

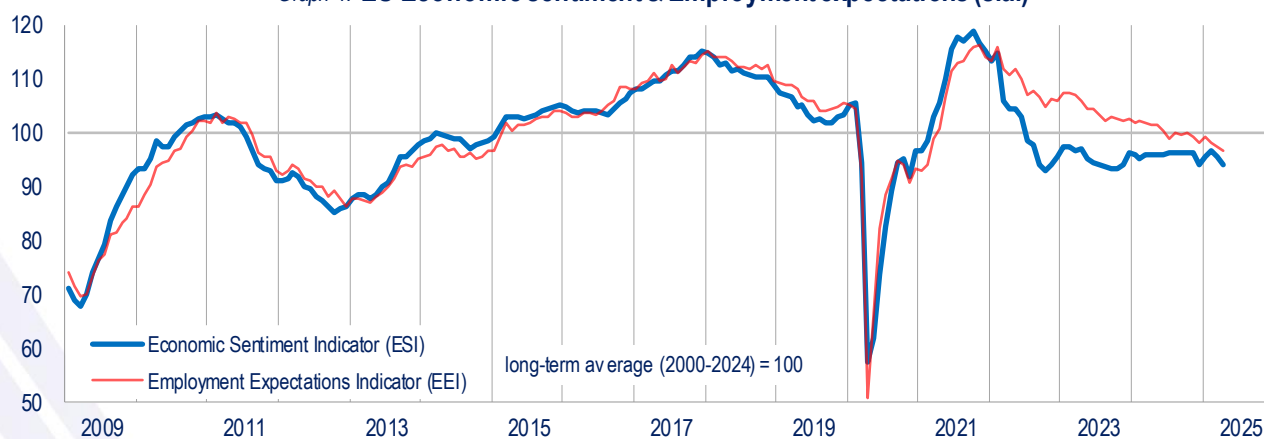
## Business and consumer survey results for April 2025

# Economic Sentiment down in the EU and the euro area; Employment Expectations fall in the EU, but remain stable in the euro area

In April 2025, the Economic Sentiment Indicator (ESI) declined by 1.4 points in both the EU (to 94.4) and the euro area (to 93.6).<sup>1</sup> The *Employment Expectations Indicator* (EEI) declined further in the EU (-0.7 points to 96.9), while remaining unchanged in the euro area (at 96.5). Both indicators score below their respective long-term averages in both areas.

## EU developments

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

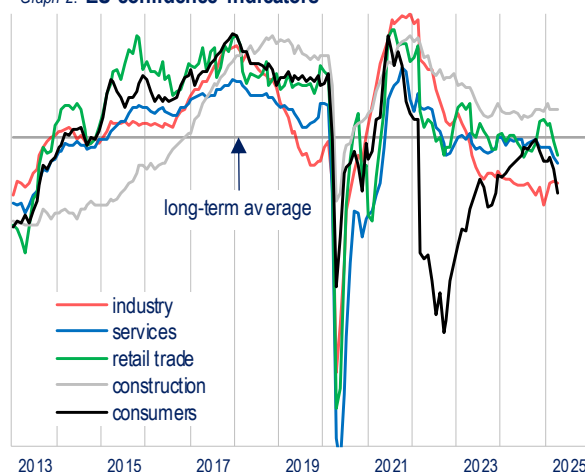


source: European Commission services

In the EU, the decline of the ESI resulted from markedly lower confidence among consumers, in retail trade and, to a lesser extent, in services, while confidence in industry and construction remained broadly stable. Among the largest EU economies, the ESI deteriorated significantly in the Netherlands (-2.5) and Italy (-1.8), while it improved slightly in Germany (+0.5) and Spain (+0.4). The indicator remained broadly stable in France and Poland.

**Industry confidence** remained broadly stable (-0.3), as a sharp decline in managers' *production expectations* was offset by improvements in their assessment of the *stocks of finished products* and especially the *current level of overall order books*. Of the questions not entering the confidence indicator, managers' assessment of developments in *past production* improved markedly, while their appraisal of *export order books* worsened slightly. **Services confidence** declined (-1.0), reflecting managers' worsened assessments of all three components (*past and expected demand*, and *past business situation*). The marked decrease in **consumer confidence** (-2.1) was driven by a deterioration in all its four components – i.e. consumers' views on their *household's past and future financial situation*, their *intentions to make major purchases*, and their expectations about the *general economic situation in their country*. The decline for the latter component was particularly pronounced. Also **retail trade confidence** (-1.7) declined strongly, reflecting retailers' markedly lower assessments of the *past and expected business situation*, while their assessment of the *volume of stocks* improved slightly. **Construction confidence** was unchanged, as marginally less optimistic expectations on *employment* were offset by a small increase in builders' assessment of their *order books*. The percentage of construction managers indicating

Graph 2: EU confidence indicators<sup>2</sup>

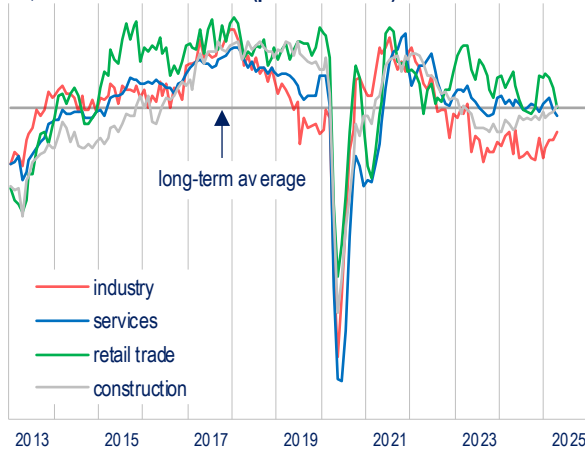


<sup>1</sup> Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

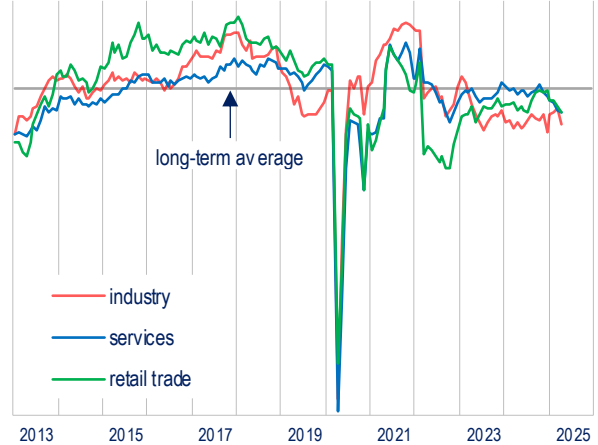
<sup>2</sup> The graph presents standardised series to correct for differences in means and standard deviations.

insufficient demand or financial constraints as a factor limiting construction increased (to 33.2% and 8.1%, respectively). By contrast, the percentage of construction managers indicating shortages of *labour* or *material/equipment* as limiting factors decreased (to 26.6% and 5.3%, respectively).

Graph 3: Business situation (past 3 months) in the EU<sup>2</sup>



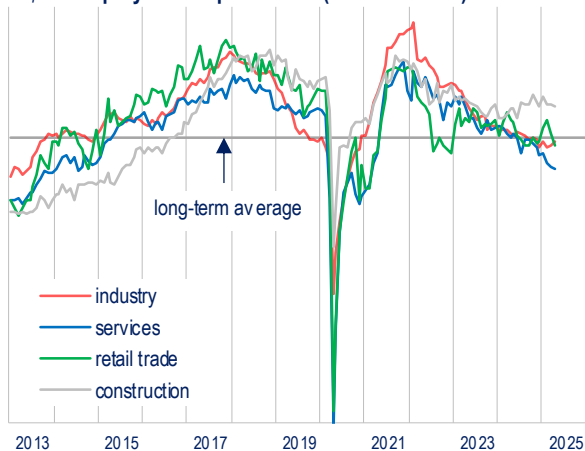
Graph 4: Business expectations (next 3 months) in the EU<sup>2</sup>



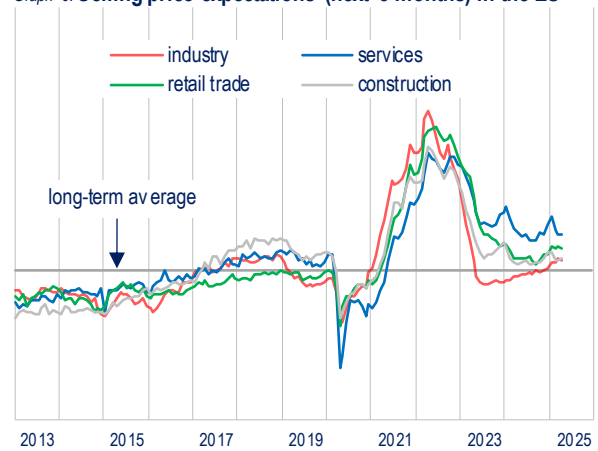
The **Employment Expectations Indicator** (-0.7) declined further. The decline resulted from lower employment plans among retail trade, services and construction managers, partly counterbalanced by more optimistic plans in the industry sector. Consumers' unemployment expectations, which are not included in the headline indicator, worsened. At the same time, the EU **Labour Hoarding Indicator** increased marginally compared to March (+0.2 points to 10.7%), continuing its slow upwards trend since late 2024 and remaining above its long-term average of 9.7.<sup>3</sup>

**Selling price expectations** declined slightly in industry and remained broadly stable in services, retail trade and construction. Selling price expectations score above their long-term average in all four business sectors. Consumers' price expectations for the next twelve months increased strongly in April, continuing a steeply increasing trend since late 2024. By contrast, perceptions of price developments over the past twelve months declined further, though remaining at a very high level.

Graph 5: Employment expectations (next 3 months) in the EU<sup>2</sup>



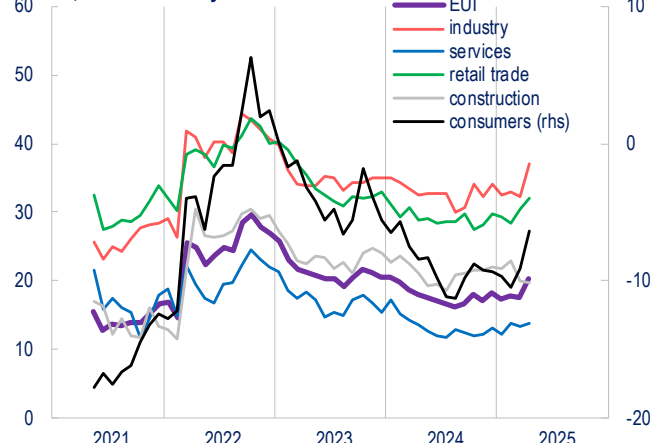
Graph 6: Selling price expectations (next 3 months) in the EU<sup>2</sup>



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



Graph 8: Uncertainty in the EU



<sup>3</sup> 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 [2024-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.

The European Commission's **Economic Uncertainty Indicator (EUI)** surged in April (+2.8 points to 20.4). Managers' uncertainty about their future business situation increased sharply in industry, hitting a 27-month high. The indicator also increased in services and retail trade, while remaining broadly stable in construction. Consumers' uncertainty about their future financial situation also picked up strongly, to the highest level since February 2024.

#### **Quarterly survey results** (conducted in April)

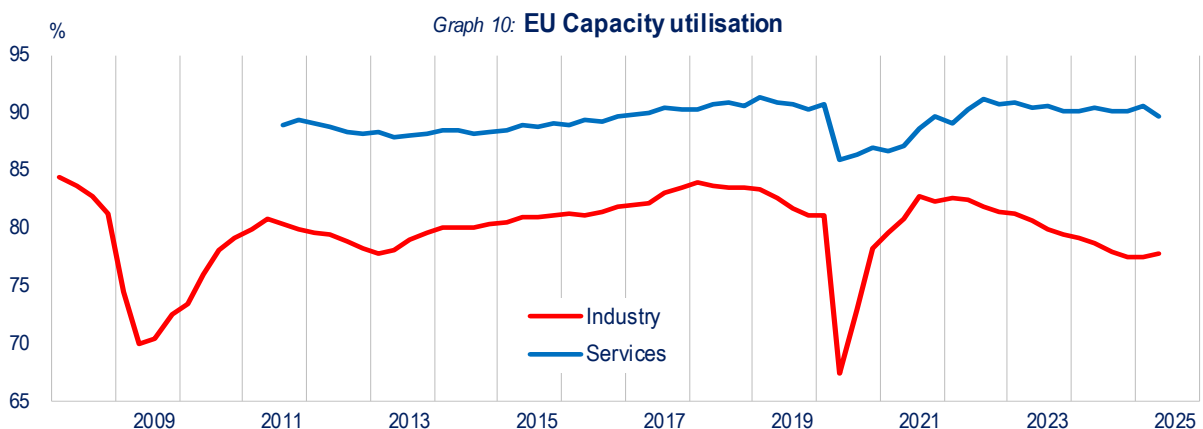
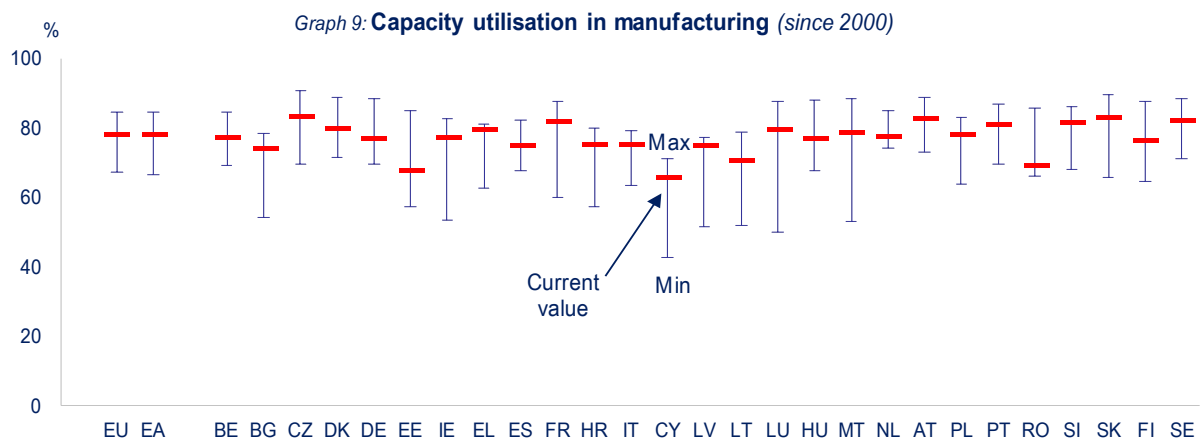
The quarterly questions in the industry and services surveys are asked in January, April, July and October of each year.

In EU industry, the estimated rate of capacity utilisation increased by 0.4 percentage points from January to April, reaching 77.8%. Accordingly, the share of managers assessing their current production capacity as 'more than sufficient' (in view of current order books and demand expectations) decreased (-2.0 points). Still, following a downward trend for more than three years, the capacity utilisation rate remained below its long-term average of 80.5%. On the external side, managers' assessments of their competitive position on non-EU markets over the past three months deteriorated (by 1.6 points), hovering around its historical low. Managers' views on developments in orders over the past three months improved strongly (+3.2) but remained low by historical standards.

The share of industry managers indicating insufficient demand as a factor limiting their production decreased by 2.2 percentage points (pps) from January to April, to reach 36.6%. Meanwhile, the percentage of managers pointing to shortages of material and/or equipment as a factor limiting production decreased further from the record-high level of early 2022 (to 9.3%). The share of managers indicating a shortage of labour force as a limiting factor decreased marginally (to 18.2%), remaining well above its long-term average. At 5.5%, the share of managers pointing to financial constraints as limiting their firm's production stayed broadly stable at a relatively low level.

Turning to services, capacity utilisation in the EU decreased compared to January (-0.8 pps to 89.7%), remaining nevertheless slightly above its long-term average of 89.3%.

Euro-area developments were qualitatively in line with the described EU developments. The estimated rate of capacity utilisation in industry increased by 0.4 pps to 77.7%. In services, it decreased by 0.9 pps to 89.3%.



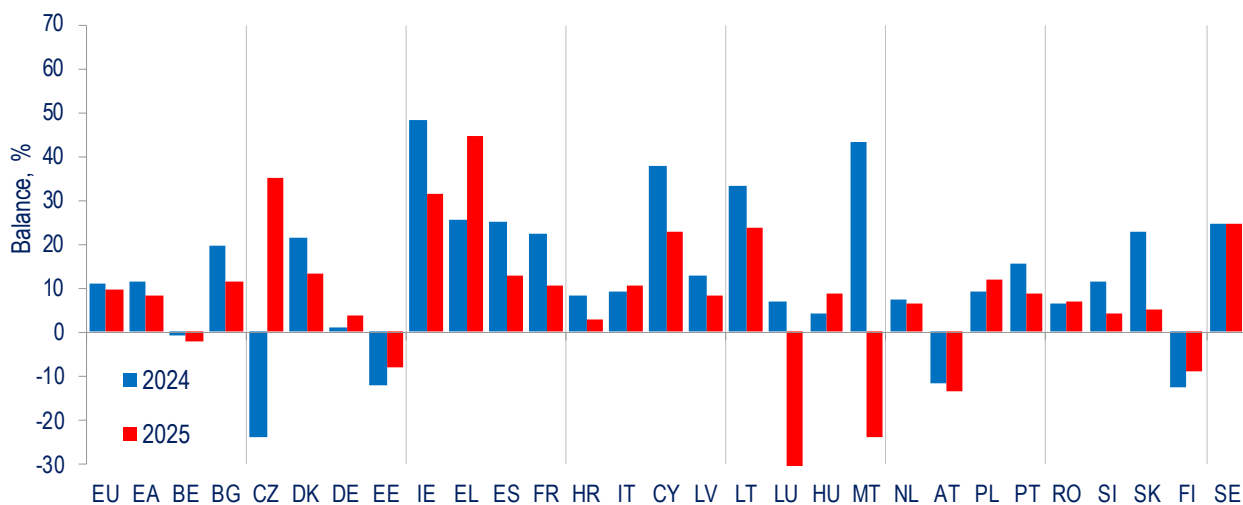
## Investment survey (conducted in March/April)

The bi-annual investment survey, conducted in October/November and in March/April, asks managers in the industry and services sectors about the direction of change (increase, unchanged, decrease) of investment by their company. In spring, managers are asked about investment realised in their firm in the previous year (t-1) and planned in the current year (t).

According to the survey conducted in March/April 2025, the share of managers in EU industry reporting an increase in their firm's investment in 2024 was higher than the share reporting a decrease. The resulting positive balance of 11% of positive over negative assessments represents a significant upward revision compared to the balance from the previous survey conducted in October/November 2024 (1%). For 2025, the balance of expectations for an increase in investments compared to 2024 increased to 10%, which is also an upward revision compared to the results in the October/November 2024 survey (5%).

The percentage of managers reporting an increase in their firm's investment in 2024 rose also among services managers (net balance of 15% compared to 6% in the October/November 2024 survey). For 2025, the balance of services managers predicting an increase in investment compared to 2024 rose to 11%, which is again higher than the balance from the October/November 2024 survey (8%).

Graph 11: Investment expectations



Data collection period: 1 to 22 April.

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](mailto:ECFIN-BCS-MAIL@ec.europa.eu)

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<b>Upcoming releases:</b>	Flash Consumer Confidence Indicator	20 May 2025
	Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)	27 May 2025