BRIEFING

EGOV
ECONOMIC GOVERNANCE AND EMU SCRUTINY UNIT

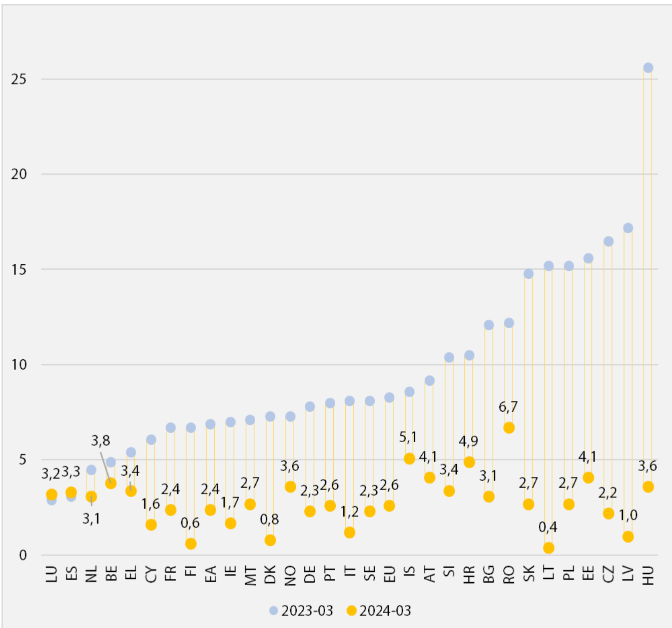
ECONOMIC GOVERNANCE

EU economic developments and projections

This briefing provides a summary of the recent economic developments in the EU Member States and gives an overview of relevant economic projections forecasted by major international and EU institutions. Annex 1 includes latest GDP data and forecast for all EU Member States and Annex 2 the latest inflation data and developments.

1. Recent growth, inflation and unemployment developments

Figure 1: Headline inflation in EU Member States, in %



Source: EGOV's own elaboration based on data from Eurostat.

According to the latest report by Eurostat, in the fourth quarter of 2023, seasonally adjusted **Gross Domestic Product (GDP) remained stable in the European Union (EU), while in the euro area (EA) decreased to -0.1%** compared to the previous quarter. Denmark registered the highest increase of GDP (2.6%), followed by Croatia (1.3%) and Slovenia (1.1%). The most significant slowdowns were recorded in Ireland (-3.4%), Estonia and Finland (both -0.7%). In 2023, GDP increased in both EA and EU by 0.4%, after growing at 3.4% in 2022 and 5.9% in 2021 in both regions.

In the EU, according to Eurostat, **annual inflation (as measured by the Harmonised Index of Consumer Prices or HICP) slowed down to 2.6% in March 2024 from 2.8% in February 2024.** In the euro area, headline inflation fell to 2.4% in March from 2.6% in February.

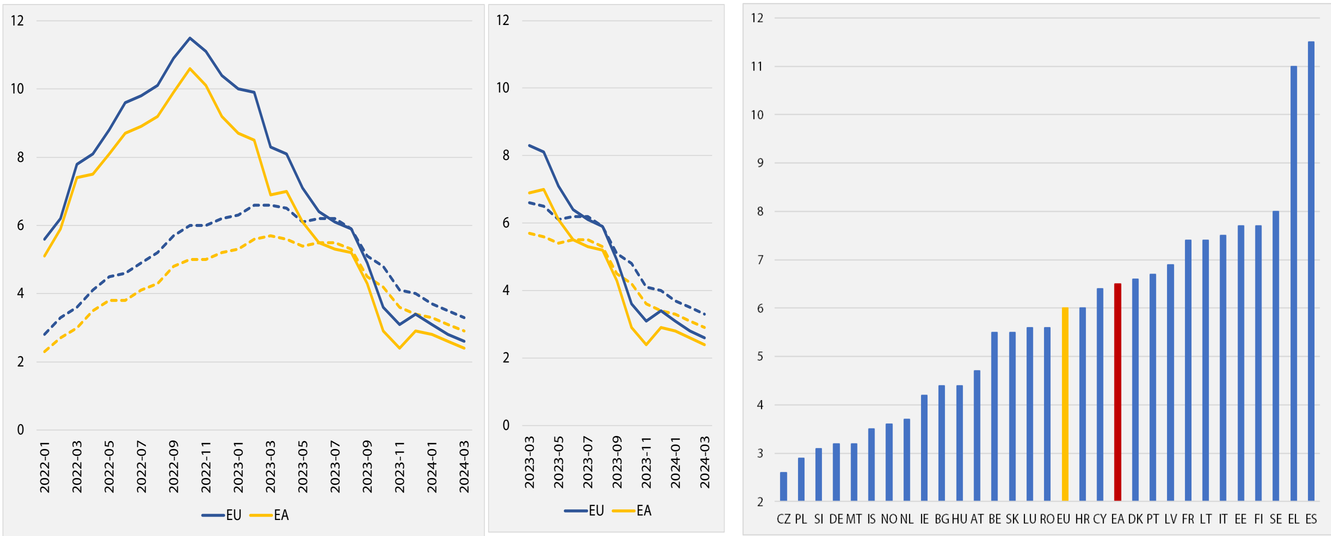
Economic Governance and EMU Scrutiny Unit (EGOV)
Authors: Giacomo LOI, Maja SABOL
Directorate-General for Internal Policies

PE 645.716 - April 2024

EN

Even though inflation continues to slow down, current HICP levels between the Member States still vary (**Figure 1**). In March 2024, HICP levels varied from the lowest annual rate observed in Lithuania (0.4%) Finland (0.6%) and Denmark (0.8%) to the highest annual rates recorded in Romania (6.7%), Croatia (4.9%), Estonia and Austria (both 4.1%). **Core inflation (i.e. HICP inflation excluding energy, food, alcohol and tobacco) stood at 2.9% in March 2024 (Figure 2, left).** In the last couple of months, core inflation has experienced a consistent downward trend with minimal fluctuations.

Figure 2: Headline & core inflation in EU and euro area (left); unemployment rates in EU (right), in %



Note: Solid lines: all items HICP; dashed lines: core HICP. Last observed data for inflation is March 2024 and February 2024 for unemployment. Unemployment rates are seasonally-adjusted; % of population in the labour force.

Source: EGOV's own elaboration based on data from Eurostat.

Decline in inflation is attributed to the sustained decrease in energy prices. On the other hand, service prices continue to experience highest annual rate in March (4.0%, stable compared to February). In terms of other main components of euro area inflation, according to Eurostat: *"food, alcohol & tobacco is expected to have 2.7% (compared with 3.9% in February), non-energy industrial goods (1.1%, compared with 1.6% in February) and energy (-1.8%, compared with -3.7% in February)"*.

Moreover, in February 2024, the seasonally-adjusted **unemployment rate in the euro area stood at 6.5%**, stable compared with January 2024 and marking a slight decrease from 6.6% compared to same month previous year. Similarly, **the EU's unemployment rate held steady at 6.0% in February 2024 (Figure 2, right)**, also stable compared to January 2024. Eurostat also estimates that there are 13.25 million unemployed individuals in the EU, with 11.1 million in the EA. The highest unemployment rates in February 2024 were recorded in Spain (11.5%), Greece (11%) and Sweden (8.1%), while the lowest were recorded in Czechia (2.6%), followed by Poland (2.9%) and Slovenia (3.1%).

Table 1: Recent euro area real GDP, headline and core inflation forecasts (annual changes)

Source		2023	2024	2025
ECB staff macroeconomic projections (March 2024) *Revision from December 2023*	**Real GDP**	**0.5%** *↓0.1 p.p.*	**0.6%** *↓0.2 p.p.*	**1.5%** =
	Headline	**5.4%** =	**2.3%** *↓0.4 p.p.*	**2.0%** *↓0.1 p.p.*
	Core[1]	**4.9%** *↓0.1 p.p.*	**2.6%** *↓0.1 p.p.*	**2.1%** *↓0.2 p.p.*
IMF World Economic Outlook (April 2024) *Revision from January 2024*	**Real GDP**	**0.4%** *↓0.1 p.p.*	**0.8%** *↓0.1 p.p.*	**1.5%** *↓0.2p.p.*
	Headline	**5.4%** *↓0.2 p.p.*	**2.4%** *↓0.4p.p.*	**2.1%**[2] =
	Core	n/a	n/a	n/a
European Commission (February 2024) *Revision from November 2023*	**Real GDP**	**0.5%** *↓0.1 p.p.*	**0.8%** *↓0.4 p.p.*	**1.5%** *↓0.1 p.p.*
	Headline	**5.4%** *↓0.2 p.p.*	**2.7%** *↓0.5 p.p.*	**2.2%** =
	Core[3]	**6.3%** *↑0.2 p.p.*	**3.1%** *↓0.2 p.p.*	**2.5%** *n/a*
OECD (November 2023) *Revision from September 2023*	**Real GDP**	**0.5%** *↓0.1 p.p.*	**0.6%** *↓0.3 p.p.*	**1.3%** *↓0.2 p.p.*
	Headline	**5.4%** *↓0.1 p.p.*	**2.6%** *↓0.3 p.p.*	**2.2%** *↓0.1 p.p.*
	Core[4]	**4.9%** *↓0.2 p.p.*	**2.6%** *↓0.5 p.p.*	**2.2%** *↓0.1 p.p.*

Notes: The ECB, the European Commission and the OECD use different measures of core inflation, see footnotes 1, 2 and 3. The table shows percentage point (p.p.) changes in the estimates since the previous forecasts. An upward pointing arrow represents a positive revision in the estimate, a downward pointing arrow represents instead a negative correction.

Sources: ECB staff macroeconomic projections, IMF April 2024 World Economic Outlook Update, European Commission Autumn 2023 forecast, OECD Economic Outlook, Interim Report February 2024.

2. Latest economic forecasts

2.1. International Monetary Fund (IMF)

According to the IMF World Economic Outlook Update (April 2024)[5], the euro area is expected to grow by 0.4% in 2023 and 0.8% in 2024. Relative to the previous edition of the WEO (the January 2024 Outlook), the forecast was revised downward by 0.1 p.p. for 2023 and 0.1 p.p. for 2024. IMF notes that: "*In the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight monetary policy and past energy costs, as well as planned fiscal consolidation, weigh on activity*". The IMF also highlights that the European Central Bank will have to carefully fine tune its transition toward monetary easing and that bringing inflation back to the target should remain priority. Although labour markets seem robust, its

1 The ECB's measure of core inflation excludes all food and energy.

2 The World Economic Outlook database is updated twice a year in April and October. In January and July, the IMF releases an Update that however only provides for revised estimates for two years only. For further information please refer to WEO FAQs.

3 The European Commission's measure of core inflation excludes unprocessed food and energy. Variations are presented between estimates from November 2023 and from May 2023.

4 HICP excluding food, energy, alcohol and tobacco.

5 The IMF publishes its World Economic Outlook four times a year. In their April and October publications, the IMF publishes projection updates for all countries, while the January and July publications are only interim and include projection update only for the entire EA (but not for each country individually). For consistency purposes, the briefing text covers the newest available World Economic Outlook projections publication, while the Annex tables refer to the latest publication, where all the country specific projections are provided (i.e. April and October).

resilience might be misleading in case corporations have been accumulating labour in anticipation of an increase in activity that fails to materialize.

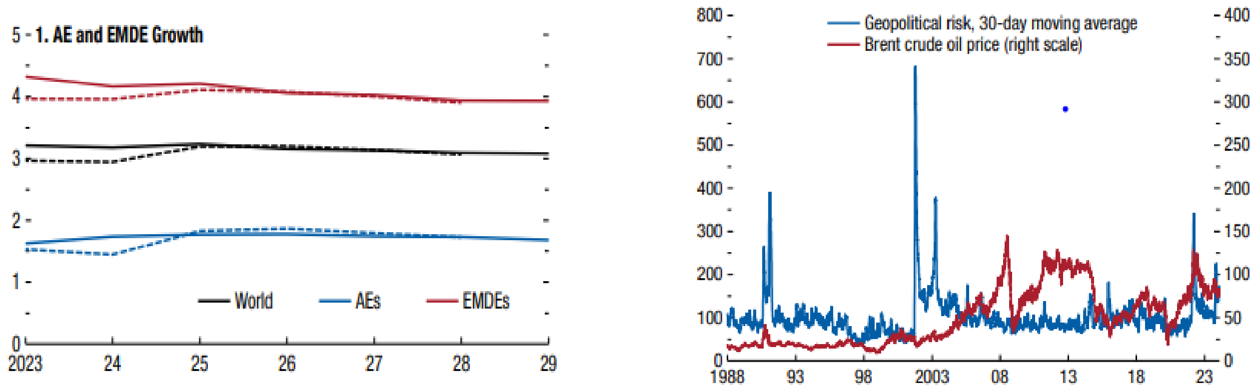
Box 1: Regional Economic Outlook for Europe

According to the Regional Economic Outlook for Europe, a soft landing is on the horizon: "[...] *bringing inflation back to target with a moderate economic cost in terms of growth—is within reach, but crosswinds could make it difficult to achieve price stability while securing a lasting recovery."* Although economic activity is showing signs of stabilising, the recovery remains fragile across most economies. This can be attributed to subdued consumer confidence, delayed effects of increased energy costs, and vulnerabilities in manufacturing and business investment sensitive to interest rate fluctuations. Growth outcomes in the second half of 2023 fell somewhat short of expectations outlined in the *October 2023 WEO projections*. Therefore, the IMF notes that GDP growth in Europe will slow down to 1.4% in 2023 from 2.7% in 2022, and slightly improve to 1.6% in 2024 and 2.0% in 2025. Advanced economies and emerging market economies in Europe will experience growth rates of 0.8% and 3.1% in 2024, respectively. The process of disinflation has been uneven. In Europe headline inflation should slow down to 8.4% in 2024 from 10.5% in 2023 and continue declining to 6% in 2025.

Ensuring a smooth soft landing is not the only pressing issue at hand. The pace of expected monetary policy easing needs to correspond to underlying inflationary pressures with a gradual approach to prevent overly rapid or slow loosening of monetary conditions. On the fiscal side, it is vital to maintain public investment and social protection systems while implementing fiscal reforms to bolster sustainability and address evolving spending needs. Moreover, the IMF emphasises that Europe's per capita income levels remain considerably below the global frontier, and this gap is not anticipated to narrow in the foreseeable future. Sluggish productivity growth and the impacts of aging population pose significant challenges**.** Boosting potential growth requires action at both domestic and European levels. This involves increasing workforce participation, preparing for upcoming changes, encouraging private investment, and promoting innovation, particularly in the green transition with a focus on carbon pricing.

The IMF recognises the surprising resilience of the global economy despite the backdrop of elevated central bank interest rates. At the end of 2022, global growth reached its lowest point, standing at 2.3%, shortly after median headline inflation reached its peak at 9.4%. Based on IMF recent projections, growth in 2024 and 2025 will remain stable at 3.2%, while median headline inflation is expected to decrease from 2.8% by the end of 2024 to 2.4% by the end of 2025. The majority of indicators suggest that soft landing is underway (**Figure 3**, **left**). In that sense, the IMF notes that: *"As global inflation descended from its peak, economic activity grew steadily, defying warnings of stagflation and global recession."* The decline in headline inflation since 2022 is attributed to diminishing relative price shocks particularly in (global) energy prices and falling core inflation. Energy price decline was influenced by both an uptick in global energy supply and the impact of stringent monetary policies which likely played a significant role in major advanced economies during period 2022-2023.

Figure 3: Global growth outlook (left) & geopolitical risk and oil prices (right)



Notes: The Geopolitical Risk Index is constructed by Caldara and Iacoviello (2022) to measure adverse geopolitical events and associated risks based on automated text search results of the electronic archives of several newspapers covering geopolitical tension; AE = advanced economy; EMDE = emerging market and developing economy; LAC = Latin America and the Caribbean; ME&CA = Middle East and Central Asia; SSA = sub-Saharan Africa; WEO = World Economic Outlook.
Sources: Haver Analytics; and IMF staff calculations.

The IMF emphasises the risks to the global outlook as broadly balanced. As inflationary pressures decline more rapidly than anticipated across several countries, risks to the inflation forecast are now generally evenly balanced. While there is potential for additional positive developments, there are also various unfavourable risks that counterbalance these possibilities, leading to a mixed distribution of potential outcomes. These include the potential for spikes in commodity and oil prices amid geopolitical tensions (**Figure 3**, **right**), as well as slower than expected decline in inflation that could trigger rise in inflation expectations. In addition, impacts of previous monetary tightening measures have not fully materialized remains viable, especially in countries where fixed-rate mortgages are resetting and household debt levels are elevated. A sudden move towards fiscal tightening, exceeding planned measures, could lead to sluggish growth and reduce reform momentum.

2.2. European Central Bank (ECB)

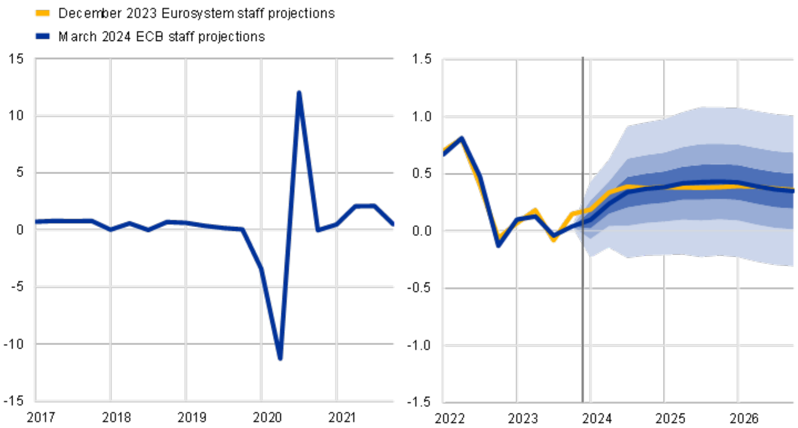
According to the latest ECB macroeconomic projections[6] (March 2024), *"The euro area economy stagnated at the end of 2023 amid tight financing conditions, subdued confidence and past competitiveness losses. Incoming information suggests a slower recovery in the short run than was foreseen in the December 2023 projections. Nevertheless, economic growth is projected to gradually pick up during this year as real disposable income rises, amid declining inflation and robust wage growth, and as the terms of trade improve."*

Overall, annual GDP growth in 2023 is estimated at 0.5% (a 1 p.p. downward revision from the December 2023 estimates) **and it expected to improve to 0.6% in 2024 before reaching 1.5% in 2025 and 1.6% 2026**. With the exception of the 2025 and 2026 estimates, this downward revision in growth projections relative to the December 2023 forecasts is due to "*carry-over effects from past negative data surprises and weaker incoming forward-looking information*". The moderate recovery starting from the second half of 2024 is projected to be driven by an increase in household income (due to fading inflation and robust wage

[6] The ECB publishes its Euro system staff projections four times a year. In their June and December publications, the ECB publishes projection updates for all the EA countries, while the March and September publications are only interim and include projection update only for the entire EA (but not for each country individually). For consistency purposes, the briefing text covers the newest available Eurosystem staff projections publication, while the Annex tables refer to the latest publication, where all the country specific projections are provided (i.e. June and December). Please also note, that country-specific ECB projections for all the EA countries are published two weeks after the main projection document publication.

growth amidst a strong labour market), government consumption and foreign demand. Overall, high interest rates and tight financing conditions are expected to continue to have a drag on growth.

Figure 4: Euro area real GDP growth (Q-on-Q percentage changes, seasonally and working day-adjusted)

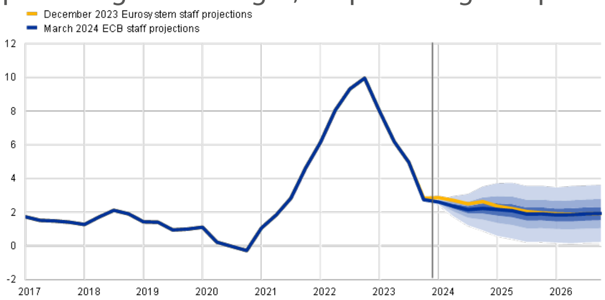


Notes: Historical data may differ from the latest Eurostat publications owing to data releases after the cut-off date for the projections. The vertical line indicates the start of the current projection horizon. The ranges shown around the central projections provide a measure of the degree of uncertainty and are symmetric by construction. They are based on past projection errors, after adjustment for outliers. The bands, from darkest to lightest, depict the 30%, 60% and 90% probabilities that the outcome of real GDP growth will fall within the respective intervals.
Source: ECB.

Off the back of an easing of supply pressures and a successful transmission of monetary policy as well as a decline in energy price, inflation is expected to moderate further, falling from 5.4% in 2023 to 2.3% in 2024. This marks a faster than expected decline (4 p.p. revision from December 2023) of headline inflation (HICP), which is now forecast to reach the 2.0% target in 2025 and 1.9% in 2026. Energy prices are expected to remain disinflationary for most of 2024, despite some volatility due to base effects, and turn close to neutral in 2025 and 2026. Overall, strong labour costs remain the key driver of (core) inflation. Core inflation estimates have been revised downward for the entire projection period due to the weakening in the growth outlook and lower growth in unit labour cost, though it remains above headline inflation. While nominal wage growth should remain elevated though easing over the horizon period, ECB staff indicate that a catch-up in productivity growth should allow for a moderation in labour cost pressures and weaker profit growth. Overall, profit margins are expected to first absorb some of the pass-through of labour costs before gradually recovering as unit labour costs fall, hence pointing towards a gradual decrease of domestic price pressure.

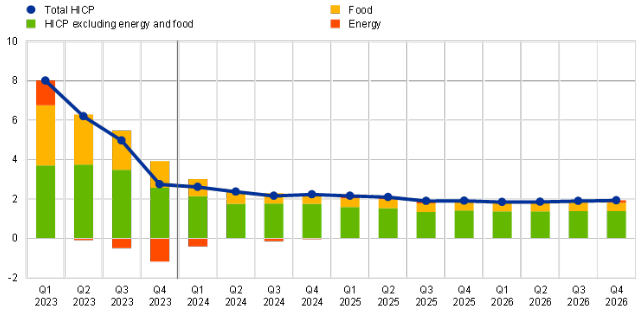
Labour markets continue to be resilient, despite some cooling. The March 2024 projections remain fairly similar to the December 2023 ones with unemployment expected to slightly increase to 6.7% in 2024 (1 p.p. upward revision) before falling to 6.6% in 2025 and 2026 (respectively a 1 p.p. and 2 p.p. upward revision). Overall, ECB continues to expect an improvement in labour productivity growth over the horizon period yet productivity levels in 2026 are seen to still remain below their long-term trend.

Figure 5: Euro area HICP inflation (annual percentage changes, percentage points)



Notes: The vertical line indicates the start of the current projection horizon. The ranges shown around the central projections for HICP inflation are based on past projection errors, after adjustment for outliers. The bands, from darkest to lightest, depict the 30%, 60% and 90% probabilities that the outcome of HICP inflation will fall within the respective intervals.
Source: [ECB.](#)

Figure 6: Euro area HICP inflation - decomposition into the main components (annual percentage changes, percentage points)



Notes: The vertical line indicates the start of the current projection horizon. Source: ECB.

2.3. European Commission (Commission)

Based on the Commission Winter 2024 (Interim) Economic Forecast, published in February 2024, growth estimates for both the EU and the euro were slightly revised down to 0.5% in 2023 (from 0.6% in the Autumn 2023 forecasts). The Commission also cut growth estimates for the EU to 0.9% (from 1.3% in the Autumn forecasts) and the euro area to 0.8% (from 1.2% in the Autumn forecasts) for 2024. Growth projections for 2025 remained unchanged at 1.7% for the EU and 1.5% in the euro area.

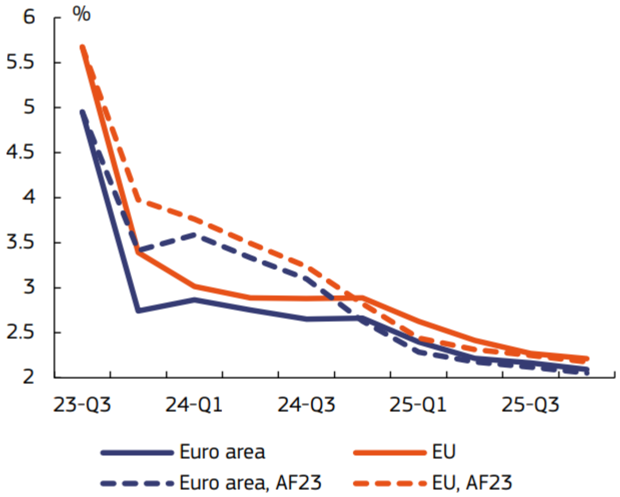
The Commission highlights the economic stagnation in the EU against the background of high inflation, though decreasing, *"falling household purchasing power, collapsing external demand, forceful monetary tightening and the partial withdrawal of fiscal support in 2023"* . It also notes that the EU has only "narrowly" escaped a technical recession in the second half of 2024, with the stagnation in the last quarter seeming to be largely driven by the contraction of the German economy. Overall, household consumption has remained subdued throughout 2023, with high saving levels preventing the expected strong rebound. Investment growth slowed relative to 2022 and positive trade developments are largely associated to falling imports rather than expanding export volumes. Nevertheless, the contribution to growth from trade has exceeded expectations from the autumn. Weaknesses in industry, construction and retail also have a weigh on the economic expansion in the EU.

Despite the slowdown in economic growth, the EU's labour market continued to stay strong during third quarter of 2023. In December, the unemployment rate remained at record low levels in both the EU (5.9%) and the euro area (6.4%). Nevertheless, the forecasts indicate that "*the labour market appears still tight by historical standards, but less than it was from late 2021 to early 2023 (…) [it] looks therefore set to withstand the current weakness in economic activity*". Wage growth is strong but decelerating, implying that while workers should be able to recoup previous losses in real income, this should not come at the cost of further fuelling inflation. Profit margins seem to have absorbed the increase in labour costs and expectations for increased productivity should contribute to rising wages in 2024 and 2025 while ensuring a return of inflation to the 2% target.

Despite the economic stagnation, the Winter forecasts underline the positive developments in inflation which is assessed to be declining faster than previously expected off the back of the rapid fall in energy prices, weaker-than-expected economic performance and the successful transmission of the monetary stance. This has led to further slowdowns in food, non-energy goods and services prices.

The Commission now expects headline inflation to decrease to 6.3% in the EU (down from 9.2% in 2022) **and to 5.4% in the euro area** (compared to 8.4% in 2022) in 2023, both representing a 0.2 percentage point downward revision relative to the Autumn forecast. Looking forward, the forecast indicate that inflation will continue to fall to 3.0% in the EU (down 0.5 p.p. from the Autumn Forecast) and 2.7% in the euro area (0.5 p.p. below the Autumn forecast) in 2024 before reaching 2.5% in the EU (0.1 p.p. upward revision from the Autumn forecast) and 2.2% in the euro area (unchanged) in 2025.

Figure 7: Forecasts of annual headline inflation



Notes: AF23 indicates the Autumn 2023 Forecasts. Headline inflation is measured using the Harmonised Index of Consumer Prices (HICP).
Source: Commission 2023 Winter (Interim) Economic Forecast.

While the Autumn forecasts highlighted the high levels of government deficit across the EU and the inflation-driven decline in public debt rations, the Winter forecasts point to **the decline in sovereign bond yields declining across maturities,** despite the unwinding of the ECB's balance sheet. Spreads have also been narrowing in light of a decline in inflation expectations, positive rating developments in Italy and Greece as well as the investors' search for yields.

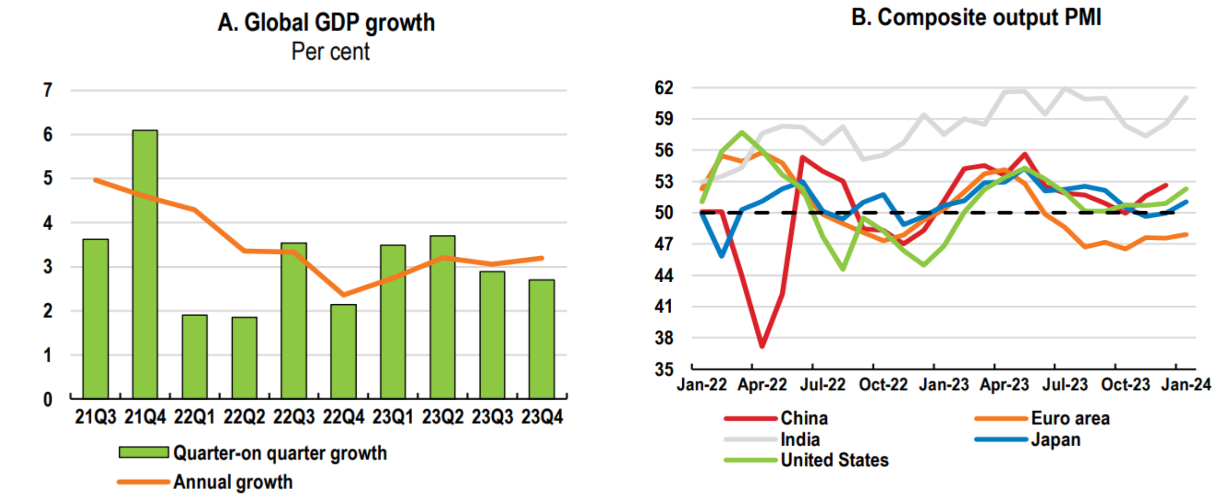
Risks to the outlook remain tilted to the downside, notably due to pressures from the external environment. Geopolitical tensions, due to the ongoing Russian war against Ukraine, the Middle East conflict and the Houthi's disruptions in the Red Sea, could weigh on growth and add inflationary pressures. Global policy uncertainty could also undermine growth in the EU, with developments in China and the US, e.g. economic retrenchment and disinflation respectively, having potential spill overs on the EU economic outlook. Investment sentiment could also be hampered by the uncertainty deriving from the historical number of elections taking place in 2024. On the domestic side, risks to the inflation and growth outlook seem broadly balanced yet the EU continues to face mounting climate change-related risks.

2.4. Organisation for Economic Co-operation and Development (OECD)

Based on the latest OECD Interim Economic Outlook (February 2024): *"The fading or reversal of previously-supportive cyclical factors, such as the post-pandemic decline in supply bottlenecks, along with restrictive macroeconomic policies in the major advanced economies and structural strains in China are expected to push global GDP growth down from 3.1% in 2023 to 2.9% in 2024. (...). In 2025, global growth is projected to pick up to 3.0%, helped by a widespread easing of monetary policy as inflation converges on central bank targets and a steady recovery in real incomes"*. The projection for 2025 remained unchanged, but for 2024 the OECD revised it up by 0.2% (**Figure 8, left**). **In the case of the euro area, economic growth is expected to be 0.6% in 2024 (revised down by -0.3 percentage points), and 1.3% in 2025 (revised down by -0.2**

percentage points). The OECD projects that in the near term, growth is anticipated to remain subdued due to factors such as heightened uncertainty and demand-reducing effects of policy tightening.

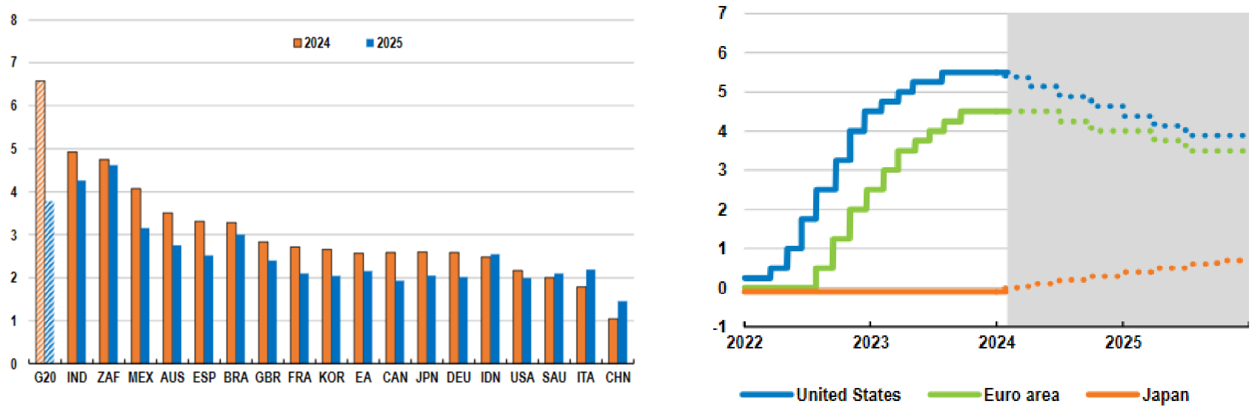
Figure 8: Easing of global growth with continued divergence across countries



Notes: Panel A: GDP growth using moving nominal GDP weights at purchasing power parities. Quarter-on-quarter growth is expressed at an annualised rate.
Source: OECD.

In the euro area, headline inflation is predicted to be 2.6% in 2024 (revised downward by 0.3%) and 2.2% in 2025 (revised downward by 0.1%) (Figure 9, left). Furthermore, core inflation is projected to decline further, to 2.6% in 2024 (revised downward by 0.5%) and to 2.2% (revised downward by 0.1%). Whilst policy interest rates have remained unchanged in the major economies in recent months, the OECD calls for prudent monetary policy in the near future: "*Monetary policy needs to remain prudent to ensure that underlying inflationary pressures are durably contained. Scope exists to start lowering nominal policy rates provided inflation continues to ease, with policy rate reductions beginning in the United States and the euro area by the second and third quarters of 2024 respectively, but the policy stance should remain restrictive for some time to come*".

Figure 9: Inflation (left) and policy interest rate projections (right), in %



Notes: Personal consumption expenditure price index for the United States, harmonised index of consumer prices for the euro area aggregate, euro area member states and the United Kingdom, and national consumer price indices for all other countries. India projections are based on fiscal years, starting in April. The G20 aggregate uses moving nominal GDP weights at purchasing power parities (PPPs).
For the United States, the policy rate refers to the upper limit of the Federal Funds target range. The main refinancing operations rate is used as the policy rate indicator for the euro area. Shaded areas denote OECD projections.
Source: OECD.

Overall, the outlook's risks remain skewed to the downside. Various factors could lead to inflation disappointments, with geopolitical tensions, now especially in in the Middle East. Escalations in these conflicts could disrupt global shipping, exacerbate supply bottlenecks, and elevate energy prices, thus hampering economic growth and directly contributing to inflationary pressures. Furthermore, there's uncertainty regarding the extent of future economic drag resulting from past policy rate increases, with potential nonlinear effects from monetary tightening in the euro area. The lagged impact of heightened borrowing costs on household and corporate debt service burdens, especially in credit-dependent economies, remains a concern, hinting at the possibility of stronger-than-projected repercussions on growth and employment.

Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

Annex 1: EU Gross domestic product, in %

	Eurostat* (4/2024)						EC (2/2024)			IMF (4/2024)			ECB (12/2023)			OECD (11/2023)		
	2021	2022	2023	2023 Q2	2023 Q3	2023 Q4	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
BE	6,9	3,0	1,4	0,3	0,3	0,3	1,5	1,4	1,5	1,5	1,2	1,2	1,5	1,3	1,2	1,4	1,1	1,5
DE	3,2	1,8	-0,3	0,0	0,0	-0,3	-0,3	0,3	1,2	–0,3	0,2	1,3	-0,1	0,4	1,2	-0,1**	0,3**	1,1**
EE	7,2	-0,5	-3,0	-0,3	-0,8	-0,7	-3,5	0,6	3,2	–3,0	–0,5	2,2	-3,5	-0,4	3,2	-2,6	0,6	2,5
IE	15,1	9,4	-3,2	-0,1	-2,5	-3,4	-1,9	1,2	3,2	–3,2	1,5	2,5	-1,4	2,4	4,6	-0,6	2,4	2,9
EL	8,4	5,6	2,0	1,1	-0,1	0,2	2,2	2,3	2,3	2,0	2,0	1,9	2,4	2,5	2,5	2,4	2,0	2,4
ES	6,4	5,8	2,5	0,5	0,4	0,6	2,5	1,7	2,0	2,5	1,9	2,1	2,4	1,6	1,9	2,5**	1,5**	2,0**
FR	6,4	2,5	0,7	0,6	0,0	0,1	0,9	0,9	1,3	0,9	0,7	1,4	0,9	0,9	1,3	0,9**	0,6**	1,2**
HR	13,8	6,3	2,8	1,5	0,5	1,3	2,6	2,6	2,8	2,8	3,0	2,7	2,6	3,0	2,7	2,5	2,6	2,7
IT	8,3	4,0	0,9	-0,2	0,2	0,2	0,6	0,7	1,2	0,9	0,7	0,7	0,7	0,6	1,1	0,7**	0,7**	1,2**
CY	9,9	5,1	2,5	-0,4	1,3	0,6	2,4	2,8	3,0	2,5	2,7	2,9	2,2	2,6	3,1	:	:	:
LV	6,7	3,0	-0,3	-0,4	-0,1	0,3	-0,6	1,7	2,7	–0,3	1,7	2,4	-0,4	2,0	3,6	-0,1	1,9	2,7
LT	6,3	2,4	-0,3	2,4	-0,1	-0,2	-0,3	2,1	3,0	–0,3	2,2	2,5	-0,2	1,8	3,1	-0,4	1,7	3,1
LU	7,2	1,4	-1,1	0,2	-1,4	0,0	-0,8	1,3	2,1	–1,1	1,3	2,9	1,4	2,0	2,4	-1,1	1,4	3,1
MT	12,5	8,1	5,6	0,8	2,3	0,3	6,1	4,6	4,3	5,6	5,0	4,0	4,3	3,8	3,6	:	:	:
NL	6,2	4,3	0,1	-0,4	-0,2	0,4	0,2	0,4	1,6	0,1	0,6	1,3	0,1	0,3	1,0	0,2	0,5	1,1
AT	4,2	4,8	-0,8	-1,3	-0,3	0,0	-0,7	0,6	1,4	–0,7	0,4	1,6	-0,7	0,6	1,7	-0,4	0,6	1,5
PT	5,7	6,8	2,3	0,1	-0,2	0,7	2,3	1,2	1,8	2,3	1,7	2,1	2,1	1,2	2,2	2,2	1,2	2,0
SI	8,2	2,5	1,6	1,1	0,0	1,1	1,3	1,9	2,7	1,6	2,0	2,5	1,3	2,2	2,3	1,4	1,8	2,7
SK	4,8	1,9	1,6	0,5	0,3	0,3	1,1	2,3	2,6	1,1	2,1	2,6	1,2	2,3	3,2	1,1	1,8	2,4
FI	2,8	1,3	-1,0	0,5	-1,1	-0,8	-0,4	0,6	1,6	–1,0	0,4	1,9	-0,5	-0,2	1,5	0,0	0,9	1,8
EA	**5,9**	**3,4**	**0,4**	**0,1**	**-0,1**	**-0,1**	**0,5**	**0,8**	**1,5**	**0,4**	**0,8**	**1,5**	**0,6**	**0,8**	**1,5**	**0,5****	**0,6****	**1,3****
BG	7,7	3,9	1,8	0,4	0,4	0,5	2,0	1,9	2,5	1,8	2,7	2,9	:	:	:	1,7	2,8	3,0
CZ	3,6	2,4	-0,3	0,3	-0,8	0,4	-0,4	1,1	2,8	–0,4	0,7	2,0	:	:	:	-0,3	1,6	2,1
DK	6,8	2,7	1,9	-0,8	0,4	2,6	0,5	0,9	1,6	1,8	2,1	1,5	:	:	:	1,3	1,2	1,5
HU	7,1	4,6	-0,9	-0,1	0,8	0,0	-0,8	2,4	3,6	–0,9	2,2	3,3	:	:	:	-0,6	2,4	2,7
PL	6,9	5,6	0,2	-0,1	1,1	0,0	0,2	2,7	3,2	0,2	3,1	3,5	:	:	:	0,4	2,6	2,9
RO	5,7	4,1	2,1	1,4	1,0	-0,5	1,8	2,9	3,2	2,1	2,8	3,6	:	:	:	1,9	3,0	3,3
SE	6,1	2,7	-0,2	-0,7	-0,1	-0,1	-0,1	0,2	1,6	–0,2	0,2	2,2	:	:	:	-0,5	0,9	2,6
EU	**6,0**	**3,5**	**0,4**	**0,1**	**0,0**	**0,0**	**0,5**	**0,9**	**1,7**	**0,6**	**1,1**	**1,8**	**:**	**:**	**:**	**:**	**:**	**:**

*Notes: *Year-on-year GDP growth is provided for 2021, 2022 and 2023, while quarter-on-quarter changes are provided for 2023 Q2 to 2023 Q4. Eurostat data extracted on 19 April 2024. The forecast data by EC, IMF, OECD and ECB are the baseline scenarios. ** Values from the OECD Economic Outlook, Interim Report February 2024.*

Annex 2: EU HICP Inflation (annual rate of change, in %)

	Eurostat* (4/2024)						EC (2/2024)			IMF (4/2024)			ECB (12/2023)			OECD (11/2023)		
	2021	2022	2023	2023 Q3	2023 Q4	2024 Q1	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
BE	3,2	10,3	2,3	0,7	0,5	3,8	2,3	3,5	2,3	2,3	3,6	2,0	2,3	4,0	1,8	2,4	3,0	2,4
DE	3,2	8,7	6	4,3	3,8	2,3	6,0	2,8	2,4	6,0	2,4	2,0	6,1	2,7	2,5	6,0**	2,6**	2,0**
EE	4,5	19,4	9,1	3,9	4,3	4,1	9,1	3,2	1,9	9,1	4,2	2,5	9,1	3,5	2,5	9,2	3,4	2,4
IE	2,4	8,1	5,2	5	3,2	1,7	5,2	2,2	1,9	5,2	2,4	2,0	5,2	2,3	2,2	5,3	3,1	2,6
EL	0,6	9,3	4,2	2,4	3,7	3,4	4,2	2,7	2,0	4,2	2,7	2,1	4,1	3,0	2,4	4,3	2,8	2,4
ES	3	8,3	3,4	3,3	3,3	3,3	3,4	3,2	2,1	3,4	2,7	2,4	3,4	3,3	2,0	3,4**	3,3**	2,5**
FR	2,1	5,9	5,7	5,7	4,1	2,4	5,7	2,8	2,0	5,7	2,4	1,8	5,7	2,5	1,8	5,7**	2,7**	2,1**
HR	2,7	10,7	8,4	7,4	5,4	4,9	8,4	2,5	2,0	8,4	3,7	2,2	8,4	4,0	2,5	8,6	4,2	2,6
IT	1,9	8,7	5,9	5,6	0,5	1,2	5,9	2,0	2,3	5,9	1,7	2,0	6,0	1,9	1,8	5,9**	1,8**	2,2**
CY	2,3	8,1	3,9	4,3	1,9	1,6	3,9	2,4	2,1	3,9	2,3	2,0	4,0	2,4	2,0	:	:	:
LV	3,2	17,2	9,1	3,6	0,9	1,0	9,1	2,2	2,2	9,1	2,0	3,6	9,0	2,0	2,3	9,4	3,1	3,3
LT	4,6	18,9	8,7	4,1	1,6	0,4	8,7	2,4	2,4	8,7	1,5	2,3	8,8	2,5	2,5	8,8	2,0	2,1
LU	3,5	8,2	2,9	3,4	3,2	3,2	2,9	2,6	2,3	2,9	2,5	3,1	2,9	2,1	2,4	3,1	3,4	2,3
MT	0,7	6,1	5,6	4,9	3,7	2,7	5,6	2,9	2,7	5,7	2,9	2,1	5,6	3,0	2,3	:	:	:
NL	2,8	11,6	4,1	-0,3	1	3,1	4,1	2,6	2,0	4,1	2,7	2,1	4,1	2,9	2,2	4,4	3,7	2,4
AT	2,8	8,6	7,7	5,8	5,7	4,1	7,7	4,0	3,0	7,7	3,9	2,8	7,7	4,0	3,0	7,7	3,9	2,5
PT	0,9	8,1	5,3	4,8	1,9	2,6	5,3	2,3	1,9	5,3	2,2	2,0	5,3	2,9	2,0	5,5	3,3	2,4
SI	2	9,3	7,2	7,1	3,8	3,4	7,2	2,9	2,0	7,4	2,7	2,0	7,2	3,0	3,1	7,5	4,8	3,2
SK	2,8	12,1	11	9	6,6	2,7	11,0	3,5	2,6	11,0	3,6	3,9	11,0	4,7	4,0	11,1	5,2	3,4
FI	2,1	7,2	4,3	3	1,3	0,6	4,3	1,4	1,5	4,3	1,2	1,9	4,4	1,0	1,4	4,5	2,2	2,3
EA	**2,6**	**8,4**	**5,4**	**4,3**	**2,9**	**2,4**	**5,4**	**2,7**	**2,2**	**5,4**	**2,4**	**2,1**	**5,4**	**2,7**	**2,1**	**5,4****	**2,6****	**2,2****
BG	2,8	13	8,6	6,4	5	3,1	8,6	3,4	2,9	8,6	3,4	2,7	:	:	:	9,5	4,5	3,1
CZ	3,3	14,8	12	8,3	7,6	2,2	12,0	2,9	2,3	10,7	2,1	2,0	:	:	:	10,7	3,1	2,3
DK	1,9	8,5	3,4	0,6	0,4	0,8	3,4	1,7	2,2	3,4	1,5	2,0	:	:	:	3,6	2,8	2,5
HU	5,2	15,3	17	12,2	5,5	3,6	17,0	4,5	4,1	17,1	3,7	3,5	:	:	:	17,5	4,6	3,3
PL	5,2	13,2	10,9	7,7	6,2	2,7	10,9	5,2	4,7	11,4	5,0	5,0	:	:	:	11,8	4,7	3,7
RO	4,1	12	9,7	9,2	7	6,7	9,7	5,8	3,6	10,4	6,0	4,0	:	:	:	10,4	5,0	3,7
SE	2,7	8,1	5,9	3,7	1,9	2,3	5,9	1,7	1,9	5,9	2,6	2,0	:	:	:	8,6	3,8	2,2
EU	**2,9**	**9,2**	**6,4**	**4,9**	**3,4**	**2,6**	**6,3**	**3,0**	**2,5**	**6,3**	**2,7**	**2,4**	**:**		**:**	**:**	**:**	**:**

*Notes: *Average annual rate of HICP change is provided for 2021. 2022 and 2023, while information of annual rate of HICP change for the last month of the quarter is provided for 2023 Q3 and Q4 and 2024 Q1. Eurostat data extracted on 19 April 2024. ** Values from the OECD Economic Outlook, Interim Report February 2024.*