

Eurozone

PMI data show France acting as drag on Eurozone recovery

- **Final Eurozone PMI holds close to March's 11-month high**
- **Data show Spain and Ireland booming, Italy reviving and Germany enjoying solid growth**
- **France slows to near-stagnation**

At 53.9, the final [Markit Eurozone PMI](#) for April came in slightly stronger than the preliminary flash reading of 53.5, suggesting that the eurozone economy more or less maintained the same growth momentum seen in March (54.0).

The survey is signalling a rate of economic growth of approximately 0.4% at the start of the second quarter, similar to that indicated by the PMI in the first quarter.

The fact that the rate of growth failed to gain further momentum is a disappointment, but the national growth variations will give policymakers some real encouragement that the economic health of the region is improving.

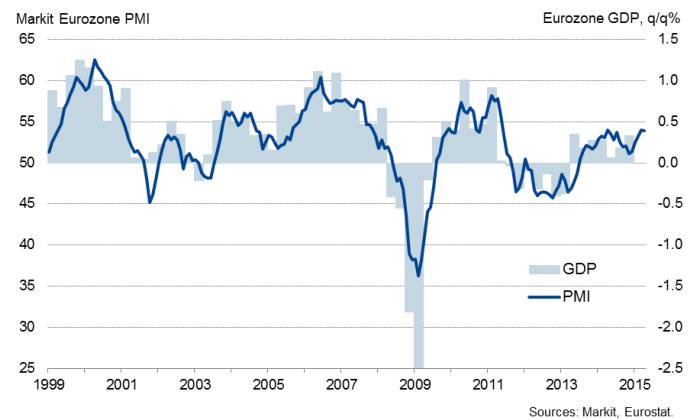
A key mantra from the ECB has been that monetary stimulus will only be successful if accompanied by structural reforms, and the survey confirms that those countries which have made the greatest efforts towards reforms are enjoying the strongest economic growth. Spain and Ireland in particular are both booming again. Companies in Spain are seeing the largest inflows of new work for 15 years, while Ireland is enjoying one of its longest growth spells since the dot-com boom.

Italy is also seeing an improvement in growth, but the pace of expansion is well below those seen in Ireland and Spain.

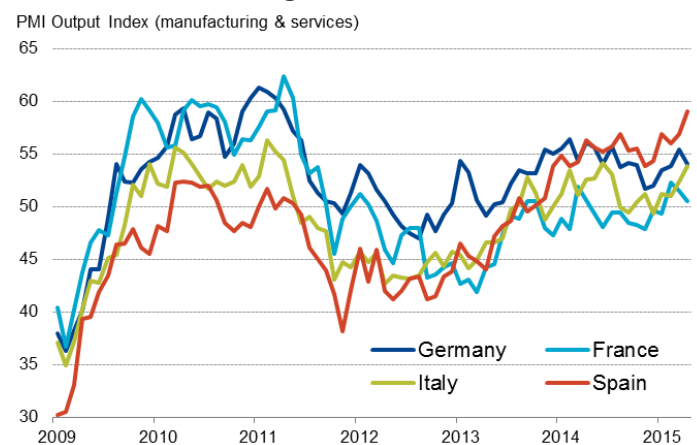
France, however, saw growth slow to near-stagnation, suggesting the government needs to work harder to boost competitiveness and lift confidence among both businesses and consumers if the country is not to be left behind in the euro area's recovery.

Growth in Germany remained reasonably robust, but the weakening also highlights how firms need to remain focused on competitiveness, especially in manufacturing, where export growth remains worryingly meagre despite the weaker euro.

Eurozone economic growth and the PMI



Growth in the four largest euro states



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