Press release

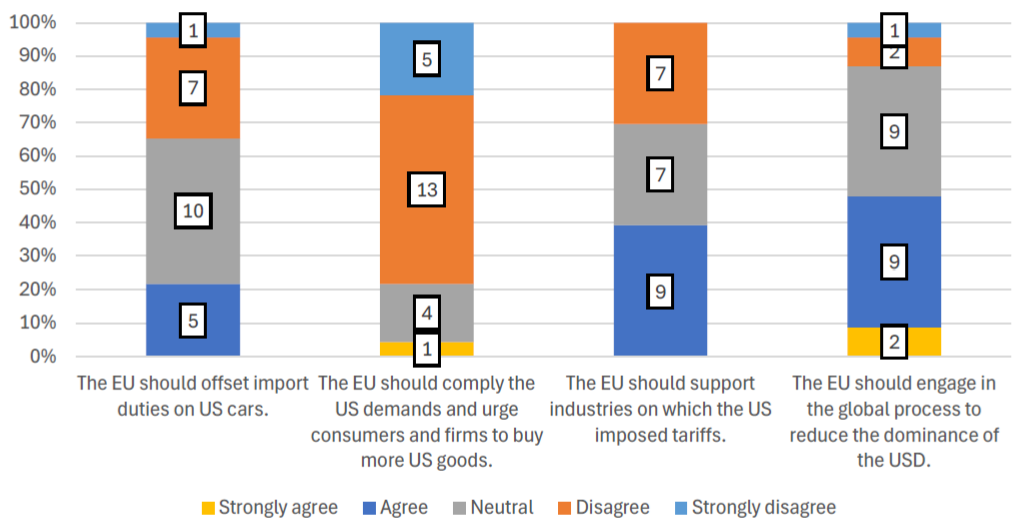
The **AIECE Association of European Economic Research Institutes** has today published its bi-annual **General Report**, following the Spring 2025 Meeting held in Oslo hosted by Statistics Norway.

On average, AIECE member institutes forecast **EU GDP to grow by of 1.2% in 2025 and 1.5% in 2026**. The forecast for Euro Area GDP growth is 1.0% and 1,3%. These forecasts are a bit more optimistic than those presented in the OECD's March 2025 Interim Report and the IMF's Spring 2025 World Economic Outlook.

The AIECE General Report for Spring 2025 highlights **weak global growth** amid substantial **uncertainty** driven by geopolitical conflicts and unpredictable US trade policies. The **US trade conflict** and its repercussions for European industries remain major concerns. AIECE members suggest a range of responses, from joining global initiatives to **reduce the US dollar's dominance** to supporting industries hit by US tariffs. **Enhancing European competitiveness** through investments in sustainability, digital infrastructure, and strategic sectors is seen as essential.

Concerning about proposed reactions to US trade policy as illustrated in Figure 1, nearly half of the respondents support the idea that the EU should join initiatives to **reduce the dominance of the US dollar**. Additionally, 40**%** of respondents recommend that the EU **provide targeted support** for industries most affected. In contrast, a majority of the surveyed economists oppose proposals to increase market access for American products and to encourage their consumption within the EU.

Figure 3: Proposed reactions to the US trade policy



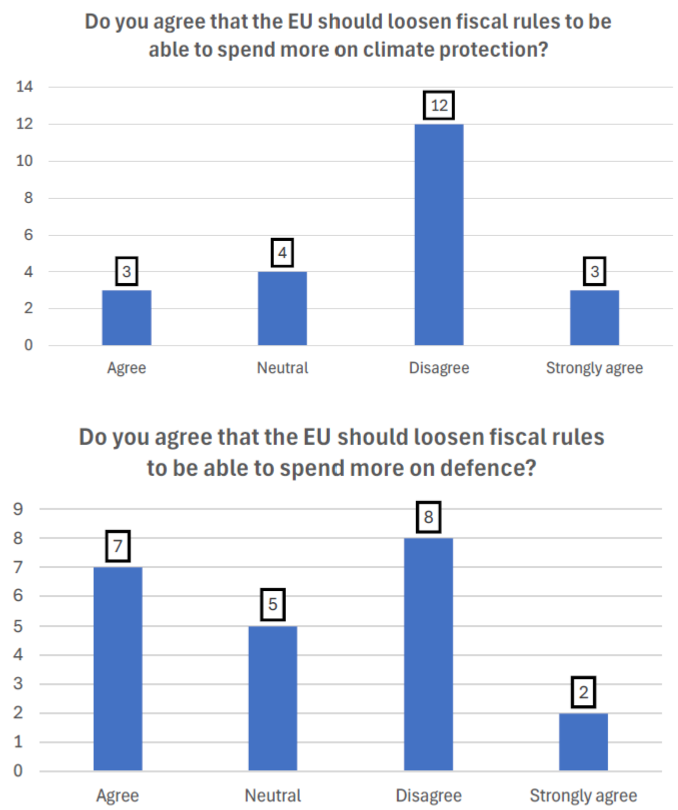
Notes: The figure presents AIECE members' assessments of select proposals regarding how the EU should respond to current US trade policy. Example of how to read the figure: For the proposal that the EU should offset import duties on US cars, 5 economists expressed agreement, 10 were neutral, 7 disagreed, and 1 strongly disagreed.

In light of fiscal expansion plans in Germany and other EU countries, the recent AIECE Questionnaire asked member institutes whether the EU's fiscal rules should be relaxed, and whether increasing public debt is advisable. As shown in Figure 2, a majority of respondents **oppose loosening fiscal rules for** the purpose of increasing spending on **climate protection**. However, **opinions are divided on** whether the rules should be relaxed to allow for **greater defense spending**.

The **Spring 2025 AIECE General Report**, authored by Katalin Nagy and Péter Vakhal of Kopint-Tárki Institute (Hungary), offers a comprehensive macroeconomic outlook for the European economy. It also includes detailed assessments from member institutes on key cyclical, policy, and structural issues.

Link to the report: www.aiece.org/general-meetings

Figure 2: Assessments of AIECE members on loosing EU fiscal rules



Note: This figure shows whether AIECE members recommend loosening EU fiscal rules for specific policy purposes. Example: For the proposal to relax fiscal rules in order to increase spending on climate protection, 3 economists strongly recommend the measure, 3 recommend it, 4 are neutral, and 12 oppose the proposal.

About the AIECE

The AIECE Association of European Economic Research Institutes, founded in 1957, brings together 40 member institutes and observers from 19 countries and 5 international organizations. The association convenes twice a year to exchange views on the economic outlook for European economies, discuss policy developments, and explore longer-term structural issues. The AIECE serves as one of the few independent forums where the economic prospects of Europe are regularly and systematically assessed. More information is available at: https://www.aiece.org/about-aiece.