

## Business and consumer survey results for March 2026

# Economic Sentiment and Employment Expectations down in both the EU and the euro area

In March 2026, the *Economic Sentiment Indicator* (ESI) declined in both the EU (-1.5 points to 96.7) and the euro area (-1.6 points to 96.6).<sup>1</sup> The *Employment Expectations Indicator* (EEI) also fell in both areas (EU: -1.3 points to 97.3, euro area: -1.4 to 96.4). Adding to the decline of February, the marked deterioration of economic sentiment in March drove both indicators away from 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 decline in the ESI resulted from considerably lower confidence among consumers and retailers and, to a much smaller extent, services managers. Confidence in construction improved somewhat, while it remained broadly unchanged in industry. Among the largest EU economies, the ESI fell significantly in France (-3.7) and Spain (-2.4), and noticeably so also in the Netherlands (-1.5) and Italy (-1.3). The ESI remained broadly stable in Poland (-0.3) and Germany (-0.1).

**Industry confidence** remained broadly stable (+0.2), as a marked improvement in managers' assessment of the *current level of order books* was almost offset by a deterioration of managers' *production expectations* and a smaller deterioration in their assessment of the *stocks of finished products*. Among the questions not included in the confidence indicator, managers' assessment of developments in *past production* and their *export order books* improved. **Services confidence** fell slightly (-0.4). A decrease in managers' *demand expectations* and a smaller decline in their assessment of the *past business situation* were mitigated by a small improvement in their views about *past demand*. **Consumer confidence** fell sharply (-3.4) to a 2½-year low, driven by a dramatic decline in consumers' *expectations for the overall economic situation in their country*. Consumers also became markedly more pessimistic about their *household's future financial situation* and less prone to make *major purchases over the next 12 months*. Consumers' assessment of their *household's past financial situation* remained broadly stable. Similarly, **retail trade confidence** declined substantially (-2.0) by force of retailers' plummeting *business expectations for the next 3 months*. While also the assessment of the *past business*

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

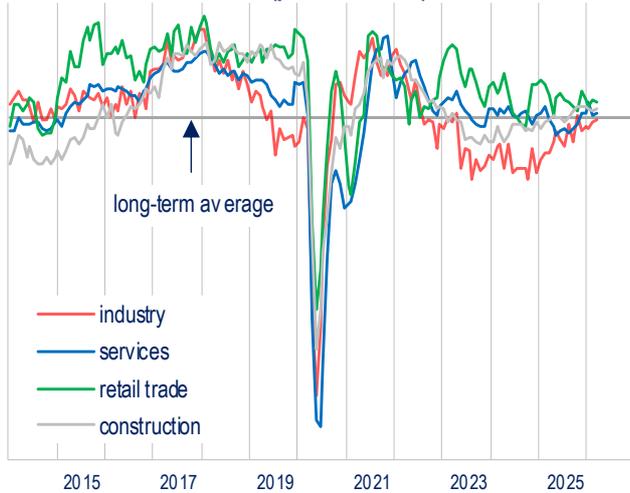


<sup>1</sup> Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

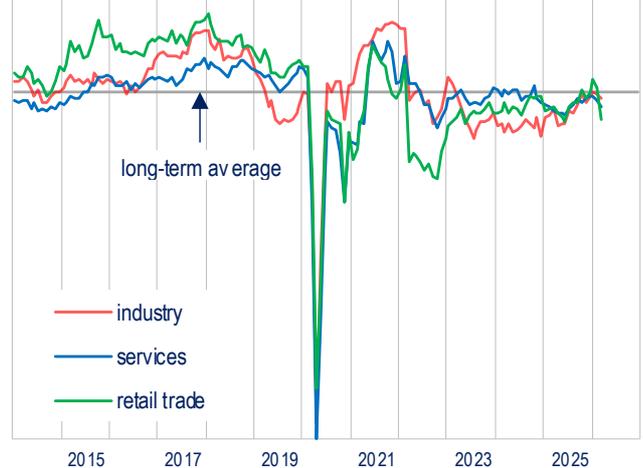
<sup>2</sup> The graph presents standardised series to correct for differences in means and standard deviations.

situation edged down, partial relief came from an improved assessment of the volume of stocks. **Construction confidence** was moderately up (+0.7), as builders' assessments of their order books and employment expectations improved somewhat.

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

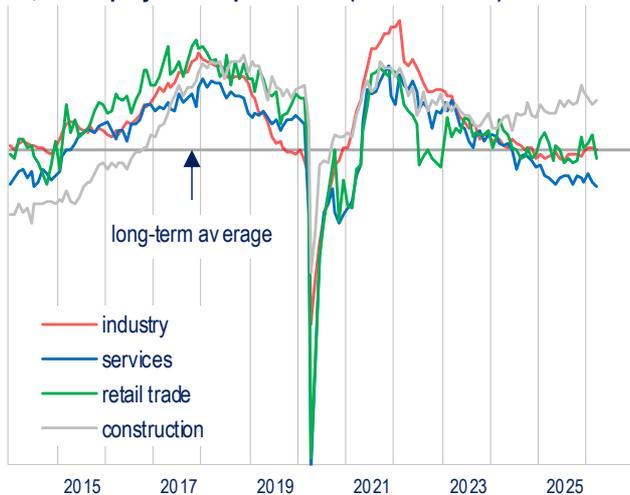


Graph 4: Business expectations (next 3 months) in the EU<sup>2</sup>

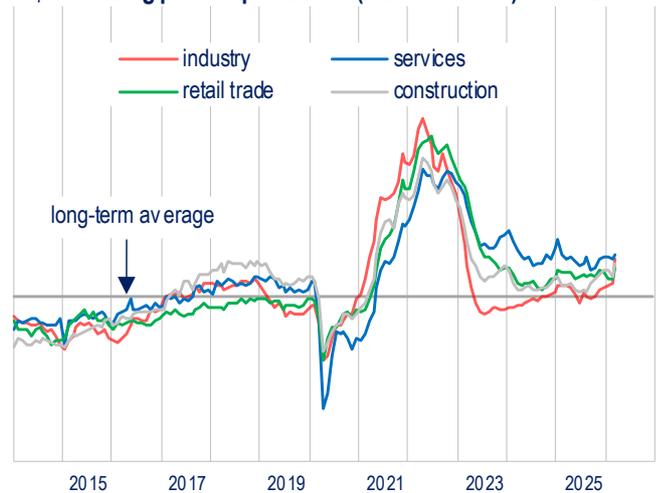


The **Employment Expectations Indicator** declined (-1.3 to 97.3), due to downward adjustments in employment plans mainly in retail trade, but also in services and industry. In contrast, construction managers' employment plans improved slightly. Meanwhile, consumers' unemployment expectations, which are not included in the headline indicator, worsened significantly. The EU **Labour Hoarding Indicator** increased further (+0.5 points to 9.9), edging above its long-term average of 9.6.<sup>3</sup>

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



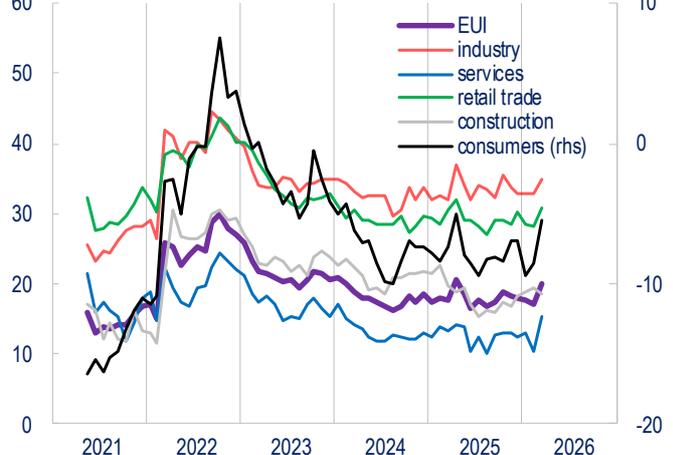
Graph 6: Selling price expectations (next 3 months) in the EU<sup>2</sup>



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 [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.

Managers' **selling price expectations** were sharply up in all four business sectors, and strikingly so in industry. Selling price expectations moved further beyond their long-term average in all business sectors. Consumers' perceptions of price developments over the past twelve months increased moderately, but their expectations about price developments for the next twelve months surged.

The **Economic Uncertainty Indicator** (EUI) rose considerably by 3.0 points. Managers' uncertainty about their future business situation increased in industry, retail trade and, most markedly so, in services, while it decreased among construction managers. Consumers' uncertainty about their future financial situation also picked up significantly.

*Data collection period: 1 to 24 March.*

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

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