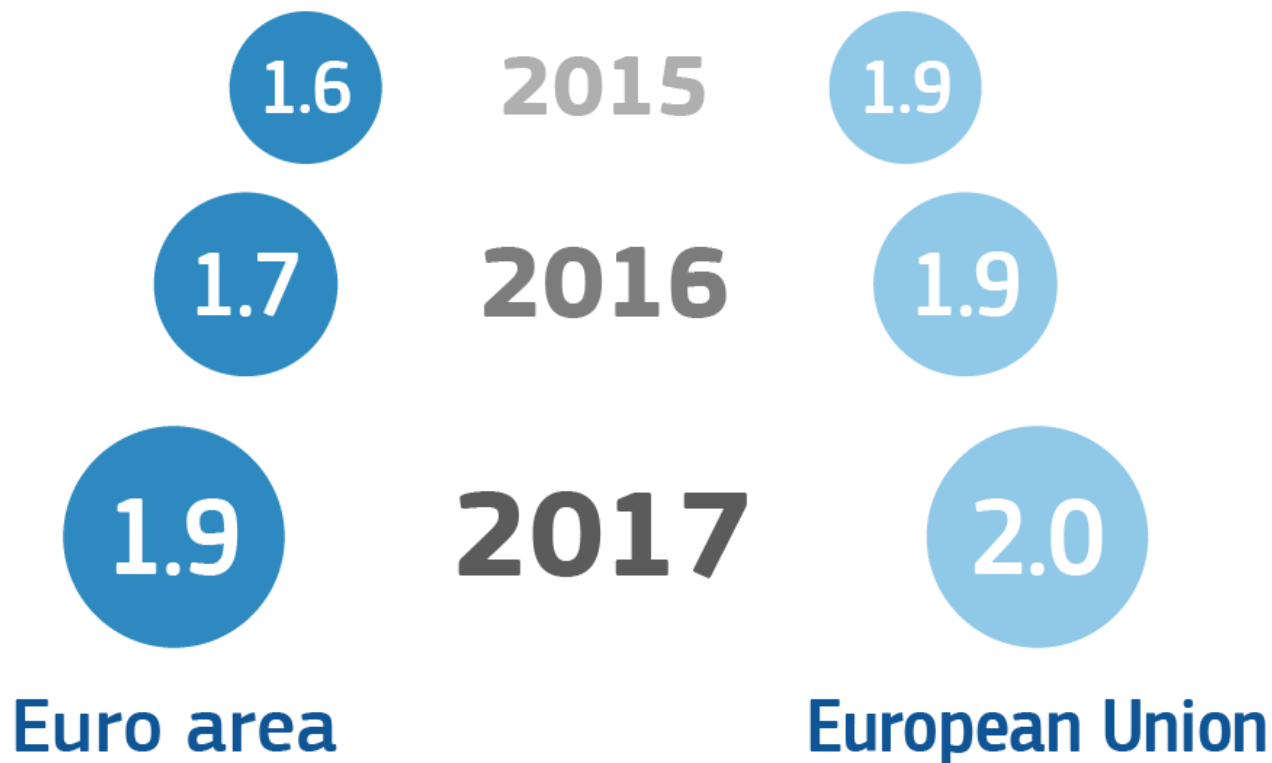
4 FEBRUARY 2016

PIERRE MOSCOVICI

Commissioner for Economic and Financial Affairs, Taxation and Customs



An ongoing moderate recovery



Longer-lasting tailwinds



Cheap oil



Lower euro exchange rate



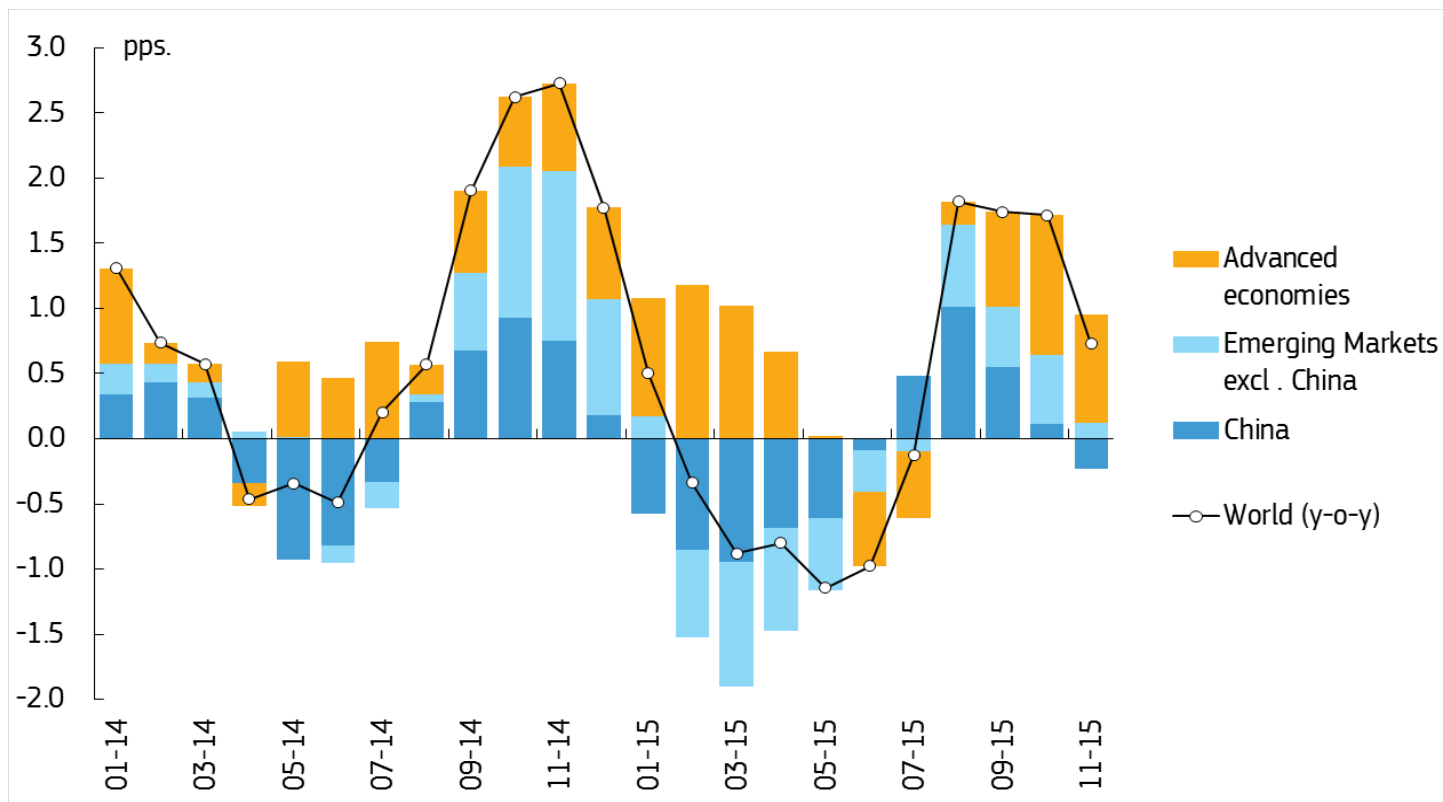
Lower interest rates



Supportive fiscal policy

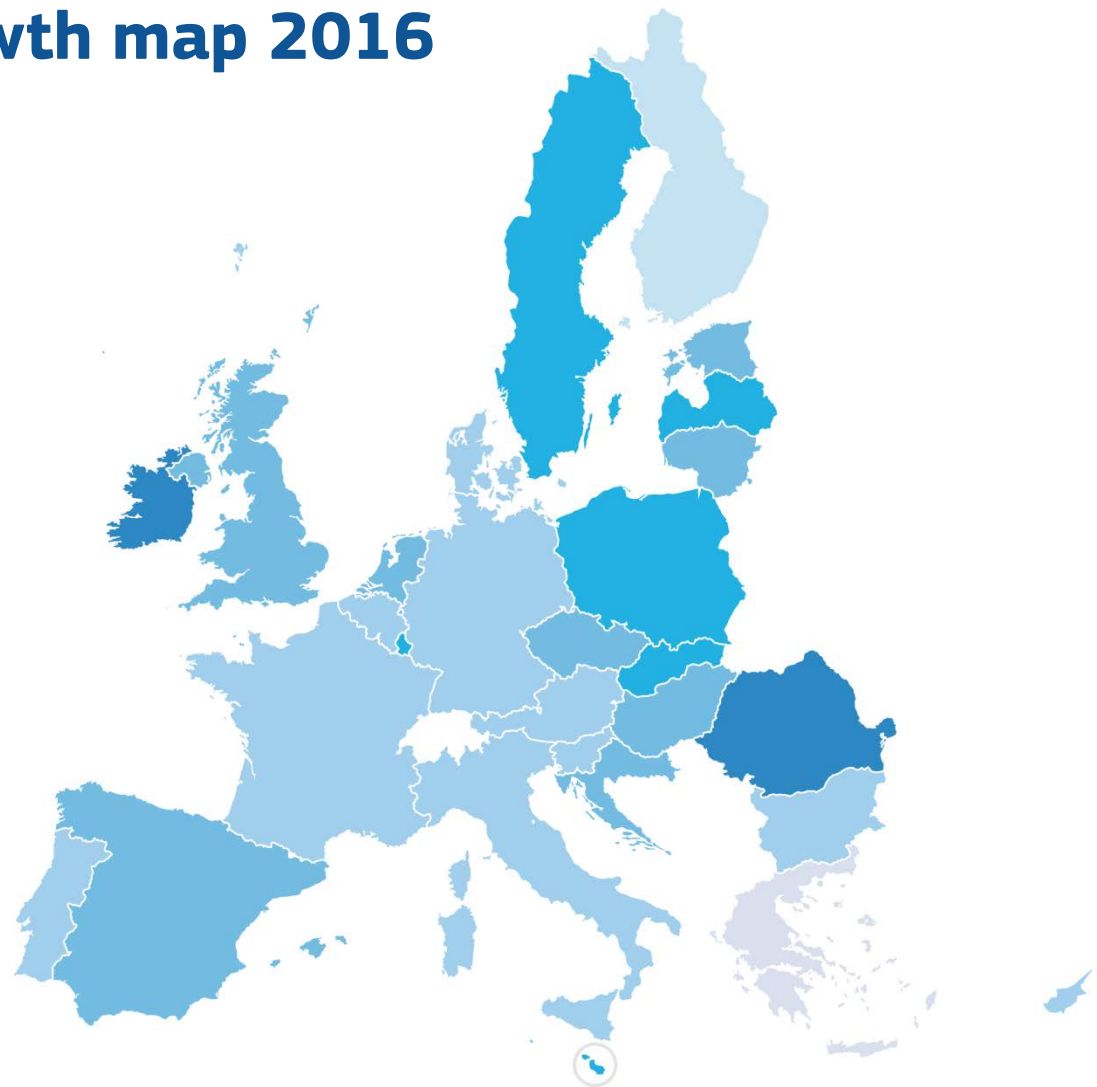
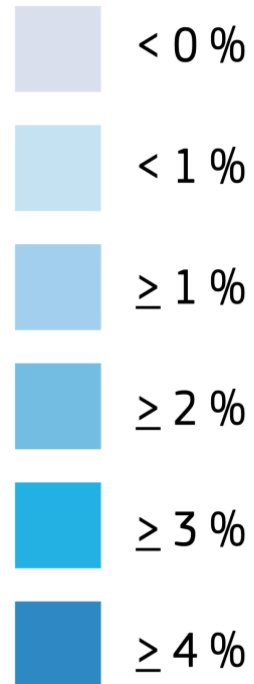
Intensified downturn in emerging markets

World goods import volumes (3m-o-3m % change)

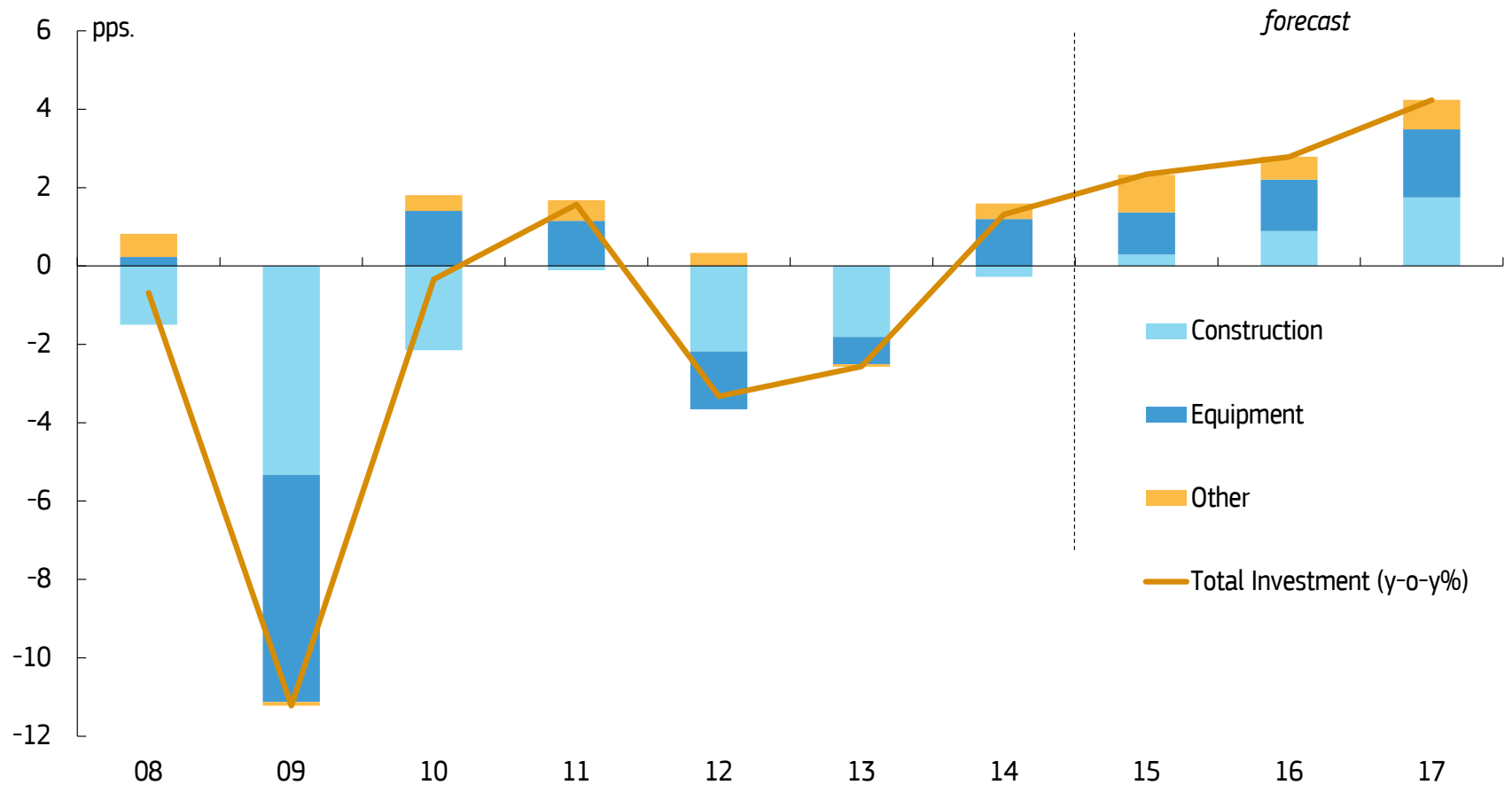


Source: Centraal Planbureau

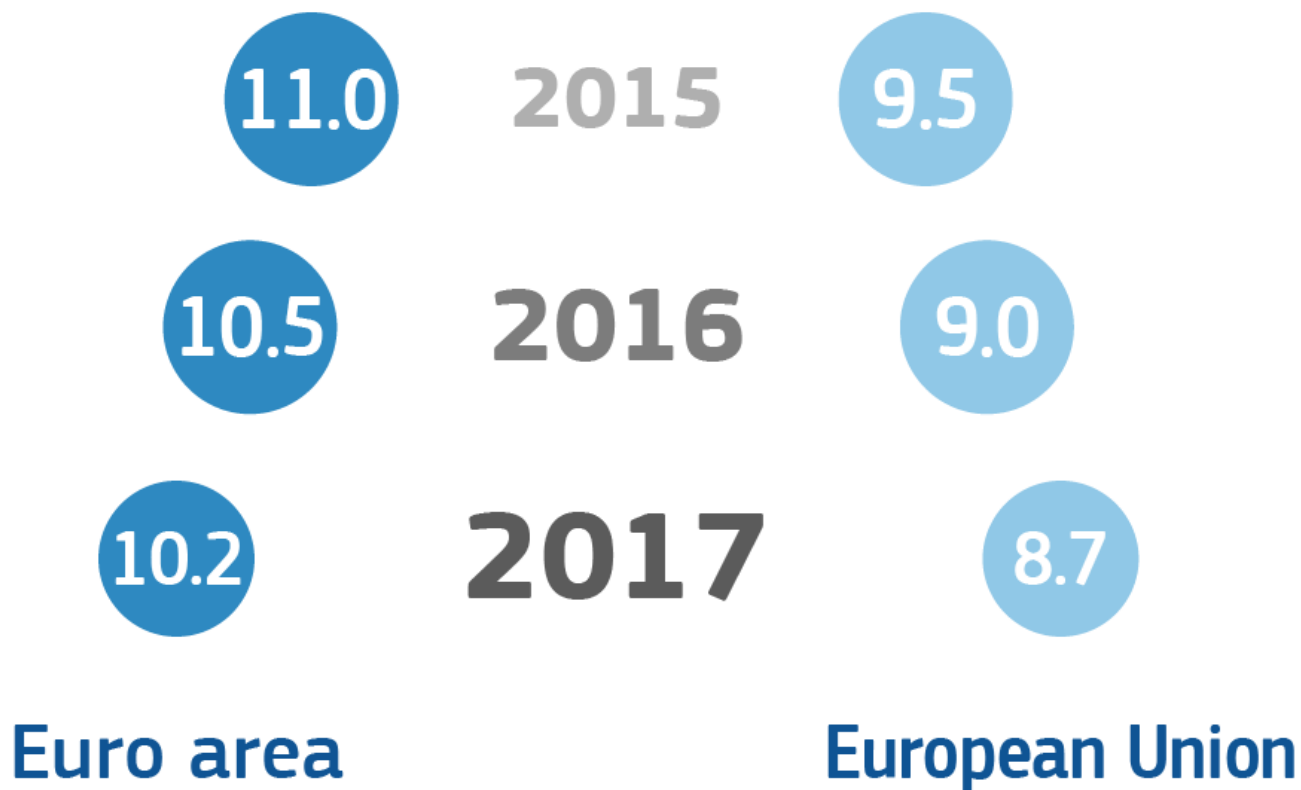
Growth map 2016



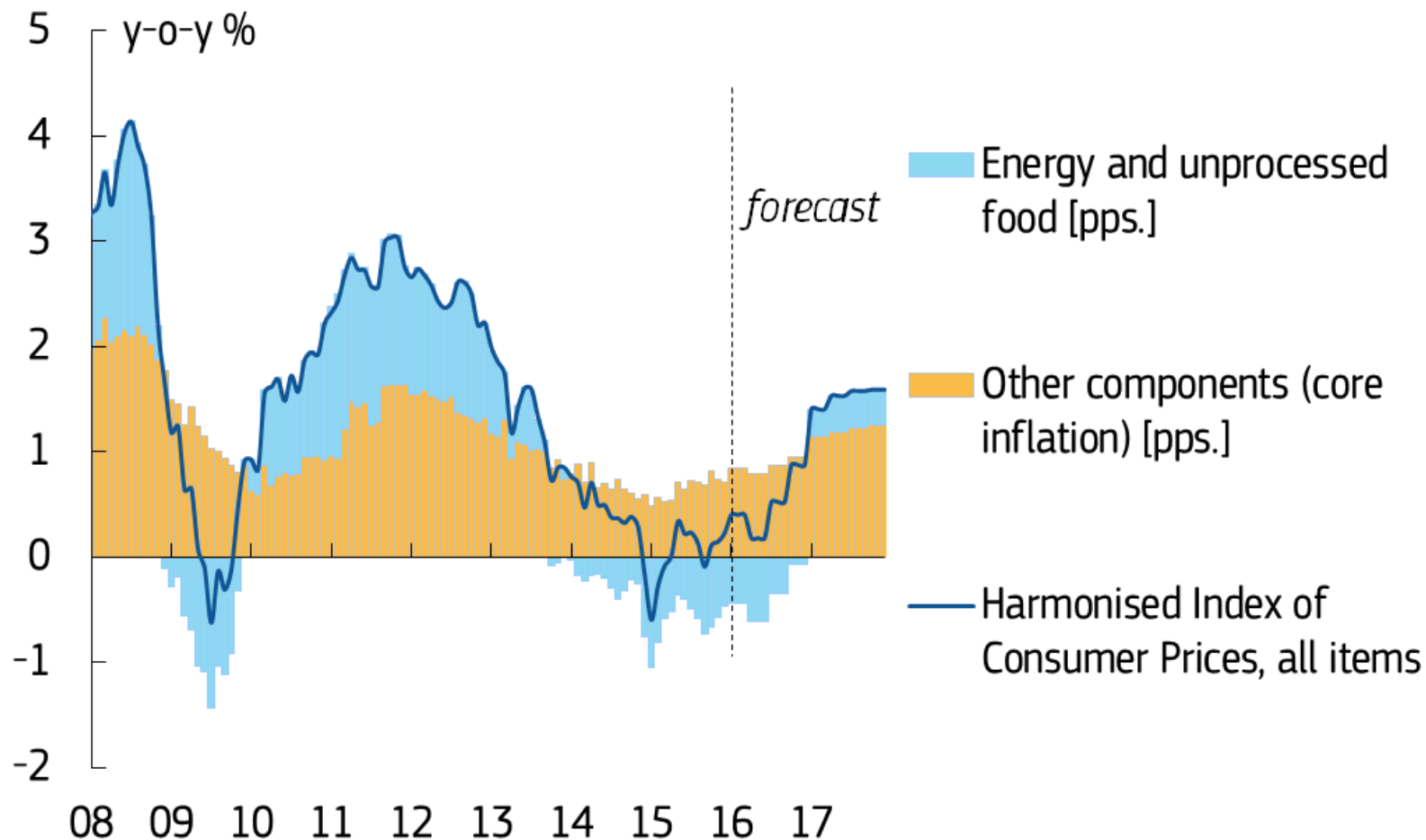
Conditions in place for a pick-up in investment



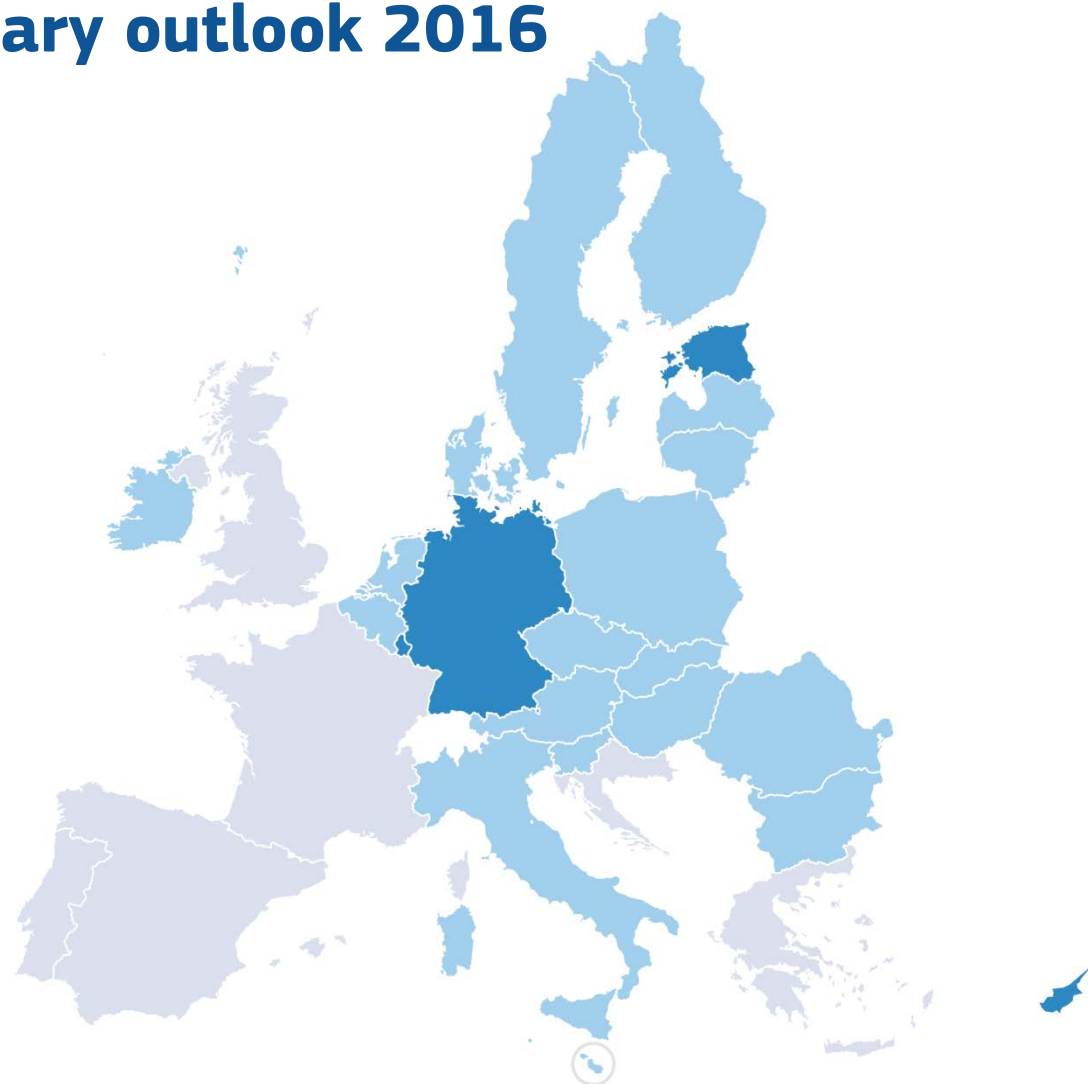
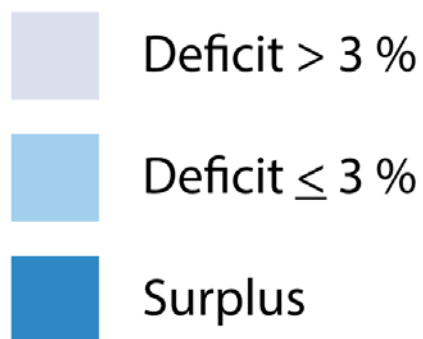
Unemployment continuing to decline



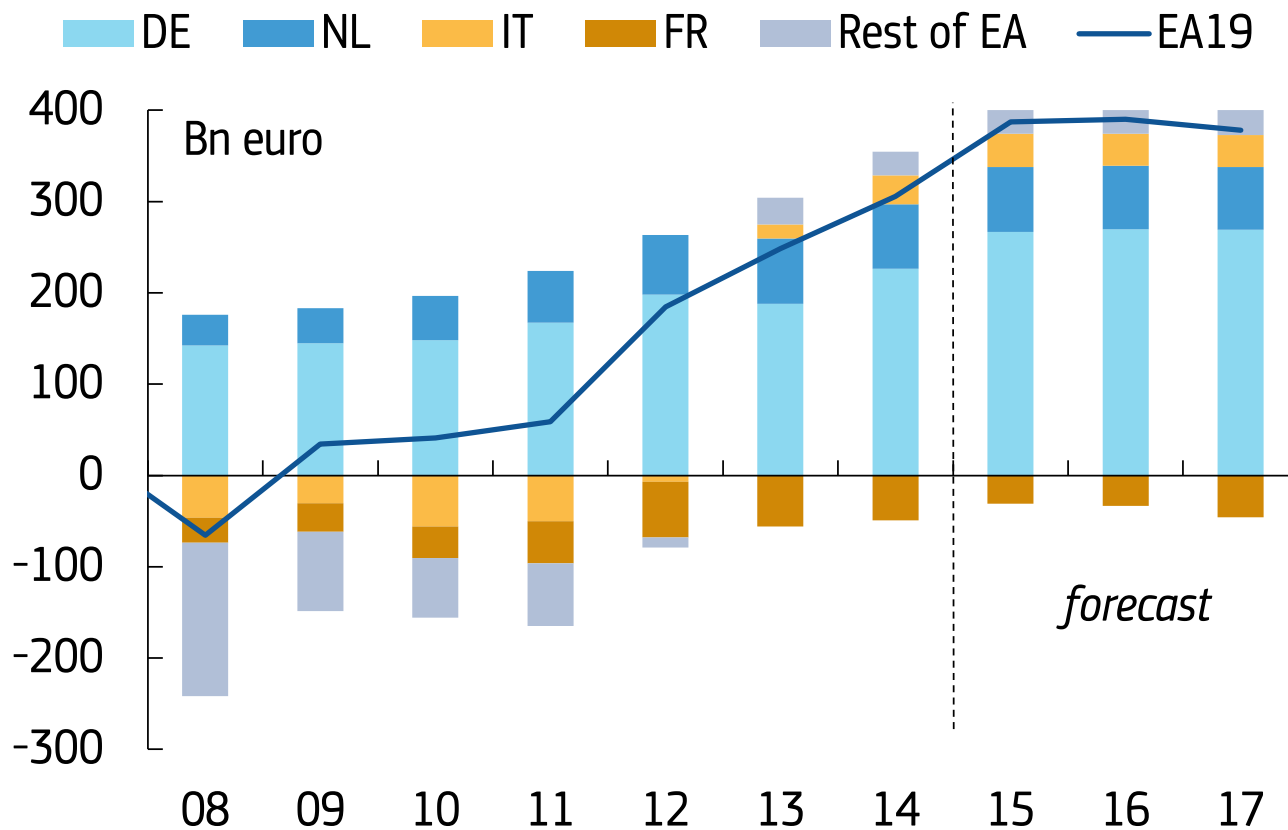
Energy prices weigh on inflation



Budgetary outlook 2016



Current account: High external surplus and slower internal rebalancing



A forecast surrounded by risks

- (-) Stronger slowdown in China and emerging markets
- (-) Uncertainty regarding oil price assumptions
- (-) Geopolitical tensions
- (-) Policy uncertainty within Europe
- (+) Stronger rebound in global growth
- (+) Larger / longer impact of 'tailwinds'
- (+) Impact of structural reforms

Growth map 2016

