

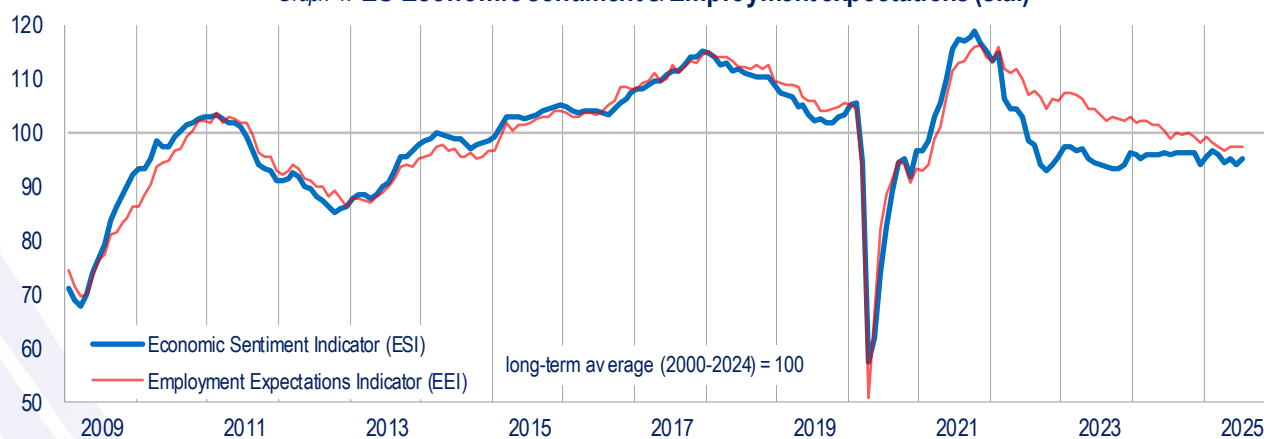
## Business and consumer survey results for July 2025

# Economic Sentiment picks up in both the EU and the euro area, Employment Expectations broadly stable

In July 2025, the *Economic Sentiment Indicator (ESI)* picked up in both the EU (+1.0 points to 95.3) and the euro area (1.6 points to 95.8).<sup>1</sup> The *Employment Expectations Indicator (EEI)* stayed broadly unchanged compared to June in both areas (EU: -0.3 points to 97.4, euro area: +0.3 points to 97.5). Both indicators score below their long-term average of 100.

## EU developments

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

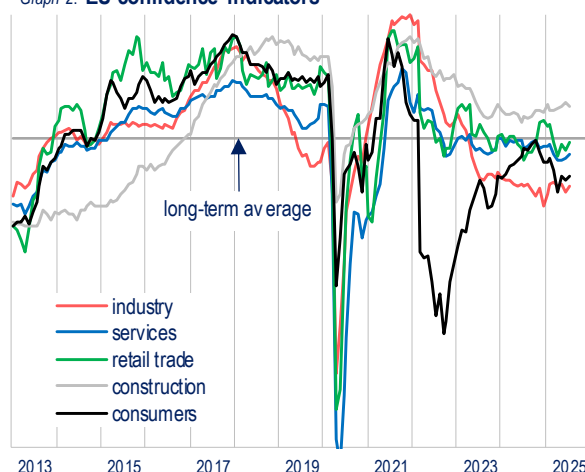


source: European Commission services

The upturn in the ESI for the EU was driven by higher confidence in industry, services, retail trade, and a marginal improvement in consumer confidence, while confidence in construction declined slightly. Amongst the largest EU economies, the ESI improved markedly in France (+2.4), Spain (+2.2), Germany (+1.2) and, to a lesser extent, in Italy (+0.4), while it remained broadly stable in the Netherlands (-0.2) and decreased markedly in Poland (-2.1).

**Industry confidence** picked up in July (+0.9 points), driven by managers' brighter *production expectations* and slightly improved assessments of the *current level of overall order books*. Managers' assessment of *stocks of finished products* remained broadly stable. Of the questions not entering the confidence indicator, also managers' assessment of *export order books* edged up, while their views on trends in *past production* worsened. **Confidence in services** improved (+0.7), on the back of a significant increase in managers' *demand expectations* and a more modest rise in their assessment of the *past business situation*. Meanwhile, managers' evaluation of *past demand* remained largely unchanged. **Consumer confidence** ticked up in July (+0.3). Consumers' perception of their *households' financial situation*, both backward- and forward-looking, and their *intentions to make major purchases* improved, while their expectations about the *general economic situation* in their country worsened. **Retail trade confidence** improved by 0.8 points, despite retailers' assessment of the *past business situation* deteriorating markedly. This decline was more than offset by sharply higher expectations about the *future business situation* and an improved evaluation of *their volume of stocks*.

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

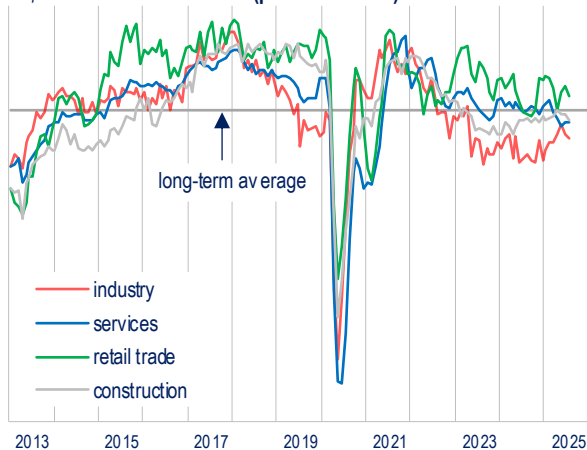


<sup>1</sup> Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

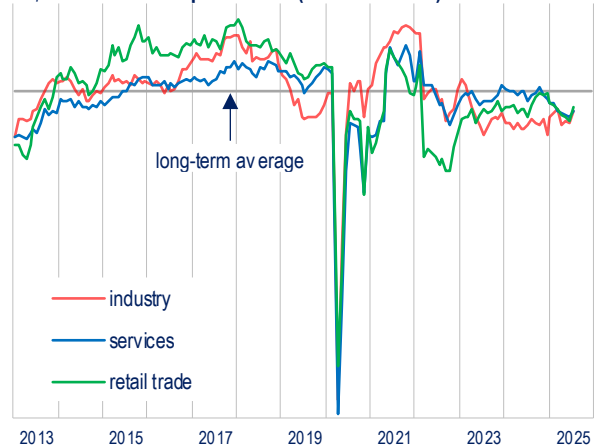
<sup>2</sup> The graph presents standardised series to correct for differences in means and standard deviations.

**Construction confidence** declined by 0.6 points in July, owing to a decrease in builders' *employment expectations*, while their assessment of *order book levels* remained broadly unchanged. The percentage of construction managers indicating *insufficient demand* as a factor limiting their business edged up to 31.4%. The percentage of builders indicating *material/equipment shortages* and/or *financial constraints* as limiting factors increased as well, to 5.5% and 8.7%. Conversely, the percentage of builders indicating *labour shortages* decreased to 27.7% in July.

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



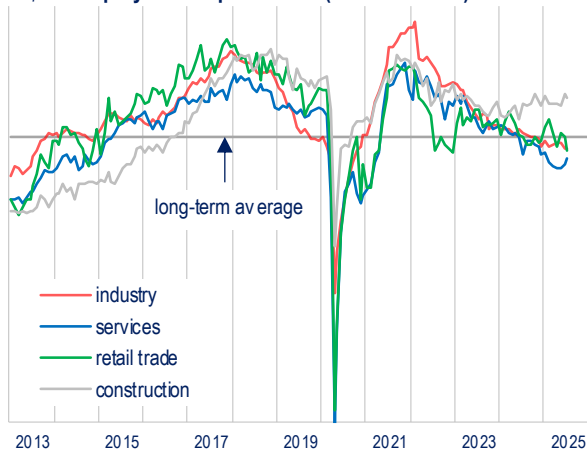
Graph 4: Business expectations (next 3 months) in the EU<sup>2</sup>



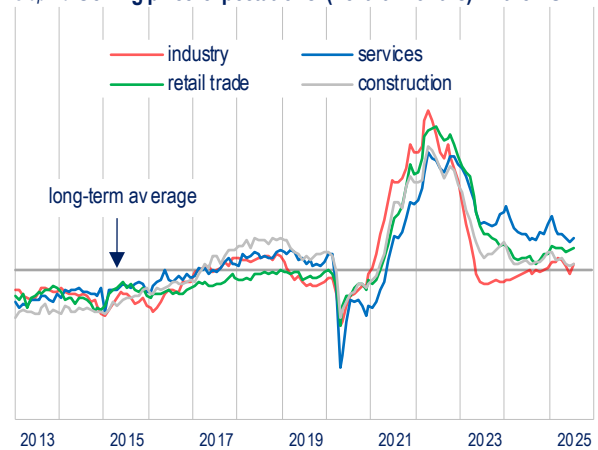
The EU **Employment Expectations Indicator** remained broadly stable (-0.3 to 97.4), below its long-term average of 100, as declines in employment plans in the retail trade and construction sectors were largely offset by improved employment expectations in the services sector. Managers' employment expectations in industry remained unchanged. Consumers' unemployment expectations, which are not included in the headline indicator, improved in July. The EU **Labour Hoarding Indicator** declined further (-0.5 points to 9.7), reaching its long-term average.<sup>3</sup>

**Selling price expectations** picked up strongly in industry and, to a lesser extent, in services, retail trade and construction. Selling price expectations score above their long-term averages in all sectors, particularly so in services. Consumers' price expectations for the next twelve months picked up markedly in July. In contrast, their perceptions of past price developments decreased marginally further. Both assessments remain elevated.

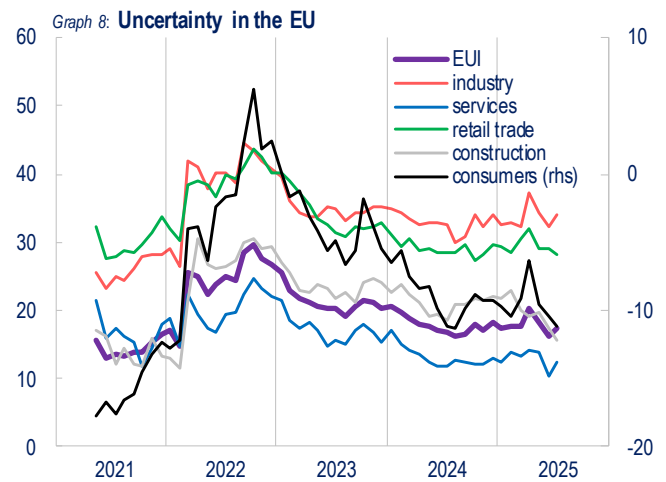
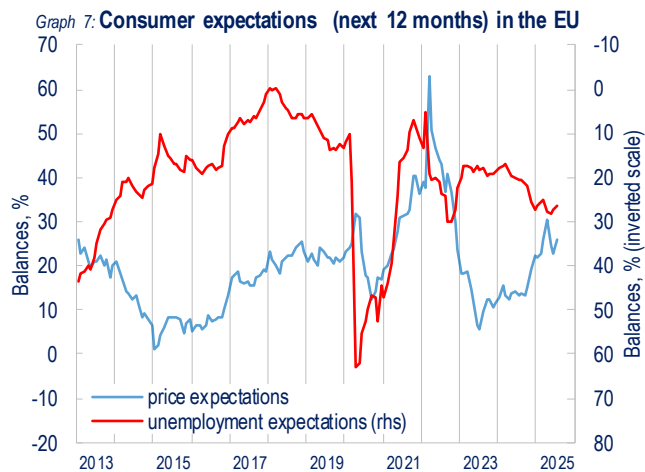
Graph 5: Employment expectations (next 3 months) in the EU<sup>2</sup>



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



<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 [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.



The **Economic Uncertainty Indicator (EUI)** increased (+1.0 point to 17.3). Industry and services managers reported a marked increase in uncertainty about their future business situation, while uncertainty decreased in retail trade and construction. Consumers' uncertainty about their future financial situation declined as well.

#### Quarterly survey results (conducted in July)

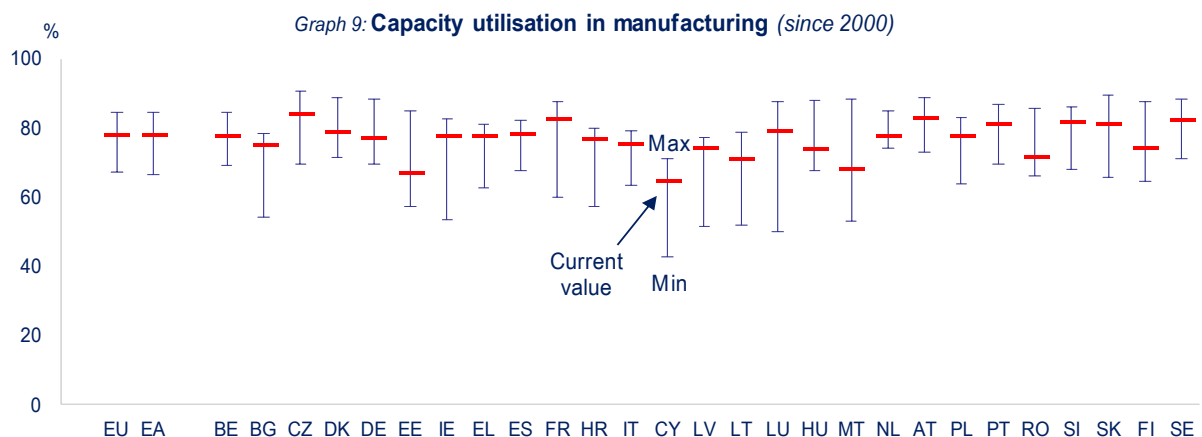
The quarterly questions in the industry and services surveys are asked in January, April, July, and October of each year.

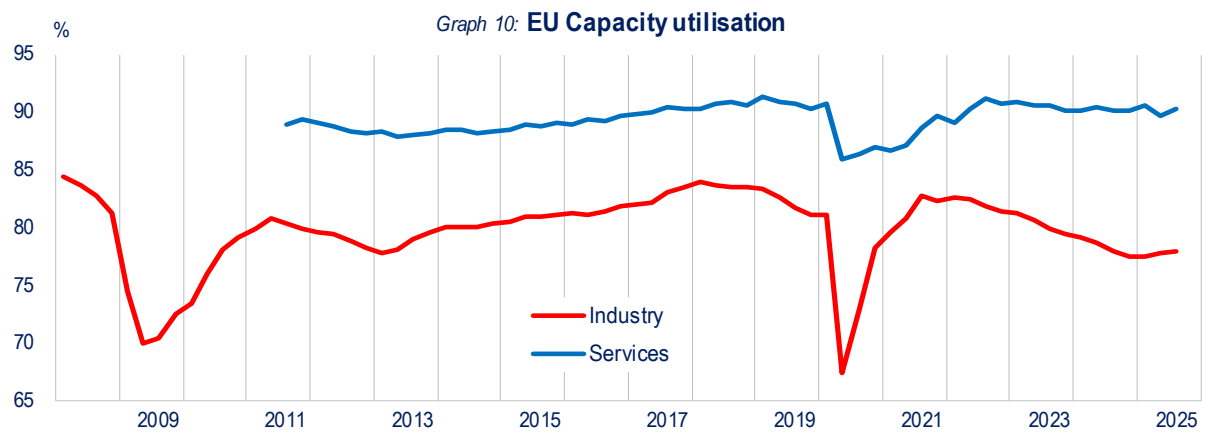
In the EU industry, the estimated rate of capacity utilisation ticked up by 0.1 percentage points to 77.9% in July compared to April. Consistently, the share of managers assessing their current production capacity as 'more than sufficient' (in view of current order books and demand expectations) decreased (-2.4 points). On the external side, managers' assessments of their competitive position on non-EU markets over the past three months improved slightly (+0.2 points) but remained low. Meanwhile, their evaluation of order developments over the past three months improved markedly (+1.3).

The share of industry managers citing *insufficient demand* as a factor limiting their production picked up by 1.4 points compared to April to 38.1%, interrupting the downward trend visible since the beginning of the year. By contrast, the percentages of managers pointing to *shortages of material and/or equipment* (-0.4 points to 8.9%), *shortage of labour force* (-1.8 points to 16.4%), and/or *financial constraints* (-0.4 points to 5.0%) as limiting factors declined compared to April.

Turning to services, EU capacity utilisation rose by 0.5 percentage points to 90.2%, exceeding its long-term average of 89.3%.

Euro-area developments largely mirrored those in the EU. The estimated rate of capacity utilisation was unchanged compared to April in industry (at 77.8%), while it increased by 1.1 points to 90.4% in services.





*Data collection period: 1 to 23 July.*

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)

© European Union, 2025

Reproduction is authorised provided the source is acknowledged

<b>Upcoming releases:</b>	Flash Consumer Confidence Indicator	21 August 2025
	Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)	28 August 2025