



Escalating global trade tensions and skills shortages a risk for EU economy

- Autumn Economic Outlook 2018 -

(Brussels, 5 November 2018)

The danger of an escalating trade war is seen as a key risk for economic growth by BusinessEurope's members. It could reduce global GDP by almost one percent in 2020. At the same time, digitalisation is rapidly increasing and the demand for digitally skilled technical workers is not met.

These were key concerns reported to BusinessEurope by its 39 member federations for the [Autumn Economic Outlook 2018](#) published today. The Outlook also shows that the EU economy slightly slowed in the first half of 2018, while growth is still expected to proceed above its long-term rate.

BusinessEurope Director General Markus J. Beyrer said:

“An escalating global trade war and digital skills shortages in Europe are the major concerns for many businesses in Europe. We need more skilled labour to avoid harm to the EU economy. We also see that with digitalisation more jobs will be added than lost.

Our analysis shows that we can expect EU growth of 2.2% for 2018 and 2% for 2019, a slight downward revision from our spring 2018 analysis. We need wide-ranging reforms in product and labour markets in order to raise the EU's underlying capacity to grow.”

In an in-depth section on digitalisation the Outlook concludes that, contrary to what is often argued, new technologies such as robotisation and Artificial Intelligence (AI) are likely to increase, rather than reduce overall labour demand.

While globally 75 million jobs may be displaced by new technology by 2022, 133 million additional new roles could emerge, according to the World Economic Forum.

With estimates suggesting that already today 10% of EU adult workers are at high risk of having outdated technological skills (Cedefop), vigorous action needs to be taken to re-skill people and help them transition to new occupations and sectors.

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