

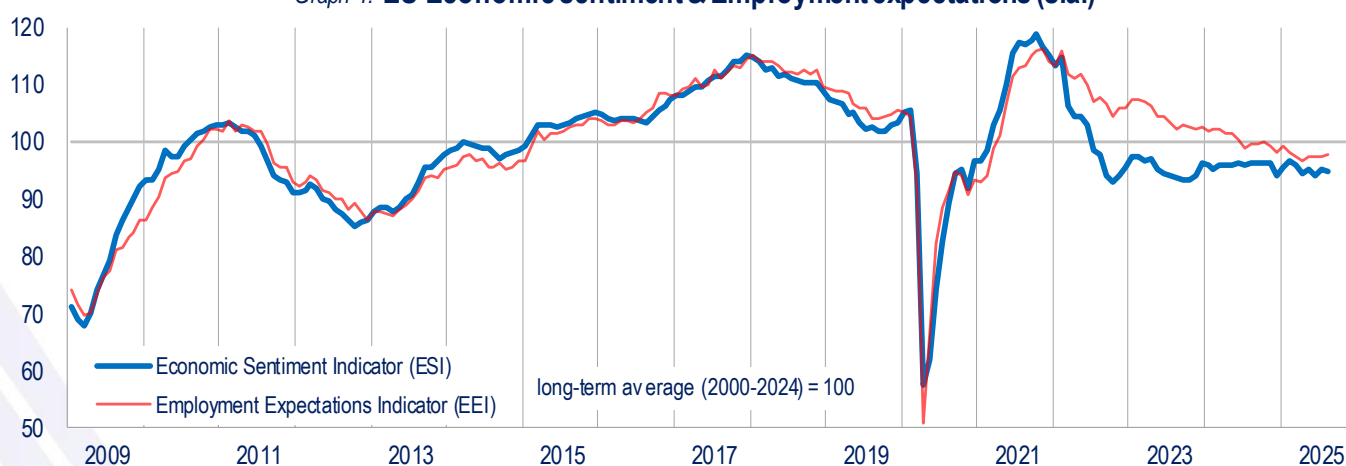
Business and consumer survey results for August 2025

Economic Sentiment edges down, Employment Expectations improve slightly

In August 2025, the *Economic Sentiment Indicator* (ESI) edged down in the EU (-0.3 points to 94.9) and in the euro area (-0.5 points to 95.2).¹ The *Employment Expectations Indicator* (EEI) increased slightly compared to July (EU: +0.6 points to 98.1, euro area: +0.3 points to 97.8). Both indicators score below their long-term average of 100.

EU developments

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

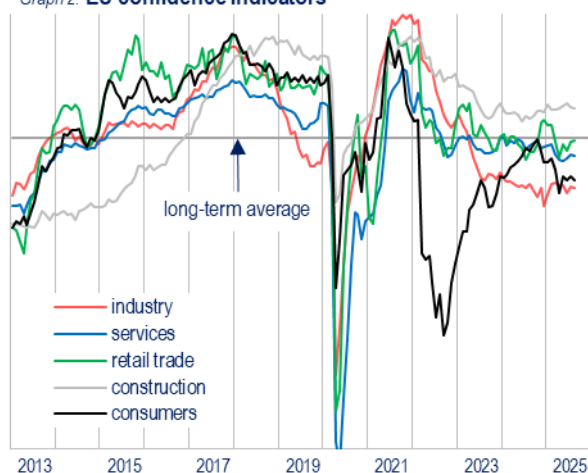


source: European Commission services

In the EU, the marginal decline of the ESI reflected correspondingly small downticks in industry, services, construction and consumer confidence. Only retail trade confidence showed a small improvement. For the largest EU economies, the ESI dropped considerably in Spain (-2.6), followed by more moderate deteriorations in Germany (-1.0) and Italy (-1.0). Conversely, the ESI increased significantly in The Netherlands (+3.5) and slightly also in Poland (+0.5). In France, the ESI remained virtually unchanged (+0.1)

Industry confidence eased marginally in August (-0.2 points), the result of a decline in managers' *production expectations*, which was almost fully offset by a marginally better assessment of the *current level of order books* and a virtually unchanged assessment of *stocks of finished products*. Regarding the questions not entering the confidence indicator, managers upgraded their views on *recent changes in past production*, while their views on *export order books* deteriorated. **Services confidence** saw a minor decline (-0.3). Managers reported a marked deterioration in their assessments of *past demand*, which was mitigated by a largely unchanged assessment of the *past business situation* and an improvement in their *expectations for future demand*. Similarly, **consumer confidence** edged down slightly (-0.3). Consumers became notably more pessimistic about their *household's expected financial situation*, and less so about the *future general economic situation* in their respective country and the household's *past financial situation*. This deterioration in confidence was mitigated by an improvement in consumers' *intentions to make major purchases* over the next 12 months. **Retail trade confidence** saw a marginal improvement (+0.2), due to small upticks in retailers' assessment of the past and expected *business situation*, and a broadly unchanged assessment of the *volume of stocks*. **Construction confidence** eased

Graph 2: EU confidence indicators²

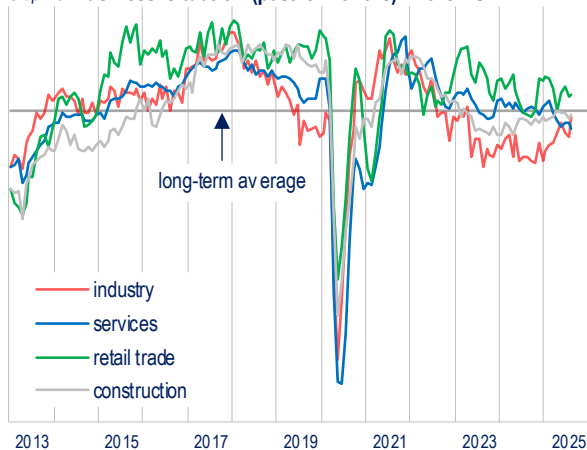


¹ Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

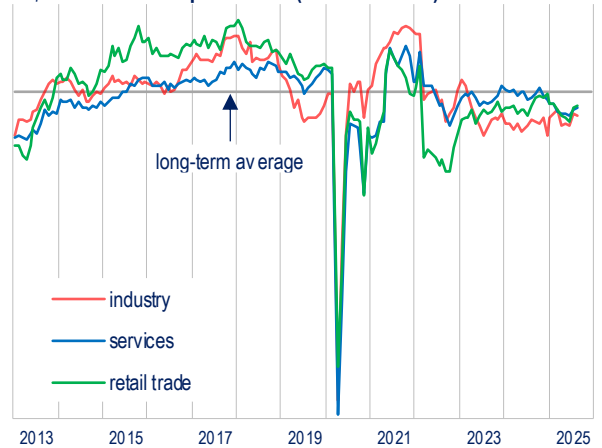
² The graph presents standardised series to correct for differences in means and standard deviations.

marginally (-0.3), as builders' assessments of their *order books* fell back, but were almost fully offset by their improved *employment expectations*. The percentage of construction managers indicating insufficient demand as a factor limiting their business decreased to 31.1%. Meanwhile, the percentage of builders citing labour shortages rose to 27.6%. Conversely, the percentage experiencing financial constraints and reporting material/equipment shortages as a limiting factor remained broadly stable at 8.5% and 5.7%, respectively, between July and August.

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

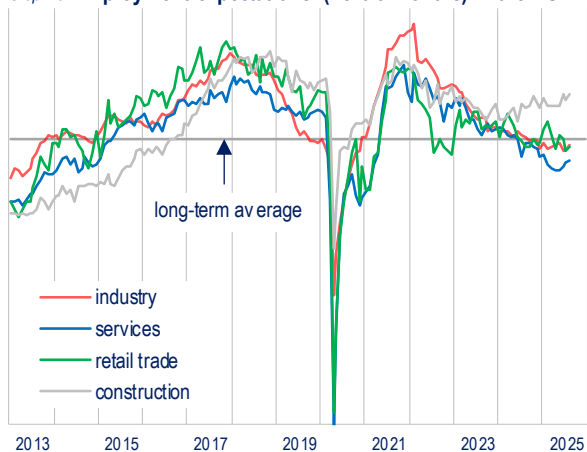


Graph 4: Business expectations (next 3 months) in the EU²

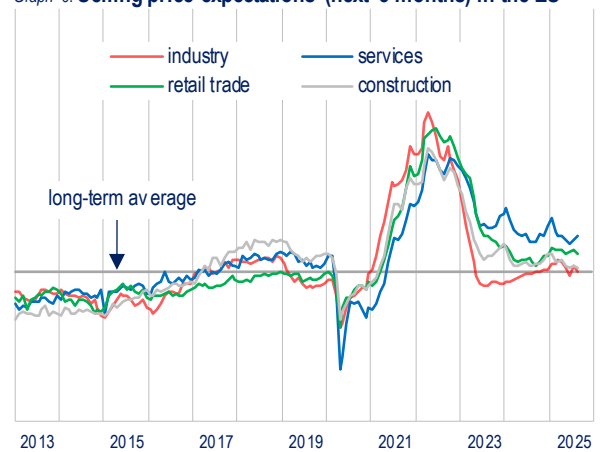


The **Employment Expectations Indicator** improved slightly in August (+0.6 to 98.1), as employment plans brightened in industry, retail trade and construction. Only in services, plans remained broadly stable. Consumers' unemployment expectations, which are not included in the headline indicator, improved slightly. The EU **Labour Hoarding Indicator** edged down for a fourth consecutive month (-0.4 points to 9.2), moving below its long-term average of 9.7.³

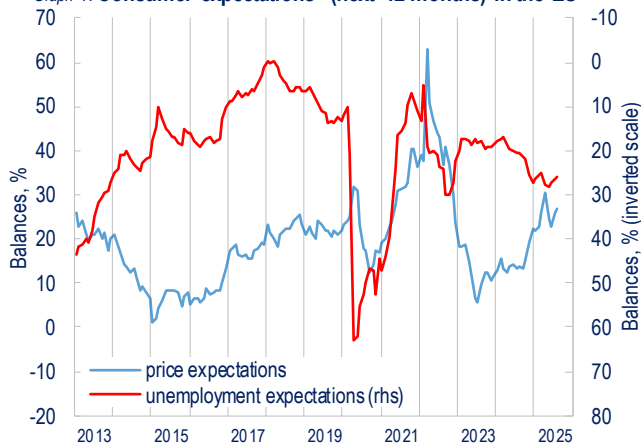
Graph 5: Employment expectations (next 3 months) in the EU²



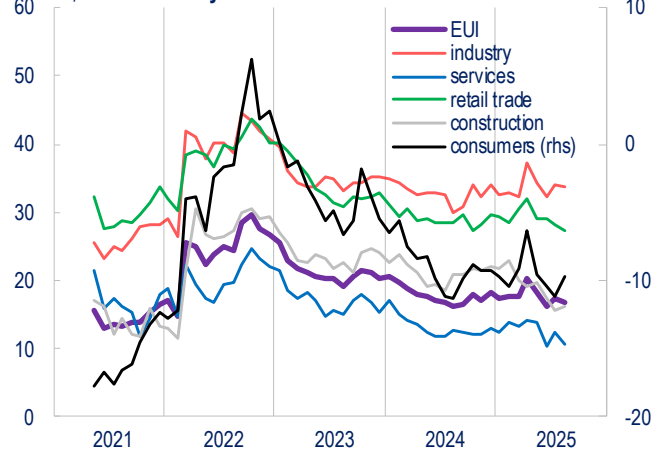
Graph 6: Selling price expectations (next 3 months) in the EU²



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



Graph 8: Uncertainty in the EU



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.

Selling price expectations fell back in industry, and more moderately in retail trade and construction, while they increased for the second month in a row in the services sector. Selling price expectations in industry moved just below their long-term average. They remained above the long-term average in the remaining sectors. Consumers' price expectations for the next twelve months continued to rise in August, while their perceptions of price increases over the past twelve months eased.

The **Economic Uncertainty Indicator** (EUI) fell slightly (-0.4 points to 16.9) in August after a small rebound in July. Managers' uncertainty about their future business situation declined notably in the services sector, and to a lesser extent also in industry and retail trade. Construction managers became slightly more uncertain about their future business situation, as did consumers about their future financial situation.

Data collection period: 1 to 21 August.

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, 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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