Chart of the week

The Eurozone's economic recovery is broadening. This is good news

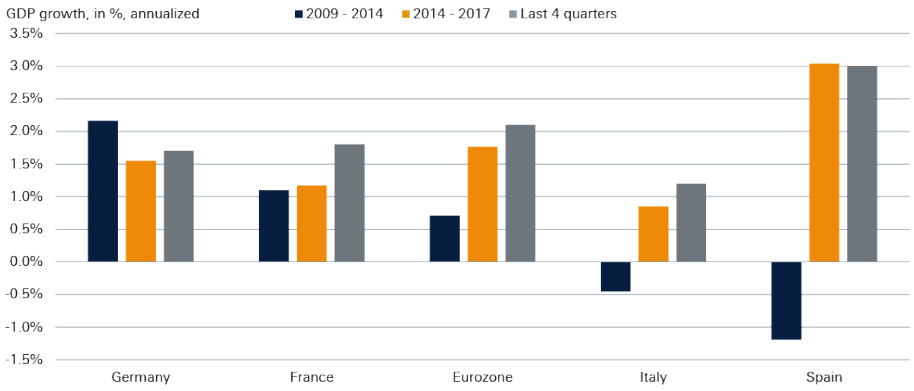
The latest string of economic growth numbers confirms a picture which began to emerge last year: the Eurozone recovery is broadening.

Germany managed to sail through the difficult times during the Euro crisis without much harm, while countries like Spain were hit hard. However, the – sometimes painful – measures taken by the Spanish government are paying off: Spain has been growing at a 3 percent per annum rate, and not only recently, but for more than three years in a row. Spain is the Eurozone's fourth largest economy, so that helps, but it was not a game changer for the whole bloc.

There's more: France also reported a decent growth number, now growing at a 1.8 percent rate for the past 4 quarters. Germany's Q2 number has not been released so far, but taking its first quarter figures as a reference, France now seems to have surpassed Germany in terms of growth. And even Italy is recording growth rates above 1 percent.

Throwing in the Netherlands as the fifth largest Eurozone economy, and ranking the countries according to their economic performance over the past 4 quarters, an interesting picture emerges: we have the Netherlands and Spain in the top spot, followed by France as number three. Germany ranks fourth, followed by Italy as number five.

Hence, Eurozone growth is no longer a "Germany only" story. The recovery has broadened remarkably, pushing aggregate Eurozone growth to now +2.1% for the past four quarters. This is good news.



Sources: Eurostat, Bloomberg Finance L.P., Deutsche Asset Management Investment GmbH; as of August 3, 2017

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