

Snap | 15 January 2024

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



The future's not bright for manufacturing 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.

Author

Bert Colijn

Senior Economist, Eurozone

bert.colijn@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.