

# Europe's GDP grows after months of stagnation

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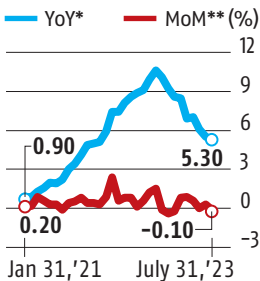
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Europe's economy has grown modestly after months of stagnation, but higher interest rates designed to fight inflation are casting a shadow as they make it more expensive for households and businesses to borrow, invest and spend.

The 20 countries that use the euro currency and their 346 million people saw 0.3 per cent growth in the April-to-June period, compared with the first three months of the year, the EU statistics agency Eurostat reported Monday.

That's an improvement over zero growth in the first quarter and a slight decline in fourth quarter of last year

## EUROZONE CONSUMER PRICE INDEX



\* Year-on-year; \*\*Month-on-month  
Source: Bloomberg

— but not by much. Plus, one-time factors and an outsized bump from Ireland made things look better than they really were. The eurozone got a boost by 0.5 per cent growth in France and 0.4 per cent in Spain.