

European Union economic forecasts 2022

In data

GDP GROWTH EU 2022*

2.7%

y-o-y, 2.7 pp less than in 2021

INFLATION EU 2022*

6.8%

y-o-y, vs. 2.9% in 2021

UNEMPLOYMENT RATE EU 2022*

6.7%

labour force, 3 tenths less than in 2021

PUBLIC DEFICIT EU 2022*

-3.6%

% GDP, 1.1 pp less than in 2021

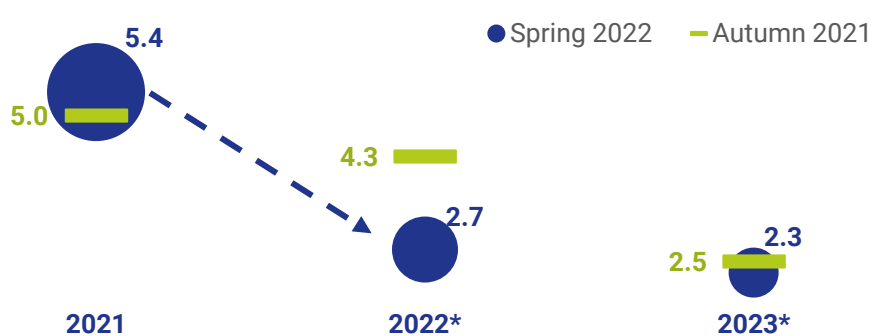
*Forecasts

New challenges for European economies

THE WAR IN UKRAINE INCREASES UNCERTAINTY AND GENERATES FURTHER GLOBAL SUPPLY DISRUPTIONS, EXACERBATING INFLATIONARY PRESSURES FUELLED MAINLY BY HIGHER ENERGY AND OTHER COMMODITY PRICES

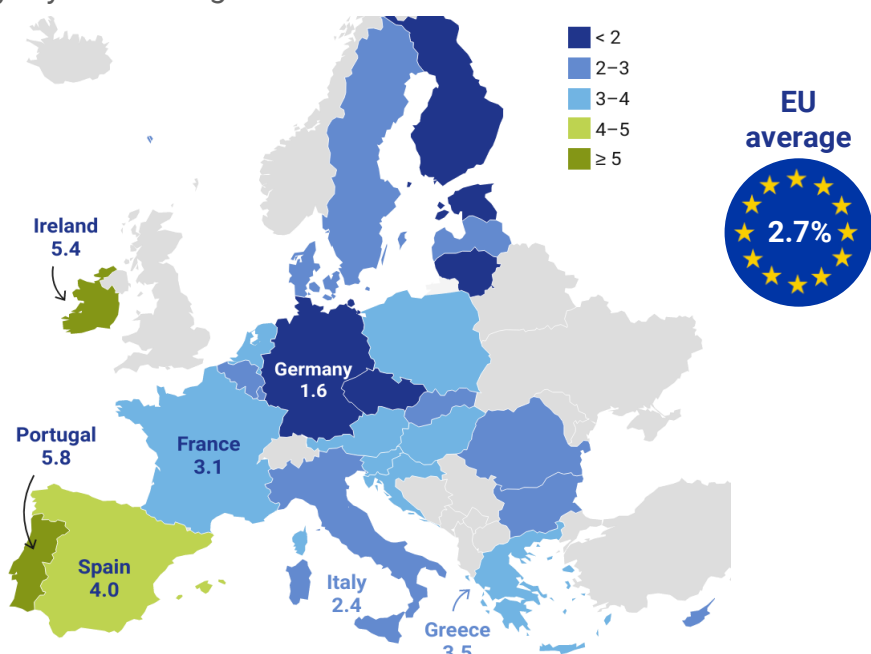
The European Commission has cut its forecast for EU GDP growth in 2022* by 1.6 pp

EU GDP forecasts in % y-o-y change



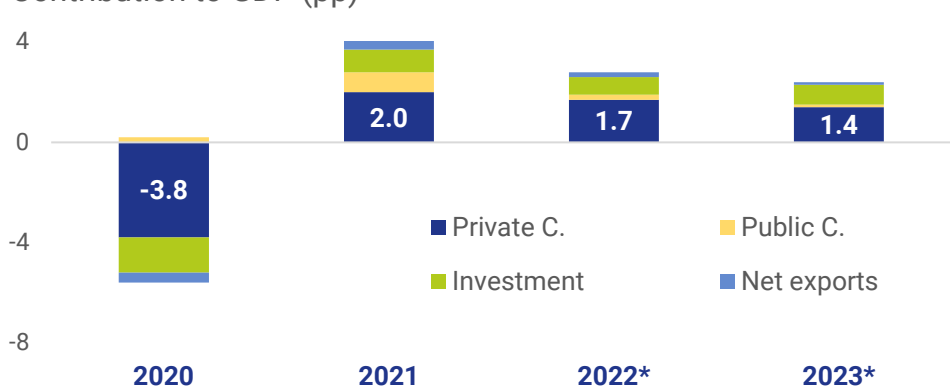
In 2022*, Ireland and Portugal will lead growth. Spain, in 4th place, will grow by 4% y-o-y

% y-o-y GDP change



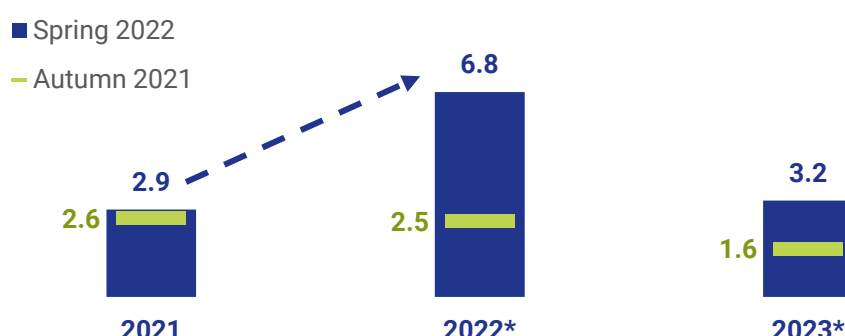
Private consumption will drive growth in 2022*

Contribution to GDP (pp)



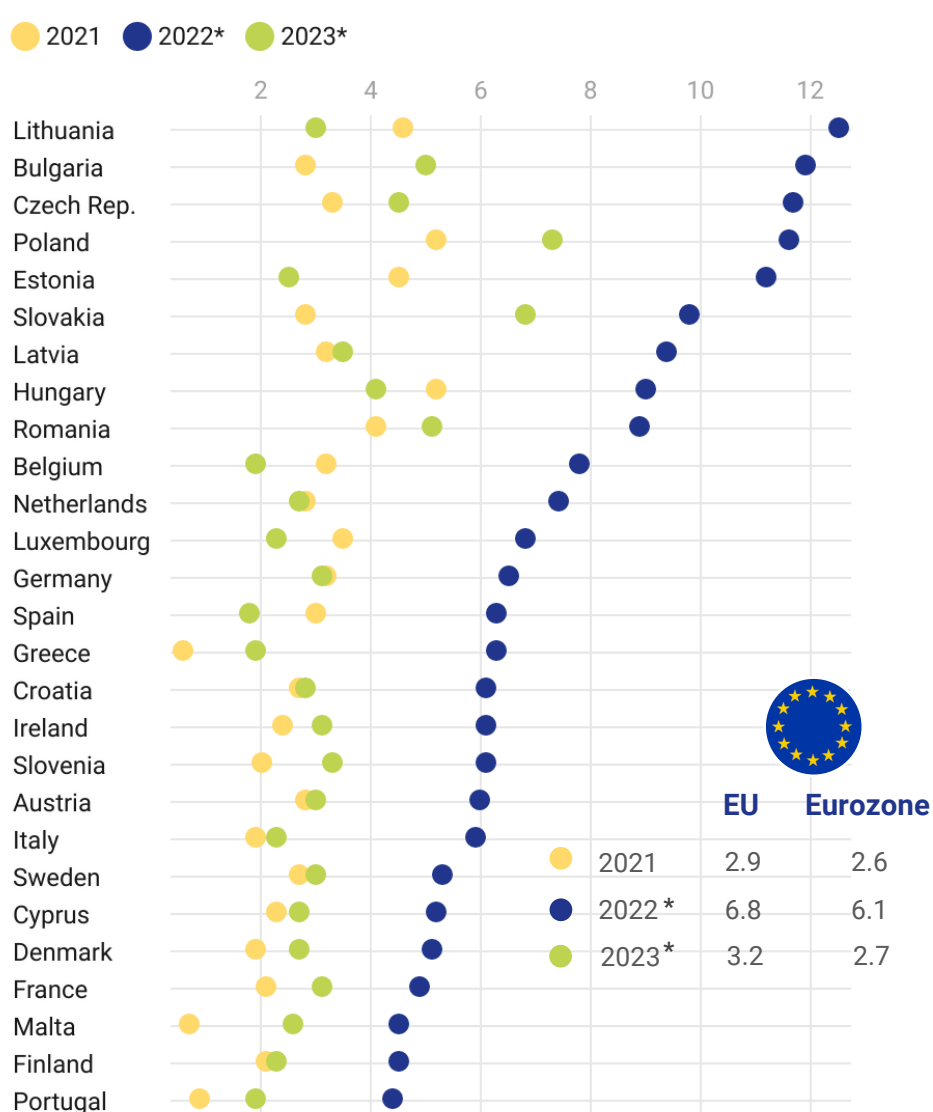
EU inflation to rise to 6.8% in 2022*, 4.3 pp higher than forecast in autumn 2021

% y-o-y change



Spain will record one of the highest HICP rates (6.3%) among the large EU economies in 2022*

% y-o-y change

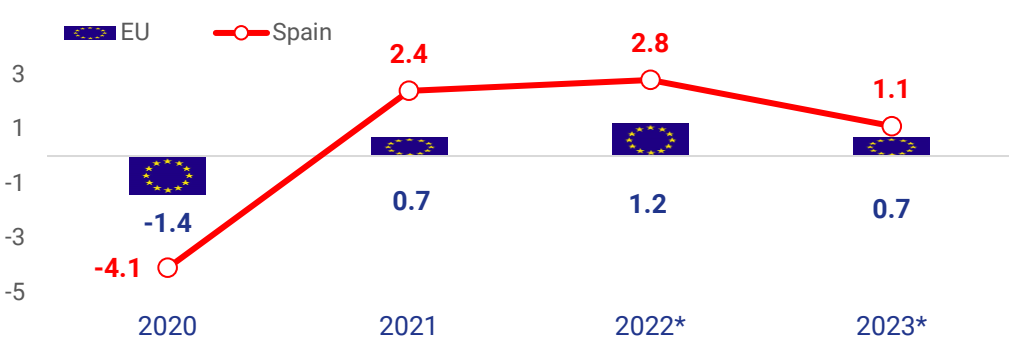


Improvements in the labour market and public accounts

DESPITE THE ADVERSE CONTEXT, JOB CREATION IS STRENGTHENING AND UNEMPLOYMENT RATES CONTINUE TO FALL. GOVERNMENT DEFICITS IN THE EU ECONOMIES ARE BEING CORRECTED

EU growth in employment will be 1.2% y-o-y in 2022* and the unemployment rate will fall by 3 tenths to 6.7% of labour force

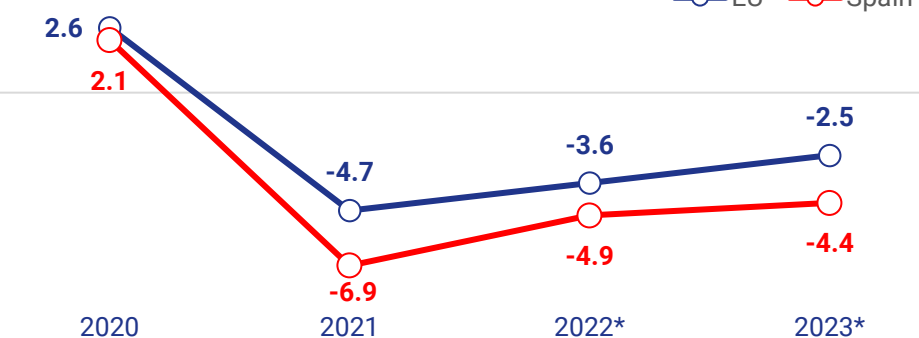
Employment % y-o-y change



Top 5 countries with the highest and the lowest unemployment rate, % labour force

	2021	2022*	2023*
Top +			
Greece	14.7	13.7	13.1
Spain	14.8	13.4	13.0
Italy	9.5	9.5	8.9
Cyprus	7.5	7.8	7.3
Sweden	8.8	7.8	7.0
Top -			
Netherlands	4.2	4.0	4.2
Hungary	4.1	3.8	4.0
Malta	3.5	3.6	3.6
Germany	3.6	3.3	3.2
Czech Rep.	2.8	2.6	2.6

The government deficit in the EU will be reduced by 1.1 pp in 2022*, but the level of debt will remain high



Public debt % GDP 2022*

