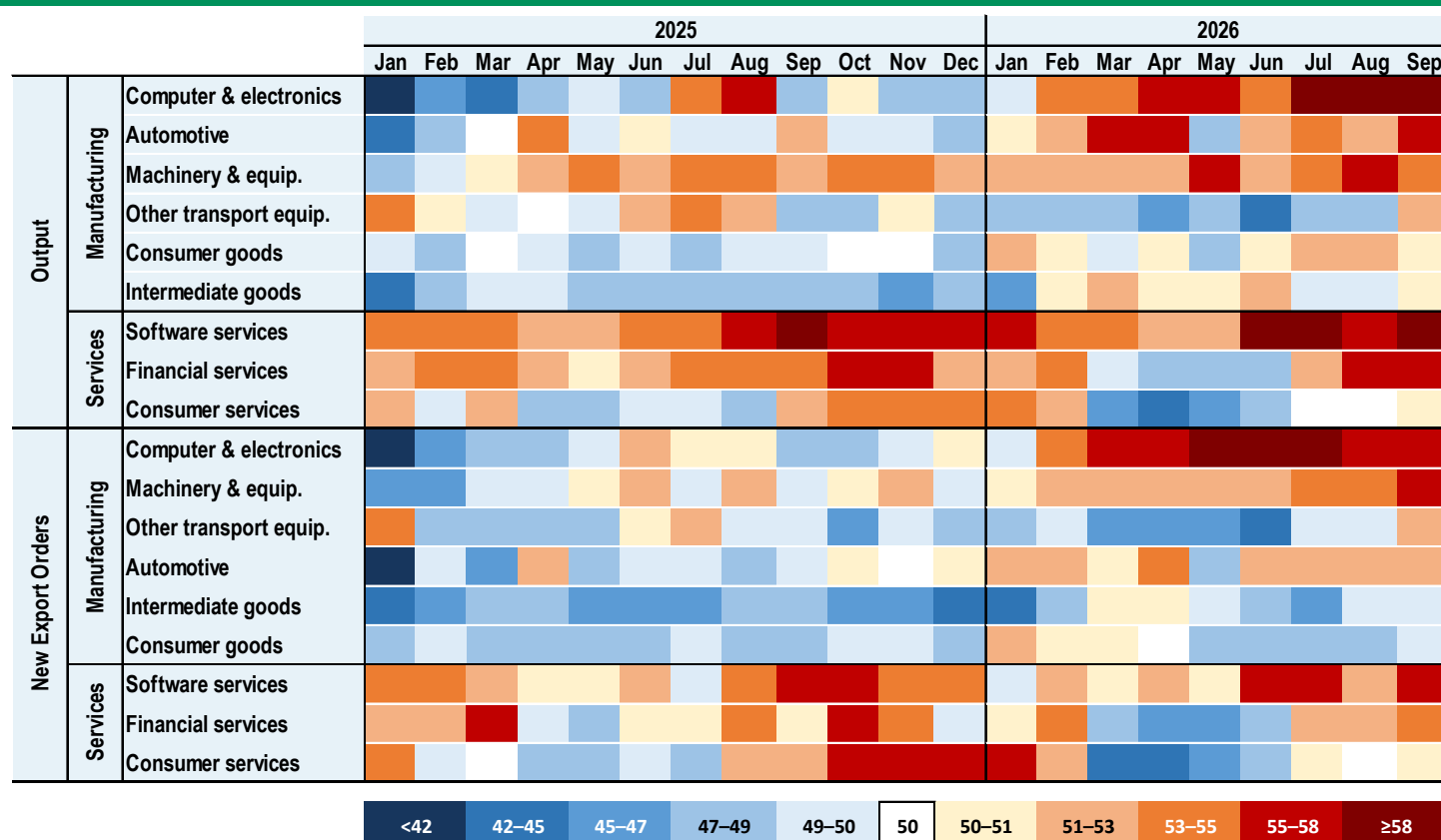


EUROZONE: IMPROVING BUSINESS SENTIMENT, DRIVEN BY TECH, IS SPREADING TO OTHER SECTORS

Stéphane Colliac & Tarik Rharrab

The September PMI surveys confirm that growth in the Eurozone is getting stronger, boosted in particular by new export orders, which are still rising. Sectors that were already performing well – technology and capital goods (including for defence) – are continuing to grow, while those that had been struggling until now – aeronautics, consumer goods and financial services – are seeing their production indices recover. This strong performance is particularly noteworthy, given that it has not yet been undermined by higher inflation.

Eurozone sectoral PMI indices: production and new export orders are strengthening across more sectors



SOURCE: S&P GLOBAL, BNP PARIBAS

The heatmap shows the PMI index readings: a reading above 50 indicates expansion, while a reading below 50 signals contraction compared to the previous month. For each indicator, sectors are ranked in descending order based on their September 2026 reading.

Shades of red represent values above 50, while shades of blue represent values below 50: the intensity of the colour increases the further away they are from this threshold.

Production growth spreads to more sectors

The PMI surveys on business sentiment confirm that business activity in the Eurozone is expanding at a faster pace and spreading to more sectors. Household-consumption-related sectors (goods and services), which were adversely affected in the spring by the outbreak of the conflict in the Middle East, do not appear to be negatively impacted by the rising inflation observed since August. The aeronautics sector, where production has mainly been limited by supply constraints, is also showing signs of improvement.

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These trends, although still moderate, come alongside a drive to upgrade equipment, fuelled by investment in digital technology, electrification (which is supporting the automotive sector) and defence. The momentum in technology goods and services further strengthened in September. The production index for computer and electronics hit a five-year high, while the software services production index stayed close to its July peak. Financial services are also enjoying a significant improvement, reflecting the healthy lending momentum despite interest rates starting to rise ([see our analysis](#)).

Growth driven by exports

Exports drove growth in the first half of 2026, both across the Eurozone as a whole ([see our analysis](#)) and among its key members ([notably Germany](#)). This momentum is also increasing, as indicated by the 'new export orders' component of the various PMI indices. As was the case with production, there has been a particularly noteworthy increase for capital goods (technology and machinery) and related services, particularly digital services. This trend is playing out more broadly, as, in September, new export orders rose across all sub-sectors, with the exception of intermediate goods and consumer goods, where contraction recently eased. There has been a significant improvement in the transport sector, particularly in the aeronautics industry, which has major markets in Asia. Recent data on French exports show that aeronautics exports to this region are rising once again.

The convergence between rising production and increasing export-order backlogs shows that Eurozone growth is based on an increasingly solid foundation. Inflationary pressures are not holding it back for the time being.

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With the help of Ece Usta (intern).



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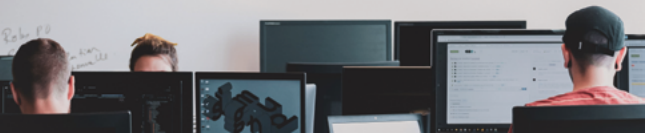
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