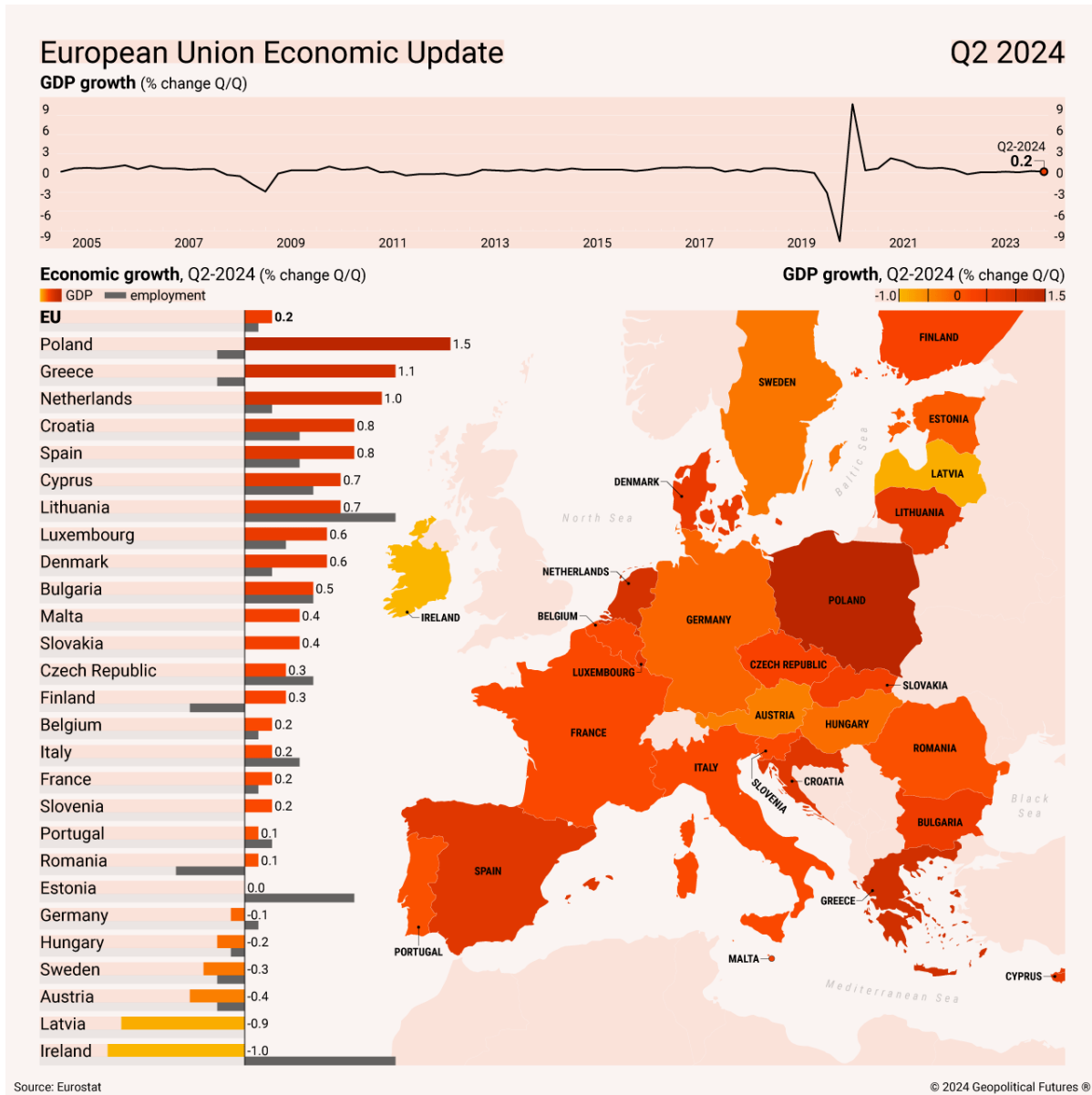


No End in Sight for Europe's Sluggish Economy

by Geopolitical Futures - September 27, 2024



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The European Union's economic growth rate slowed in the second quarter, though the bloc's gross domestic product was 0.2 percent higher compared with the previous three-month period. The EU's

largest economies showed very modest growth, with Germany, traditionally the region's economic driver, even posting negative figures. This confirms a stable trend of slower economic growth amid ongoing domestic and foreign policy challenges.

The war in Ukraine has become a money pit for all sides, while the loss of Russia as a supplier of cheap energy and a buyer of European goods continues to drag on the EU economy. Other factors, including a stronger emphasis on fiscal discipline, further hinder Europe's economic acceleration, especially compared with the U.S., where GDP grew by 0.7 percent on a quarterly basis over the same period. Although the European Central Bank has started to lower interest rates as inflation cools, a sudden turnaround in growth is unlikely.

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