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EcoFlash

European resilience, American vigour

Eurozone growth continues to prove resilient, notwithstanding the volatility of the Irish figures. The Q3 data reinforce our forecast of 1.1% growth this year, which could even be slightly exceeded, as German and Spanish momentum shows no sign of fading. In France, the negative surprise (-0.1% q/q against a consensus of +0.1% q/q) stems from a new one-off factor (the sharp fall in aerospace output caused by delays in input deliveries) and masks an encouraging rebound in household consumption. In the United States, growth reached its highest level since Q2 2025 (0.8% q/q), driven by buoyant private domestic demand.

Eurozone: The resilience of growth is confirmed

Eurozone GDP grew by 0.4% q/q in Q3 according to Eurostat's preliminary flash estimate, above both the consensus and our *Nowcast* (0.3%). The ever-volatile Irish figures contributed 0.2 pp to this outcome. Excluding Ireland, growth (0.2% q/q) nonetheless remains in line with the pace of recent quarters (0.2-0.3% q/q on average). This illustrates the Eurozone's capacity to withstand the current shocks, thanks in particular to the strength of Spain (+0.07 pp contribution to the q/q change in Eurozone's GDP) and the Netherlands (+0.04 pp), and to Germany's gradual recovery (+0.06 pp). France (-0.03 pp) and Italy (zero growth), by contrast, posted disappointing results, although in France's case these partly reflect temporary factors (aerospace output). The growth carry-over for 2026 now stands at 1.0%, which supports our forecast of 1.1% in annual average terms and even points to upside risk. The European Commission's October surveys remain upbeat, with a further improvement in industrial activity expectations.

The German recovery continues. As anticipated by our [Nowcast](#), real GDP grew by 0.2% q/q in Q3 (after 0.3% in Q2). According to Destatis, consumption (private and public) increased slightly, while investment edged down. Export momentum slowed markedly compared with Q2. This is Germany's fourth consecutive quarter of growth.

Italian GDP surprised on the downside, stagnating in Q3 (against a consensus of 0.1%). According to Istat, this reflects a decline in value added in industry, offset by increases in services and agriculture. The positive contribution from domestic demand was reportedly cancelled out by a negative contribution from net trade.

Spanish growth remained robust in Q3, in line with expectations (0.6% q/q, after 0.7% in Q2), driven mainly by domestic demand (0.5 pp contribution) and, to a lesser extent, by net exports (0.1 pp). Consumption remains the main engine of growth (+0.6% q/q for private consumption and +0.9% for public consumption). Investment rose by 0.7%. Export growth (1.3%) once again outpaced import growth (1.1%) this quarter. All sectors except construction recorded positive changes in value added, with industry and services both up 0.7%.

France: A sharp drop in aerospace output prevents a return to growth in Q3

GDP contracted by 0.1% q/q in Q3 (after stagnating in Q2), weighed down by a sharp fall in aerospace output (-4.5% q/q in the production of other transport equipment, which includes aerospace). This steep decline dragged down goods production (down 1.2% q/q) and explains the sharp contraction in exports (-1.7% q/q) and business investment (-0.4% q/q). Net trade thus subtracted 0.6 pp from GDP (imports were flat over the same period). Conversely, **household consumption surprised on the upside (+0.4% q/q), boosted by purchases of electric vehicles (registrations up 112% y/y in Q3). Public consumption (+0.3% q/q) also supported growth, as did activity in market services (+0.3% q/q).** Despite the sharp drop in aerospace output in Q3, Airbus has confirmed its delivery targets for the year (with engine supply problems expected to be resolved), pointing to a strong rebound in growth in Q4 (0.3% q/q according to our forecasts). Overall, growth is expected to reach 0.3% in 2026, before picking up to 0.8% in 2027.

United States: Growth at a one-year high

GDP growth picked up in Q3 to 3.4% at a seasonally adjusted annualised rate (AR; i.e. 0.8% q/q), from 2.2% in Q2 (0.6% q/q). This is the fastest pace since Q3 2025, confirming that activity is almost immune to the energy shock. Private domestic demand remains particularly strong. Private non-residential investment accelerated to 12.7% AR, a performance unmatched since the post-Covid reopening. AI-related components are driving this figure (18.5% AR), but other types of investment are also rising for a second consecutive quarter (3.8% AR) after contracting uninterruptedly throughout 2025. Household consumption, steady at 2.5% AR in real terms, is growing faster than it did before inflation picked up again, but at the cost of a significant drop in the saving rate (3.8% at the end of the quarter, down from 4.4% at the end of the previous quarter). The United States nonetheless continues to "import its growth": net trade is weighing on GDP owing to a surge in imports (19.7% AR), driven by AI-related components – IT, semiconductors and telecommunications (103.8% AR).

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