

Press release

EBF Year-End Economic Outlook: recovery needs a boost

- **EBF Chief Economist Group cuts euro area growth forecast to 0.8% for 2014**
- **Protracted period of low inflation ahead, with 2014 CPI seen at 0.6%**
- **Policy action needed to make businesses feel more confident on investing**

Economists at the European Banking Federation see a slower-than-expected economic recovery in the euro area and have lowered their growth outlook for this year to 0.8 percent, down from the estimate of 1.1 percent that they presented in June. The EBF Chief Economist Group has lowered its 2015 growth projection for the euro area to 1.2 percent, down from 1.5 percent foreseen in June.

After the contraction that marked 2012 and 2013, and the slow pick-up in output at the beginning of this year, the euro area economy will continue to expand slowly. The weaker-than-expected increase in private consumption and investment is accompanied by a small decline in net external exports.

Presenting the EBF Year-End Economic Outlook, EBF Chief Executive Wim Mijs said:

"More than ever before it is clear that policy action is required to make sure that the European economy does not go off its chartered course. Banks stand by to play their role as lenders - the final results of the comprehensive assessment make clear that there are no obstacles other than a lack of demand. Businesses need a confidence boost so that they can start investing again. Policy makers need to act with swift determination to provide this confidence and need to embrace the EU growth agenda as set out by the new European Commission."

The EBF Chief Economist Group sees a protracted period of low inflation, with an expectation of an average increase in consumer prices of 0.6 percent in 2014 and of 1.0 percent in 2015.

For the full EBF Year-End Economic Outlook Nr. 38, [click here](#).

Press contact:

Raymond Frenken, Head of Communication

+32 (0) 496 52 59 47, press@ebf-fbe.eu

About the European Banking Federation:

Launched in 1960, the European Banking Federation is the voice of the European banking sector from countries in the European Union and the European Free Trade Association. Members of the federation are 32 national banking associations. The EBF represents the interests of some 4,500 banks, large and small, wholesale and retail, local and cross-border financial institutions. Together these banks account for over 80 percent of the total assets and deposits and some 80 percent of all bank loans in the EU alone.

Website: www.ebf-fbe.eu