

Eurozone: exports to the rescue

November was another strong month for eurozone export growth. With more of the global economy open for business in the second wave, the continued export recovery should dampen the blow to GDP from domestic lockdowns



Exports grew by 2% month-on-month in November, continuing a recovery from the impact of the first wave. Exports are still 4.4% below pre-crisis levels, but have seen continued growth since April. The recent recovery has an important positive impact on industrial production, with more uncertainty clouding the outlook for domestic demand for goods. Of the major export markets, China stands out as an important positive contributor.

Imports grew slightly quicker than exports in November in nominal terms, but the balance of trade was much higher in October and November than in 3Q. This suggests that the fourth quarter could see a positive contribution from net exports. As survey data suggests that at least the start of December was still positive for exports, it looks like net exports will have dampened the negative impact of lockdowns on GDP at the end of last year. With lockdowns dominating 1Q again as well, exports are set to play another important role in limiting economic losses for the eurozone at the start of the year.

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