

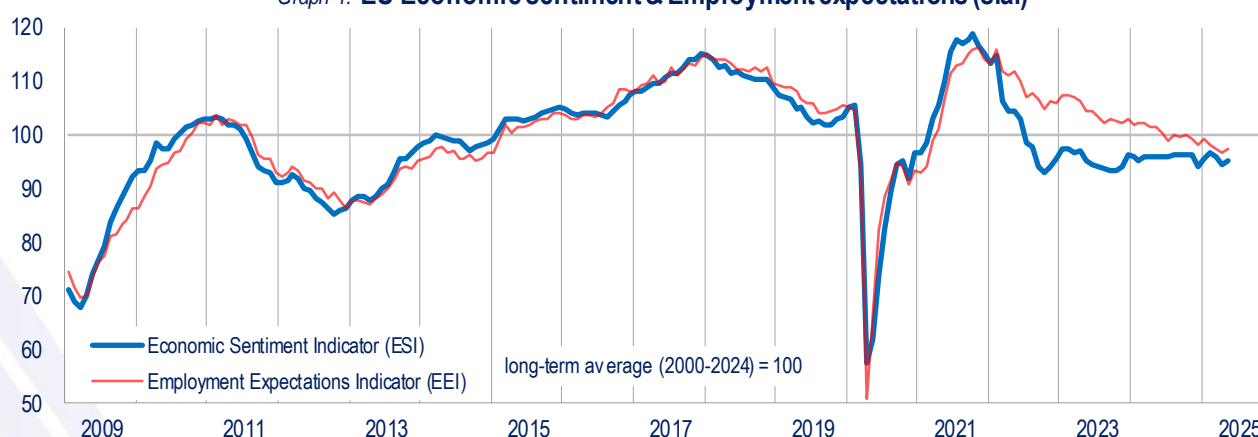
Business and consumer survey results for May 2025

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

In May 2025, after two months of decline, the *Economic Sentiment Indicator* (ESI) improved in both the EU (+0.6 points to 95.2) and the euro area (+1.0 points to 94.8).¹ The *Employment Expectations Indicator* (EEI) also picked up in both areas (EU: +0.6 points to 97.5, euro area: +0.5 points to 97.0). Despite the partial recovery of previous months' losses, both indicators remain below their long-term average of 100.

EU developments

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

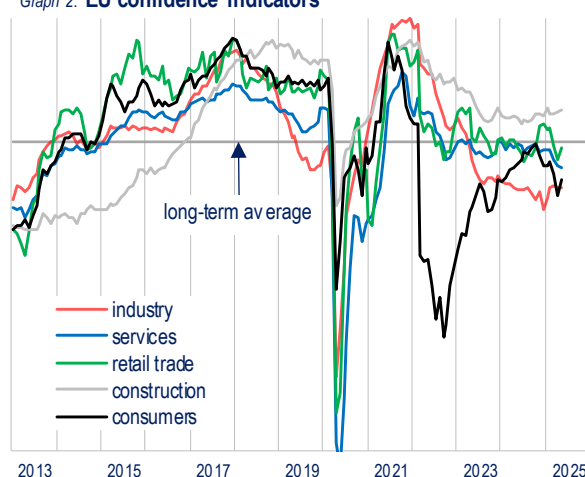


source: European Commission services

The rise in the ESI for the EU was primarily driven by a partial rebound of confidence in the retail trade sector and among consumers, with a moderate contribution also from the construction sector. Confidence in both the industry and services sectors remained broadly stable. Among the largest EU economies, the ESI increased in Italy (+2.8) and in Germany (+1.5). By contrast, the ESI declined markedly in France (-3.5), and more marginally in the Netherlands (-0.8), Poland (-0.6), and Spain (-0.4).

Industry confidence remained broadly stable for the third consecutive month (+0.2). The stability was due to managers' unchanged assessments of the *current level of order books* and the *stocks of finished products*, while their *production expectations* improved slightly. Among the questions not entering the confidence indicator, managers' assessments of *past production* and *export order books* improved significantly. **Services confidence** held broadly steady (-0.3), as managers' improved assessment of the *past business situation* were offset by a worsened assessment of *past demand*. Meanwhile, their *demand expectations* remained largely unchanged. **Consumer confidence** recovered (+1.4), driven by receding pessimism about the *general economic situation*. Also consumers' assessment of their households' *expected financial situation* and their *intentions to make major purchases* rebounded. Meanwhile, their perceptions of their *past financial situation* remained largely unchanged. Similarly, **retail trade confidence** recovered (+1.4), largely attributable to the recovery of retailers' assessment of the *past business situation* and more favourable assessments of the *volume of stocks*. However, this was tempered by a further decline in retailers' *expectations of their business situation over the next 3 months*. **Construction confidence** picked up (+0.5), driven by improved assessments of the *level of order books*, while builders' *employment expectations* remained broadly unchanged. The percentage of construction managers

Graph 2: EU confidence indicators²

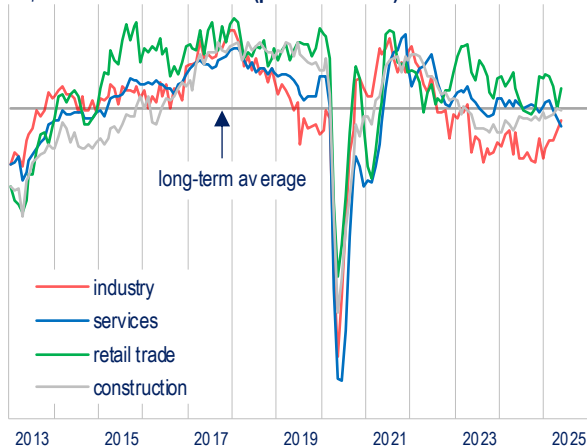


¹ Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

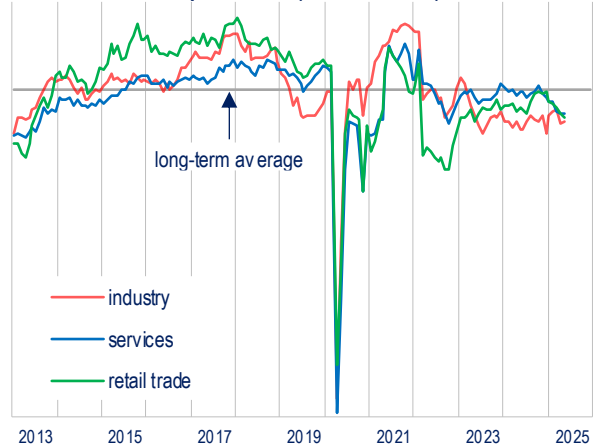
² The graph presents standardised series to correct for differences in means and standard deviations.

indicating *insufficient demand* as a limiting factor decreased to 32.4%. Meanwhile, the percentage of builders citing *labour shortages* (26.5%), *financial constraints* (7.9%) or *material/equipment shortages* (5.1%) as limiting factors to construction were broadly stable between April and May.

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

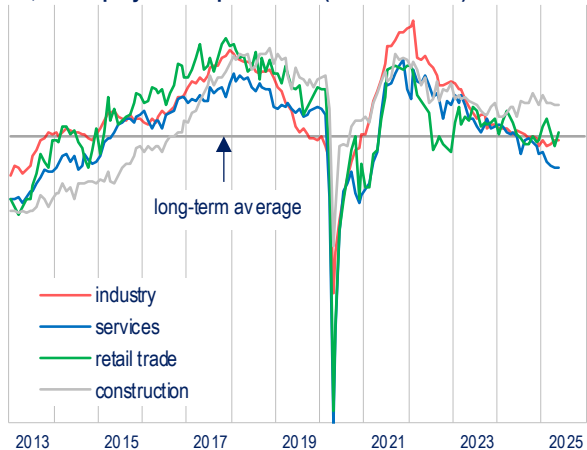


Graph 4: Business expectations (next 3 months) in the EU²

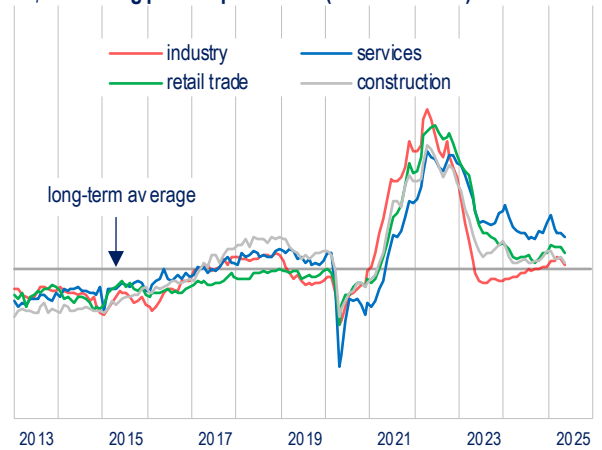


The **Employment Expectations Indicator** (+0.6) picked up after three months of decline. The uptick was largely driven by improved employment plans in the retail trade sector. In contrast, employment plans remained broadly unchanged in the industry, services and construction sectors. Consumers' unemployment expectations, which are not included in the headline indicator, worsened. The EU **Labour Hoarding Indicator** edged down compared to April (-0.3 points to 10.4), while remaining above its long-term average of 9.7.³

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



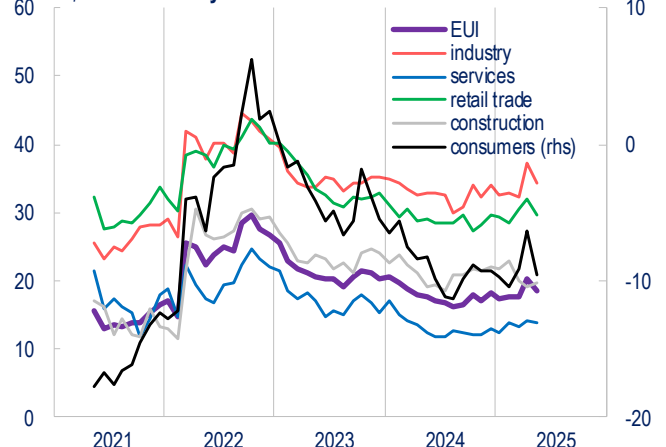
Graph 6: Selling price expectations (next 3 months) in the EU²



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



Graph 8: Uncertainty in the EU



Selling price expectations dropped in industry, services, retail trade and construction. Despite these decreases, selling price expectations remain above their long-term averages in all four sectors, albeit only slightly so in the industry and construction sectors. Consumers' price expectations for the next twelve months more than reverted the sharp increase of the previous month, thereby also halting the upward trend observed since late 2024. By

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.

contrast, consumers' perceived price developments over the past twelve months increased after three months of decreases or stability, keeping the indicator at a high level.

After April's steep increase, the **Economic Uncertainty Indicator** (EUI) receded in May (-1.9 points to 18.5). The decrease was largely driven by abating uncertainty of consumers regarding their future financial situation. Also managers in the industry and retail trade sectors revised their assessment of uncertainty about their future business situation downwards, while uncertainty levels among managers in the construction and services sectors remained relatively stable.

Data collection period: 1 to 20 May.

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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