



NEWS

Spring Economic Forecasts: extracts from the press conference by Olli REHN, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro

Duration: **00:02:51** First Transmission: **11/05/2012** Ref: **85107**
End of Production: **11/05/2012**
Location: **Brussels, Belgium - EC/Berlaymont**

SUMMARY

Following the output contraction in late 2011, the EU economy is estimated to be currently in a mild recession. While uncertainty about economic and financial prospects remains high, strong policy actions and major advancements in the EU institutional framework have brought about an easing of financial market tensions in the beginning of 2012 and a tentative stabilisation of confidence, expected to further strengthen over the forecast period. Together with an expected acceleration in global growth, the recovery is forecast to set in slowly from the second half of the year on. The picture presented in the interim forecast in February is broadly confirmed for 2012, with real GDP projected to stagnate in the EU and to contract by -0.3% in the euro area. For 2013, growth is forecast at 1.3% in the EU and 1.0% in the euro area. Unemployment is expected to remain high at 10% in the EU and 11% in the euro area over the forecast period. Inflation is set to moderate gradually as the impact of higher oil prices and tax increases fades away. Fiscal consolidation is forecast to progress, with public deficits in 2013 declining to 3.3% in the EU and just below 3% in the euro area. The economic situation differs considerably across Member States, also in view of the ongoing adjustment to the large disparities in external positions and structural conditions that have come to the fore over the last years.

Only the original language version is authentic and it prevails in the event of its differing from the translated versions.

SHOTLIST

00:00:00	Title
00:00:05	Olli Rehn, Member of the EC in charge of Economic, Monetary Affairs and the Euro arriving the the press conference room
00:00:12	General atmosphere at the press conference room
00:00:17	SOUNDBITE (in English) by Olli Rehn, Member of the EC in charge of Economic, Monetary Affairs and the Euro: the EU economy is estimated to be currently in a mild but short-lived recession. And then subsequently a slow and subdued recovery is forecast to begin from the second half of the year onwards and continue over the forecast horizon of this year and the next year. However GDP growth will remain as I said subdued and inherent because Member States and the same goes for employment or unemployment with some Member States literally in full employment while some others are suffering from rising unemployment and high level of youth unemployment.
00:01:19	Cutaway
00:01:24	Cutaway of a journalist

00:01:30 SOUNDBITE (in English) by Olli Rehn: For next year 2013, economic activity is projected to increase by 1 % in the euro area and by 1.3 % in the whole Union.

00:01:45 Cutaway

00:01:49 SOUNDBITE (in English) by Olli Rehn: Major challenges in this context and our crisis response has to be firmed first we must strike a balance between the necessary stabilisation and horizon consensus about growth. Second, in order to support the rebalancing and more sustainable economic policies we need structured reforms to be continued in the member states. We will assist this on the 30th of May in our assessment of fiscal and economic policies and we will make specific recommendations. And third, structural reforms should be supplemented and supported by targeted investment to boost sustainable growth and job creation.

00:02:42 General atmosphere in the press room

00:02:51 END

CONDITIONS OF USE

This material is offered free of charge for EU-related information and education purposes.
For any other use, prior clearance must be obtained from the Central Audiovisual Library of the European Commission.
In no case may this material be sold or rented.
NB: Pictures containing buildings and artworks may only be used to meet the needs of current news coverage.

Credit : © European Union, 2013