EUROPEAN COMMISSION
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Extracts from the press conference by Olli Rehn on the autumn economic forecasts for 2012-2014 (General overview)

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On 7 November 2012, Olli Rehn, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro, presented the economic autumn forecast for 2012-14 in the Euro area. The short-term outlook for the EU economy remains fragile, but a gradual return to Gross Domestic Product (GDP) growth is projected for 2013, with further strengthening in 2014. On an annual basis, GDP is set to contract by 0.3% in the EU and 0.4% in the euro area in 2012. GDP growth for 2013 is projected at 0.4% in the EU and 0.1% in the euro area. Unemployment in the EU is expected to remain very high. The large internal and external imbalances that built up in the pre-crisis years are being reduced, but this process continues to weigh on domestic demand in some countries, and economic activity diverges significantly across Member States. At the same time, competitiveness lost in the first decade of EMU in some Member States is being gradually restored, so that export growth is projected to increase progressively as global trade starts reaccelerating. Further progress in consolidating public finances is underpinning this rebalancing process. The structural reforms undertaken should begin to bear fruit over the forecast period, while advancements in the EMU architecture continue to strengthen confidence. This should pave the way for a stronger and more evenly distributed expansion in 2014. GDP growth in 2014 is projected at 1.6% in the EU and 1.4% in the euro area.

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

TIME	DESCRIPTION	DURATION
10:00:00	Title	00:00:05
10:00:05	Arrival of Olli Rehn, Vice-President of the EC in charge of Economic and Monetary Affairs and the Euro, to the press conference on the European Economic Forecast, held in Brussels	00:00:05
10:00:10	Soundbite by Olli Rehn (in ENGLISH): Europe is going through a difficult process of macroeconomic rebalancing and adjustments which will last for some time. In the recent months, major policy decisions have laid the foundations for strengthening confidence. Market stress has been reduced but there is certainly no room for complacency. Europe must continue to combine sound fiscal policies with structural reforms to create the conditions for sustainable growth in order to bring unemployment down and raise the rate of employment.	00:00:47
10:00:57	Cutaway of the audience	00:00:03

10:01:00	Soundbite by Olli Rehn (in ENGLISH): According to our forecast, economic rebalancing within the Euro area is gradually progressing. The large imbalances, both external and internal imbalances that were built up before the crisis, are being reduced.	00:00:18
10:01:19	Cutaway of the audience	00:00:02
10:01:21	Soundbite by Olli Rehn (in ENGLISH): It is relative to the "surplus countries and deficit countries", the "surplus countries" being Belgium, Germany, Austria, Luxembourg, the Netherlands and Finland which all run current account surpluses during the first 10 years of EMU and then you have the other Euro area countries as deficit countries.	00:00:28
10:01:49	Cutaway of the audience	00:00:02
10:01:52	Soundbite by Olli Rehn (in ENGLISH): The external adjustment is increasingly shaped by the competitiveness gains and shifts towards the production of tradable goods and services within vulnerable countries. This is particularly true for Ireland which is an early adjuster where you can see "red bars dominating" but also in Greece and for Spain, Portugal and Slovenia.	00:00:31
10:02:23	Cutaway of cameraman	00:00:02
10:02:26	Soundbite by Olli Rehn (in ENGLISH): In countries with large current account deficits before the crisis, imports have declined substantially even more than proportionally to the fall in demand in some cases like Greece, Spain and Cyprus. But also export growth has been and is expecting to be robust in spite of the weak demand in the EU and at the global level.	00:00:31
10:02:58	Cutaway of the audience	00:00:02
10:03:01	Soundbite by Olli Rehn (in ENGLISH): Briefly, on the Member Sates performance, that is differing strongly this year and the next. In the euro area, the economic activity in Germany, France and the Netherlands is forecast to gain momentum over the forecast horizon 2013 to 2014. In Italy and Spain, the contraction of economic activity is forecast to last until mid-2013 before domestic demand slowly recovers.	00:00:32
10:03:33	Olli Rehn leaving the conference room	00:00:05

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