BRIEFING

European Parliament

EGOV

ECONOMIC GOVERNANCE AND EMU SCRUTINY UNIT

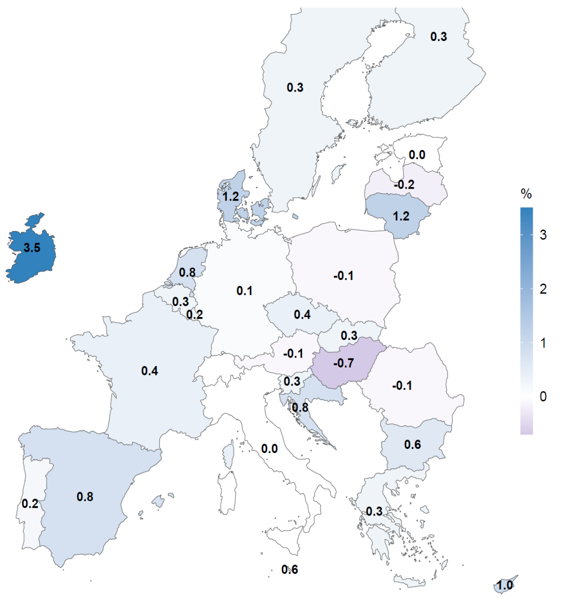
ECONOMIC GOVERNANCE

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: GDP growth rates (QoQ), in %



Note: Data for Q3 2024 is shown, seasonally-adjusted.
Source: EGOV's own elaboration based on data from Eurostat.

According to the estimates by Eurostat, the **seasonally adjusted GDP for the Q3 2024 increased by 0.4% in both the euro area and EU compared to the previous quarter**. According to available data for Q3, Ireland registered the highest increase of GDP (3.5%), followed by the Netherlands, Croatia and Spain (all 0.8%). On the other hand, the most significant slowdowns in economic activity were recorded in Austria, Poland and Romania (all -0.1%), following by Latvia (-0.2%) and Hungary (-0.7%) (***Figure 1***). Furthermore, seasonally adjusted GDP grew by 1.0% YoY in the EU and 0.9% in the euro area.

In the euro area, according to Eurostat, **annual inflation (as measured by the Harmonised Index of Consumer Prices or HICP) was 2.2% in November 2024.** The inflation rate in the EU was up as well, standing at 2.5% in November from 2.3% in October. (***Figure 2***).

Economic Governance and EMU Scrutiny Unit (EGOV)
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PE 645.716 - December 2024

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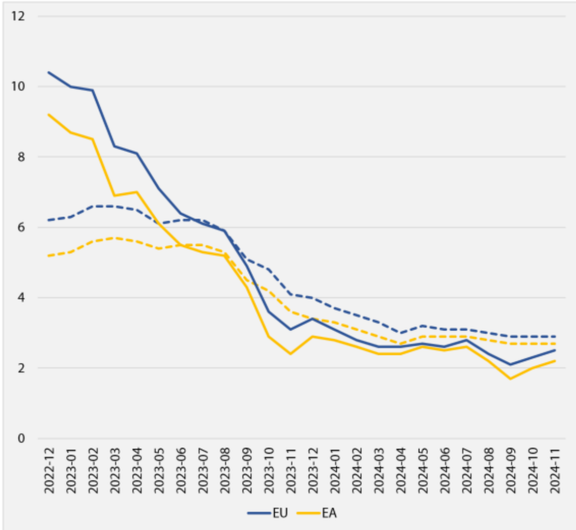
Headline inflation is holding around 2–3%, with a few outliers. In November 2024, HICP levels varied from the lowest annual rate observed in Ireland (0.5%), Lithuania and Luxembourg (both 1.1%) to the highest annual rates recorded in Croatia (4.0%), Belgium (4.8%) and Romania (5.4%), **Core inflation (i.e. HICP inflation excluding energy, food, alcohol and tobacco) held steady at 2.7% in November 2024** unchanged from October (***Figure 2***). Relatively higher HICP levels in some Member States are attributed to the consistently strong contribution from the service sector (+1.74 p.p.) coming mostly from the labour market pressures. In terms of other main components of the euro area inflation, according to Eurostat, an increase was recorded in the sectors of *food, alcohol & tobacco* (+0.53 p.p.), *non-energy industrial goods (+0.17 p.p.) and energy (-0.19 p.p.)*.

Figure 2: Headline & core inflation in the EU and the euro area, in %



Note: Solid lines: all items HICP; dashed lines: core HICP. Last observed data is November 2024.
Source: EGOV's elaboration based on data from Eurostat.

In October 2024, the seasonally adjusted unemployment rate in the euro area remained at 6.3%, steady from the previous month and down from 6.6% in October 2023. The EU's unemployment rate was 5.9%, unchanged from September 2024. Eurostat estimates that there were 12.97 million unemployed individuals in the EU, with 10.34 million in the euro area. The highest unemployment rates were recorded in Spain (11.2%), Greece (9.8%), Sweden and Finland (both 8.5%), while the lowest were in Poland (3.1%), Malta (3.0%) and Czechia (2.6%).

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

Source	Indicator	2024	2025	2026
Eurosystem staff macroeconomic projections (December 2024) *Revision from September 2024*	**Real GDP**	**0.7%** ↓*0.1 p.p.*	**1.1%** ↓*0.2 p.p.*	**1.4%** ↓*0.1 p.p.*
	Headline Inflation	**2.4%** ↓*0.1 p.p.*	**2.1%** ↓*0.1 p.p.*	**1.9%** =
	Core[1] Inflation	**2.9%** =	**2.3%** =	**1.9%** ↓*0.1 p.p.*
IMF World Economic Outlook (October 2024) *Revision from July 2024*	**Real GDP**	**0.8%** ↓*0.1 p.p.*	**1.2%** ↓*0.3 p.p.*	**1.5%** ↑*0.1 p.p.*[2]
	Headline Inflation	**2.4%** =	**2.0%** ↓*0.1 p.p.*	**2.0%** =
	Core Inflation	n/a	n/a	n/a

[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. Therefore, the forecasts of 2026 are compared to the revision of April 2024. For further information please refer to WEO FAQs.

Source	Indicator	2024	2025	2026
European Commission (November 2024) *Revision from May 2024*	**Real GDP**	**0.8%** =	**1.3%** *↓0.1 p.p.*	**1.6%** *n.a.*
	Headline Inflation	**2.4%** *↓0.1 p.p.*	**2.1%** =	**1.9%** *n.a.*
	Core[3] Inflation	**2.9%** *↑0.2 p.p.*	**2.4%** *↑0.3 p.p.*	**2.0%** *n.a.*
OECD (December 2024) *Revision from September 2024*	**Real GDP**	**0.8%** *↑0.1 p.p.*	**1.3%** =	**1.5%** *n.a.*
	Headline Inflation	**2.4%** =	**2.1%** =	**2.0%** *n.a.*
	Core[4] Inflation	**2.9%** *↑0.1 p.p.*	**2.4%** *↑0.2 p.p.*	**2.0%** *n.a.*

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 October 2024 World Economic Outlook, European Commission Autumn 2024 forecast, OECD Interim Economic Outlook September 2024.

2. Latest economic forecasts

2.1. European Central Bank (ECB)

According to the latest Eurosystem staff macroeconomic projections[5] (December 2024), *"The euro area economy is set to continue its gradual recovery over the coming years, amid significant geopolitical and policy uncertainty. Although growth resumed at a moderate pace in the course of 2024, recent indicators suggest a weakening of growth in the short term, with ongoing subdued consumer confidence and high uncertainty likely to reinforce households' saving incentives. Nevertheless, the conditions are in place for economic growth to strengthen again".*

Overall, annual GDP growth is forecasted at 0.7% in 2024, 1.1% in 2025 and 1.4% in 2026. This represent a 0.1 p.p. downward revision from the September 2024 estimates for 2024 and 2026 as well as a 0.2 p.p. downward revision for 2025 (***Figure 3***). This is mostly due to revised data on investments for the first half of 2024, expectations of more subdued export growth in 2025 and a slight cut in the forecasted growth of domestic demand in 2026. The projections still foresee an increase in real growth over the medium-term due to stronger consumption, foreign demand and the fade out of the effects of previous monetary tightening, further boosted by the ongoing cuts in policy rates.

Headline inflation is expected to moderate further, falling from 5.4% in 2023 to 2.4% in 2024, 2.1% in 2025 and 1.9% in 2026 (*Figure 4*). Notably, the outlook has only been revised downwards by 0.1 p.p. relative to the September projections mostly due to negative data surprises and lower oil and electricity

[3] The European Commission's measure of core inflation excludes unprocessed food and energy. Variations are presented between estimates from May 2024 and November 2023.

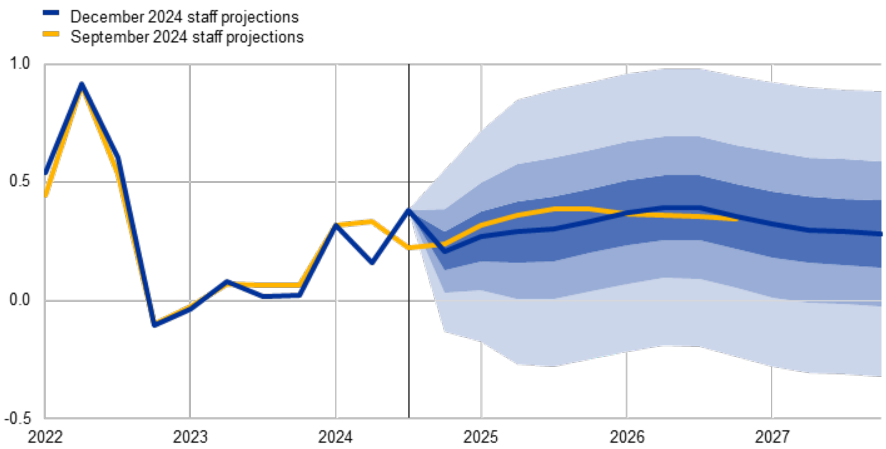
[4] HICP excluding food, energy, alcohol and tobacco.

[5] The ECB publishes its Eurosystem 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.

prices assumptions. Inflation is still expected to "hover around" the 2% target by the end of the second quarter of 2025. Until then, energy inflation is expected to decline off the back of falling oil and gas prices until 2027, when new climate change mitigation measures are expected to lead to a pick-up in inflation.

Core inflation is also set to start declining in early 2025 due to the fading away of the indirect effects of past energy price shocks, labour cost pressures as well as lagged impacts from previous monetary policy tightening. This is expected to lead to a decline in the otherwise persistent services inflation. Though disinflationary, core inflation is nevertheless projected to remain over headline inflation throughout the project horizon. Relative to the September forecasts, the outlook for core inflation has been revised (0.1 p.p. downwards) only for 2026.

Figure 3: Euro area real GDP growth (Q-on-Q percentage changes, seasonally and working day-adjusted)

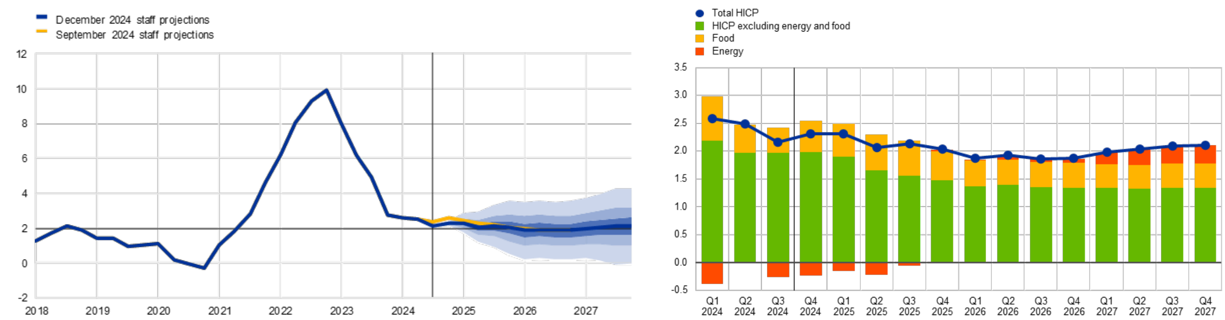


Notes: Historical data may differ from the latest Eurostat publications owing to data releases after the cut-off date for the projections. The vertical line indicates the start of the current projection horizon. The ranges shown around the central projections provide a measure of the degree of uncertainty 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.

Nominal wage growth has started to decline and is expected to continue easing in coming years as the need to compensate for inflation in a tight labour market fades. Productivity growth is projected to contribute to a significant further moderation in pressures from labour costs. Additionally, domestic price pressures are expected to weaken as profit growth, though declining, should provide a buffer to absorb higher labour costs, especially in the short term, before recovering over the projection horizon Overall, the outlook is for a notable decline in unit labour costs to 2.0% in 2027. They remain however above their historical average of 1.8%.

Labour markets continue to be resilient, despite some cooling in employment growth relative to recent years. Labour productivity is also expected to pick up until 2026 yet remaining below historical trends. Moreover, the growth is labour productivity is expected to be slower than originally foreseen in September. The unemployment rate is expected to remain stable over time and to reach a new historical low of 6.1% in 2027. This represents an overall downward revision of 0.1 p.p. on average for the path of the unemployment rate for all years relative to the September forecasts.

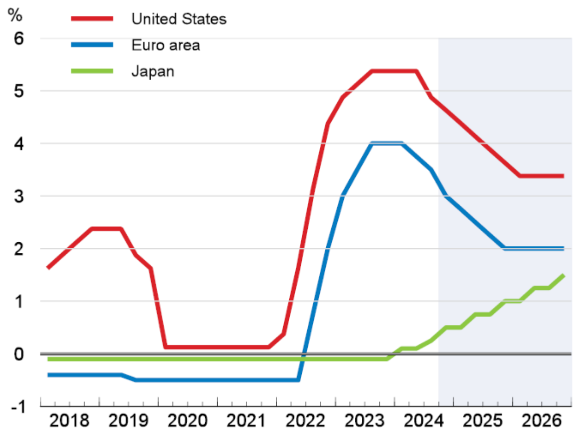
Figure 4: Euro area HICP inflation (left) and its decomposition (right), annual percentage changes, percentage points



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](ECB).

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

Figure 5: Policy interest rates in advanced economies (%)

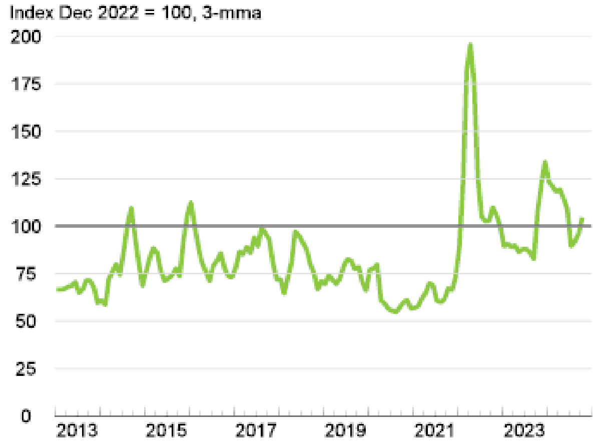


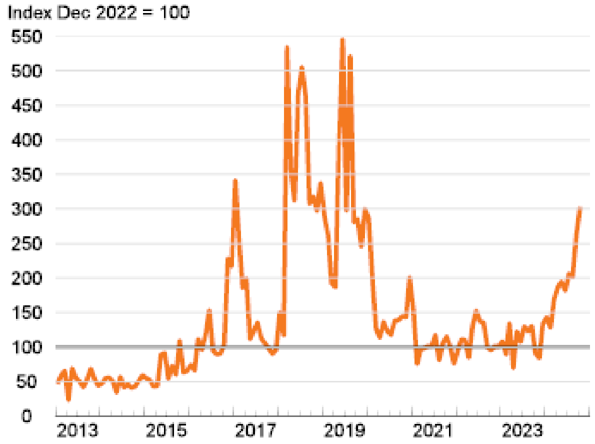
Notes: Figure shows the midpoint of the federal funds target range for the US and the deposit facility rate for the euro area.
Source: OECD.

According to the OECD Economic Outlook (December 2024), in the euro area, GDP growth is projected to be 0.8% in 2024 and increase to 1.3% and 1.5% in 2025 and 2026 respectively. Compared to the previous interim outlook released in September 2024, core inflation projections for 2024 and 2025 are revised slightly upward by 0.1 p.p. to 2.9% in 2024 and by 0.2 p.p. to 2.4% in 2025. In 2026 core and headline inflation is projected to reach target of 2.0%. However, the OECD notes that it might take longer for inflation to reach the target as disinflation in services is progressing more slowly. In the euro area, year-on-year services price inflation will need to decline by more than 1 p.p. to reach ECB's target. Additionally, policy rates are projected to continue to decline in 2024 and 2025 in the euro area (***Figure 5***). The OECD notes that the spending of Recovery and Resilience Facility funds combined with the lower policy interest rates will increase private investment. Additionally, tight labour markets and the ongoing disinflation will support private consumption. However, according to the OECD, the necessary fiscal tightening will damp growth in some Member States.

According to the OECD, there are significant downside risks to the economic outlook. In particular, the geopolitical risks and trade policy uncertainty are two important near-term risks (***Figure 6***). Geopolitical conflicts in the Middle East could potentially pose a risk to the security of oil supplies from the region, which could in turn increase the global inflation through higher oil prices. Furthermore, trade policy uncertainty has increased in recent months, as well as the number of import-restrictive measures implemented by the advanced economies. Other downside risks are potential deviations from the expected disinflation path and financial vulnerabilities such as high debt levels, stretched asset valuations, declining credit quality of some borrowers (especially in the commercial real estate sector) and the increasing scale of interconnectedness of non-banks with the economy (especially in the euro area). However, the OECD notes that positive surprises could arise due to some uncertain factors such as higher-than-expected consumer confidence, an earlier-than-expected resolution to major geopolitical conflicts, and stronger-than-expected labour force growth.

Figure 6: Geopolitical risks (left) and trade policy uncertainty (right)





Notes: Geopolitical risks based on war threats, military build-ups, nuclear threats, terror threats, beginning of war, escalation of war, and terror acts. The trade policy uncertainty index is based on automated text searches of the electronic archives of seven newspapers. Both updates as of 20 November 2024.
Source: OECD.

2.3. European Commission (Commission)

According to the Commission's Autumn 2024 Economic Forecasts (November 2024) the EU growth resumed at the beginning of 2024. Overall, the Commission expects GDP to grow at 0.9% in the EU and 0.8% in 2024 (0.1 percentage points lower than previosuly foreseen for the EU, unchanged for the euro area), followed by a stronger rebound of 1.5% in 2025 and 1.8% in 2026 for the EU. **For the euro area, growth in 2025 and 2026 is predicted to be slightly milder, respectively at 1.3% and 1.6%.** The moderate improvements in the economic outlook seem to be sustained by a **pick-up in domestic demand and the ongoing disiflationary process.** Real household disposable incomee is growing yet given the recent inflation episode it seems that households are saving an increasing portion of their income.

Overall, **headline inflation the euro area is expected to halve relative to the 2023 levels of 5.4% to 2.4% in 2024.** The disinflationary process, though currently slowing down following a pick-up in energy prices, is forecasted to **bring headline inflation to 2.1% in 2025 before falling below target in 2026 at 2.6%. For the EU as a whole, the Commission forecasts an even stronger decline of headline inflation from 6.4% in 2023 to 2.6% in 2024, 2.4% in 2025 and 2.0% in 2026**. The forecast notes that there has been a moderation of inflation of non-energy goods in 2024, meaning that the disinflationary contribution from non-energy goods is expected to fade, and most of the contribution to bring down headline inflation will have to come from services inflation which remains elevated and broad-based in annual terms (around 4%). Consequently, core inflation, which in the euro area is now forecasted to be 0.25 percentage points higher for 2024 and 2025 than in the Spring forecast.

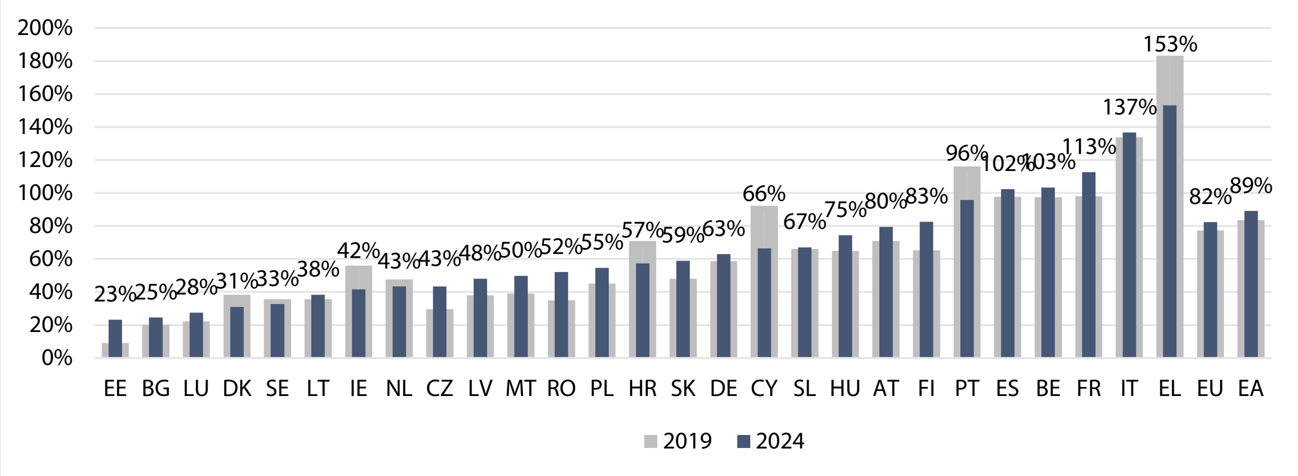
The labour market continues to show a robust standing in 2024, despite signs of loosening. Employment growth appears to be slowing down after hitting the highest historical level whereas unemployment has reached a record low of 5.9% in October. On aggregate, yearly unemployment figures are expected to remain relatively stable for both the euro area (6.5% in 2024, falling to 6.3% in 2025 and 2026) and the EU as a whole (6.1 in 2024 moving down to 5.9% for both 2025 and 2026**). Productivity is forecasted to stagnate in 2024 before rebounding slightly in 2025 and 2026.** Even there, however, it is expected to remain subdued **reflecting weak innovation and business dynamism**. After peaking in 2023, wage growth continues "*at a healthy pace"* though expected to moderate in 2025 and 2026. It still remains above inflation to ensure recovery in real terms.

The EU (and euro area) government deficit is estimated to be broadly stable, slightly declining from -3.1% of GDP in 2024 to -3.0% in 2025 and -2.9% in 2026 (for the euro area: -3% in 2024, -2.9% in 2025 and -2.8% in 2026). Relative to 2023, the EU general government deficit is thus expected to fall by 0.4 percentage points due to windfall revenue and fiscal consolidation. Budgetary restraint at national level contributes to the moderation in 2025 whereas economic growth seems to be driving the marginal reduction in 2026. 10 Member States (RO, PL, FR, BE, SK, HU, AT, MT, IT, FI) are expected to exceed the 3% deficit/GDP ceiling in 2024. This number is set to remain stable in 2025, with LV taking the place of FI.

The public debt-to-GDP ratio for the EU is expected to slightly increase from 82.1% in 2023 to 83.4% in 2026 (from 88.9% in 2023 to 90% in 2026 in the euro area). It still remains below the 92% peak recorded at the end of 2020 (99% in the euro area). The increase in public debt ratios reflects the high level of public deficits, which are not neutralised by inflationary developments anymore in the form of higher nominal growth as well as higher debt servicing burdens off the back of rising interest rates. Primary deficits continue to have a drag on debt dynamics. **There remains broad heterogeneity in the developments of public debt ratios.** By end-2026, the debt-to-GDP ratio is expected to rise by more than 1 percentage point in 16 Member States yet for most Member States the debt ratios are projected to be lower than in 2020.

The fiscal stance in 2024 turned contractionary off the back of the fall in EU-financed expenditure and the phase out of housing tax credits in Italy. It is expected to be neutral in 2025 (slightly contractionary in the case of the euro area), with higher public investment (including RRF) offsetting the fall in primary net expenditure. However, as the forecasts do not account for fiscal adjustment under the new economic governance framework, the Commission indicates *that "proper implementation of those plans would imply a slightly contractionary EU fiscal stance in 2026 (by around ¼% of GDP)".*

Figure 7: Public debt in EU Member States in 2019 and 2024, as % GDP



Source: EGOV's elaboration based on [Eurostat] and European Commission [Autumn] 2024 economic forecast.

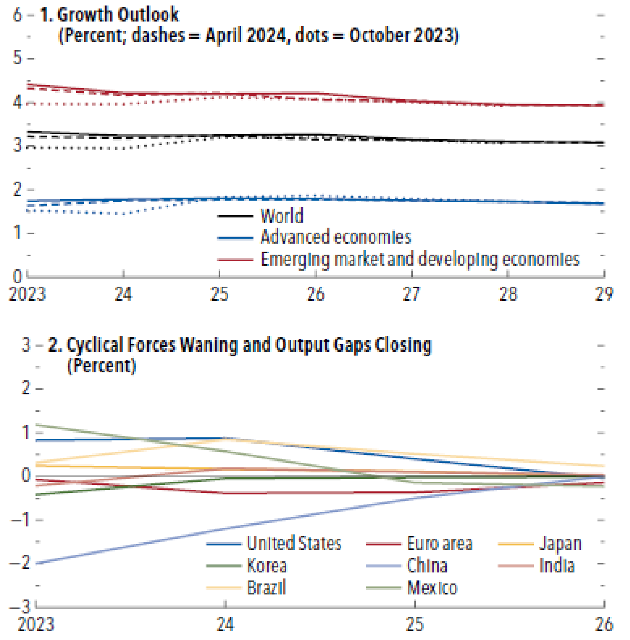
The Commission forecasts and the overall economic outlook are affected by uncertainty. The developments of conflicts in Ukraine and the Middle East could weigh on growth by exposing the EU to geopolitical risks and threatening its energy security. The EU's sluggish productivity performance could undermine wage developments whereas delays in RRF roll-out and the implementation of fiscal consolidation measures under the new economic governance framework may be conducive to an even more restrictive fiscal stance than expected. Natural disasters and climate change continue to represent a major risk for the EU's economy. The forecasts also note that "*A further increase in protectionist measures by trading partners could weigh on global trade, with negative impact on the EU's highly open economy*".

2.4. International Monetary Fund (IMF)

According to the IMF World Economic Outlook, [October 2024 edition](), growth in the euro area is expected to remain broadly stable, similar to the rest of the world. **The euro area is expected to grow 0.8% in 2024 and 1.2% in 2025**, slightly less than the EU (1.1% and 1.6%, respectively).

Compared to the July 2024 edition of WEO, these projections were revised slightly down by 0.1 p.p. for 2024 and 0.3 p.p. for 2025. Despite this, the euro area is expected return to its potential GDP, closing the output gap from below (***Figure 4***). The growth rate in 2024 is expected to be double that of 2023, driven mainly by improved export performance, especially in goods. The further increase in 2025 is a result of stronger domestic demand. In the euro area, rising real wages are expected to boost consumption. Additionally, gradual loosening of monetary policy is expected to support investments.

Figure 8: IMF growth outlook



Notes: In Panel 1, solid lines denote GDP growth from the October 2024 WEO, and dashed and dotted lines denote GDP growth forecasts from the April 2024 WEO and the October 2023 WEO, respectively.
Source: [IMF]()

Headline inflation is expected to return to target by 2025 in the euro area. In 2024, it is expected to be around 2.4% and returned to the 2% target in 2025 in the euro area. The IMF highlights that the pace of the disinflation process has been faster than expected compared to previous year. However, the expected dispersion of inflation rates across economies has increased. Moreover, the decrease in global inflation in 2024 and 2025 is the result of a broad-based decline in core inflation, unlike in 2023 when inflation fell mainly due to lower energy (fuel) prices. Even though central banks are expected to take a neutral monetary policy stance by 2025, global growth is expected to be weak over the medium term. Structural challenges such as aging population, weak investment, and historically low total factor productivity growth are reasons for this unsatisfactory global growth.

Since the July 2024 WEO Update, IMF notes that *"adverse risks have gained more prominence*". The main downside risks include the possibility that the effects of monetary policy tightening may have a stronger impact than intended, the financial markets could reprice as a result of monetary policy stance re-evaluation, and renewed spikes in commodity prices could arise as a result of climate-related shocks, regional conflicts, or broader geopolitical tensions. However, the IMF also notes that more favourable outcomes for global growth are plausible due to a potential stronger recovery in investment in advanced economies and a potential stronger momentum of structural reforms.

Box: Regional Economic Outlook for Europe

According to the Regional Economic Outlook for Europe, **the gradual recovery of Europe's economy is the result of a strong response to crises (i.e. COVID-19 crisis and energy crisis)**. However, **the economic recovery is not at its full potential** due to the uncertainty surrounding the persistent core inflation, the results of the elections in the EU and the United States, and geopolitical conflicts. In the longer term, uncertainty of the effects of fragmentation, climate change and other structural shifts are weighing down on growth potential.

The IMF notes that advanced European countries have a projected growth rate of 1.0% in 2024 and 1.4% in 2025, while the Central Eastern, and South-eastern Europe (CESEE) region has a projected growth of 2.3% in 2024 and 3.1% in 2025. According to the IMF, gradual strengthening of private domestic demand alongside the continued disinflation process and progressively easing financial conditions, is expected to offset the impact of necessary fiscal consolidation. However, recovery in Europe is slower compared to previous crises. The decrease in headline inflation is expected to continue, although at the different speeds. In particular, **inflation is expected to return to target in 2025 in advanced European economies and in 2026 in most CESEE countries**. The delay for the CESEE region can be attributed to the persistence of the wage and services inflation.

As highlighted by the IMF, the risks to the near-term outlook are biased downwards. Demand could be lower than expected due to various reasons such as consumers remaining more cautious and retaining more of their savings, stronger effects of previous monetary policy tightening, greater persistence of core inflation or renewed spikes in shipping costs and commodity prices. On the other hand, demand could pick up sooner or by a larger amount, if for example uncertainty about trade tensions decreases and financial conditions improve faster than expected. Additionally, inflation could plausibly exceed or fall below the baseline forecasts. Furthermore, climate change, geopolitical tensions, and an intensification of protectionist policies could negatively impact potential growth.

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

Annex 1: EU Gross domestic product, in %

	Eurostat* (12/2024)						EC (11/2024)			IMF (10/2024)			ECB (6/2024)			OECD (12/2024)		
	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024	2025	2026	2023	2024	2025	2024	2025	2026	2024	2025	2026
BE	6,2	4,2	1,3	0,3	0,3	0,3	1,1	1,2	1,5	1,4	1,1	1,2	1,2	1,2	1,4	0,9	1,2	1,4
DE	3,7	1,4	-0,3	0,2	-0,3	0,1	-0,1	0,7	1,3	–0,3	0,0	0,8	0,3	1,1	1,4	0,0	0,7	1,2
EE	7,2	0,1	-3,0	-0,2	0,1	0,0	-1,0	1,1	2,6	–3,0	–0,9	1,6	-0,4	3,6	3,0	-0,9	1,7	2,7
IE	16,3	8,6	-5,5	0,6	-0,3	3,5	-0,5	4,0	3,6	–5,5	–0,2	2,2	2,1	4,2	3,8	-0,5	3,7	3,5
EL	8,7	5,7	2,3	0,1	1,2	0,3	2,1	2,3	2,2	2,0	2,3	2,0	2,2	2,5	2,3	2,3	2,2	2,5
ES	6,7	6,2	2,7	0,9	0,8	0,8	3,0	2,3	2,1	2,7	2,9	2,1	2,3	1,9	1,7	3,0	2,3	2,0
FR	6,9	2,6	0,9	0,2	0,2	0,4	1,1	0,8	1,4	1,1	1,1	1,1	0,8	1,2	1,6	1,1	0,9	1,0
HR	12,6	7,3	3,3	0,5	1,0	0,8	3,6	3,3	2,9	3,1	3,4	2,9	3,3	2,8	2,6	3,7	3,0	2,8
IT	8,9	4,7	0,7	0,3	0,2	0,0	0,7	1,0	1,2	0,7	0,7	0,8	0,6	0,9	1,1	0,5	0,9	1,2
CY	11,4	7,4	2,6	1,7	0,1	1,0	3,6	2,8	2,5	2,5	3,3	3,1	3,0	3,1	3,2	:	:	:
LV	6,9	1,8	1,7	-0,1	-0,3	-0,2	0,0	1,0	2,1	–0,3	1,2	2,3	1,8	3,3	3,8	-0,3	1,9	2,5
LT	6,4	2,5	0,3	1,1	0,3	1,2	2,2	3,0	3,0	–0,3	2,4	2,6	1,9	3,1	3,3	2,4	3,1	2,8
LU	7,2	1,4	-1,1	0,3	0,6	0,2	1,2	2,3	2,2	–1,1	1,3	2,7	1,4	2,2	2,5	1,2	2,3	2,4
MT	13,2	4,3	6,7	3,0	0,8	0,6	5,0	4,3	4,3	7,5	5,0	4,0	4,3	3,5	3,5	:	:	:
NL	6,3	5,0	0,1	-0,3	1,1	0,8	0,8	1,6	1,5	0,1	0,6	1,6	0,5	1,3	1,3	0,9	1,6	1,6
AT	4,8	5,3	-1,0	0,2	-0,2	-0,1	-0,6	1,0	1,4	–0,8	–0,6	1,1	0,3	1,8	1,5	-0,5	1,1	1,4
PT	5,6	7,0	2,5	0,6	0,2	0,2	1,7	1,9	2,1	2,3	1,9	2,3	2,0	2,3	2,2	1,7	2,0	2,0
SI	8,4	2,7	2,1	-0,2	0,1	0,3	1,4	2,5	2,6	2,1	1,5	2,6	2,5	2,6	2,8	1,1	2,6	2,6
SK	5,7	0,4	1,4	0,7	0,2	0,3	2,2	2,3	2,5	1,6	2,2	1,9	2,8	3,2	2,1	2,3	2,4	2,1
FI	2,7	1,5	-1,2	0,4	0,1	0,3	-0,3	1,5	1,6	–1,2	0,0	0,0	-0,5	1,2	1,7	-0,3	1,6	1,7
EA	**6,3**	**3,5**	**0,4**	**0,3**	**0,2**	**0,4**	**0,8**	**1,3**	**1,6**	**0,4**	**0,8**	**1,2**	**0,7****	**1,1****	**1,4****	**0,8**	**1,3**	**1,5**
BG	7,8	4,0	1,9	0,6	0,6	0,6	2,4	2,9	3,0	1,8	2,3	2,5	:	:	:	2,3	2,8	2,6
CZ	4,0	2,8	-0,1	0,4	0,2	0,4	1,0	2,4	2,7	–0,1	1,1	2,3	:	:	:	1,0	2,4	2,6
DK	7,4	1,5	2,5	-0,7	1,3	1,2	2,4	2,5	1,8	2,5	1,9	1,6	:	:	:	2,8	2,5	1,7
HU	7,1	4,3	-0,9	0,4	-0,2	-0,7	0,6	1,8	3,1	–0,9	1,5	2,9	:	:	:	0,6	2,1	2,9
PL	6,9	5,3	0,1	0,6	1,2	-0,1	3,0	3,6	3,1	0,2	3,0	3,5	:	:	:	2,8	3,4	3,0
RO	5,5	4,0	2,4	-0,4	0,1	-0,1	1,4	2,5	2,9	2,1	1,9	3,3	:	:	:	1,2	2,6	3,1
SE	5,9	1,5	-0,2	0,6	0,0	0,3	0,3	1,8	2,6	–0,2	0,9	2,4	:	:	:	0,6	1,8	2,8
EU	**6,3**	**3,5**	**0,4**	**0,3**	**0,2**	**0,4**	**0,9**	**1,5**	**1,8**	**0,6**	**1,1**	**1,6**	**:**	**:**	**:**	:	:	:

*Notes: *Year-on-year GDP growth is provided for 2021, 2022 and 2023, while quarter-on-quarter changes are provided for 2024 Q1 to 2024 Q3. Eurostat data extracted on 16 December 2024. **Values from the ECB Staff Projections December 2024. The forecast data by EC, IMF, OECD and ECB are the baseline scenarios.*

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

	Eurostat* (12/2024)						EC (11/2024)			IMF (10/2024)			ECB (6/2024)			OECD (12/2024)		
	2021	2022	2023	2024 Q1	2023 Q2	2024 Q3	2024	2025	2026	2023	2024	2025	2024	2025	2026	2024	2025	2026
BE	3,2	10,3	2,3	3,8	5,4	4,3	4,4	2,9	1,9	1,4	1,1	1,2	3,9	2,4	1,2	4,3	2,9	2,1
DE	3,2	8,7	6	2,3	2,5	1,8	2,4	2,1	1,9	−0,3	0,0	0,8	2,8	2,7	2,2	2,4	2,0	1,9
EE	4,5	19,4	9,1	4,1	2,8	3,2	3,6	3,6	2,4	−3,0	−0,9	1,6	3,9	2,5	2,0	3,4	3,8	2,8
IE	2,4	8,1	5,2	1,7	1,5	0	1,4	1,9	1,8	−5,5	−0,2	2,2	1,8	2,1	1,5	1,5	1,9	1,8
EL	0,6	9,3	4,2	3,4	2,5	3,1	3,0	2,4	1,9	2,0	2,3	2,0	3,0	2,3	2,2	3,0	2,7	2,1
ES	3	8,3	3,4	3,3	3,6	1,7	2,8	2,2	2,0	2,7	2,9	2,1	3,0	2,0	1,8	2,8	2,1	2,0
FR	2,1	5,9	5,7	2,4	2,5	1,4	2,4	1,9	1,8	1,1	1,1	1,1	2,5	1,7	1,7	2,4	1,6	1,8
HR	2,7	10,7	8,4	4,9	3,5	3,1	4,0	3,4	2,0	3,1	3,4	2,9	3,8	2,6	2,1	3,9	3,3	2,2
IT	1,9	8,7	5,9	1,2	0,9	0,7	1,1	1,9	1,7	0,7	0,7	0,8	1,1	1,5	1,6	1,2	2,1	2,0
CY	2,3	8,1	3,9	1,6	3	1,6	2,2	2,1	2,0	2,5	3,3	3,1	2,1	1,9	1,8	:	:	:
LV	3,2	17,2	9,1	1	1,5	1,6	1,2	2,2	2,2	−0,3	1,2	2,3	1,5	2,1	1,8	1,2	2,0	2,1
LT	4,6	18,9	8,7	0,4	1	0,4	0,9	1,7	1,6	−0,3	2,4	2,6	1,2	2,4	2,4	0,9	2,3	2,4
LU	3,5	8,2	2,9	3,2	2,8	0,8	2,3	2,4	1,8	−1,1	1,3	2,7	2,3	2,5	1,6	2,3	2,4	1,9
MT	0,7	6,1	5,6	2,7	2,2	2,1	2,5	2,2	2,0	7,5	5,0	4,0	2,4	2,0	1,9	:	:	:
NL	2,8	11,6	4,1	3,1	3,4	3,3	3,2	2,4	1,9	0,1	0,6	1,6	2,8	2,8	1,8	3,2	2,7	2,5
AT	2,8	8,6	7,7	4,1	3,1	1,8	2,9	2,1	1,7	−0,8	−0,6	1,1	3,4	2,7	2,5	2,6	2,4	1,7
PT	0,9	8,1	5,3	2,6	3,1	2,6	2,6	2,1	1,9	2,3	1,9	2,3	2,5	2,1	2,0	2,7	2,2	2,1
SI	2	9,3	7,2	3,4	1,6	0,7	2,1	3,2	2,1	2,1	1,5	2,6	2,4	3,0	2,3	1,9	2,4	2,6
SK	2,8	12,1	11	2,7	2,4	2,9	3,1	5,1	3,0	1,6	2,2	1,9	2,8	3,5	3,4	3,2	4,4	2,7
FI	2,1	7,2	4,3	0,6	0,5	1	1,0	2,0	1,8	−1,2	0,0	0,0	1,2	2,0	1,6	0,9	1,8	1,8
EA	**2,6**	**8,4**	**5,4**	**2,4**	**2,5**	**1,7**	**2,4**	**2,1**	**1,9**	**0,4**	**0,8**	**1,2**	**2,4****	**2,1****	**1,9****	**2,4**	**2,1**	**2,0**
BG	2,8	13	8,6	3,1	2,8	1,5	2,5	2,3	2,9	1,8	2,3	2,5	:	:	:	2,4	2,7	2,5
CZ	3,3	14,8	12	2,2	2,2	2,8	2,7	2,4	2,0	−0,1	1,1	2,3	:	:	:	2,4	2,3	2,0
DK	1,9	8,5	3,4	0,8	1,8	1,2	1,3	1,9	1,7	2,5	1,9	1,6	:	:	:	1,4	2,0	2,0
HU	5,2	15,3	17	3,6	3,6	3	3,8	3,6	3,2	−0,9	1,5	2,9	:	:	:	3,8	3,3	2,9
PL	5,2	13,2	10,9	2,7	2,9	4,2	3,8	4,7	3,0	0,2	3,0	3,5	:	:	:	3,8	5,0	3,9
RO	4,1	12	9,7	6,7	5,3	4,8	5,5	3,9	3,6	2,1	1,9	3,3	:	:	:	6,1	4,1	3,0
SE	2,7	8,1	5,9	2,3	1,4	1,2	1,9	1,5	1,8	−0,2	0,9	2,4	:	:	:	2,8	0,8	1,9
EU	**2,9**	**9,2**	**6,4**	**2,6**	**2,6**	**2,1**	**2,6**	**2,4**	**2,0**	**0,6**	**1,1**	**1,6**	**:**		**:**	:	:	:

*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 2024 Q1 to 2024 Q3. **Values from the ECB Staff Projections December 2024. Eurostat data extracted on 18 December 2024.*