Eurozone Economic Growth Hits 17-Month High in October

The eurozone's economic activity gained strong momentum in October 2025, reaching its highest level in 17 months, according to the S&P Global HCOB Flash Composite Purchasing Managers' Index (PMI). The index rose to 52.2, up from 51.2 in September, marking the tenth consecutive month that the PMI has stayed above the 50-point mark, which separates growth from contraction.

The improvement was mainly driven by a robust performance in the services sector, which achieved a 14-month high in activity. New business orders grew at the fastest pace in nearly two and a half years, signalling a steady revival in consumer demand and business confidence. The manufacturing sector, though still facing challenges, showed slight improvement compared to previous months.

Among major economies, Germany led the upturn with significant growth in private sector output, while France saw weaker performance amid political and business uncertainty.

Employment across the eurozone's private sector also picked up, particularly in services, though some manufacturers continued to cut jobs. Input costs rose at a slower pace, and selling prices increased only marginally, suggesting inflationary pressures are easing.

Economists see this as a positive sign for the eurozone, indicating that the region's recovery is strengthening after months of sluggish growth. However, they also caution that the rebound remains uneven, with variations between countries and sectors.

Overall, the latest data suggests that the eurozone has entered the final quarter of 2025 on a stronger note, supported by rising demand, improving employment, and cooling inflation — a welcome boost for policymakers aiming to maintain economic stability across the region. For more insightful economic updates, visit Economicstaan Explainers.