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Industry continues to decline in the eurozone, and the outlook is bleak

The industrial production decline of -0.3% confirms the steady downward trend and adds to expectations of another contraction in eurozone GDP in the fourth quarter of last year. The outlook for industry remains bleak for the months ahead



For now, the outlook is showing little relief for the manufacturing sector in the eurozone. Pictured: a motorbike factory in Berlin

Eurozone Industrial Production dropped for the third month in a row in November, broadly continuing the trend of contraction in output. Production is now 7.2% lower than it was in September 2022. This means that industry will continue to weigh on economic activity in the eurozone, clearly performing much weaker than services. The eurozone economy experienced negative growth in the third quarter and could well have seen another quarter of negative growth in 4Q too. The industrial figures at least point to that.

The outlook for eurozone industry remains pretty bleak at this point, according to surveys. New orders continue to deteriorate, albeit at a slower pace than a few months ago. And while producers are getting slightly more upbeat, we do not expect that a real turning point in production is likely in the coming months. And any input shortages coming from the [Red Sea disruptions](#) won't help. More importantly, demand would need to return and there is still very little evidence of that in the current weak global economy.

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