

Business and consumer survey results for March 2021

Economic Sentiment and Employment Expectations sharply improving in both the EU and the euro area

In March 2021, the *Economic Sentiment Indicator* (ESI) improved sharply in both the EU (+6.9 points to 100.0) and the euro area (+7.6 points to 101.0). For the first time since the outbreak of COVID-19 on the continent, the ESI is back at (EU), or slightly above (EA), its long-term average. Also the Employment Expectations Indicator (EEI) saw a forceful increase (+6.1 points to 98.0 in the EU and +6.8 points to 97.7 in the euro area), bringing the indicator in both regions close to its long-term average.

EU developments

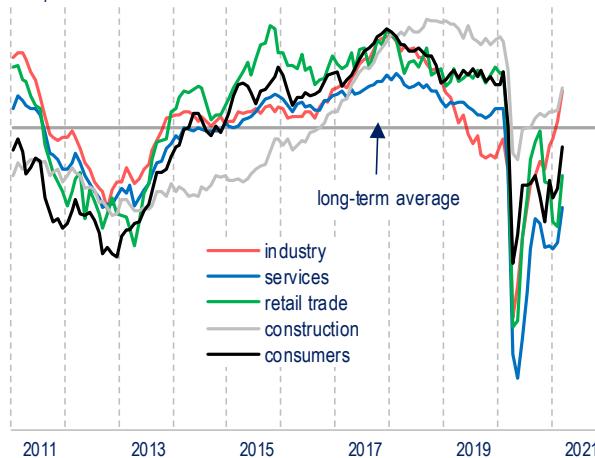
Graph 1: EU Economic sentiment & Employment expectations (s.a.)



In the EU, the ESI's increase in March was driven by improving confidence in all surveyed business sectors (i.e. industry, services, retail trade, construction) and among consumers. The increases were of a magnitude not seen since last summer's steep recovery following the first phase of the pandemic. Amongst the largest EU economies, Germany stood out with the largest monthly improvement of its ESI on record (+7.9) and is currently the only of the 'big-6' countries where sentiment returned to above its long-term average. The monthly increases in sentiment in the other big countries were nevertheless very significant, too: Spain (+6.2), France (+5.4), Italy (+4.9), the Netherlands (+4.4), Poland (+3.3).

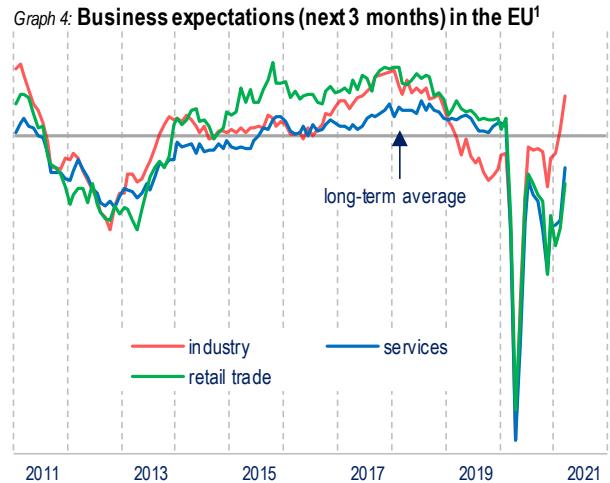
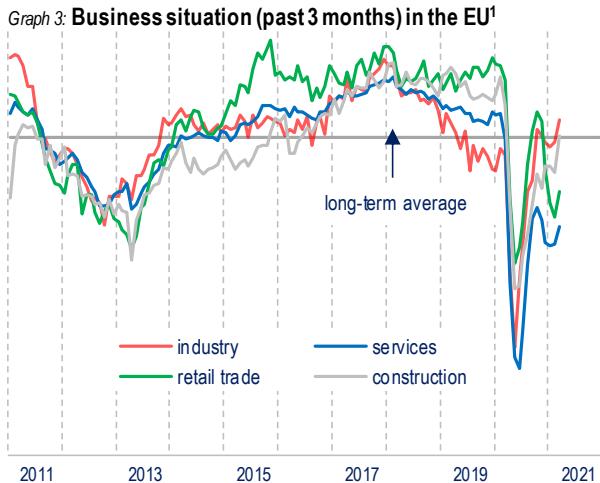
Industry confidence increased for the fourth month in a row (+4.6), thanks to very positive developments in all its components, i.e. managers' *production expectations*, their assessments of the *current level of overall order books* and the adequacy of the *stocks of finished products*. The assessment of stocks is actually approaching historical scarcity levels. Of the questions not entering the confidence indicator, both managers' views on *export order books* and their appraisals of *past production* improved. **Services confidence** (+7.0) posted the first sharp pick-up since September last year, driven by managers' much more optimistic *demand expectations* and, to a lesser extent, more positive views on the *past business situation* and *past demand*. At the level of sub-sectors, the surge in services confidence was rather broad-based, ranging from real estate, over information services, to advertising, market research, legal/accounting and other business support activities, but also including accommodation and gastronomy. **Consumer confidence** firmed (+3.6), as households' expectations improved both in respect of the *general economic situation* in their country, and their personal situation, as measured by their *future financial situation* and their *intentions to make major purchases*.

Graph 2: EU confidence indicators¹



¹ The graph presents standardised series to correct for differences in means and standard deviations.

(the latter registered the second largest improvement on record). Consumers' views on their *past financial situation*, by contrast, showed no signs of a recovery from their COVID-induced slide, improving only marginally on the month. The rise in **retail trade confidence** (+6.1) reflected marked improvements in all components of the indicator, namely managers' assessments of the *past business situation*, the adequacy of the *volume of stocks* and their *expected business situation*. **Construction confidence** brightened (+4.4) thanks to managers' significantly improved *employment expectations* and appraisals of the *level of order books*. When compared to the other sectors, the improvement in **financial services confidence** (not included in the ESI) was comparatively mild by the standards of the typical fluctuations of the indicator (+5.2). All its components improved, i.e. managers' appraisals of *past demand* and the *past business situation*, as well as their *demand expectations*.



The forceful increase of the **Employment Expectations Indicator** in March (+6.1) was driven by more optimistic employment plans in all surveyed business sectors, i.e. industry (where they are now firmly above the pre-crisis level of February 2020), services, retail trade and construction. Correspondingly, consumers' unemployment expectations, which are not included in the headline indicator, receded.

Selling price expectations surged in all surveyed parts of the economy, i.e. in industry (which saw the largest monthly increase on record), services, retail trade and construction. Also consumer price expectations increased.

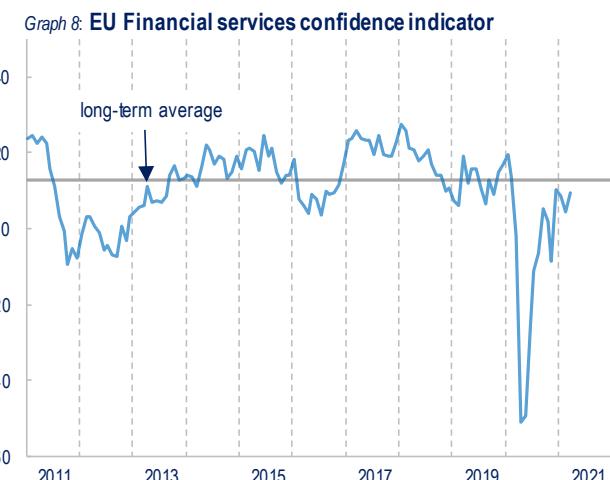
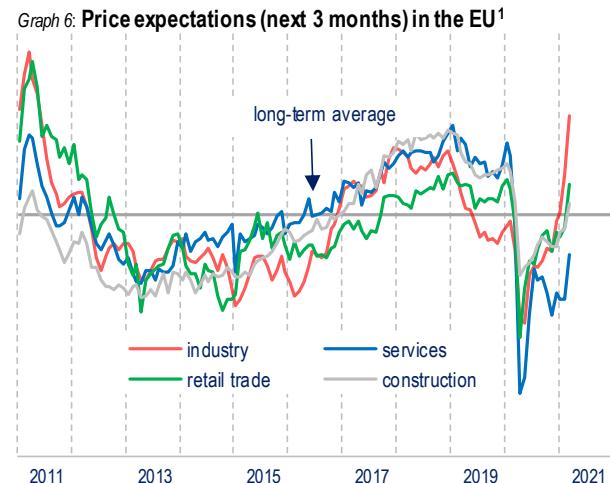
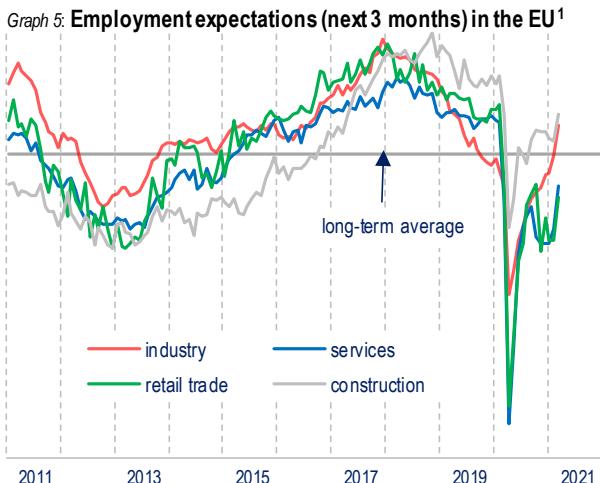


TABLE 3 (continued): Monthly survey of services (s.a.)

	Since 2000 (*)										2020					2021		
	Min.		Ave.	Max.														
	Date	Value		Date	Value	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
SELLING-PRICE EXPECTATIONS (Question 6)	EU	04-20	-10.6	4.0	12-07	14.4	-10.6	-9.3	-4.1	-0.4	-1.3	-1.1	-2.3	-4.2	-2.4	-2.8	-2.9	0.8
	EA	04-20	-9.8	3.9	12-07	14.1	-9.8	-8.6	-3.8	0.0	-1.0	-0.9	-2.1	-4.0	-2.0	-3.1	-3.2	0.9
	BE	01-10	-13.8	7.4	07-08	28.8	-1.2	0.8	2.9	5.6	2.7	4.1	2.5	3.8	5.8	-1.5	4.7	9.0
	BG	01-11	-11.9	5.5	07-04	37.5	-9.5	-8.1	-4.5	-2.6	-2.5	-1.8	-0.7	-3.8	-4.3	-3.6	-0.4	-1.3
	CZ	05-20	-12.6	4.2	01-04	23.6	-9.6	-12.6	-3.1	-4.2	0.7	4.1	-5.1	-7.7	-2.3	3.2	5.1	-4.0
	DK	04-20	-18.7	-0.4	12-10	16.2	-18.7	-14.3	-7.5	-6.1	-6.0	-5.0	-6.3	-9.0	-6.3	-5.7	-6.5	-7.2
	DE	04-03	-8.5	12.1	01-19	26.3	-0.9	3.5	6.0	10.0	10.3	8.5	7.5	5.5	8.0	5.8	5.9	13.8
	EE	03-09	-31.5	8.1	01-18	26.8	-31.0	-26.3	-23.2	-13.4	-5.9	-9.9	-5.8	-7.9	-6.4	-5.6	-4.8	-3.9
	IE	08-09	-51.0	1.3	11-18	29.9	-10.7	-9.6	-7.7	2.6	7.1	-0.4	-4.2	-2.8	4.9	-0.6	8.4	5.4
	EL	09-12	-40.2	-4.7	06-06	24.2	-17.9	-29.3	-32.6	-19.3	-12.3	-14.1	-18.4	-22.4	-22.4	-15.4	-12.4	-16.7
	ES	05-20	-19.0	2.6	09-04	20.3	-13.6	-19.0	-5.5	-2.6	-13.9	-8.7	-7.2	-9.7	-8.3	-7.9	-11.2	-5.6
	FR	07-09	-21.0	-3.4	12-00	7.1	-19.0	-19.7	-12.1	-7.9	-7.3	-6.6	-11.1	-13.5	-10.1	-10.8	-12.6	-9.9
	HR	04-20	-19.8	0.0	07-08	25.4	-19.8	-7.2	-7.7	-10.4	-1.3	-4.1	-3.0	-7.9	-5.7	-3.5	-3.5	1.4
	IT	04-13	-15.6	-0.7	05-04	17.7	:	-12.5	-7.3	-5.6	-6.1	-4.5	-4.4	-5.5	-5.5	-4.6	-5.6	-4.3
	CY	04-13	-38.9	0.3	06-03	72.7	-27.5	-25.4	-18.1	-15.2	-10.0	-6.9	-13.7	-6.0	-8.7	-4.0	-18.3	-10.0
	LV	12-09	-31.1	5.4	12-07	35.8	-16.7	-14.8	-9.5	-7.3	-4.3	-4.5	-4.5	-6.3	-3.7	-7.1	-6.2	-3.4
	LT	06-09	-23.0	1.4	08-06	20.8	-9.8	-4.1	-0.3	-1.1	0.3	1.8	0.2	1.8	2.1	4.0	6.1	6.6
	LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	HU	02-09	-8.5	7.3	09-06	28.0	5.1	9.6	10.7	11.5	12.6	11.6	12.0	12.7	10.4	8.3	21.7	14.0
	MT	11-16	-45.0	2.4	11-18	39.0	-19.2	-17.7	-12.7	-17.6	-16.5	-4.5	-10.3	-12.0	-8.6	-11.3	-6.9	-8.0
	NL	08-09	-5.5	8.9	01-07	30.7	-3.8	-1.7	4.2	5.0	4.4	3.1	2.5	1.0	2.1	-0.1	3.1	4.4
	AT	05-09	-10.3	9.4	11-07	30.4	-0.8	-0.8	-4.4	2.7	2.8	0.6	3.8	-5.7	-2.7	-1.5	-1.5	6.6
	PL	04-20	-16.1	1.0	04-08	16.8	-16.1	-13.9	-7.6	-3.8	-1.7	-1.9	-1.1	-4.5	-2.0	-1.6	-0.1	1.2
	PT	04-20	-21.8	-0.8	11-05	13.7	-21.8	-13.9	-14.5	-7.9	-6.7	-5.3	-4.6	-7.7	-8.1	-10.4	-15.0	-7.6
	RO	02-21	-13.8	10.5	04-04	54.5	-12.0	-8.0	-12.2	-10.4	-10.4	-1.9	-12.8	-13.3	-12.3	-2.6	-13.8	-4.0
	SI	02-10	-16.4	1.5	01-08	23.1	-13.7	-8.7	-9.7	-3.2	-2.5	-1.0	1.5	-1.3	-1.2	-1.1	-4.7	1.1
	SK	12-10	-17.5	10.6	07-02	68.9	15.2	28.6	8.2	10.4	5.5	5.2	19.6	-4.6	-9.3	-7.3	3.1	-0.2
	FI	07-04	-25.1	8.1	01-08	40.7	-10.0	-4.7	-8.3	0.1	-4.1	-7.0	-12.4	-0.5	-3.7	-3.7	-2.4	-3.3
	SE	05-20	-23.3	8.4	11-07	32.4	-20.2	-23.3	-6.2	-0.2	-6.8	-7.3	-3.9	-5.5	-8.6	-1.8	-2.5	1.6

(*) Minimum, maximum and averages are calculated over the period of availability which is not necessarily as from 01/2000.

(a) The indicator is the arithmetic average of the balances (%) for the questions on business situation and recent and expected evolution of demand.

TABLE 5 (continued): Monthly survey of retail trade (s.a.)

SELLING-PRICE EXPECTATIONS (Question 6)	Since 2000 (*)						2020						2021				
	Min.		Ave.	Max.		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Date	Value		Date	Value												
EU	08-09	-6.0	6.4	11-07	22.3	-5.9	-1.0	1.8	1.5	2.9	4.3	4.8	2.7	4.6	4.1	5.2	9.4
EA	03-09	-8.7	5.7	11-07	21.7	-8.0	-3.1	0.1	-0.6	0.8	2.7	3.2	1.4	3.3	2.8	3.9	8.2
BE	12-20	-15.2	6.3	04-11	26.4	-7.9	-10.3	5.0	-2.7	0.3	5.6	10.0	-13.4	-15.2	1.5	7.3	13.3
BG	11-09	-9.2	9.8	07-08	45.8	-8.4	-5.5	0.5	3.0	-0.1	2.5	0.9	0.1	0.2	1.3	3.5	6.9
CZ	01-15	-11.9	4.9	08-20	27.6	22.4	22.3	18.7	22.7	27.6	21.0	15.4	15.7	19.2	14.5	22.0	24.1
DK	04-20	-16.4	-0.5	02-11	24.2	-16.4	-10.9	-7.6	-3.1	-1.8	-1.7	-0.4	-0.4	-2.8	-5.5	-8.1	-4.8
DE	04-20	-9.6	10.7	11-06	38.6	-9.6	3.0	-1.3	-2.5	5.5	8.8	10.9	12.0	18.6	11.5	11.9	16.9
EE	03-09	-35.9	28.5	04-11	54.9	2.4	2.5	14.3	25.0	27.3	22.8	21.3	18.9	13.1	15.2	22.2	27.8
IE	07-09	-51.4	8.3	03-21	39.9	-2.0	0.0	11.3	7.5	9.1	8.9	9.3	8.1	24.5	12.8	32.2	39.9
EL	06-12	-35.2	-0.4	05-08	33.6	4.5	-10.9	-9.4	0.6	5.1	-1.0	0.2	4.9	5.6	0.1	-0.8	0.4
ES	02-09	-18.6	4.3	01-05	28.7	-12.3	-7.5	-3.1	-4.9	-6.7	-4.2	-5.8	-8.8	-5.0	-2.7	-6.4	-0.9
FR	03-09	-29.4	-2.8	11-07	14.0	-6.0	-6.1	-2.0	-2.9	-0.4	-0.4	0.0	-4.9	-5.7	0.3	-1.6	1.0
HR	04-20	-16.9	1.2	06-08	31.6	-16.9	-10.9	-0.1	-9.3	0.8	-0.6	-5.3	-0.9	3.2	-3.3	-2.2	-1.4
IT	08-05	-14.5	6.9	06-08	33.1	:	-5.1	2.1	2.3	-5.2	-1.1	-2.8	-1.6	-3.6	-3.1	0.1	4.2
CY	04-13	-27.7	3.9	07-08	34.3	-5.6	-1.6	0.2	1.9	3.1	5.3	2.0	1.4	4.3	0.9	-3.3	2.6
LV	01-10	-22.5	19.1	05-04	55.7	-7.3	0.7	9.0	10.8	6.7	6.7	3.7	0.8	3.1	2.7	4.3	13.0
LT	07-09	-46.5	8.0	04-11	61.7	-6.7	-3.9	2.6	2.1	1.2	3.3	2.9	3.8	1.5	0.3	2.8	7.4
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
HU	03-10	-3.6	32.3	06-00	80.8	18.8	31.8	25.8	20.6	23.2	27.3	34.7	28.5	28.9	29.1	36.6	38.9
MT	02-19	-32.9	6.5	03-21	46.3	5.9	13.0	24.8	-6.1	26.9	18.2	28.8	27.1	22.9	45.0	45.3	46.3
NL	11-10	-18.7	5.4	10-12	26.2	-2.6	0.5	4.9	2.9	-0.4	1.3	-0.2	-1.2	-1.8	-6.0	-1.2	-0.3
AT	09-09	-1.0	13.8	02-08	34.1	4.6	5.5	13.7	17.0	12.7	12.3	20.7	10.9	6.1	5.4	21.7	31.3
PL	07-02	-7.0	14.1	03-09	39.4	6.2	8.8	14.6	14.5	16.6	14.8	12.7	9.4	12.7	17.5	15.1	19.5
PT	07-03	-21.5	3.3	07-05	25.3	-9.3	-8.5	-2.3	-1.8	-2.5	-3.7	-2.0	-2.6	-0.2	-1.1	-2.1	-0.7
RO	01-16	-14.9	24.2	10-04	56.0	13.0	18.8	25.0	26.6	22.1	16.8	14.2	11.5	13.0	15.2	9.8	25.8
SI	03-09	-32.6	9.1	02-08	40.2	-5.1	-5.8	23.2	8.1	2.3	9.9	11.5	8.1	5.4	-6.5	-13.7	8.4
SK	07-09	-36.9	15.5	11-02	73.9	-3.7	-6.8	0.2	9.4	13.3	9.2	7.8	3.8	3.1	8.1	7.0	16.6
FI	03-15	-48.9	4.1	07-11	59.6	-21.4	-11.3	-2.9	0.7	2.8	-0.5	-5.8	2.3	5.9	1.7	0.8	1.8
SE	07-05	-10.3	14.6	11-18	38.8	12.5	18.8	8.1	13.2	18.4	15.7	21.1	13.2	17.3	11.0	15.3	15.7

(*) Minimum, maximum and averages are calculated over the period of availability which is not necessarily as from 01/2000.

(a) The indicator is the arithmetic average of the balances (%) for the present and the future business situation, and for stocks - with inverted sign.

TABLE 7: Monthly survey of financial services sector ^(a)

	Since 04/2006			2020												2021																									
	Min.		Ave.	Max.		Apr			May			Jun			Jul			Aug			Sep			Oct			Nov			Dec			Jan			Feb			Mar		
	Date	Value	Date	Value																																					
FINANCIAL SERVICES	EU	04-20	-51.1	12.6	04-06	43.3	-51.1	-49.5	-25.4	-11.0	-6.5	5.4	1.7	-8.7	10.2	8.8	4.3	9.5																							
CONFIDENCE INDICATOR ^(b)	EA	04-20	-51.9	11.1	04-06	42.6	-51.9	-48.6	-22.8	-8.6	-4.8	6.7	3.3	-7.6	11.9	11.1	5.4	11.2																							
ASSESSMENT OF BUSINESS SITUATION	EU	05-20	-63.4	9.8	04-06	38.6	-50.1	-63.4	-38.1	-22.2	-9.8	1.3	1.1	-6.8	6.2	8.9	0.3	4.2																							
OVER THE PAST 3 MONTHS ^(c)	EA	05-20	-62.4	8.7	04-06	39.6	-50.5	-62.4	-35.6	-18.9	-7.0	3.2	3.2	-5.2	8.1	11.9	1.6	5.5																							
EVOLUTION OF DEMAND	EU	05-20	-51.6	11.7	04-06	41.6	-41.6	-51.6	-34.4	-20.5	-12.2	3.0	4.5	-2.3	14.8	13.1	5.1	8.0																							
OVER THE PAST 3 MONTHS ^(c)	EA	05-20	-50.8	10.5	04-06	40.3	-43.8	-50.8	-31.8	-17.2	-10.1	5.2	7.1	-0.7	18.2	17.0	6.9	10.0																							
EVOLUTION OF DEMAND EXPECTED	EU	04-20	-61.6	16.2	04-06	49.5	-61.6	-33.5	-3.8	9.7	2.5	12.1	-0.4	-16.9	9.7	4.4	7.5	16.3																							
OVER THE NEXT 3 MONTHS ^(c)	EA	04-20	-61.5	14.1	04-06	47.8	-61.5	-32.5	-1.2	10.3	2.6	11.8	-0.3	-16.8	9.5	4.4	7.8	17.9																							
EVOLUTION OF EMPLOYMENT	EU	02-09	-11.2	5.6	01-07	23.3	-9.9	-10.9	-6.4	-5.1	-6.6	-3.5	-3.5	-4.1	2.7	0.7	-1.1	7.7																							
OVER THE PAST 3 MONTHS	EA	03-13	-12.4	3.9	09-08	25.7	-9.7	-11.4	-5.5	-4.6	-5.9	-1.8	-3.7	-3.3	4.9	2.2	-0.6	9.1																							
EVOLUTION OF EMPLOYMENT EXPECTED	EU	04-20	-26.6	7.2	04-06	30.0	-26.6	-17.5	-7.7	-2.2	-1.3	3.8	-4.6	-14.8	-0.1	10.5	2.8	5.4																							
EXPECTED OVER THE NEXT 3 MONTHS	EA	04-20	-26.6	4.8	04-06	29.5	-26.6	-17.5	-6.7	-1.7	-0.9	4.9	-4.4	-14.8	0.8	11.8	4.0	5.7																							

(a) Data are not seasonally adjusted.

(b) The confidence indicator is the arithmetic average of the balances (%) for the questions on business situation and past and expected evolution of demand.

(c) Component of the confidence indicator.

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. Six surveys are conducted on a monthly basis in the following areas: manufacturing industry, construction, consumers, retail trade, services, and financial services. Some additional questions are asked on a quarterly basis in the January, April, July and October surveys in industry, construction, services, financial services and among consumers. In addition, questions on manufacturing 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 six 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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Upcoming releases: Flash Consumer Confidence Indicator
Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)

22 April 2021

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