



The Economic Forecast for Europe

**AIECE Autumn Meeting, Brussels
28-29 November 2022**

Oliver DIECKMANN
European Commission, DG ECFIN
Economic Situation, Forecasts, Business and Consumer Surveys

The Autumn 2022 Forecast

Key messages



DOWNLOAD:

https://economy-finance.ec.europa.eu/document/download/1afa5006-02ae-40d2-b003-a9630a2cb062_en?filename=ip187_en_0.pdf

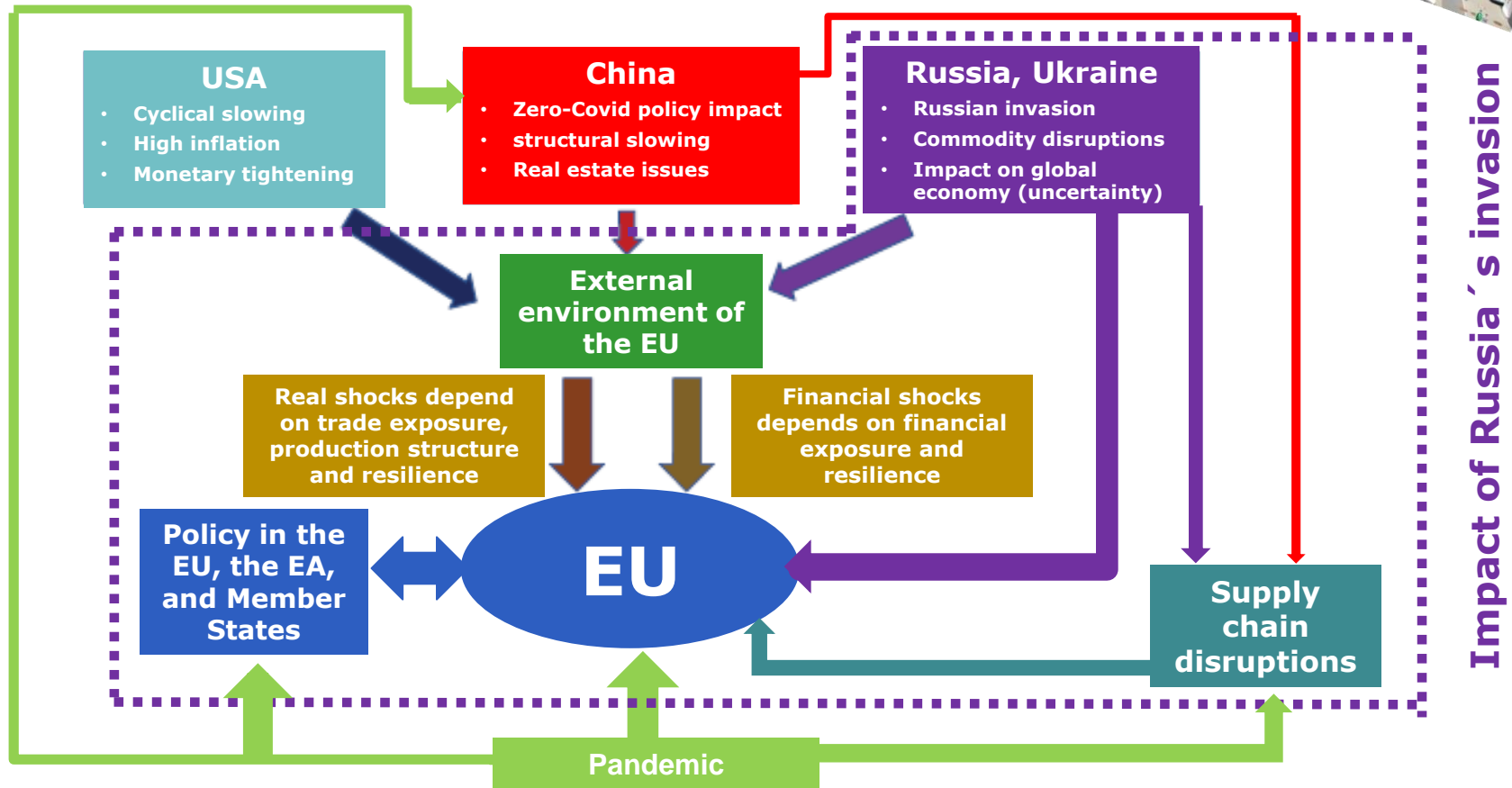
„The EU economy at a turning point”

1. Our economy is at a **turning point**, set to stagnate in 2023 and pick up in 2024.
2. **Inflation** is nearing the peak but will remain high in 2023.
3. The **labour market** is expected to show resilience.
4. Government **deficits** are set to remain above 3%, but debt ratios will decline.
5. **Risks** are skewed to negative outcomes amid heightened uncertainty.

Source: Remarks by Commissioner Gentiloni at the press conference on the Autumn 2022 Economic Forecast, 11 November 2022.



The economic forecast for Europe A combination of shocks





The economic forecast for Europe

Outline

Assumptions and input

1. How will **Russia's war** of aggression evolve and affect the EU economy?
2. How will Europe's **energy crisis** unfold over the forecast horizon?
3. Will the EU's **external environment** deteriorate further?

The Autumn forecast for euro area and EU

Economic growth
Labour market
Inflation & HICP
Current account
Public finances
Risks

Special issues in autumn '22

1. What are the macro effects and risks of **commodity-driven inflation**?
2. Will the **labour market** withstand a slowdown?
3. How is inflation affecting **household finances** and energy poverty?



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The impact of the war on the EU economy

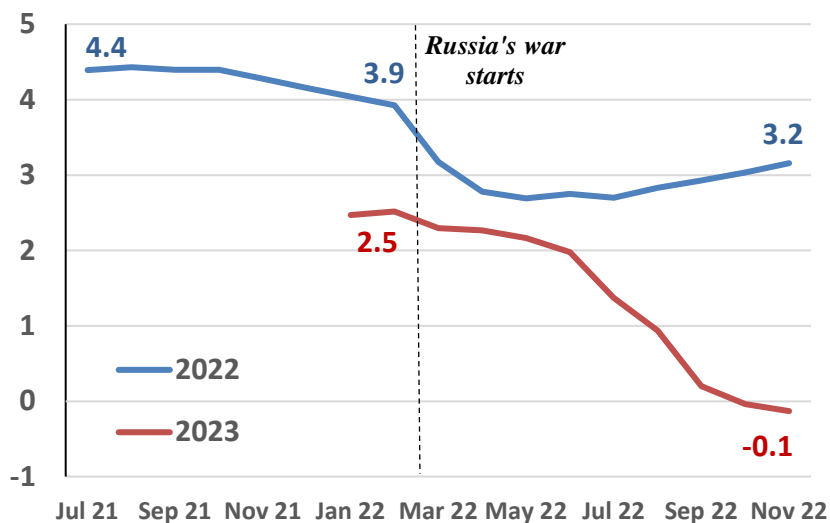
	Observed	Expected in 2022-2024	Long term
Humanitarian	Higher public spending	Budgetary impact lasts Labour market integration	Increased labour supply
Uncertainty	Falling confidence Increased uncertainty	Precautionary saving Lower consumption/investment	Lower capital stock?
Commodities	Sharp price increases	Higher inflation Lower real incomes & demand	Faster energy transition Reallocation
Financial	Repricing of assets Tightening of conditions	Increased volatility Pressure on banking sector?	Higher financing costs
Supply chains	Disrupted value chains Delays, higher costs	Restructuring of supply chains Reallocation of activity	Increased resilience Higher costs
Global economy	Higher trade costs Lower EU-RU trade	Lower trade and GDP growth EU-RU decoupling	Less globalised production Efficiency losses

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Russia's war and the economic outlook

Growth forecasts were revised down since February

Graph 1: GDP growth forecasts for 2022 and 2023 (euro area, Consensus, Jul 21-Nov 23)



Inflation forecasts followed an upward trend

Graph 2: HICP inflation forecasts for 2022 and 2023 (euro area, Consensus, Jul 21-Nov 22)





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Russia's war: key assumptions

Persistent geopolitical tensions

Geopolitical tensions assumed to remain elevated throughout the forecast horizon.

All sanctions against Russia remain in place as on the cut-off date of the forecast (including those in place since the annexation of Crimea in 2014).

About 4½ million persons fleeing the war in the EU

Number of people fleeing to the EU assumed to grow by end-2022 to 4½ million and be constant in 2023-2024.

Estimates of geographical distribution rely mainly on actual applications for temporary protection. Almost two thirds assumed to stay in PL, CZ, DE.

Employment rate assumed to increase to 50% by end-2024 (30% of all persons fleeing to EU).

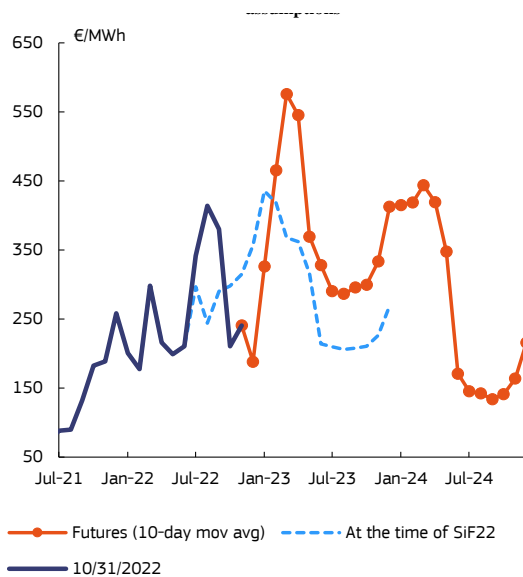
Fiscal costs per person are based on calculations using EUROMOD. Annual gross fiscal costs of about 0.2% of GDP in 2022-2024 (highest in 2023).

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Energy prices

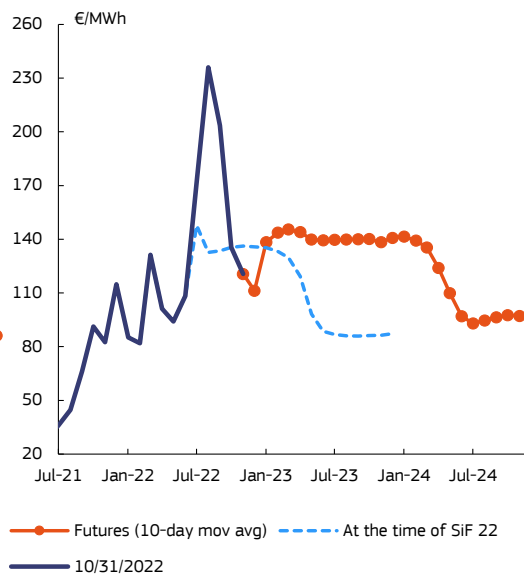
Electricity prices

Graph 3a: Electricity, EU composite, price assumptions



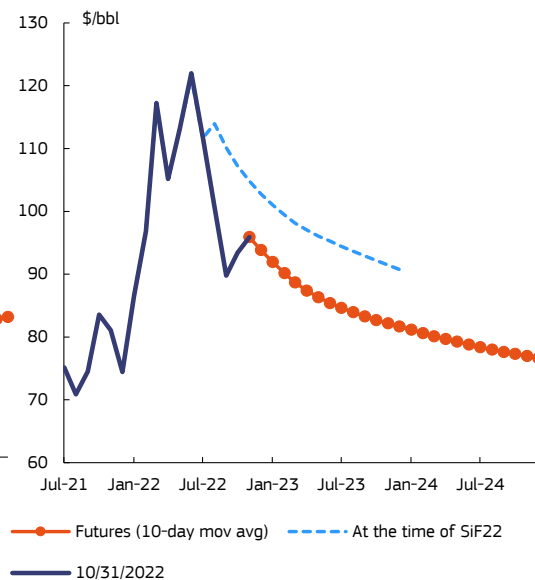
Gas prices

Graph 3b: Natural gas (TTF), price assumptions



Oil prices

Graph 3c: Crude oil (Brent), price assumptions



Prices of oil, gas and electricity are derived from futures prices.

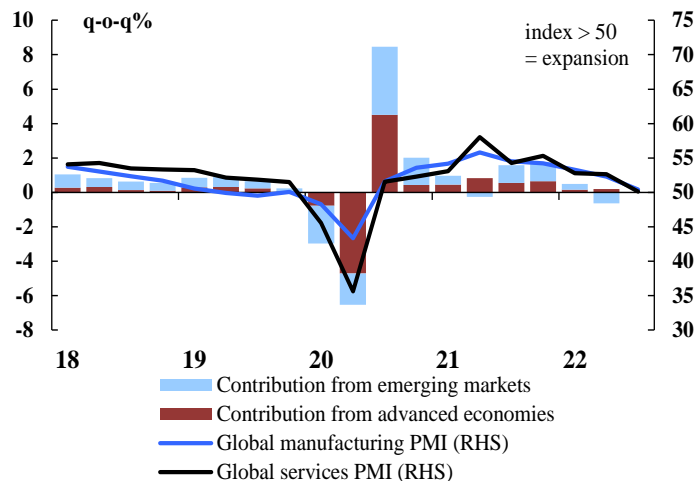
(see also Box 1 in the AF22 on "**Future prices in forecast assumptions**")

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The EU's external environment: growth

Global expansion has weakened in 2022 and...

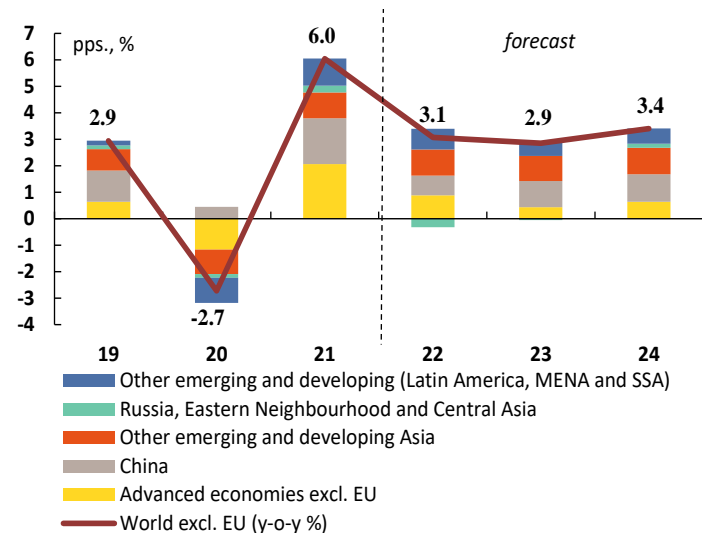
Graph 4: Growth of global GDP
Global PMIs (excl. EU)



Sources: OECD, IMF and national sources for GDP, S&P Global for PMI

...non-EU GDP growth is set to remain moderate

Graph 5: Non-EU GDP growth and contributions by country/region

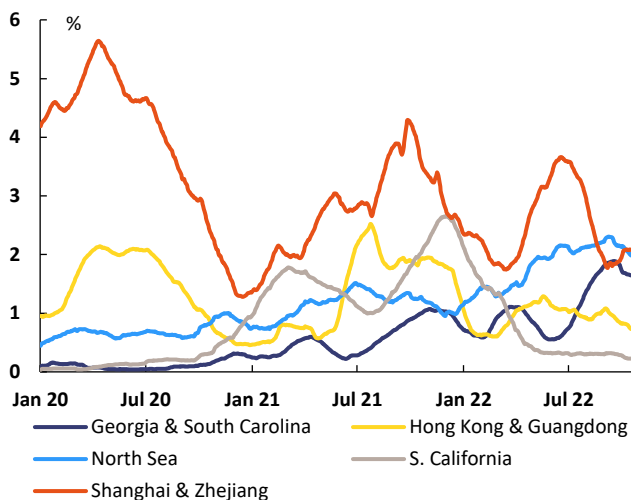


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The external environment: trade

Supply chain pressures have eased but remain an issue

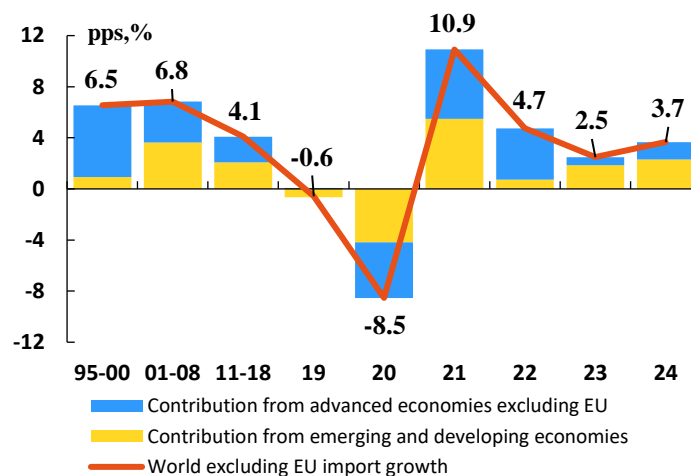
Graph 6: Container ship traffic at major ports (Kiel Institute)



Source: Kiel Institute for the World Economy

Global trade growth slowed in late 2022

Graph 7: Non-EU import volumes, world and advanced and emerging economies

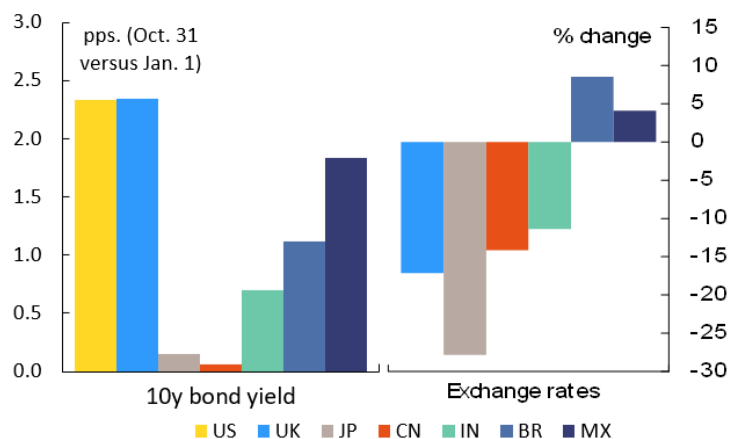


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Financial markets and monetary policy

Increasing **sovereign yields** and a strong **US dollar**...

Graph 8: 10-year-bond yields and exchange rates vis-à-vis the US dollar (Jan. 1- Oct. 31, 2022).

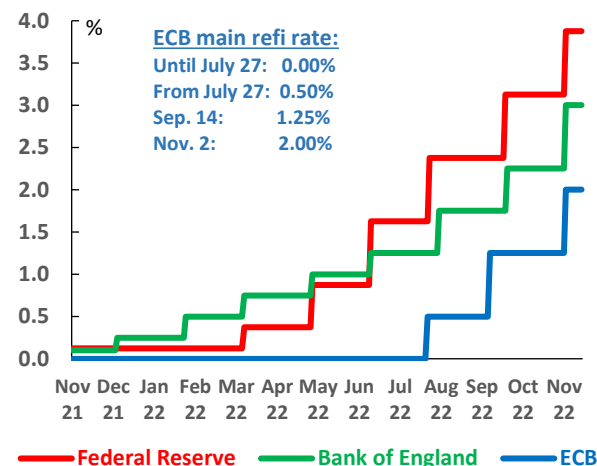


Source: Central banks, US Treasury Department, Ministry of Finance of Japan.

Note: A negative change signals depreciation of the currency.

...as **central banks** tighten due to inflationary pressures.

Graph 9: Policy interest rates, US, UK, euro area (November 2021-15 November 2022)



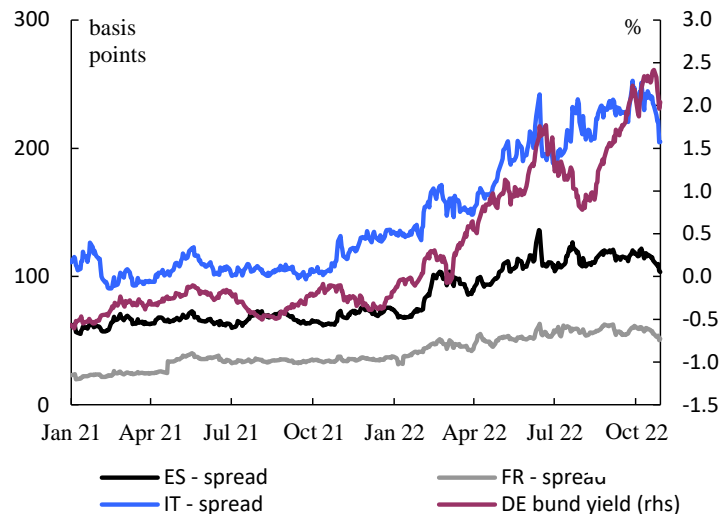
"It would be counter-productive to tighten monetary policy at the current juncture" (ECB, Speech by P. Lane, 8 Nov 2021)
<https://www.ecb.europa.eu/press/key/date/2021/html/ecb.sp211108~c915d47d4c.en.html>

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Financial markets and monetary policy

Yield spreads to German bund almost stable since July

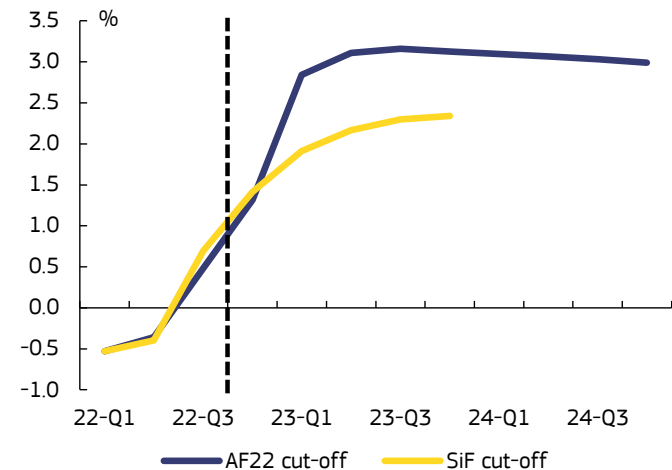
Graph 10: Sovereign bond spreads to German bund and German bund yield.



Source: Bloomberg

Interest rate expectations higher than in the summer

Graph 11: Short-term interest rate expectations, euro area



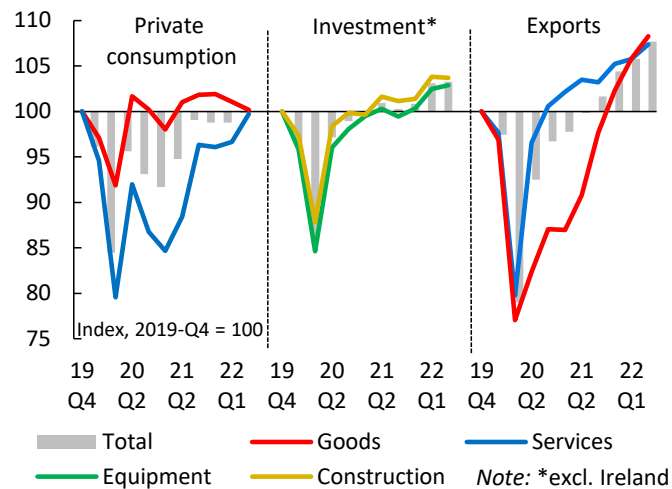
Source: Bloomberg.

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Recent developments in the EU

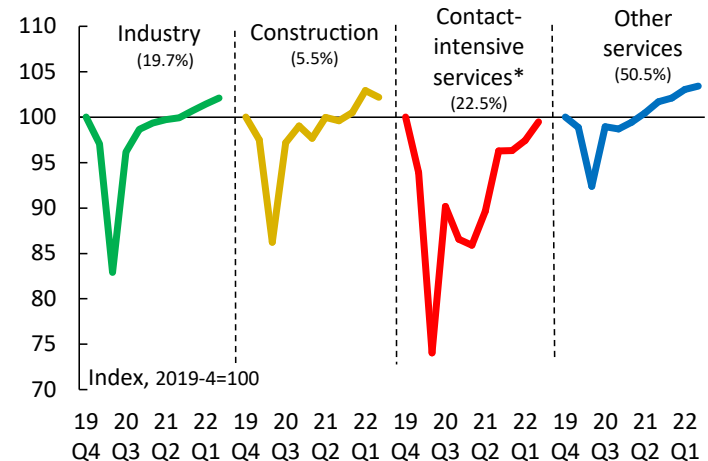
GDP surprised on the upside in the first half of 2022...

Graph 12: GDP demand-side components, EU



**...with expansion continuing
in main sectors**

Graph 13: Gross value added, sectors, EU



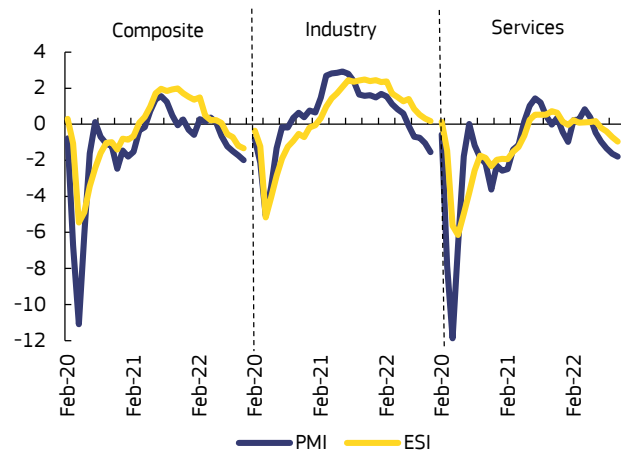
Note: *Wholesale and retail, transport, accommodation, food services; arts, entertainment, recreation. % of GVA in 2019 in brackets.

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The near-term outlook

High-frequency indicators such as **ESI** and **PMI** point to a slowdown

Graph 14: Economic Sentiment Indicator (EC) and PMI, euro area

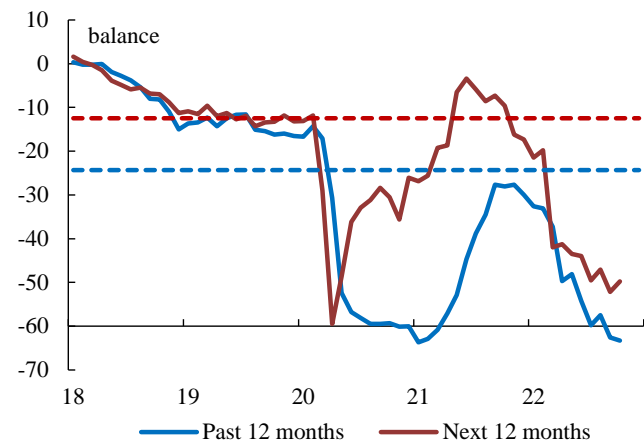


Source: S&P Global, European Commission.

Note: Standardised data based on 2000-'07 sample.

Consumers' assessment of the situation and outlook deteriorated sharply

Graph 15: Consumers' assessment of the past and future economic situation, EU



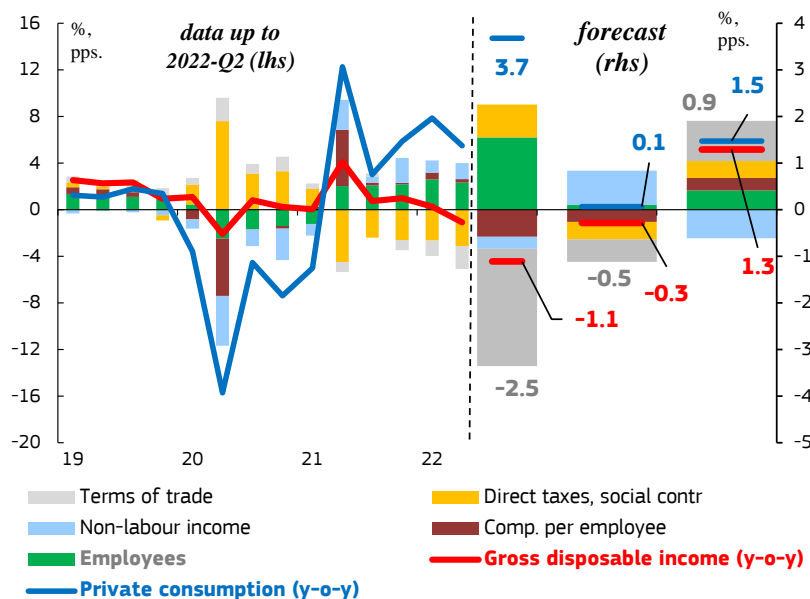
Note: Dotted lines show series averages in 2010-2019.

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Domestic demand

Private consumption dampened by lower disposable incomes

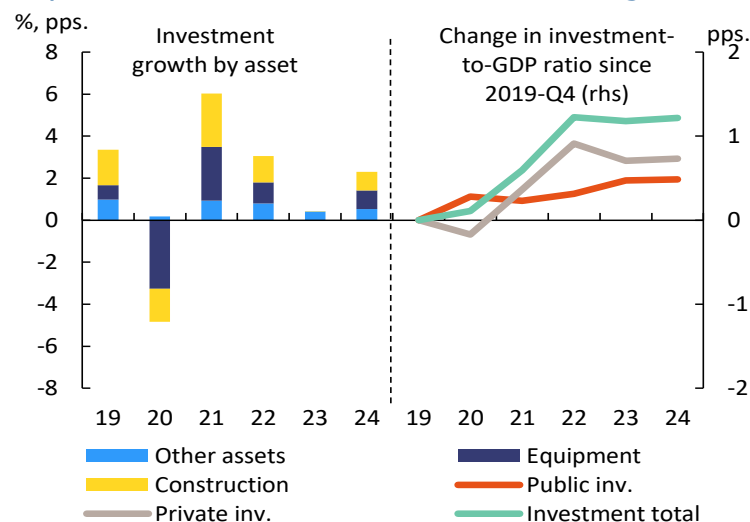
Graph 16: Private consumption, and real gross disposable income and its components, EU



Note: Forecast figures are annual data.

Uncertainty and financial conditions weigh on investment

Graph 17: Investment breakdown and developments since 2019-Q4, EU excluding Ireland



(see also Box 2 in the AF22 on “Household wealth and savings in the euro area – the effect of inflation”)

Autumn 2022



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Diminished expectations for ~~2022~~ 2023



Winter 2022

Spring 2022

Summer 2022

Autumn 2022

“GROWTH EXPECTED TO REGAIN TRACTION AFTER WINTER SLOWDOWN”

Growth 2.8% (+0.3 pps)

Inflation 1.9% (+0.3 pps.)

“RUSSIAN INVASION TESTS EU ECONOMIC RESILIENCE”

2.3% (-0.5 pps)

3.2% (+1.3 pps)

“RUSSIA’S WAR WORSENS THE OUTLOOK”

1.5% (-0.8 pps)

4.6% (+1.4 pps)

“THE EU ECONOMY AT A TURNING POINT”

0.3% (-1.2 pps)

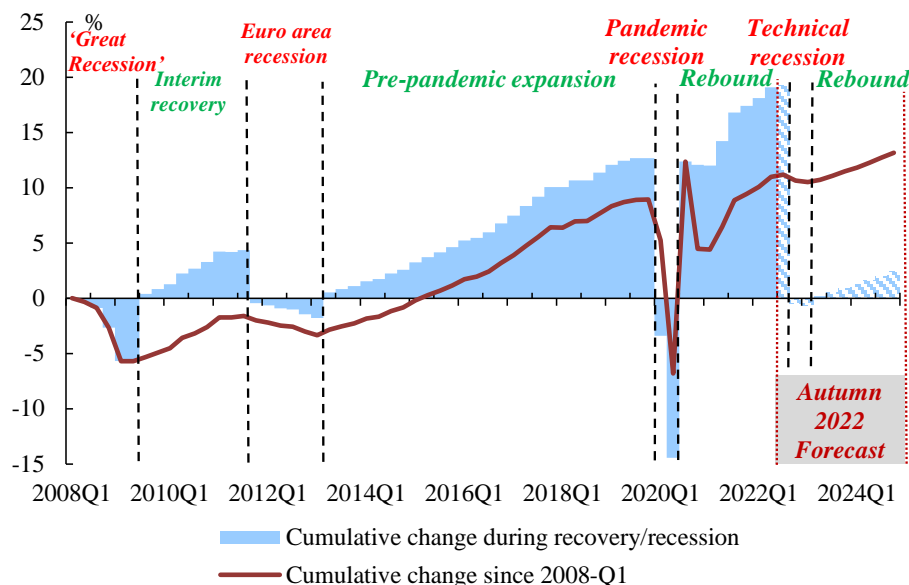
7.0% (+2.4 pps)

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GDP growth 2022-2024

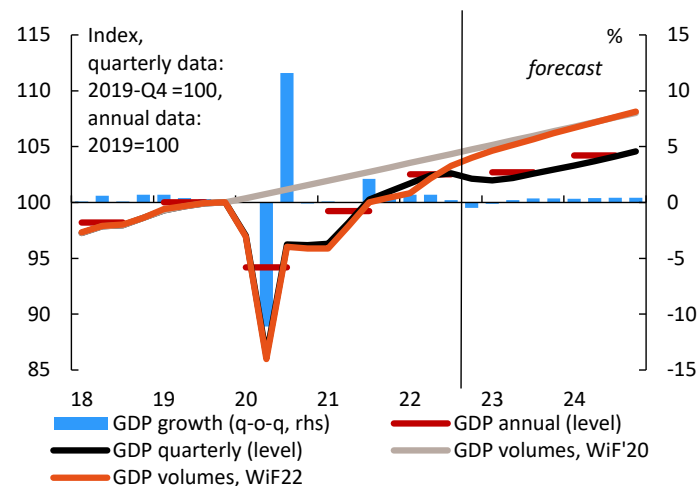
Terms-of-trade shock results in weaker growth outlook and a...

Graph 18: Real GDP during recession & recovery, euro area



...a lower growth path than previously expected

Graph 19: Growth paths, AF22 and before



Note: WiF20 GDP volumes extended with average growth rate from 2010-19. Similar extension for extrapolation of WiF22 forecast.

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Near-term forecast and heterogeneity

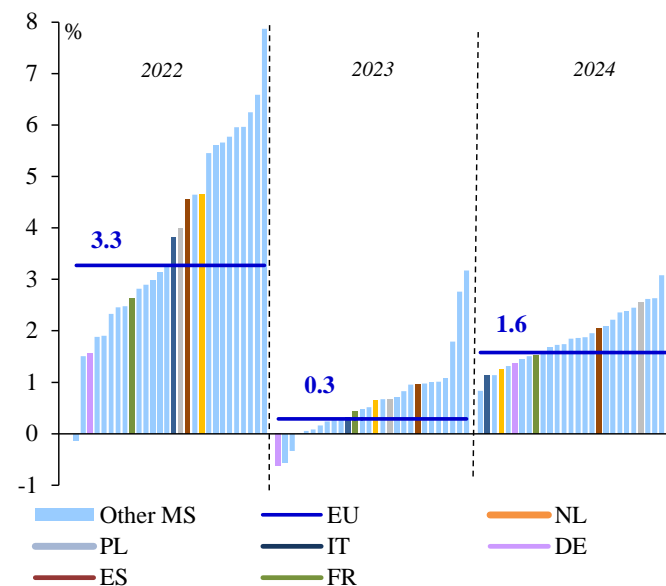
A technical recession expected in 22-Q4/23-Q1

Table 1: GDP growth forecasts (q-o-q) in Commission forecasts, 2000-2022

	EU GDP growth in ...			Total
	...release quarter (t)	...t+1	...t+2 and beyond	
<0%	9 (01q4, 08q4, 09q1, 09q2, 12q1, 12q4, 20q2, 21q1, 22q4)	3 (09q1, 09q2, 22q4)	1 (09q2)	13
≥0%	61	67	369	497
Total	70 (forecasts)	70	370	510

Different shock exposure and growth heterogeneity

Graph 20: GDP growth in Member States



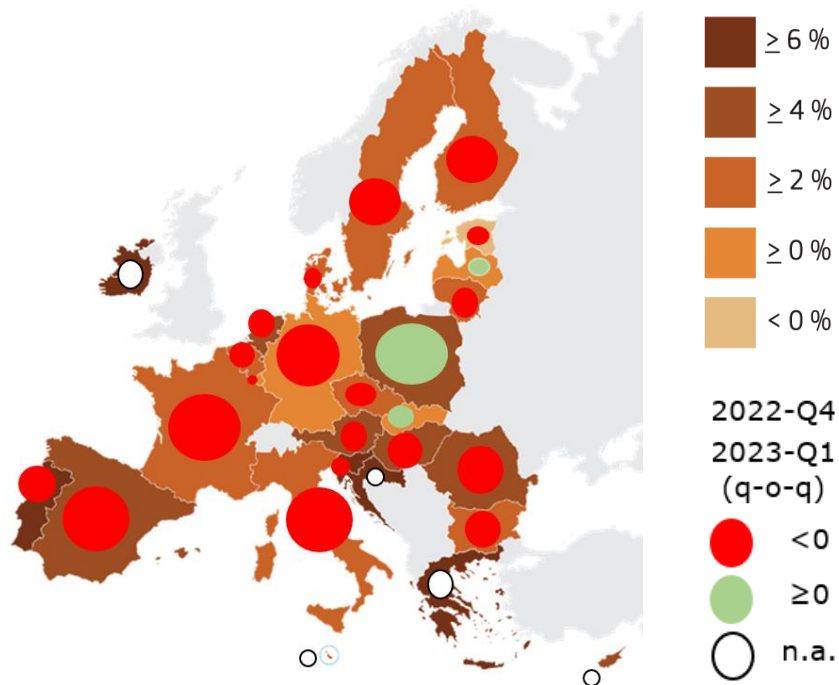
The bars for all 27 current Member States are ranked by size.

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Growth forecast for Europe

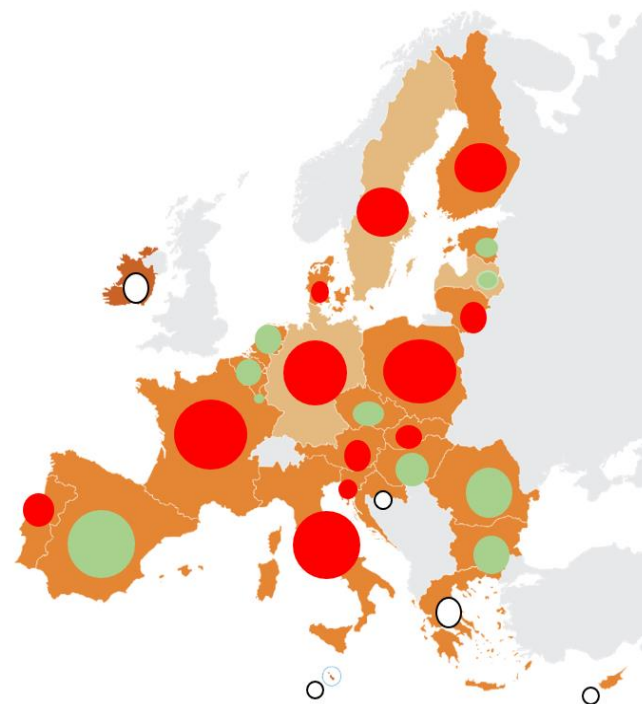
Growth in 2022 is reflecting high carryover

Graph 21: GDP growth, 2022 (areas) and 2022-Q4 (q-o-q, dots), EU



Growth in 2023 weaker across Member States

Graph 22: GDP growth, 2023 (areas) and 2023-Q1 (q-o-q, dots), EU

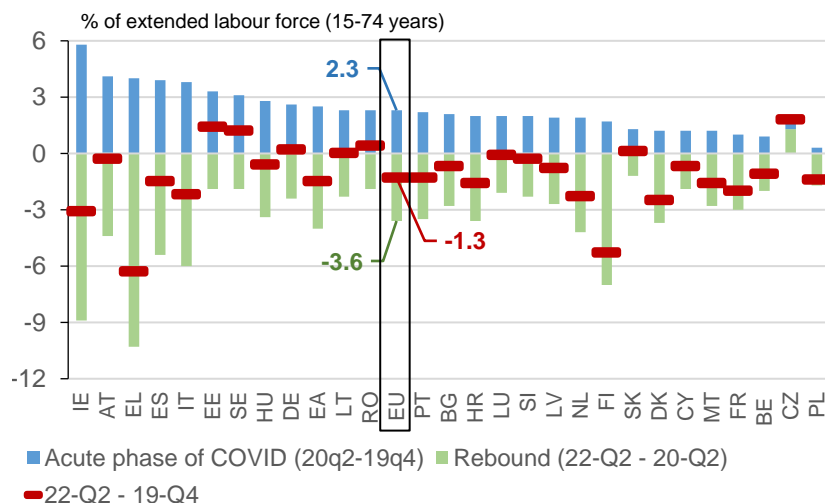


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Labour market

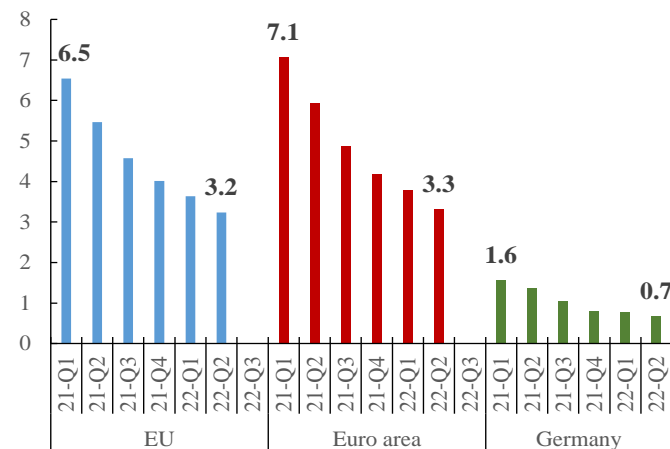
Labour market slack has recently declined ...

Graph 23: Change in labour market slack since 2019-Q4, EU, EA and MS



... and labour market tightness persists

Graph 24: Unemployed persons (15-74 years) per vacancy (unadjusted)



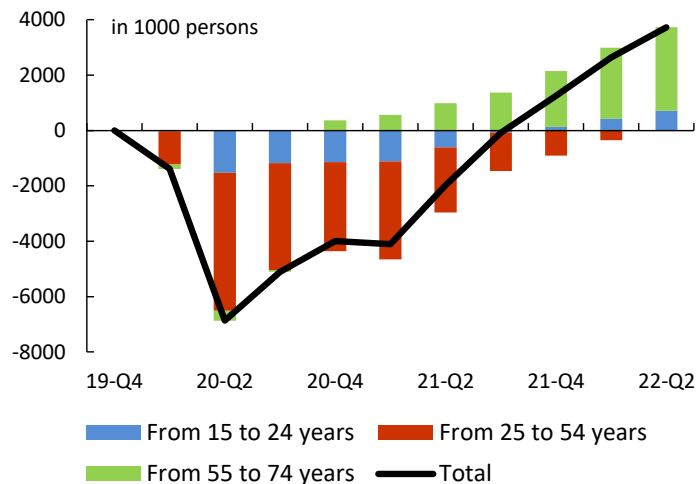
Sources: EU and euro area aggregates are based on 23 and 17 Member States; data not available for DK, EE, FR and IT.

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Labour market

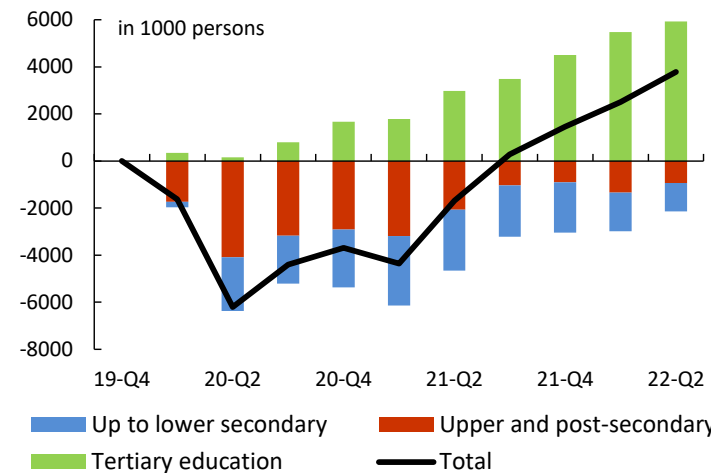
Employment gains since 2019 for older persons...

Graph 25: Employment by age group, EU (2019-Q4 – 2022-Q2) cumulative change



...and persons with high educational attainment levels

Graph 26: Employment by educational attainment level, EU (2019-Q4 – 2022-Q2) cumulative change

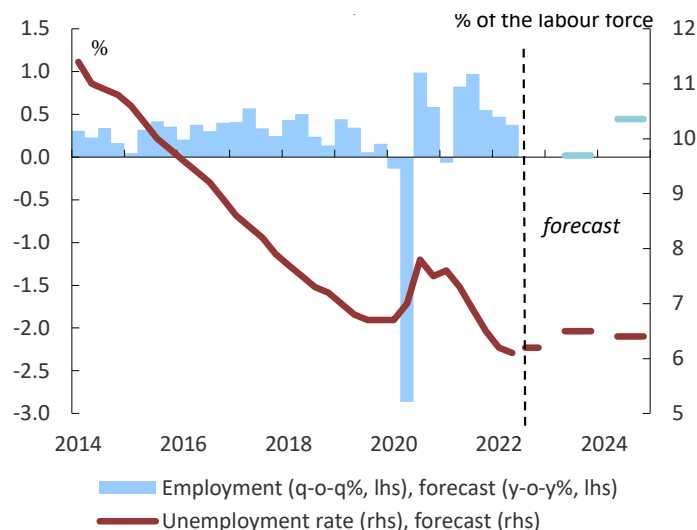


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Labour market outlook

Labour market is expected
to remain resilient...
(see Special Issue 3 in the AF22)

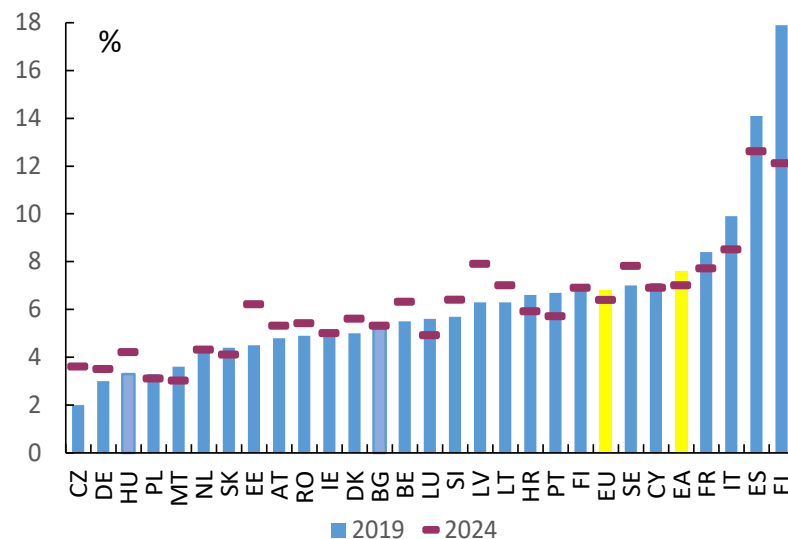
Graph 27: Employment growth and
unemployment rate, EU



Note: Forecast figures are annual data.

...with **unemployment** rates
in 2024 close to 2019 levels

Graph 28: Employment growth and
unemployment rate, EU

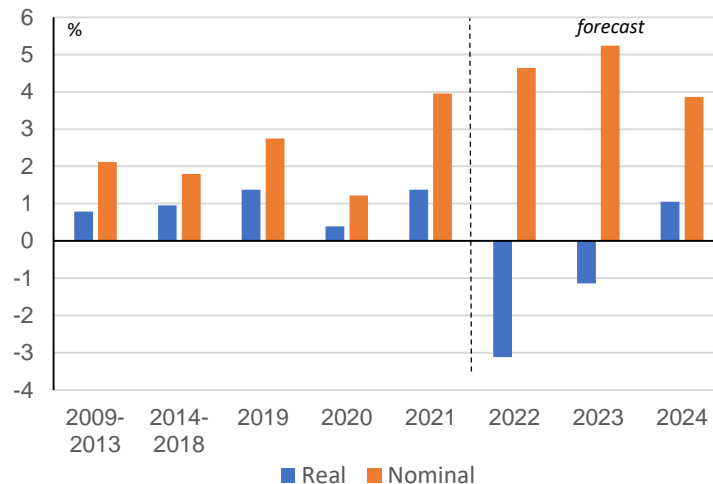


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Wages

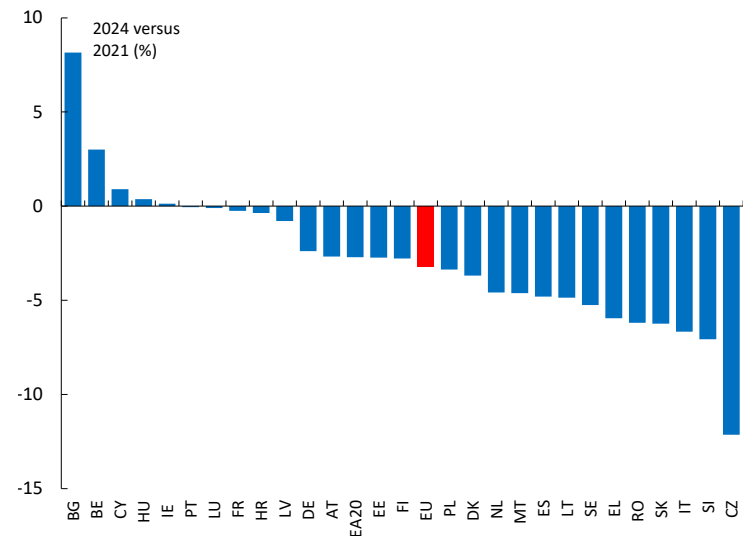
Real compensation per employee expected to fall in 2022 and in 2023

Graph 29: Compensation of employees per head, real and nominal, EU (y-o-y, %)



...with the rebound in 2024 not offsetting the preceding declines

Graph 30: Real compensation, growth between 2021 and 2024, EU, EA and Member States

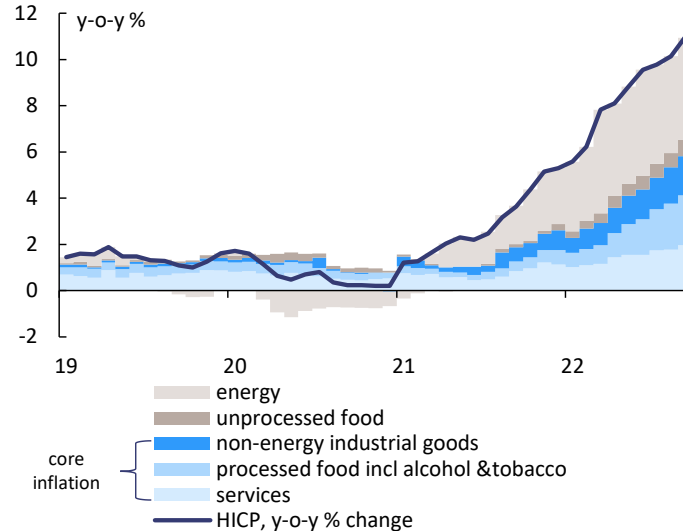


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Inflation

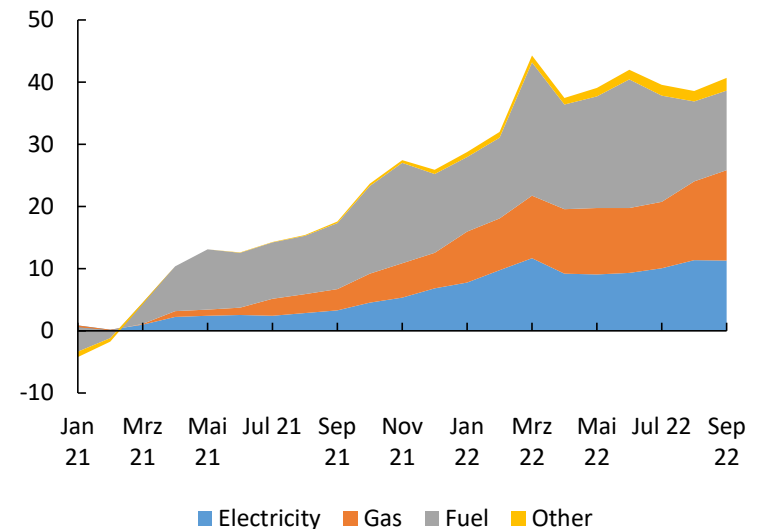
HICP inflation is broad-based, largely driven by energy inflation

Graph 31: Inflation breakdown, EU



Contributions to energy inflation from electricity, gas and fuel prices

Graph 32: Contributions from energy commodity prices to HICP energy inflation, EU

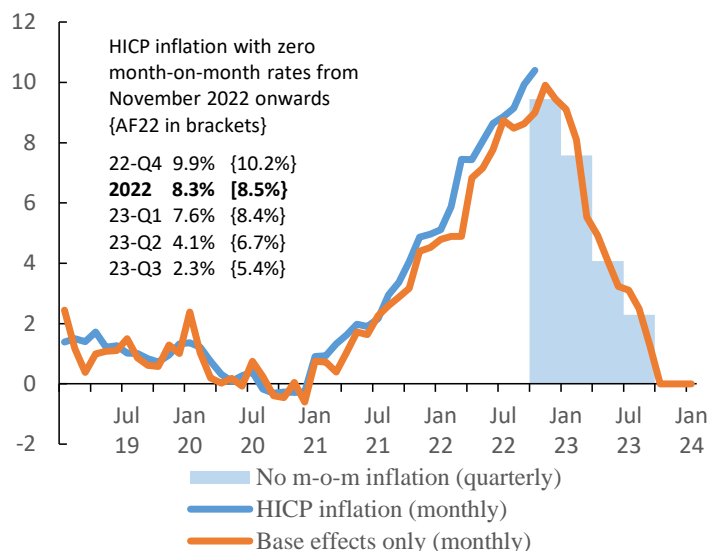


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Inflation outlook

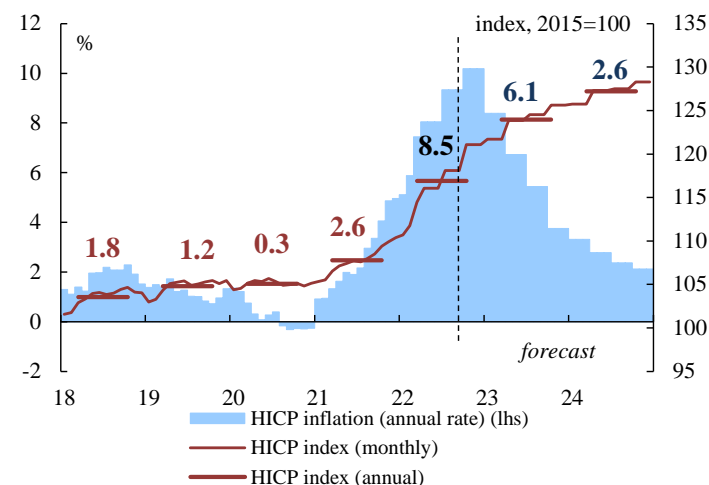
Negative base effects to start lowering annual inflation

Graph 33: HICP inflation and base effects, euro area, January 2019–December 2023



HICP inflation is forecast to diminish gradually

Graph 34: HICP inflation, euro area (Autumn 2022 forecast)



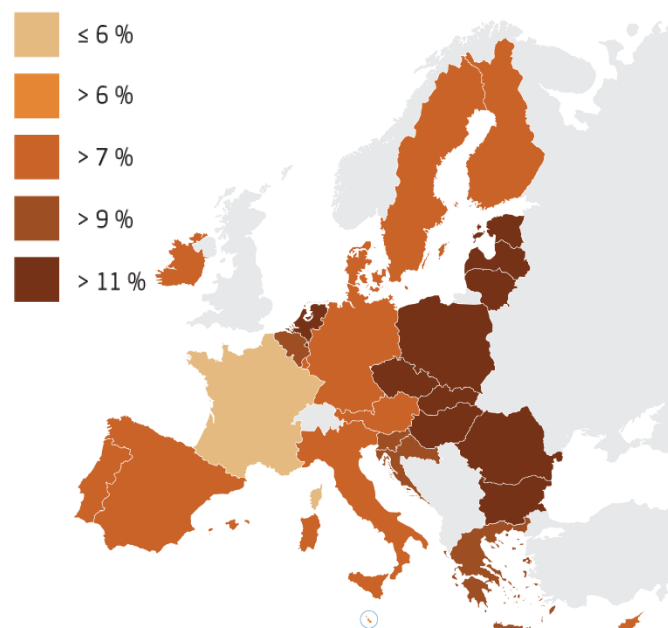
Note: Figures next to horizontal bars are annual inflation rates.

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Inflation outlook

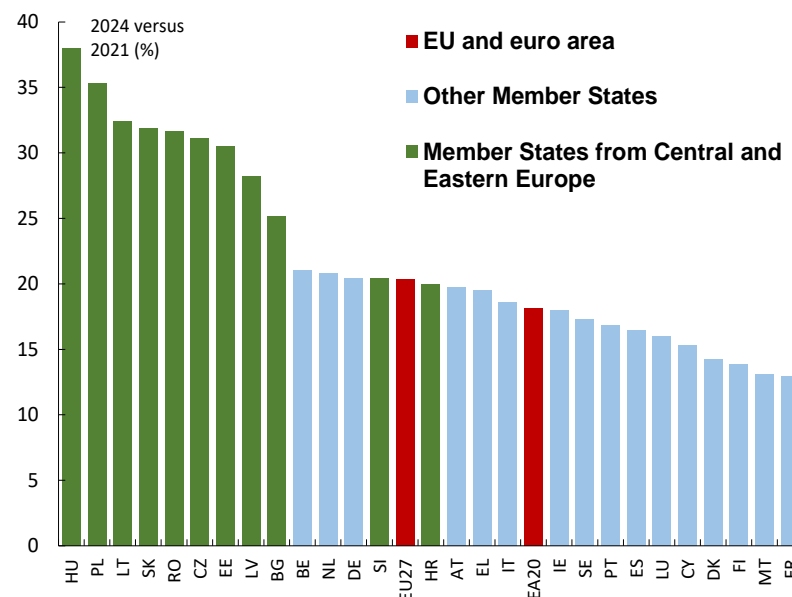
High inflation differences across Member States

Graph 35: HICP inflation map 2022, EU



Highest inflation rates mostly in Central and Eastern Europe

Graph 36: HICP inflation, 2022-2024

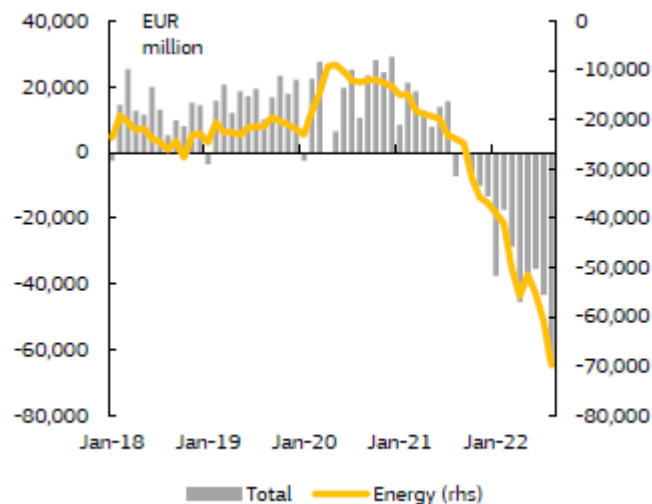


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Current account

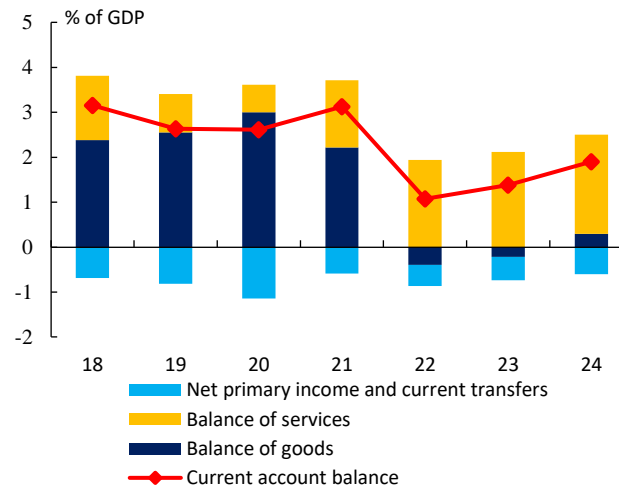
Extra-EU trade balance
driven by increased costs of
energy imports

Graph 37: Extra-EU trade balance, EU



Current account surplus
expected to remain lower
than in previous years

Graph 38: Current account balance, EU

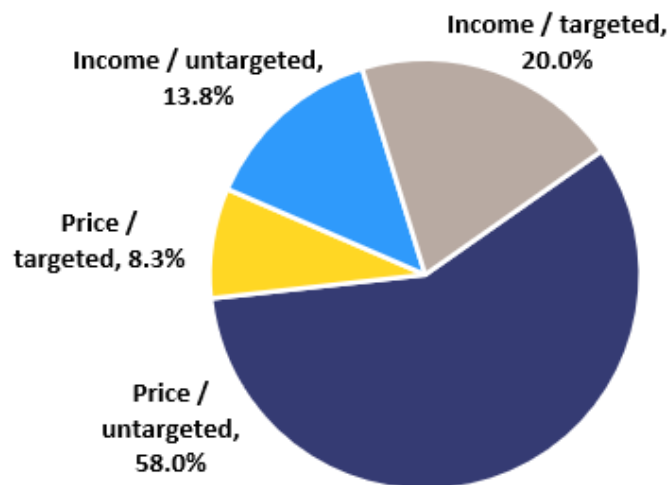


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Public finances

Various fiscal measures taken to mitigate impact of high energy prices (e.g., price and income measures, new taxes/levies)

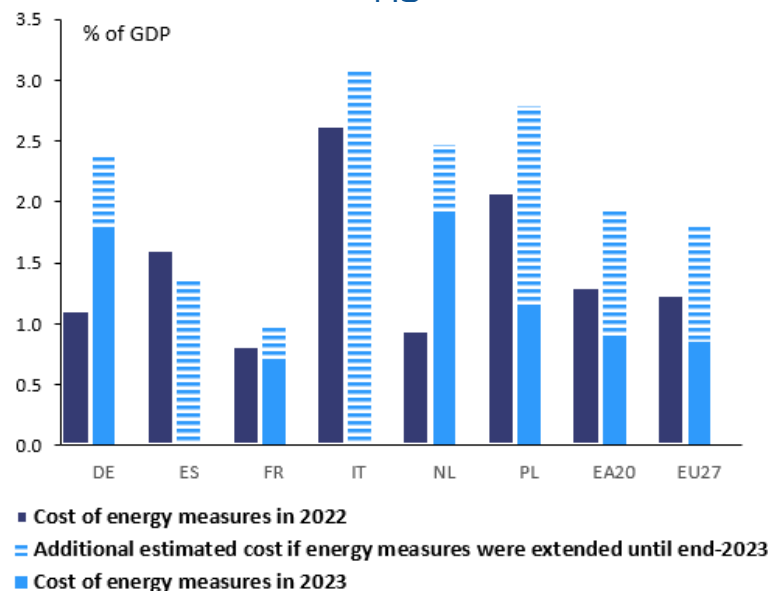
Graph 39: Energy measures in 2022 by category



(for details see Box I.2.4 in AF22 on "**Fiscal measures to mitigate the impact of high energy prices**")

In 2022, the net budgetary cost of measures to mitigate impact of high energy prices estimated at 1.2% of GDP (EU)

Graph 40: Cost of measures in 2022 and stylised additional costs in 2023, EU/EA/largest MS

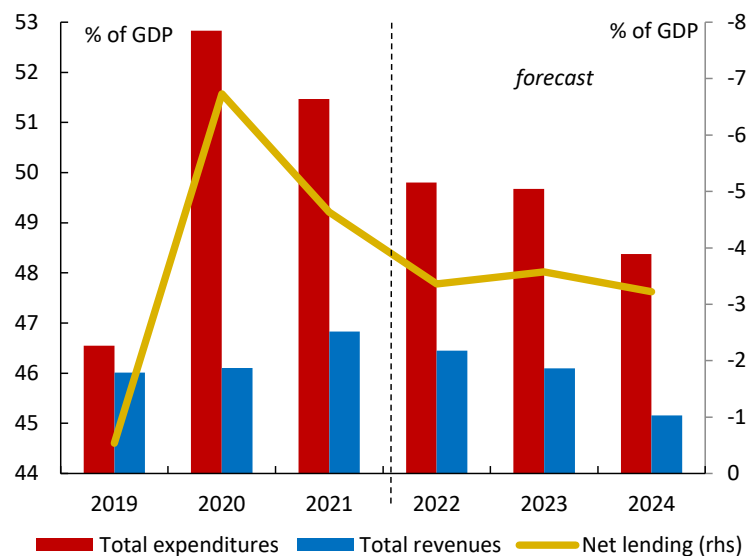


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Public finances

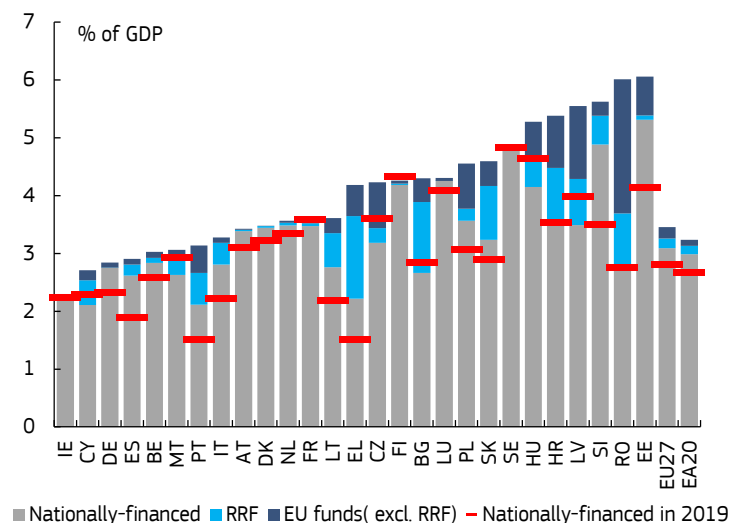
Expenditures set to be the key for **deficit** reduction

Graph 41: Expenditures, revenues, and net lending, EU



Recovery and Resilience Facility pushes up **public investment**

Graph 42: Public investment in 2024 (versus 2019), EU





The economic forecast for Europe

Risks

The **balance of risks to growth** is skewed to the downside

- Security of gas supply
- Strain in the corporate sector due to rising input costs and higher interest rates
- Potential inconsistency between fiscal and monetary policies
- More persistent inflationary pressures

[Pandemic]

Risks assessed in a model-based **scenario analysis**

- Scenario 1 (*'preparedness'*): the shortfall in imports from Russia is partly offset by imports from others.
- Scenario 2 (*'procrastination'*): in 2023 a delayed refilling of storages.
- Model simulations point to significant economic impacts if EU fails to prepare for the 2023/24 winter.

(see Special Issue 1 in the AF22 on "**Commodity-driven inflation: Macro effects and risks**")

Thank you for your attention



The economic forecast for Europe

Annex

Table 1: Overview - the Autumn 2022 forecast

	Real GDP			Inflation			Unemployment rate			Current account			Budget balance		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Belgium	2.8	0.2	1.5	10.4	6.2	3.3	5.8	6.4	6.3	-2.7	-2.9	-2.6	-5.2	-5.8	-5.1
Germany	1.6	-0.6	1.4	8.8	7.5	2.9	3.1	3.5	3.5	3.7	4.7	5.0	-2.3	-3.1	-2.6
Estonia	-0.1	0.7	2.1	19.3	6.6	2.6	6.1	6.6	6.2	0.4	0.7	1.1	-2.3	-3.7	-3.3
Ireland	7.9	3.2	3.1	8.3	6.0	2.8	4.4	4.8	5.0	18.1	18.2	17.8	0.2	0.8	1.2
Greece	6.0	1.0	2.0	10.0	6.0	2.4	12.6	12.6	12.1	-8.6	-8.6	-8.1	-4.1	-1.8	-0.8
Spain	4.5	1.0	2.0	8.5	4.8	2.3	12.7	12.7	12.6	0.9	0.8	1.2	-4.6	-4.3	-3.6
France	2.6	0.4	1.5	5.8	4.4	2.2	7.7	8.1	7.7	-2.5	-1.3	-0.8	-5.0	-5.3	-5.1
Italy	3.8	0.3	1.1	8.7	6.6	2.3	8.3	8.7	8.5	0.8	-0.2	0.5	-5.1	-3.6	-4.2
Cyprus	5.6	1.0	1.9	8.0	4.2	2.5	7.2	7.2	6.9	-9.6	-7.3	-6.2	1.1	1.1	1.6
Latvia	1.9	-0.3	2.6	16.9	8.3	1.3	7.1	8.1	7.9	-6.4	-6.8	-4.0	-7.1	-3.4	-1.3
Lithuania	2.5	0.5	2.4	18.9	9.1	2.1	6.0	7.1	7.0	-3.9	-2.8	-2.6	-1.9	-4.4	-1.8
Luxembourg	1.5	1.0	2.4	8.4	3.8	3.1	4.7	5.1	4.9	3.5	3.0	3.9	-0.1	-1.7	-0.5
Malta	5.7	2.8	3.7	6.1	4.0	2.4	3.2	3.1	3.0	5.1	5.5	6.0	-6.0	-5.7	-4.4
Netherlands	4.6	0.6	1.3	11.6	4.2	3.9	3.7	4.3	4.3	5.7	5.3	6.9	-1.1	-4.0	-3.1
Austria	4.6	0.3	1.1	8.7	6.7	3.3	5.0	5.2	5.3	0.2	0.0	-0.1	-3.4	-2.8	-1.9
Portugal	6.6	0.7	1.7	8.0	5.8	2.3	5.9	5.9	5.7	-1.5	-0.9	-0.8	-1.9	-1.1	-0.8
Slovenia	6.2	0.8	1.7	9.2	6.5	3.5	4.1	4.3	4.1	-0.6	-0.5	-0.3	-3.6	-5.2	-2.7
Slovakia	1.9	0.5	1.9	11.8	13.9	3.6	6.3	6.4	6.4	-6.5	-5.6	-5.3	-4.2	-5.8	-4.7
Finland	2.3	0.2	1.4	7.2	4.3	1.9	7.0	7.2	6.9	-0.2	-0.3	0.1	-1.4	-2.3	-2.3
Euro area (20)	3.2	0.3	1.5	8.5	6.1	2.6	6.8	7.2	7.0	1.5	1.9	2.4	-3.5	-3.7	-3.3
Bulgaria	3.1	1.1	2.4	12.8	7.4	3.2	5.2	5.2	5.3	-1.2	-3.0	-3.2	-3.4	-2.8	-2.5
Czechia	2.5	0.1	1.8	15.6	9.5	3.5	2.7	3.3	3.6	-5.8	-6.9	-5.9	-4.3	-4.1	-3.0
Denmark	3.0	0.0	1.3	7.9	3.7	2.0	4.5	5.5	5.6	6.7	7.4	7.8	1.8	0.5	0.4
Croatia	6.0	1.0	1.7	10.1	6.5	2.3	6.3	6.3	5.9	0.2	-0.6	-0.8	-1.6	-2.4	-2.7
Hungary	5.5	0.1	2.6	14.8	15.7	3.9	3.6	4.2	4.2	-7.6	-6.3	-4.3	-6.2	-4.4	-5.2
Poland	4.0	0.7	2.6	13.3	13.8	4.9	2.7	3.0	3.1	-2.9	-2.5	-1.6	-4.8	-5.5	-5.2
Romania	5.8	1.8	2.2	11.8	10.2	6.8	5.4	5.8	5.4	-9.1	-8.8	-8.4	-6.5	-5.0	-4.8
Sweden	2.9	-0.6	0.8	8.1	6.6	1.8	7.2	7.6	7.8	3.3	3.3	4.2	0.2	0.2	0.0
EU	3.3	0.3	1.6	9.3	7.0	3.0	6.2	6.5	6.4	1.1	1.4	1.9	-3.4	-3.6	-3.2
United Kingdom	4.2	-0.9	0.9	7.9	7.5	2.9	3.8	4.4	4.8	-5.6	-6.0	-5.8	-6.4	-4.4	-3.7
China	3.4	4.5	4.7	:	:	:	:	:	:	2.1	1.6	1.1	:	:	:
Japan	1.7	1.6	1.2	2.5	3.1	1.8	2.7	2.5	2.5	0.7	1.2	1.7	-6.9	-4.7	-3.4
United States	1.8	0.7	1.7	7.9	3.4	2.3	3.7	4.1	4.4	-3.8	-3.2	-2.8	-5.9	-6.7	-7.1
World	3.1	2.5	3.1	:	:	:	:	:	:	:	:	:	:	:	:

Table 2: International environment

	(Annual percentage change)				Autumn 2022 forecast		
	(a)	2019	2020	2021	2022	2023	2024
Real GDP growth							
Japan	3.8	-0.4	-4.6	17	1.7	1.6	1.2
United Kingdom	2.3	16	-110	7.5	4.2	-0.9	0.9
United States	5.7	2.3	-2.8	5.9	1.8	0.7	1.7
Emerging and developing Asia	33.4	5.2	-12	6.9	4.4	4.8	5.0
- China	18.6	6.0	2.2	8.1	3.4	4.5	4.7
- India	7.0	4.5	-6.6	8.3	6.9	6.0	6.3
Latin America	7.4	-0.1	-7.3	6.8	3.0	1.7	2.2
- Brazil	2.3	12	-3.9	4.6	2.5	0.8	1.0
MENA	5.7	12	-3.3	4.0	5.4	3.5	3.3
CIS	4.5	2.6	-2.6	4.8	-6.8	-1.1	3.2
- Russia	3.1	2.2	-2.7	4.7	-5.1	-3.2	0.9
Sub-Saharan Africa	3.3	2.7	-2.0	4.3	3.3	3.4	3.7
Candidate Countries	2.2	10	15	10.5	4.8	3.4	3.0
World excluding EU	85.0	2.9	-2.7	6.0	3.1	2.9	3.4
Trade of goods and services, volumes							
World excluding EU, import	-0.6	-8.5	110		4.8	2.5	3.7
EU export market growth	2.5	-8.5	9.9		6.2	1.9	3.5

(a) Relative weights in % based on GDP (at constant prices and PPPs) in 2021.(b) Imports of goods and services to the various markets (incl. EU-markets) weighted according to their share in country's exports of goods and services.

Table 3: Inflation outlook - euro area and EU

	(Annual percentage change)				Euro area (20)				EU			
					Autumn 2022 forecast				Autumn 2022 forecast			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Private consumption deflator	2.3	7.2	5.8	2.5	2.5	8.0	6.4	2.8	2.5	8.0	6.4	2.8
GDP deflator	2.1	4.6	5.3	3.4	2.4	5.2	5.7	3.5	2.4	5.2	5.7	3.5
HICP	2.6	8.5	6.1	2.6	2.9	9.3	7.0	3.0	2.9	9.3	7.0	3.0
Compensation per employee	3.9	4.2	4.9	3.6	4.0	4.6	5.2	3.9	4.0	4.6	5.2	3.9
Unit labour costs	0.1	3.0	4.8	2.7	0.1	3.2	5.0	2.8	0.1	3.2	5.0	2.8
Import prices of goods	9.7	21.6	4.7	0.4	9.6	21.7	5.5	0.7	9.6	21.7	5.5	0.7

Annex

Table 4a: Composition of growth - euro area

	Autumn 2022 forecast					
	2019	2020	2021	2022	2023	2024
Real percentage change						
Private consumption	14	-7.7	3.8	3.7	0.1	1.5
Public consumption	17	10	4.3	1.4	0.3	0.8
Gross fixed capital formation	6.9	-6.2	3.6	2.8	0.5	2.3
Change in stocks as % of GDP	0.7	0.4	1.0	1.5	1.3	1.5
Exports of goods and services	2.8	-9.0	10.6	6.6	2.0	3.4
Final demand	2.6	-6.9	6.2	4.3	0.9	2.2
Imports of goods and services	4.8	-8.5	8.4	6.8	1.9	3.5
GDP	16	-6.1	5.3	3.2	0.3	1.5
GNI	14	-6.4	5.9	3.3	0.1	1.5
p.m. GDP EU	18	-5.7	5.4	3.3	0.3	1.6
Contribution to change in GDP						
Private consumption	0.7	-4.1	2.0	1.9	0.0	0.8
Public consumption	0.4	0.2	1.0	0.3	0.1	0.2
Investment	14	-14	0.8	0.6	0.1	0.5
Inventories	-0.2	-0.3	0.3	0.2	0.0	0.0
Exports	14	-4.3	4.8	3.2	1.1	1.9
Final demand	3.7	-9.9	8.8	6.3	1.3	3.4
Imports (minus)	-2.1	3.8	-3.5	-3.1	-1.0	-1.9
Net exports	-0.7	-0.5	1.3	0.2	0.1	0.1

Table 5: Labour market outlook - euro area and EU

	Euro area				EU			
	Autumn 2022				Autumn 2022			
	2021	2022	2023	2024	2021	2022	2023	2024
Population of working age (15-64)	0.0	0.3	0.2	0.1	-0.1	0.4	0.2	0.0
Labour force	12	0.9	0.4	0.3	11	0.9	0.4	0.3
Employment	14	1.8	0.1	0.5	14	1.8	0.0	0.4
Employment (change in million)	2.2	3.0	0.2	0.9	2.8	3.7	0.0	1.0
Unemployment (levels in millions)	12.8	11.3	12.0	11.7	15.0	13.3	14.1	13.9
Unemployment rate (% of labour force)	7.7	6.8	7.2	7.0	7.0	6.2	6.5	6.4
Labour productivity, whole economy	3.8	1.2	0.1	0.9	3.9	1.4	0.2	1.0
Employment rate (a)	62.7	63.6	63.6	63.8	62.3	63.2	63.0	63.3

(a) Employment as a percentage of population of working age. Definition according to structural indicators. See also note 6 in the Statistical Annex. For the EU and EA, this table now also displays employment in persons, limiting the comparability to figures published in previous forecasts.

Table 4b: Composition of growth - EU

	Autumn 2022 forecast					
	2019	2020	2021	2022	2023	2024
Real percentage change						
Private consumption	15	-7.1	4.1	3.7	0.1	1.5
Public consumption	19	10	4.1	1.3	0.3	0.8
Gross fixed capital formation	6.5	-5.4	3.6	3.0	0.5	2.3
Change in stocks as % of GDP	0.8	0.4	1.2	1.8	1.6	1.7
Exports of goods and services	3.1	-8.4	10.5	6.3	2.1	3.6
Final demand	2.7	-6.4	6.5	4.4	0.8	2.3
Imports of goods and services	4.6	-7.9	9.0	6.7	1.9	3.5
GDP	18	-5.7	5.4	3.3	0.3	1.6
GNI	17	-5.8	5.8	3.4	0.2	1.5
p.m. GDP EU	16	-6.1	5.3	3.2	0.3	1.5
Contribution to change in GDP						
Private consumption	0.8	-3.8	2.1	1.9	0.1	0.8
Public consumption	0.4	0.2	0.9	0.3	0.1	0.2
Investment	14	-12	0.8	0.7	0.1	0.5
Inventories	-0.2	-0.4	0.5	0.4	-0.2	0.0
Exports	15	-4.1	4.8	3.2	1.2	2.0
Final demand	3.9	-9.3	9.2	6.4	1.3	3.5
Imports (minus)	-2.1	3.6	-3.8	-3.1	-1.0	-1.9
Net exports	-0.6	-0.5	1.0	0.0	0.2	0.1

Table 6: General Government budgetary position - euro area and EU

	Euro area				EU			
	Autumn 2022				Autumn 2022			
	2021	2022	2023	2024	2021	2022	2023	2024
Total receipts (1)	47.2	47.1	46.7	45.7	46.8	46.4	46.1	45.2
Total expenditure (2)	52.3	50.5	50.3	49.0	51.5	49.8	49.7	48.4
Actual balance (3) = (1)-(2)	-5.1	-3.5	-3.7	-3.3	-4.6	-3.4	-3.6	-3.2
Interest expenditure (4)	15	1.6	1.8	1.9	14	1.5	1.7	1.9
Primary balance (5) = (3)+(4)	-3.6	-1.9	-1.9	-1.4	-3.3	-1.8	-1.8	-1.4
Cyclically-adjusted budget balance (a)	-4.2	-3.7	-3.4	-3.2	-3.9	-3.6	-3.2	-3.0
Cyclically-adjusted primary balance (a)	-2.8	-2.1	-1.6	-1.3	-2.5	-2.0	-1.5	-1.1
Structural budget balance (a)	-4.2	-3.6	-3.4	-3.2	-3.9	-3.6	-3.2	-3.0
Change in structural budget balance (a)	-0.5	0.6	0.2	0.3	-0.2	0.3	0.3	0.3
Gross debt	97.1	93.6	92.3	91.4	89.4	86.0	84.9	84.1

(a) as a % of potential output. The structural budget balance is the cyclically-adjusted budget balance net of one-off and other temporary measures estimated by the European Commission.