

GfK: EU Crisis is (Hopefully) Over

Written by Marco Attard
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Across Europe hopes are on the rise as the worst of the crisis appears to be finally over, GfK reports-- a number of countries show "considerable" growth in some areas during Q2 2013, while the downward trend shows slowdown in others.



The findings come from the GfK Consumer Climate Europe survey covering the economic development, income expectations and willingness to buy among consumers in 14 European countries.

Overall the EU economy registered 0.4% Q-o-Q growth during Q2 2012, with "Considerable" increases in France, Germany, Portugal and the UK and at least "slight" recovery in the still-shrinking Spanish and Italian economies.

French foreign trade deficit declined significantly, Greece managed to achieve a positive trade balance, and unemployment declined for the first time in 2 years in Portugal.

GfK attributes the recovery to a number of reasons-- exporters are benefiting from modest global growth, consumers are "increasingly prepared" to spend more money, government policy is moving away from austerity and S. Europe finds aim in growing tourism.

Summer 2013 also saw the first "marginal" decline in unemployment, even if at 11% a true labour market reversal is not yet on the horizon. Unemployment should only see a "significant fall" from 2015, and pre-crisis levels will not be reached in the medium trend.

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Meanwhile low bank lending and the weak growth stimulus to potentially develop in the coming months will not prove sufficient to halt the increase of EU country debt. But then again, all good news is, ultimately, good news.

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