30 July 2026

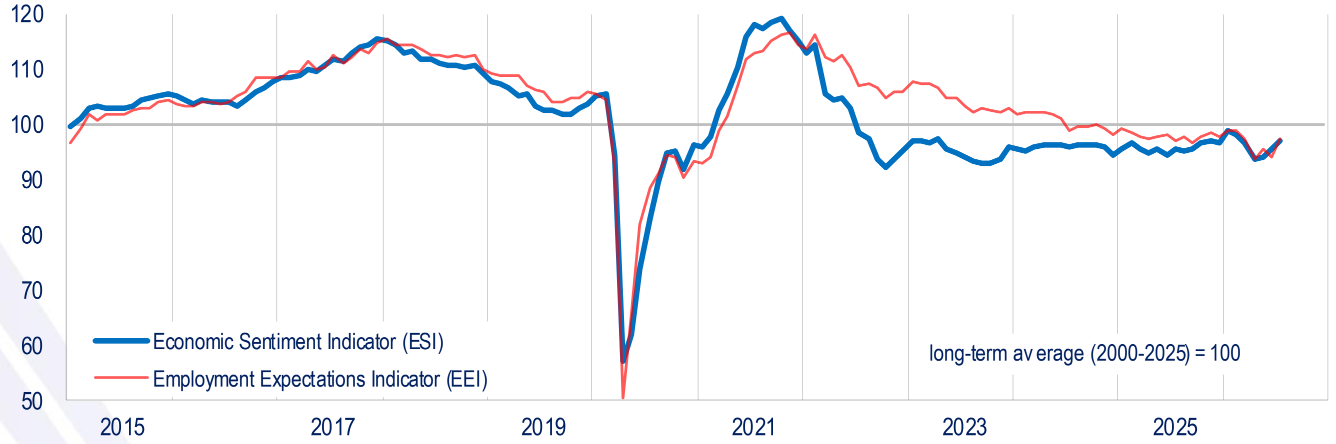
Business and consumer survey results for July 2026

Economic Sentiment and Employment Expectations improve markedly in both the EU and the euro area

In July 2026, the *Economic Sentiment Indicator (ESI)* continued to recover in both the EU and the euro area, rising by +1.5 points in both areas, to 97.2 in the EU and 96.9 in the euro area.[1] In addition, the *Employment Expectations Indicator* (EEI) improved considerably compared to June in both areas (EU: +3.3 points to 97.7, euro area: +3.5 points to 97.2).

EU developments

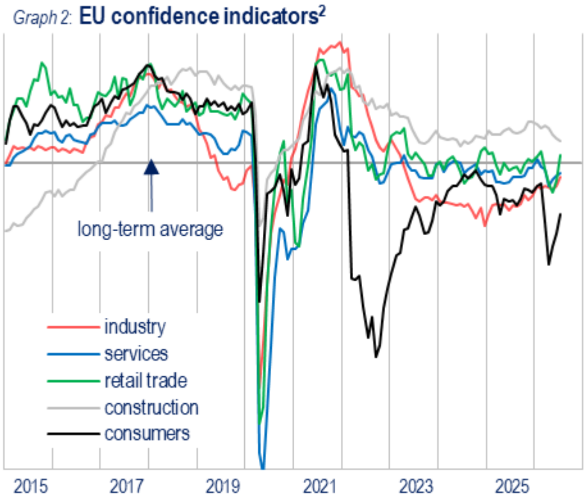
Graph 1: **EU Economic sentiment & Employment expectations (s.a.)**



source: European Commission services

The third consecutive upturn in the ESI has been driven by markedly higher confidence in almost all sectors—industry, services, retail trade and among consumers—, only construction saw a marginal decline. Among the largest economies, the ESI improved noticeably in France (+2.4), the Netherlands (+1.3) and Germany (+1.1), rose moderately in Spain (+0.8) and Italy (+0.4) and remained broadly stable in Poland (-0.1).

Graph 2: **EU confidence indicators**[2]



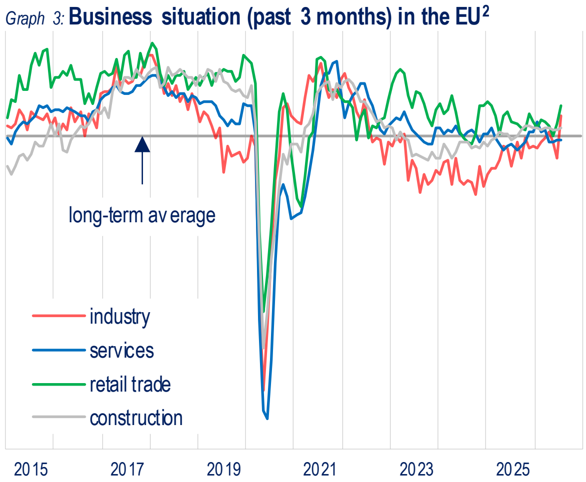
Industry confidence continued its upward trend (+1.3), thanks to notable improvements in managers' assessments of *production expectations* and the *current level of overall order books*. Meanwhile, managers' assessment of the *stocks of finished products* worsened moderately. Among the questions not entering the confidence indicator, managers' assessment of *production changes in recent months* surged. Views on *export order books* improved too. **Confidence in services** edged up (+0.5) on the back of managers' brighter assessments of recent changes in the *past business situation*. By contrast, assessments of *past demand* and *demand expectations* remained broadly stable. **Consumer confidence** rose significantly (+1.9), driven by increases in all its components—i.e. consumers' expectations about the *general economic situation in their country*, their views of the *households' past* and *future financial situation* and their *intentions to make major purchases*. **Retail trade confidence** also improved markedly (+3.0), driven by retailers' significantly brighter assessments of both the *past* and *future business situation*, despite a worsened assessment of their *volume of stocks*. By contrast,

[1] Past survey data were revised due to seasonal adjustment and revisions in Romanian services survey data in June 2026 and French services survey data starting from January 2026.

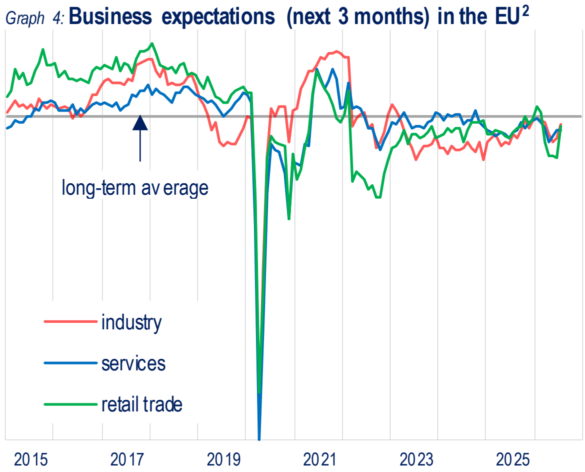
[2] The graph presents standardised series to correct for differences in means and standard deviations.

construction confidence continued to weaken (-0.4), as builders' assessment of their *order book levels* deteriorated significantly, despite an improvement of their *employment expectations*.

Graph 3: **Business situation (past 3 months) in the EU**[2]



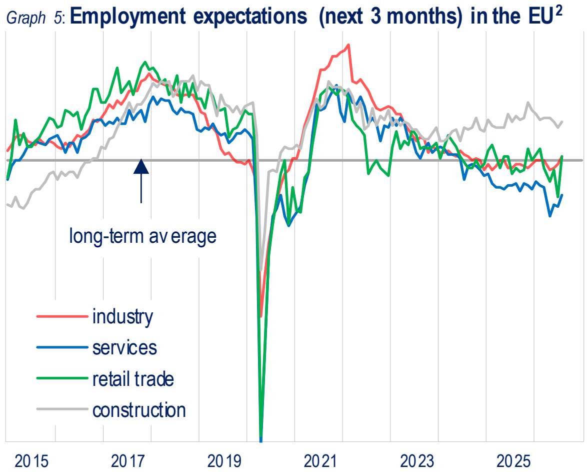
Graph 4: **Business expectations (next 3 months) in the EU**[2]



The EU ***Employment Expectations Indicator*** also improved considerably in July compared to June (+3.3 points to 97.7), explained by significant increases of employment plans in all sectors: retail trade, services, industry and construction. Correspondingly, consumers' unemployment expectations, which are not included in the headline indicator, decreased markedly (-2.4). The EU ***Labour Hoarding Indicator*** declined for the third consecutive month (-0.6 points to 9.3), returning below its long-term average of 9.6.[3]

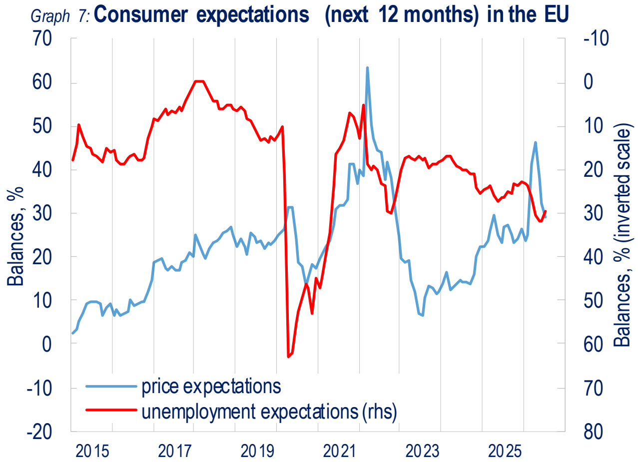
Managers' ***selling price expectations*** continued to decline from their April peaks in all four business sectors: industry (-4.8 points), retail trade (-4.3), construction (-4.1) and services (-1.1). Despite the sharp declines, selling price expectations remain well above their long-term averages in all sectors. Consumers' price expectations for the next twelve months and their perceptions of past price developments also fell markedly (-3.5 and -1.9 respectively) but remained elevated in a historical perspective.

Graph 5: **Employment expectations (next 3 months) in the EU**[2]

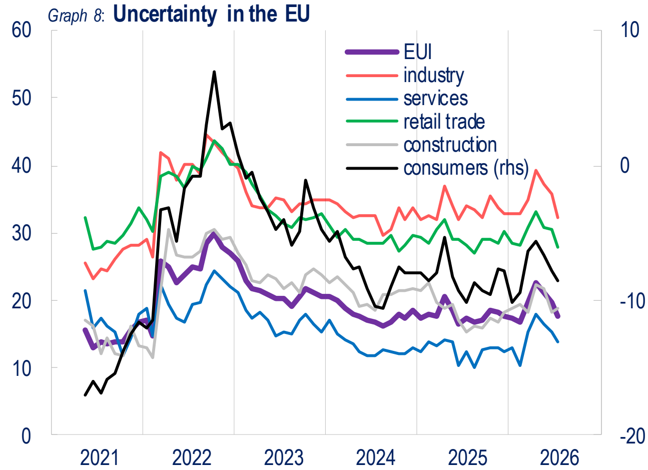


Graph 6: **Selling price expectations (next 3 months) in the EU**[2]

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



Graph 8: **Uncertainty in the EU**



[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 or the new data browser.

The **Economic Uncertainty Indicator (EUI)** declined markedly (-2.1 points to 17.8) and for the third consecutive month since the peak in April. Managers' uncertainty about the future business situation decreased in almost all sectors—industry, retail and services—, except in the construction sector. Consumers' uncertainty about their future financial situation also declined.

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.

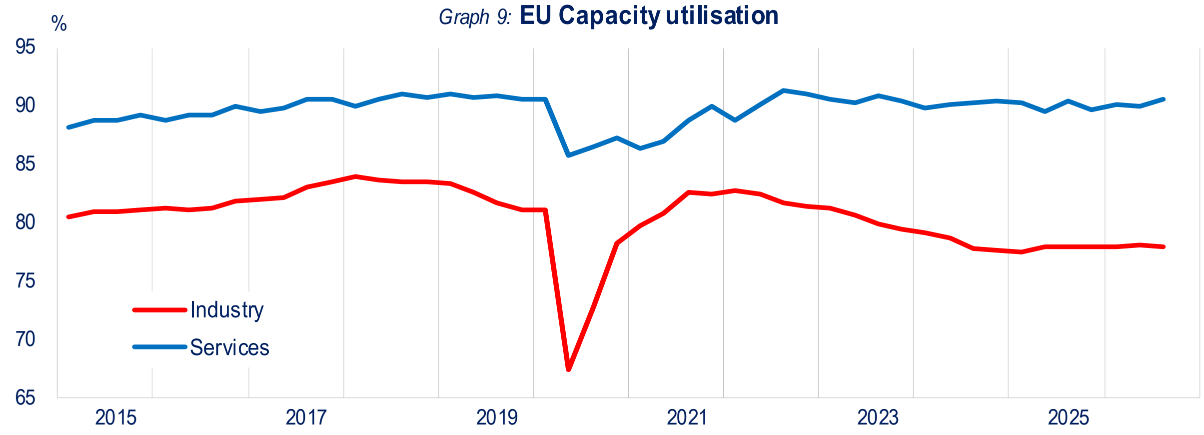
In the EU industry, the estimated rate of *capacity utilisation* decreased marginally (-0.1 points) to 77.9% in July compared to April. In line with the lower capacity utilisation rate, the share of managers assessing their *current production capacity* as 'more than sufficient' rather than 'not sufficient' (given current order books and demand expectations) increased (+1.5 points). On the external side, managers' assessments of their *competitive position* on non-EU markets over the past three months improved (+0.6 points) for the third consecutive quarter. In addition, their evaluation of *order developments* over the past three months increased significantly for the second consecutive quarter (+4.1 points), rising to a level well above the long-term average (10.4 compared to 1.7).

The share of industry managers citing *insufficient demand* as a factor limiting their production decreased markedly (-1.3 points to 33.9%) compared to April, reaching the lowest level since July 2023. Additionally, the percentages of managers pointing to *shortages of material and/or equipment* (-0.9 points to 12.6%) and *financial constraints* (-0.3 points to 5.2%) as limiting factors declined, albeit to a lower extent. Only *shortage of labour force* as a limiting factor increased compared to April (+0.6 points to 17.1%).

Turning to services, the EU *capacity utilisation rate* increased by 0.6 percentage points to 90.5%, rising further above its long-term average of 89.4%.

Euro-area developments were qualitatively in line with those in the EU. In the manufacturing industry, the estimated rate of capacity utilisation decreased by 0.3 points compared to April (from 78.5% to 78.2%). In services, the rate increased by 0.5 points to 90.4%.

Graph 9: **EU Capacity utilisation**



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 or the new data browser.

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

Upcoming releases:	Flash Consumer Confidence Indicator	21 August 2026
	Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)	28 August 2026