

# Economic outlook: 1 million jobs at risk but tide can be turned

In its Autumn 2020 Economic Forecast, the European Commission described the rebound we saw after the first wave interrupted. The resurgence of the pandemic added on onto the existing uncertainty. Ceemet comments on the forecast with its estimate that in the 18 months from June 2020 to December 2021, 1 million jobs are in danger of being lost due to the current crisis and its economic effects.

## ‘Nike swoosh’-shaped recovery vs V-shaped recovery

There is consensus amongst the members of Ceemet’s Economist Group that there will be no repetition of the 2008/2009 scenario where the economy went through a V-shaped recovery after the crisis. Industry will more likely see a ‘Nike swoosh’-shaped recovery with a steep drop followed by a gradually slowing recovery.

And amongst all the uncertainties and risks, there is one thing that is certain: in many Ceemet member countries it will take industries as long as 18 months to get back on the growth path that was left in March 2020.

## Keeping workers on board – an economic necessity

The drop in economic activity and production levels, due to the lockdown, increased the risk of redundancies. However, maintaining an experienced and well-trained workforce is an important precondition for a successful relaunch of industry.

The short-time working schemes are an important tool to make sure that workers stay in employment and that companies do not lose their skilled workforce in times of skills shortages. Just for the metal, engineering and tech-based sector (MET) alone, Ceemet estimates that about 6 million workers out of a total of 17 million are kept in their job thanks to short-term systems.

## Some sectors will recover quicker than others

Some sectors, like the MET industries, have been particularly badly hit by the lockdowns. However, despite the looming pronounced economic slowdown and major uncertainties - within a favourable context - MET employers are optimistic for the future. The prospect of the Recovery and Resilience Fund (RRF) being approved provide the funds that are needed for a strong boost of the EU economy.

The RRF is intrinsically linked to the European Semester that coordinates the economic and fiscal policies in the EU. For this reason, the Semester cycle has exceptionally been adapted to align with the RRF spending schemes.

Spending, however, is no guarantee for a swift recovery. Even with a RRF scheme that supports industry, some sectors will need more time to recover than others.

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## About Ceemet

Ceemet represents the metal, engineering and technology-based industry employers in Europe, covering sectors such as metal goods, mechanical engineering, electronics, ICT, vehicle and transport manufacturing.

Member organisations represent 200,000 companies in Europe, providing over 17 million direct and 35 million indirect jobs.

Ceemet is a recognised European social partner at the industrial sector level, promoting global competitiveness for European industry through consultation and social dialogue.