



EU growth at risk of peaking

(Brussels, 22 June 2018)

Launching BusinessEurope's [Spring 2018 Economic Outlook](#) today,

BusinessEurope President Emma Marcegaglia commented:

“After a very strong 2017, businesses are increasingly concerned that growth is peaking and is about to slow down. Lower growth was recorded in the first quarter of this year, possibly impacted by a very cold winter. And we have also seen a fall in business confidence which suggests that more permanent factors may play a role as well. In particular, European companies increasingly see a shortage of skilled labour, which can hinder their expansion plans.”

On key international developments Marcegaglia commented:

“The biggest risk to both the EU and the global economy more and more comes from growing protectionism and unilateral actions taken outside the multilateral trading system. Economic studies from major international institutions all show that a full trade war would cause significant damage to global growth.”

Based on a survey BusinessEurope's Spring Economic Outlook also shows:

- For 2018, we expect **GDP growth** of 2.4% in the EU and 2.3% in the Euro area. For 2019, we expect growth to slow to 2.1% in both the EU and the Euro area.
- While **unemployment** is expected to further come down to 6.6% in 2019, rates remain uneven across EU Member States and well above those forecasted for the US (3.5% acc. to IMF for 2019).
- Risks remain in particular in form of a high level of policy uncertainty, with the **danger of increasing protectionism**. External IMF analysis suggests that a broader application of tariffs across countries could lower global output by about 1.75% after 5 years and by close to 2% in the long-term.

BusinessEurope's Economic Outlook is published twice a year, based on input from our member federations. Please read our Spring Economic Outlook [here](#).

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PRESS RELEASE

Contact:

Peter Sennekamp
Director of Communications
168 Avenue de Cortenbergh
1000 Brussels – Belgium
GSM : +32 496 919 315
p.sennekamp@businessseurope.eu

Sofiya Yevchuk
Senior Press and Media Adviser
168 Avenue de Cortenbergh
1000 Brussels - Belgium
Tel : +32 (0) 2 237 65 03
s.yevchuk@businessseurope.eu