



# Rebooting the EU's Economy

Rolf Strauch

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*60 Years of the European Project*

*Riga, 03 April 2017*

# The European economy after the crisis

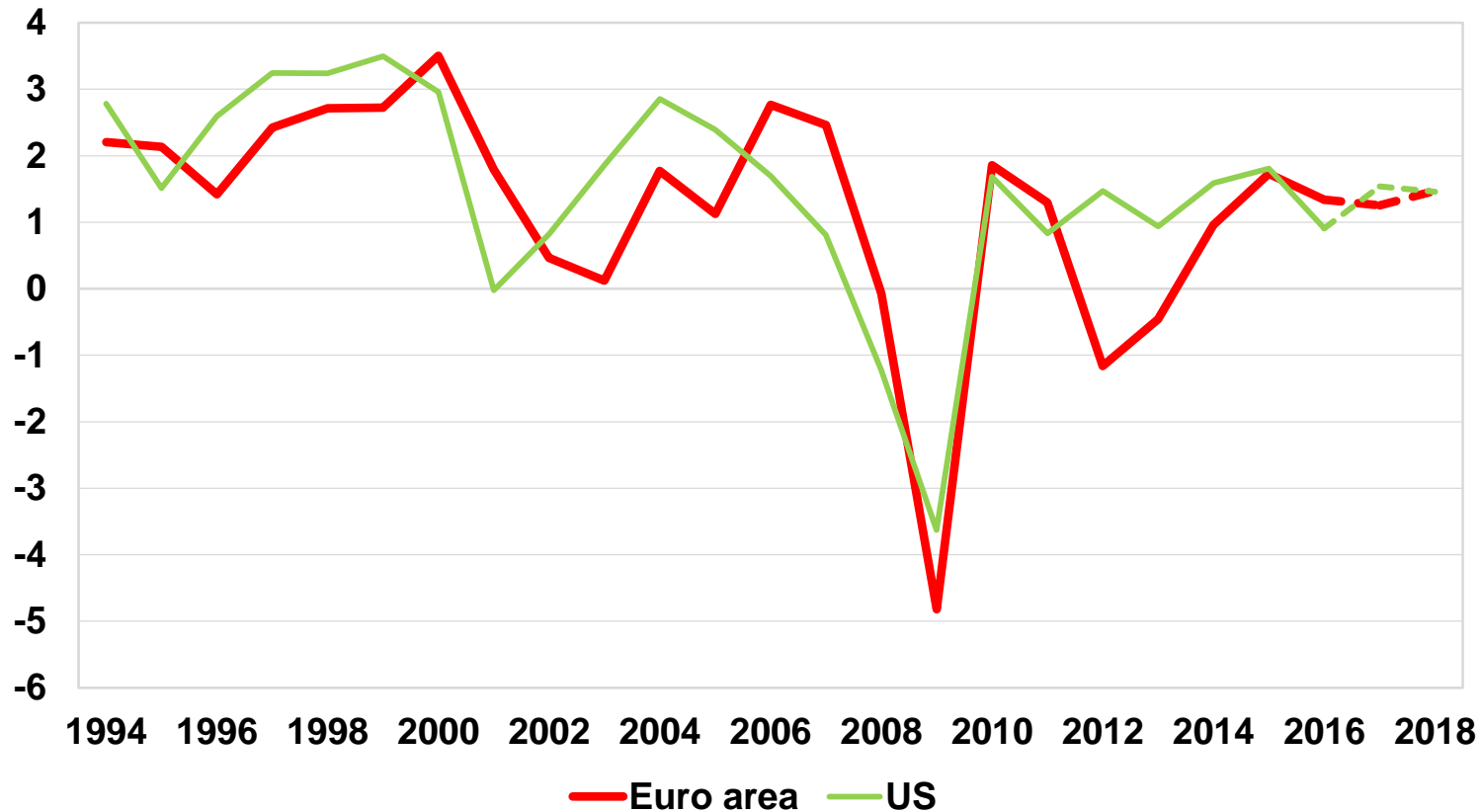
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**A comprehensive crisis response brought the euro area back to:**

- equitable growth
- more balanced macro-economic position
- safer banks

# Growth in Europe is moving in line with the U.S. again

Per capita growth in US and EU is very similar



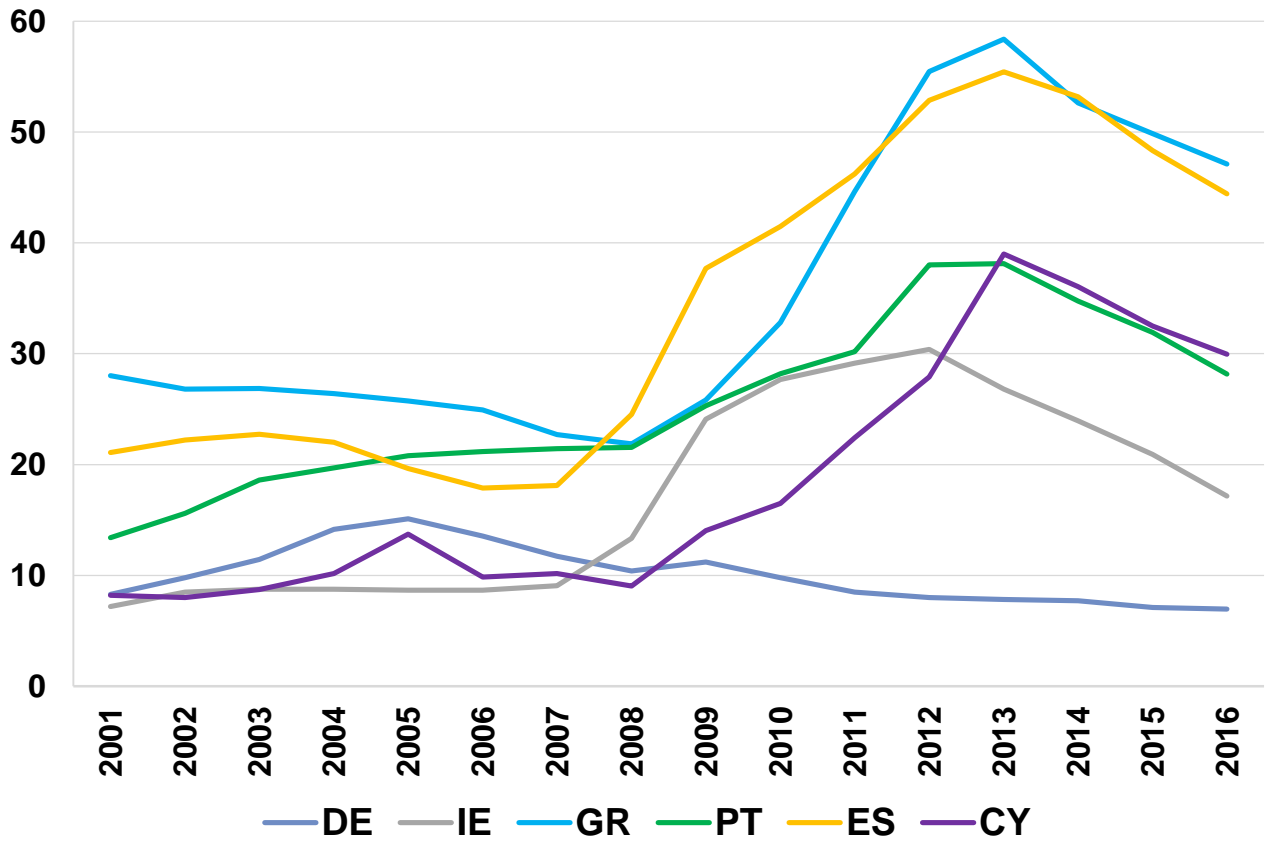
Average GDP growth per capita, 1999-2008

euro area	1.6%
US	1.6%

Source: EC European Economic Forecast – Winter 2017

# Addressing legacies - youth unemployment is unacceptably high

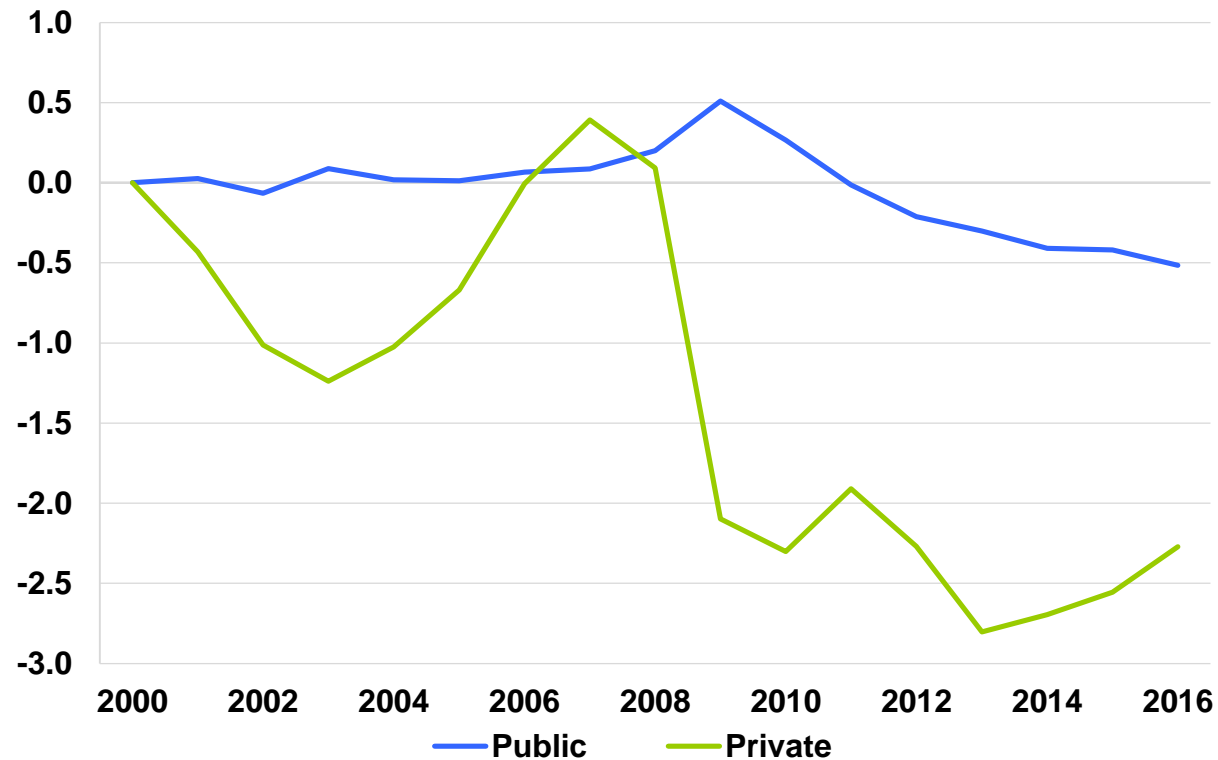
## Unemployment rate under 25 years (%)



Source: Eurostat

# Addressing legacies - the investment gap after the crisis

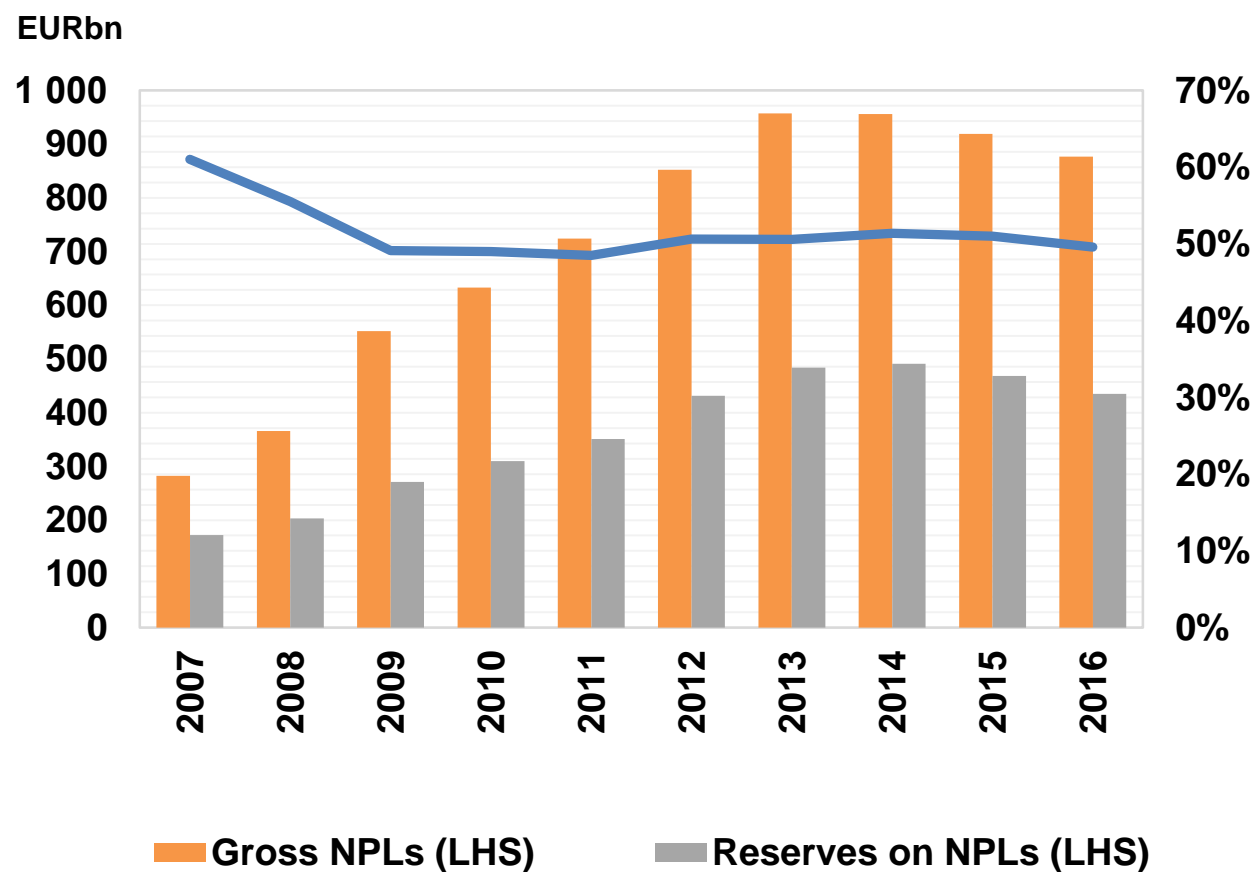
**Euro area: public and private investment**  
(% GDP, cum. p.p. change since 2000)



Source: EC European Economic Forecast – Winter 2017

# Addressing legacies - non-performing loans are still at a high level

**Euro area – non-performing loans, reserves and coverage ratio**  
(% GDP, cum. p.p. change since 2000)



Source: Standard & Poor's (SNL Financial), banks' annual reports, ESM calculations

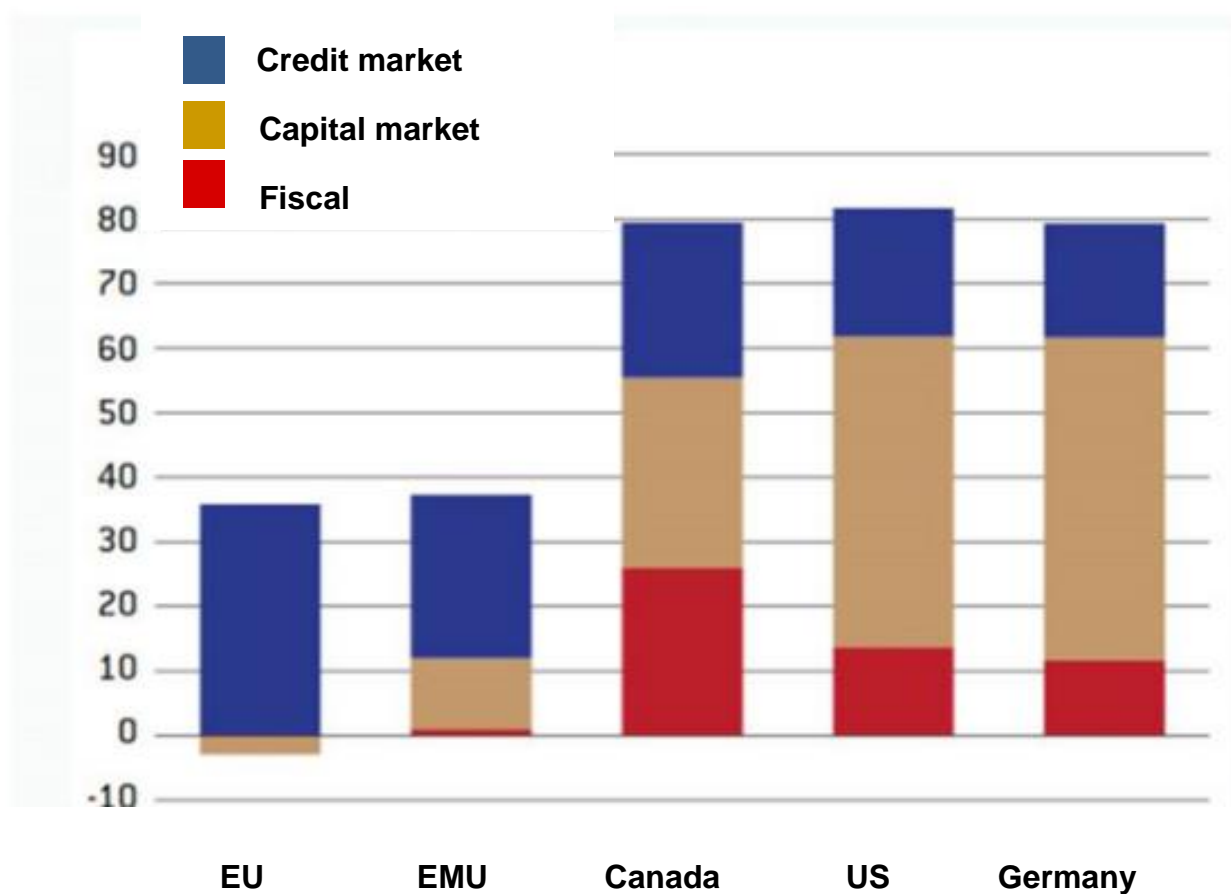
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# ANNEX

# Risk sharing is underdeveloped in the EU and euro area

- Economic risk sharing in the euro area is lagging behind the US

Percentage of shock smoothed by different channels

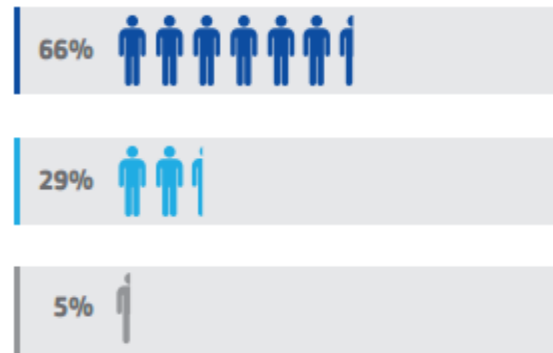




# How do Europeans see the EU?

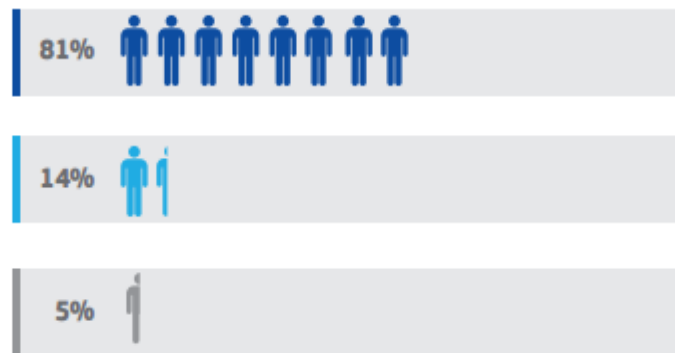
## EU as a place of stability

■ Total 'Agree' ■ Don't know  
■ Total 'Disagree'



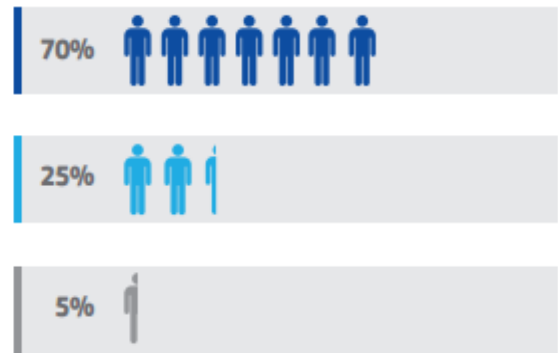
## Support for the EU four freedoms

■ For ■ Don't know  
■ Against



## Support for the euro

■ For (euro area) ■ Don't know  
■ Against (euro area)



Source: Eurobarometer, October and November 2016, EU28

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