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# Eurozone industrial production jumped in February, but that doesn’t mean much

A second consecutive rise in eurozone industrial production is beneficial for first-quarter GDP growth. However, it may not be a strong indicator of ongoing recovery due to current trade disruptions and market turmoil

There's some positive news for the eurozone economy, though it's somewhat in the rear-view mirror. Industrial production rose by 1.1% in February, marking the second consecutive strong increase. On the bright side, this brings production to its highest level since December 2023. However, the downside is that we're only slightly above the sluggish activity levels experienced throughout 2024.

Today’s data shows that the growth in production was not broad-based but instead driven by nondurable consumer goods. By country, most large industrial countries posted small gains, while Ireland – with notoriously volatile data – saw a large jump. This is not a sign of a robust recovery. Still, recent survey data have been encouraging when it comes to industry. While by no means indicating a rebound, we do note an easing of contraction and signs of bottoming out.

Sadly, of course, the unfolding trade war limits the chances of a swift rebound for the eurozone industry, as exporting industries are likely to experience a setback in demand. Even if American tariffs on eurozone products have temporarily been reduced to 10%, this is still a hard pill to swallow. On top of that, an intensifying trade war between the world's two largest economies cannot be a good thing for the very open eurozone industry.

So all in all, today's data on industrial production in February is in line with somewhat better activity, but amid huge uncertainty and increasing trade barriers, the question is what that will be worth in the months ahead.

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