

Snap | 15 June 2026

Eurozone industrial production holds up but trade surplus under pressure

In April, production data held firm despite the headwinds from the Middle East. But the trade surplus has shrivelled as energy and other goods imports surge



The eurozone trade surplus has fallen from €11bn in January to just €1.3bn in April on the back of higher oil prices

Production continues to hold up, a deal can help to keep it that way

Eurozone industry has held up reasonably well so far, despite a new energy crisis unfolding. The 0.1% monthly increase in production in April marks the third in a row, nothing special, but also far from catastrophic, given the developments in the Middle East. Growth was broad-based between consumer, capital and intermediate goods. Growth in France and Germany was flat, though, with Italy, the Netherlands and Ireland posting positive contributions. Still, the PMI for the eurozone indicates a further slowing in May as demand is under pressure and input costs increase on the back of the conflict.

At the time of writing, we're still awaiting further details about the US-Iran deal and the reopening of the Strait of Hormuz. Clearly, this would alleviate issues for eurozone industry. But at the same time, we think the scope for improvement may be modest, with uncertainty about a structural deal still significant and continued pressure on oil prices even with the Strait open again due to pent-up demand.

The trade surplus has fallen on the back of higher energy prices... and more

This also matters hugely for the eurozone trade balance. With increased energy spending due to higher oil prices, the eurozone trade surplus has fallen from €11bn in January to just €1.3bn in April. For the larger EU, the surplus has now already turned into a deficit.

Compared to April last year, we see it's not just energy. The trade surplus for chemicals, machinery and vehicles has also fallen significantly. We have argued [here](#) that the pressure on the trade surplus is large in the short-term, but also significant in the medium-term due to a loss of competitiveness.

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