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ЗАСТРАХОВКА КРЕДИТЕН РИСК
СЪБИРАНЕ НА ВЗЕМАНИЯ
БИЗНЕС ИНФОРМАЦИЯ

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The Economic Outlook for the Euro Area in 2010 and 2011

Author: European Forecasting Network

Снимка: ЕК

The European Forecasting Network (EFN) is a research group of European institutions*, founded in 2001 under the auspices of the European Commission, and currently partly financially supported by the European University Institute (EUI, based in Florence, Italy), which is coordinating the report under the responsibility of Prof. Massimiliano Marcellino.

The objective of the EFN is to provide updated forecasts and analyses of the macroeconomic situation for the Euro area. It publishes four quarterly reports.

The Highlights of the Winter Report are:

In 2010, the recovery of the world economy will be driven by a strong expansion of production in many emerging markets. Rising exports will be the main driver of the recovery in the euro area. We expect GDP to grow around 1.7% and 1.2% during 2010 and 2011, respectively. What impedes the recovery is the state of labour markets. In fact, unemployment will continue to rise well into 2011, partly because firms with low capacity utilization will no longer be able to keep workers in employment.

The most important reason for the recovery of the real economy appears to be renewed - although still fragile - confidence on financial markets. Official interest rates close to zero and substantial purchases of highly rated assets by important central banks have drastically increased the attractiveness of more risky assets.

However, at the end of December 2009, financial markets have put the very solvency of Greece into doubt. If need be, the EU - or member states - would surely help in order to prevent an open solvency crisis, although this would make financing government debt more expensive for all euro area countries.

Inflation in the euro area will grow slowly up to an expected average annual rate of 1.3% in 2010. Price stability is not expected to be affected by expansionary monetary and fiscal policy and inflation will remain well below the ECB target rate during the forecasting horizon.

You can find the **full text** of the report **in the attached file**.

**The participating institutions in the EFN are:*

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