



PRESS RELEASE

THE EUROPEAN FORECASTING NETWORK PUBLISHES ITS SPRING REPORT ONLINE: [ECONOMIC OUTLOOK FOR THE EURO AREA IN 2014 AND 2015](#)

The European Forecasting Network (EFN) is a research group of European institutions, founded 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 report provides updated forecasts and analyses of the macroeconomic situation for the Euro area.

The Highlights of this Report are:

- The recovery of the world economy starting by mid-2012 is now being consolidated. Although growth dynamics are currently less marked in emerging markets countries, the situation of the advanced economies has significantly improved. World trade is expected to grow again close to 5% during 2014 and 2015.
- The euro area economy has left the recession behind during 2013. Low interest rates in a context of price stability, the progressive improvement in fiscal policy and the slow recovery of confidence are the main drivers for this upturn. For 2014 and 2015, we expect a GDP growth of 1.2% and 1.6%, respectively.
- Confidence is improving as real incomes have stopped falling in 2013 and net wealth of private households has started rising again due to the upward trend of housing prices. However, euro area labour markets are still out of balance, although the unemployment rate is no longer increasing in most euro area countries.
- Our inflation forecast for 2014 is 0.8%. In 2015 inflation will also remain subdued, at about 1.3%. However, the probability of an area wide deflation in the next year is very low.
- The main uncertainty for these forecasts is related to financing conditions of the euro area. Although external financing costs for firms are now at a record low for about a year, the volume of credit keeps declining and the situation could worsen depending on the outcome of the ECB Asset Quality Review and the way the single supervisory mechanism is implemented

A copy of the report is freely downloadable from the EFN website: <http://efn.eui.eu>.

The European Forecasting Network is a research group of European institutions, founded in 2001. The participating institutions are:

- RSCAS, European University Institute (EUI), Italy
- Centre d'Etudes Prospectives et d'Informations Internationales (CEPII), France
- University of Birmingham, Department of Economics
- The Halle Institute for Economic Research (IWH), Germany
- The Department of Economics, European University Institute (EUI), Italy
- Anàlisi Quantitativa Regional (AQR), Universidad de Barcelona
- Instituto Flores de Lemus (IFL), Universidad Carlos III, Madrid, Spain
- Department of Applied Economics (DAE), University of Cambridge, UK

For further information, please see the EFN website: <http://efn.eui.eu>, or contact Professor Massimiliano Marcellino (+39 055 4685 956) or the EUI secretary (+39 055 4685 739).

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