

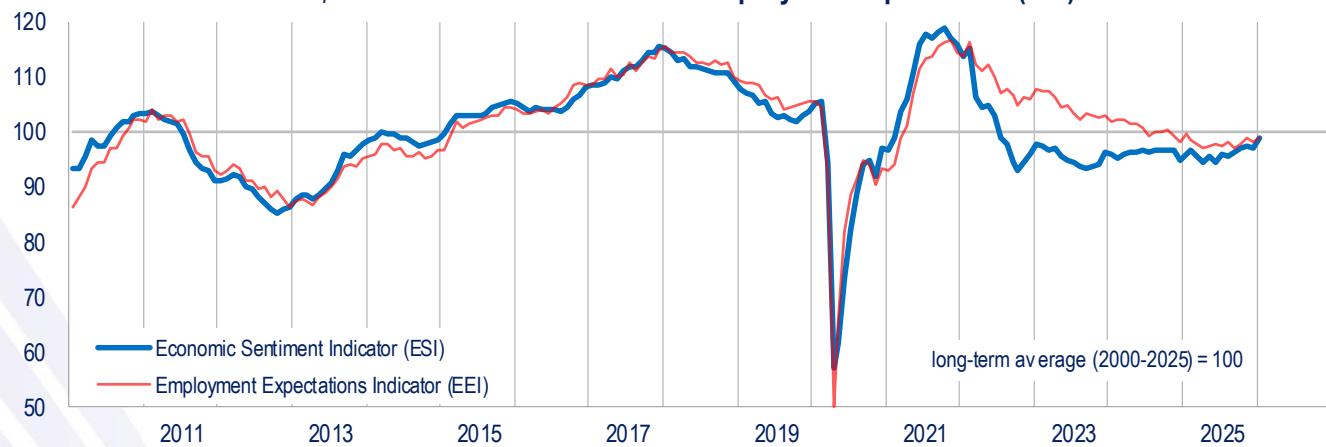
Business and consumer survey results for January 2026

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

In January 2026, the *Economic Sentiment Indicator (ESI)* increased markedly in both the EU (+1.9 points to 99.2) and the euro area (+2.2 points to 99.4).<sup>1</sup> The EU ESI moved closest to its long-term average of 100 since June 2022 (euro area: January 2023). The *Employment Expectations Indicator (EEI)* also improved compared to December in both areas, to the highest levels in 12 months (EU: +0.9 points to 99.1, euro area: +1.2 points to 98.2).

### EU developments

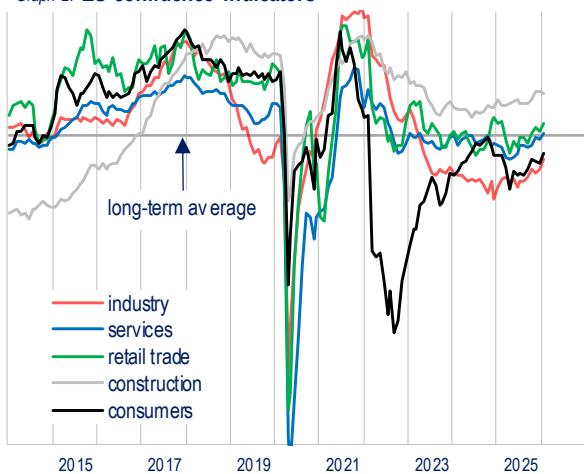
Graph 1: EU Economic sentiment & Employment expectations (s.a.)



The marked upturn in the ESI was driven by higher confidence in almost all sectors — industry, services, retail trade and among consumers — only construction saw a marginal decline. Also across countries, the improvement was broad-based, with the ESI improving noticeably in all six largest EU economies: France (+5.8), Germany (+3.0), Poland (+2.9), Netherlands (+2.3), Spain (+1.7) and Italy (+1.3).

**Industry confidence** rose markedly (+1.3), thanks to a broad-based improvement in managers' assessment of all three components: *production expectations*, *current level of overall order books* and *stocks of finished products*. Of the questions not entering the confidence indicator, both managers' assessment of *export order books* and of *production changes in recent months* declined marginally. **Confidence in services** improved (+0.9) on the back of managers' brighter assessments of recent changes in the *past business situation* and *past demand*. Yet, *demand expectations* remained broadly stable. **Consumer confidence** picked up (+0.8), 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*. Also **retail trade confidence** improved by 0.8 points, on the back of retailers' significantly brighter expectations about the *future business situation* and an improved appraisal of their *volume of stocks*. At the same time, retailers'

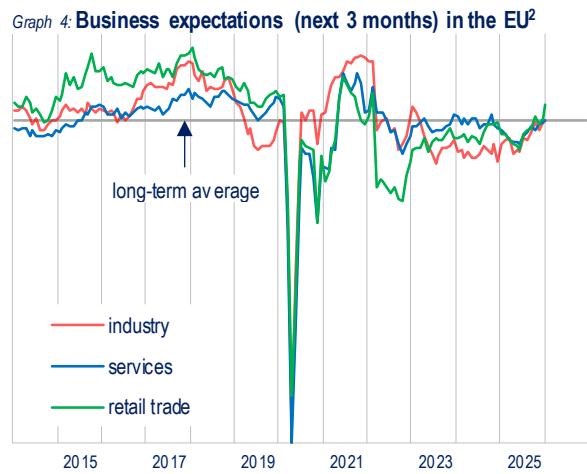
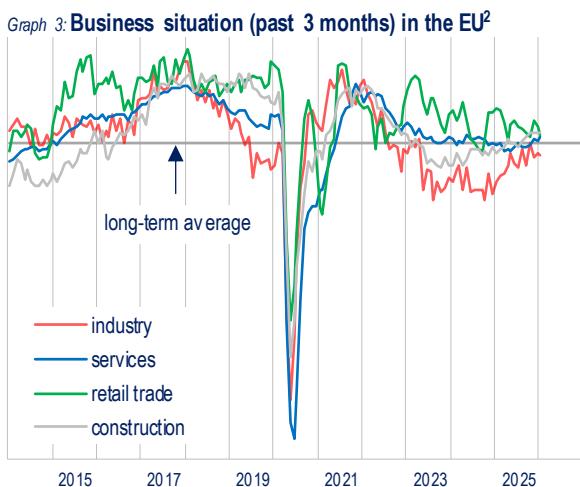
Graph 2: EU confidence indicators<sup>2</sup>



<sup>1</sup> Past survey data were revised due to seasonal adjustment (including the annual update of model coefficients), the annual update of country weights for the EU and euro-area aggregates and the extension of standardisation samples. Moreover, Bulgaria has been included in the euro area.

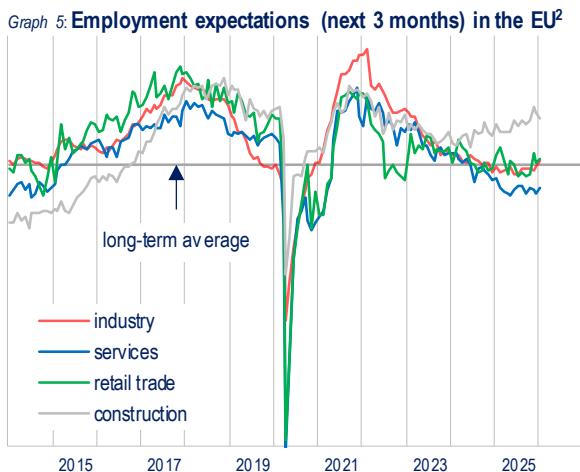
<sup>2</sup> The graph presents standardised series to correct for differences in means and standard deviations.

assessment of recent changes in the *past business situation* deteriorated. **Construction confidence** decreased marginally by 0.4 points in January, as builders' assessment of their *order book levels* remained broadly unchanged, while their *employment expectations* worsened. The percentage of construction managers indicating *insufficient demand, labour shortages, shortage of material/equipment* and *financial constraints* as factors limiting their business decreased to 30.2%, 27.4%, 5.7% and 7.6%, respectively.

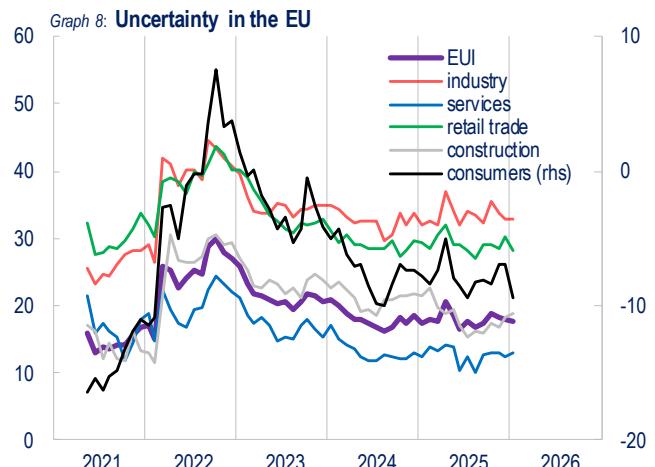


The EU **Employment Expectations Indicator** picked up in January (+0.9 to 99.1), remaining slightly below its long-term average of 100. Employment plans increased in the industry, services and retail trade sectors, while they decreased in construction. Consumers' unemployment expectations, which are not included in the headline indicator, remained stable. The EU **Labour Hoarding Indicator** (-0.5 points to 8.8) fell further below its long-term average, reaching its lowest level since February 2022.<sup>3</sup>

**Selling price expectations** remained broadly stable in industry, services and construction, while dropping in retail trade. Selling price expectations score above their long-term averages in all sectors. Consumers' price expectations for the next twelve months and their perceptions of past price developments fell markedly. However, both assessments remain elevated in a historical perspective.



<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)** remained broadly unchanged (-0.3 points to 17.6). This resulted from services and construction managers reporting a slight increase in uncertainty about their future business situation, while uncertainty in industry remained unchanged and retail trade managers reported markedly lower uncertainty. Consumers' uncertainty about their future financial situation also dropped.

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

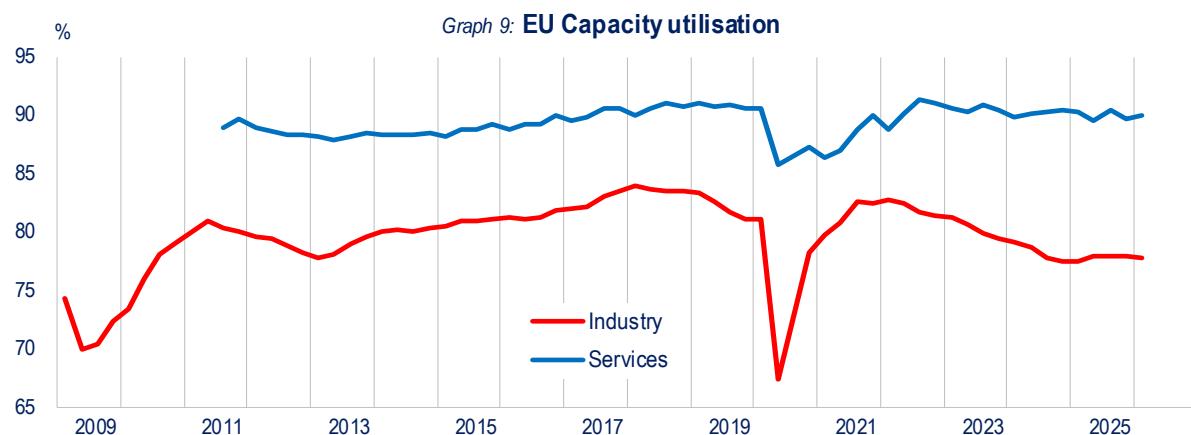
The quarterly questions in the industry and services surveys are asked in January, April, July, and October of each year.

In the EU industry, the estimated rate of *capacity utilisation* remained broadly stable (-0.1 points) at 77.8% in January 2026 compared to October 2025. However, the share of managers assessing their *current production capacity* as 'more than sufficient' over those assessing it as 'not sufficient' (in view of current order books and demand expectations) decreased (-1.8 points). On the external side, managers' assessments of their *competitive position* on non-EU markets over the past three months improved (+1.1 points). Meanwhile, their evaluation of *order developments* over the past three months decreased (-2.1 points), but remained above the long-term average.

The share of industry managers citing *insufficient demand* as a factor limiting their production decreased slightly by 0.3 points compared to October 2025 to 36.2%. Similarly, the percentages of managers pointing to *shortage of labour force* (-0.3 points to 17.2%) and *shortages of material and/or equipment* (-0.8 points to 8.7%) as limiting factors declined compared to October 2025. Only *financial constraints* (+0.1 points to 5.4%) remained broadly stable as a limiting factor.

Turning to services, EU capacity utilisation increased by 0.2 percentage points to 89.9%, rising further above its long-term average of 89.4%.

Euro-area developments were somewhat more marked than those in the EU. In manufacturing industry, the estimated rate of capacity utilisation decreased by 0.4 points compared to October 2025 (from 78.0 to 77.6%). In services, the rate increased by 0.5 points to 89.9%.



Data collection period: 1 to 22 January.

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	19 February 2026
	Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)	26 February 2026