Dear Executive Vice-President,

I am pleased to send you the link to our recently published Summer Economic Outlook, available here: https://www.businesseurope.eu/publications/businesseurope-economic-outlook-summer-2022-
european-businesses-face-difficult-period.

Among the key points we note:

- The EU economy is facing a very difficult period. We project for the EU27 to grow by 2.6% this year (a downward revision of 1.3% from our Autumn forecast) but 'within year' growth in 2022 is expected to be just 0.6%.
- We also anticipate Euro Area inflation of 7.1% in 2022, falling to 3.2% in 2023. But this will depend upon a fall in energy prices and moderate wage increases amidst a very tight labour market.

It is of crucial importance that policymakers take a prudent course of action at this juncture where European business is under unprecedented strain. In particular, we highlight the importance of the following:

- Macroeconomic policymakers need to find the proper balance between controlling inflation and the need to support the recovery.
- All players need to be vigilant to the growth of inflationary expectations and social partners need to engage responsibly in collective bargaining on wages and help ensure that temporary price rises do not give rise to a damaging wage-price spiral.
- As a part of a broader focus on improving competitiveness, the EU needs a realistic and workable plan to decrease Europe's energy dependency and must pursue an ambitious trade policy.

Best regards,