

# Eurozone in recession as rising prices hit spending

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**The eurozone fell into recession this winter, revised figures show, as consumers were hit by rising prices.**

The economy of the 20 nation-bloc contracted by 0.1% between January and March, after also shrinking in the final three months of 2022.

A recession is generally defined as when an economy

shrinks for two three-month periods, or quarters, in a row.

As in other regions, the eurozone has been hit by rising food and energy prices that have weighed on households.

Spending by households in the bloc fell by 0.3% in the first three months of 2023, and by 1% in the previous quarter.

Initial growth estimates had suggested that the eurozone had avoided a recession and expanded by 0.1% in the first three months of the year. But [updated figures from Eurostat](#) showed it had shrunk in the first quarter.

Revised data from Germany - Europe's largest economy - contributed to the move into recession.

Last month, Germany said it had fallen into recession at the start of the year after its economy contracted by 0.3% between January and March.

Riccardo Fabiani, an economist at Oxford Economics, said he expected only "soft growth" in the eurozone the coming months, given that interest rates are still rising and "inflationary pressures are still present".

The bad news comes after a tough year for European economies, as surging energy prices sparked by Russia's war on Ukraine have driven up the cost of living.

The European Central Bank has responded by raising interest rates by 3.75 percentage points, in a bid to cool soaring prices.

Ireland's economy shrank by 4.6% in the first three months of 2023 compared with the previous three months.

Compared with the same period last year, its economy contracted by 0.3%.

Lithuania's economy was hit hardest compared with last year - its economy shrunk by 3.7%.