

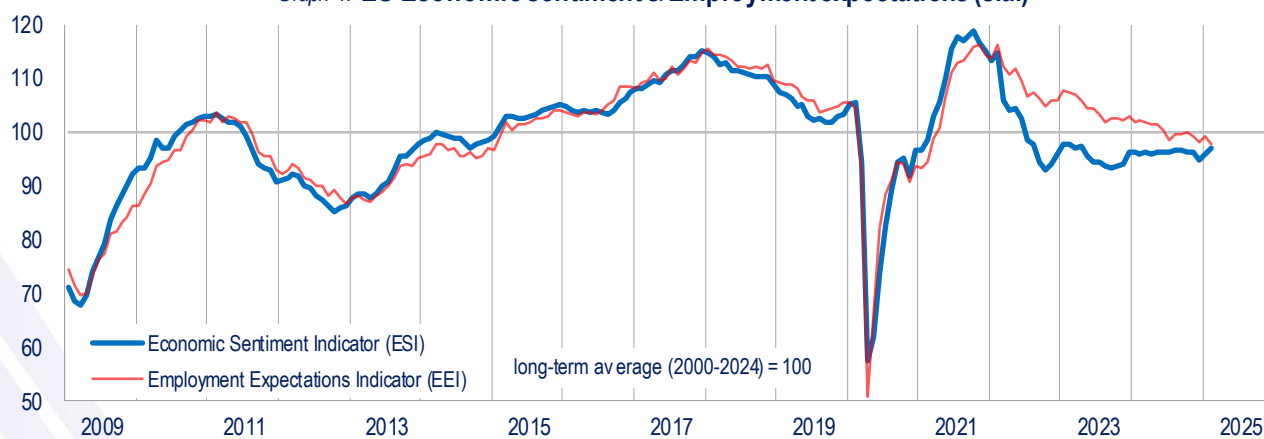
Business and consumer survey results for February 2025

Economic Sentiment up and Employment Expectations down in the EU and the euro area

In February 2025, the *Economic Sentiment Indicator* (ESI) increased in both the EU (+1.1 points to 97.1) and the euro area (+1.0 points to 96.3).¹ The *Employment Expectations Indicator* (EEI) turned down in both areas (EU: -1.2 points to 98.1, euro area: -1.5 points to 97.0). Both indicators score below their long-term average of 100.

EU developments

Graph 1: EU Economic sentiment & Employment expectations (s.a.)

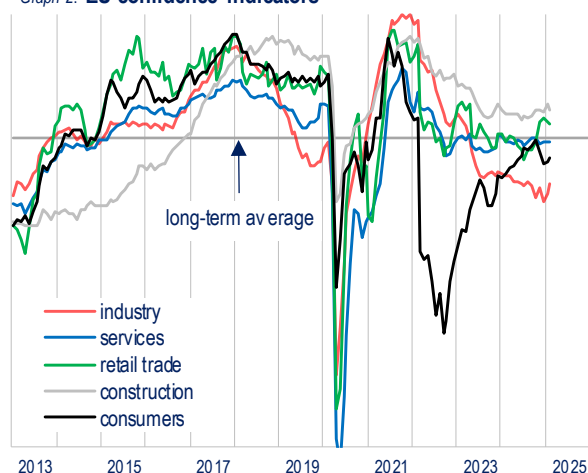


source: European Commission services

The strengthening of the ESI in the EU stemmed from improved confidence in industry and among consumers, which was moderated by a decrease in construction confidence. Confidence in retail trade remained broadly unchanged and services confidence was stable. The improvement in economic sentiment was reflected in most of the largest EU economies, with the ESI increasing significantly in Poland (+3.4), and noticeably also in France (+2.3), Germany (+1.2) and the Netherlands (+0.8). Italy (-0.4) and Spain (-2.0) registered a decline in their respective ESI.

Industry confidence increased for the second month in a row in February (+1.4), as all three components (i.e. managers' *production expectations* and their assessments of the *current level of order books* and the *stocks of finished products*) improved. Among the questions not entering the confidence indicator, managers' assessments of *past production trends* and *export order books* also improved. **Services confidence** remained stable (± 0.0), as managers' *worsening demand expectations* were offset by a more positive assessment of *past demand*. Managers' assessment of the *past business situation* remained broadly unchanged. **Consumer confidence** improved slightly (+0.4), as consumers became less pessimistic about the *general economic situation* in their respective country and increased their *intentions to make major purchases*. Their views on both their households' *expected financial situation* and *past financial situation* remained essentially stable. **Retail trade confidence** remained broadly stable (-0.2). Retailers' *business expectations for the next 3 months* and their views on the *past business situation* worsened moderately, but they were almost offset by an improvement in the assessments of the *volume of stocks*. **Construction confidence** declined in February (-1.0), as both builders' *employment expectations* and their assessments of the level of order books deteriorated. The percentage of construction managers indicating

Graph 2: EU confidence indicators²

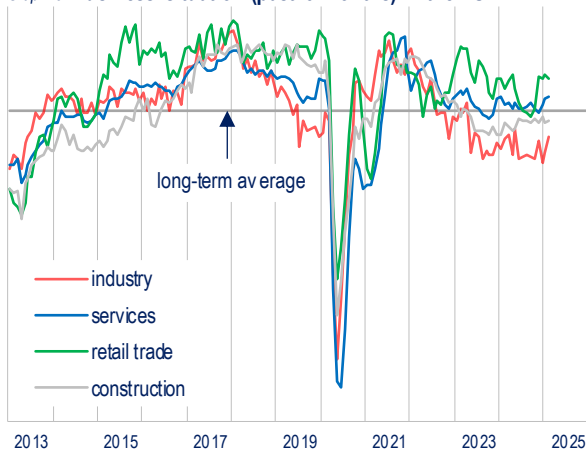


¹ Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

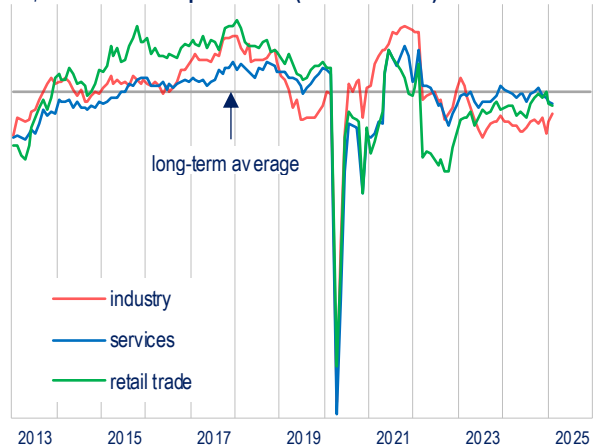
² The graph presents standardised series to correct for differences in means and standard deviations.

insufficient demand (± 0.0 points at 32.5%), *financial constraints* (-0.3 points to 7.5%) or *material/equipment shortages* (-0.4 points to 6.7%) as limiting factors to construction were stable or declined marginally between January and February. However, the percentage of builders indicating *labour shortages* as limiting factors increased (+1.0 points to 27.8%).

Graph 3: Business situation (past 3 months) in the EU²

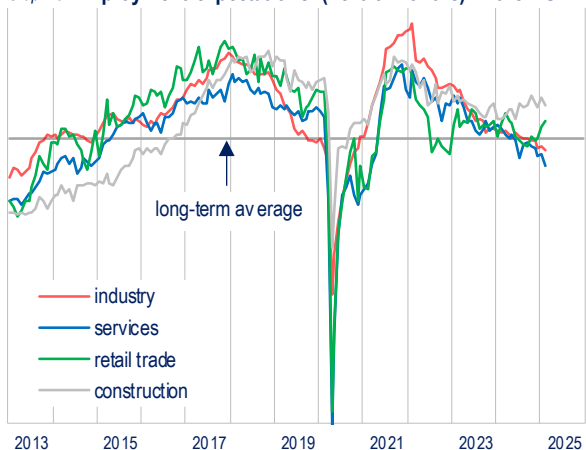


Graph 4: Business expectations (next 3 months) in the EU²

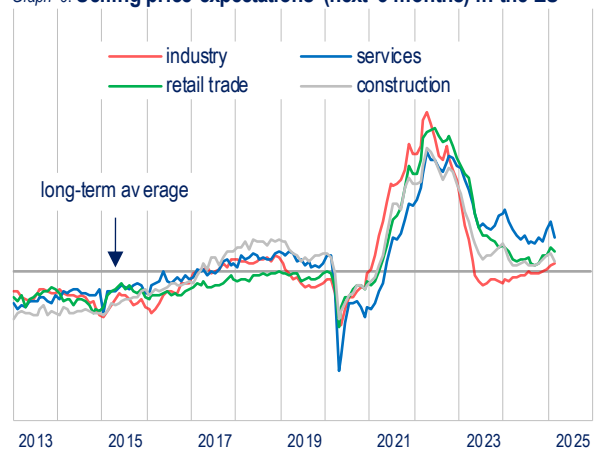


The **Employment Expectations Indicator** (-1.2) deteriorated, moving somewhat further below its long-term average. The decrease reflected significant deteriorations in employment plans in services and construction, and, less so, in industry. These deteriorations were only slightly moderated by a renewed increase in employment plans in retail trade. Consumers' unemployment expectations, which are not included in the headline indicator, improved. The EU **Labour Hoarding Indicator** continued to edge up (+0.3 points to 10.5) for the fourth consecutive month, scoring above its long-term average of 9.7.³

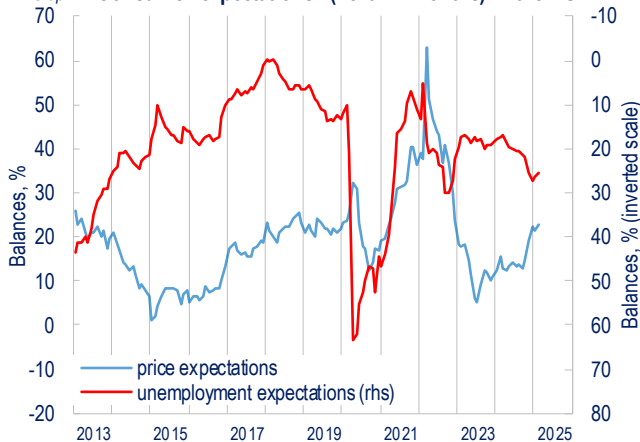
Graph 5: Employment expectations (next 3 months) in the EU²



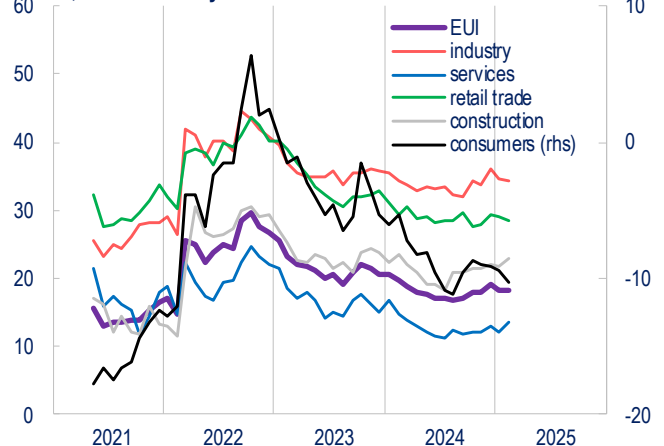
Graph 6: Selling price expectations (next 3 months) in the EU²



Graph 7: Consumer expectations (next 12 months) in the EU



Graph 8: Uncertainty in the EU



Selling price expectations fell considerably in services and construction, and, to a lesser extent, in retail trade, while continuing to edge up in industry. Selling price expectations score above their long-term averages in all sectors. Consumers' price expectations for the next twelve months increased again after a brief decline in

³ The LHI measures the percentage of managers expecting their firm's output to decrease, but employment to remain stable or increase. See the special topic of the [2023-Q2 EBCI](#) for background, and section 3.6.9 of the [BCS User Guide](#) for methodological details. Detailed LHI results per sector and country are available for download in the [time series section](#) of the BCS website.

January. The indicator has reached a level not seen since December 2022. In contrast, consumers' perceived price developments over the past twelve months declined after three months of increases. The indicator remained at a high level.

The European Commission's **Economic Uncertainty Indicator** (EUI) remained stable (± 0.0 points at 18.2). Managers' uncertainty about their future business situation increased in services and construction, offset by lower uncertainty among managers in industry and retail trade. Consumers' uncertainty about their future financial situation continued to decline in February.

Data collection period: 1 to 20 February.

Annex tables displaying results for the ESI, EEI, confidence indicators and individual survey questions for the past 12 months (as well as historical min, max and averages) are available [here](#).

Methods and definitions

The Commission's harmonised Business and Consumer Survey (BCS) programme, managed by the Directorate-General for Economic and Financial Affairs (DG ECFIN), was set up in 1961, and its scope has since expanded considerably in terms of both countries and sectors covered. Five surveys are conducted on a monthly basis in the following areas: manufacturing industry, construction, consumers, retail trade, and services. Some additional questions are asked on a quarterly basis in the January, April, July and October surveys in industry, construction, services, and among consumers. In addition, questions on manufacturing and services companies' investment plans are included twice a year (April and November). The surveys are conducted by national institutes in the Member States and the candidate countries based on harmonized questionnaires and a common timetable.

The data of the surveys is processed by DG ECFIN's Unit Economic situation, forecasts, business and consumer surveys (A3), Sector Business and consumer surveys and short-term forecast.

The **confidence indicators** are produced to reflect overall perceptions and expectations at the individual sector level in a one-dimensional index. For each of the five surveyed sectors, they are calculated as the simple arithmetic average of the (seasonally adjusted) balances of answers to specific questions chosen from the full set of questions in each individual survey.

The **Economic Sentiment Indicator (ESI)** is a composite indicator combining judgements and attitudes of businesses (in industry, construction, retail trade, services) and consumers by means of a weighted aggregation of standardised input series.

The **Employment Expectations Indicator** is constructed as a weighted average of the employment expectations of managers in four surveyed business sectors (i.e. industry, services, retail trade and construction).

More information on methods and definitions can be found in the [methodological guidelines](#) section of the [BCS website](#). All press releases can be found [here](#). Detailed data results of all surveys are freely available for download in the BCS [time series](#) section of the website.

You can also contact DG ECFIN at the following address: ECFIN-BCS-MAIL@ec.europa.eu

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