

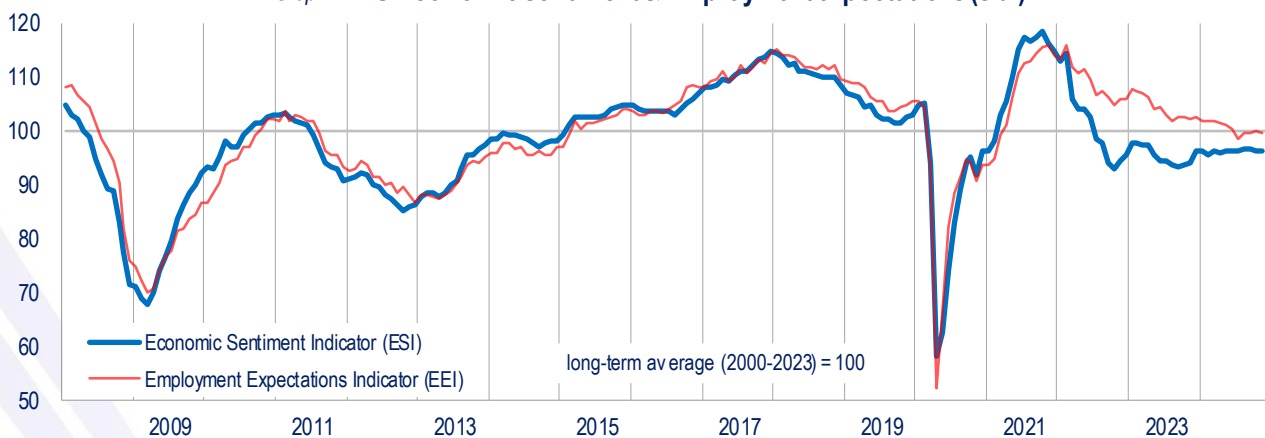
Business and consumer survey results for November 2024

Economic Sentiment broadly stable in the EU and the euro area; Employment Expectations eased in both regions

In November 2024, the *Economic Sentiment Indicator* (ESI) remained broadly stable in both the EU (+0.2 points to 96.5) and the euro area (+0.1 points to 95.8).¹ The *Employment Expectations Indicator* (EEI), eased slightly in both areas (EU: -0.5 points to 99.6, euro area: -0.3 points to 98.9). The ESI remains a few points below its long-term average, while the EEI continued to score close to but below its long-term average.

EU developments

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

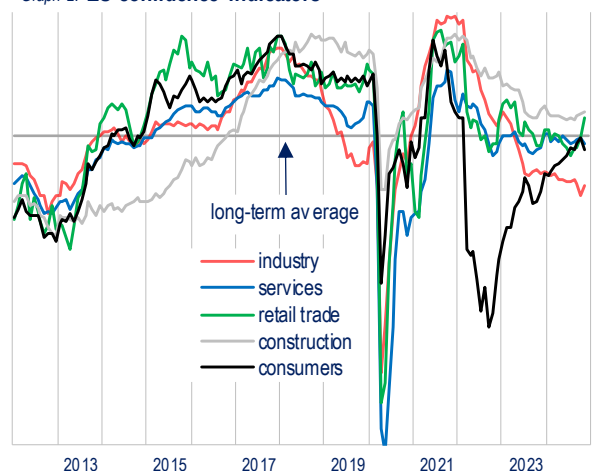


source: European Commission services

The broadly stable ESI reflected higher confidence in industry and retail trade, which was offset by lower confidence in services and among consumers. Confidence in construction improved only marginally. Amongst the largest EU economies, the ESI improved in France (+3.0), Spain (2.1), the Netherlands (+1.5) and Poland (+0.7), while it eased in Germany (-1.3) and, to a lesser extent, in Italy (-0.3).

Industry confidence recovered (+1.3) some of its lost ground from September and October. All three components improved (i.e. managers' assessments of the *current level of overall order books*, *stocks of finished products* and *production expectations*). Of the questions not entering the confidence indicator, both managers' views on changes in *past production* and *export order books* improved significantly. **Services confidence** worsened (-0.9), due to a broad-based deterioration in the assessment of all three components: *past demand*, *past business situation* and *expected demand*, where the latter worsened most significantly. **Consumer confidence** interrupted its recovery (-1.1) due to consumers' substantially deteriorating assessments of developments in the *general economic situation* and the household's *future financial situation*. Their assessment of the household's *past financial situation* also eased, but only marginally. Consumers' *intentions to make major purchases*, by contrast, improved. **Retail trade confidence** increased markedly (+2.3), as views on changes in the *past business situation* improved considerably, while the assessment of *stocks* improved more moderately. Views on the *future business situation* deteriorated somewhat. **Construction confidence** edged up (+0.3) for the third month running. The slight rise in confidence reflected brighter appraisals of the level of *order books*, which were partly counterbalanced by a deterioration in *employment expectations*. *Insufficient demand* continued its upward

Graph 2: EU confidence indicators²

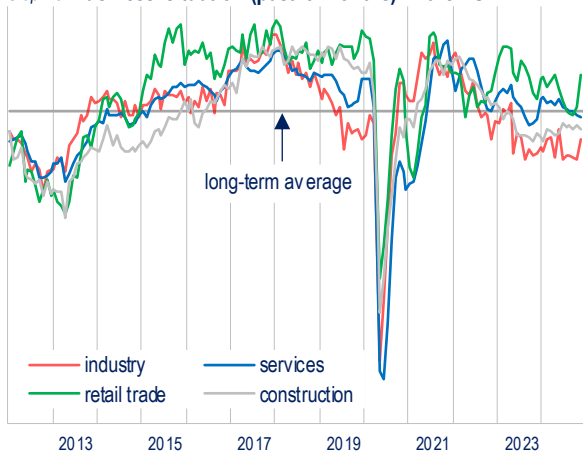


¹ Past results were slightly revised due to seasonal adjustment, as well as revisions in the business surveys of France.

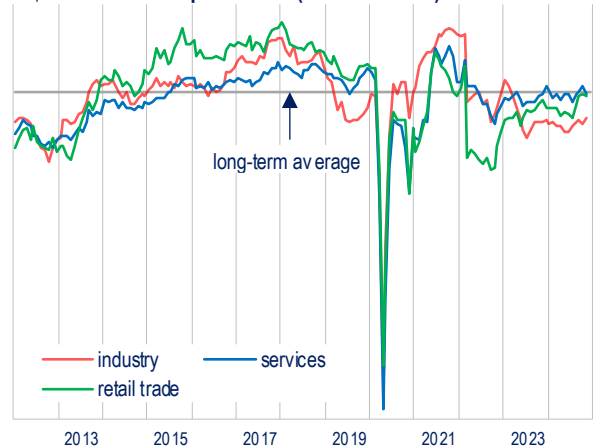
² The graph presents standardised series to correct for differences in means and standard deviations.

trend as the factor most often indicated by builders as limiting their construction activity (+0.7 points to 33.4%). It was followed by *labour shortages*, which became slightly less prevalent (-0.4 points to 25.8%). *Material/equipment shortages* was cited slightly more often than in the previous month as a limiting factor (+0.4 points to 6.6), while *financial constraints* remained broadly stable (-0.1 points to 8.4%).

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



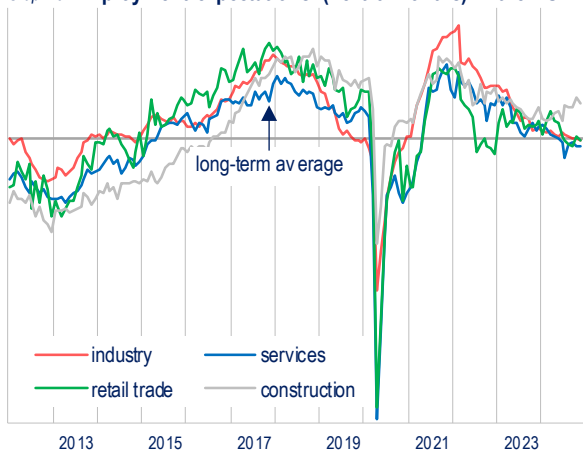
Graph 4: Business expectations (next 3 months) in the EU²



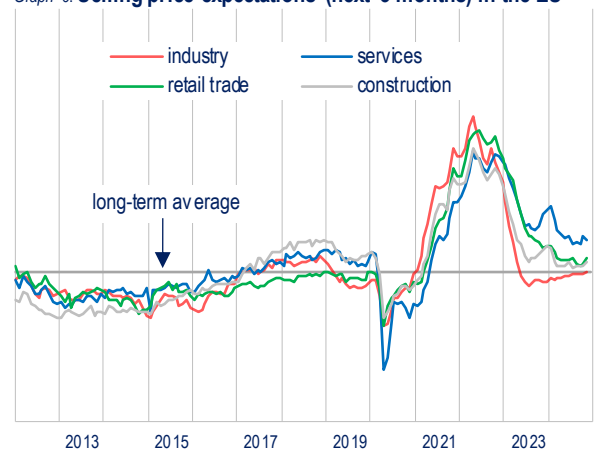
The **Employment Expectations Indicator** (-0.5) eased slightly, mainly due to less optimistic employment plans among construction and retail-trade managers, while plans remained broadly stable in industry and construction. Consumers' unemployment expectations, which are not included in the headline indicator, worsened significantly. The EU **Labour Hoarding Indicator** did not move in November (-0.0 points to 9.3), remaining slightly below its long-term average.³

Selling price expectations picked up in retail trade and construction and, slightly less so, in industry. By contrast, selling price expectations declined in services. With the increase in industry, the level of selling price expectations exceeded the long-term averages in all sectors, most so in services. Consumers' price expectations for the next twelve months picked up substantially in November for the second consecutive month. Moreover, consumers' perceptions of price developments over the past twelve months turned upwards, after a long-standing trend of lower perceived prices. The indicator remained well above its long-term average.

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



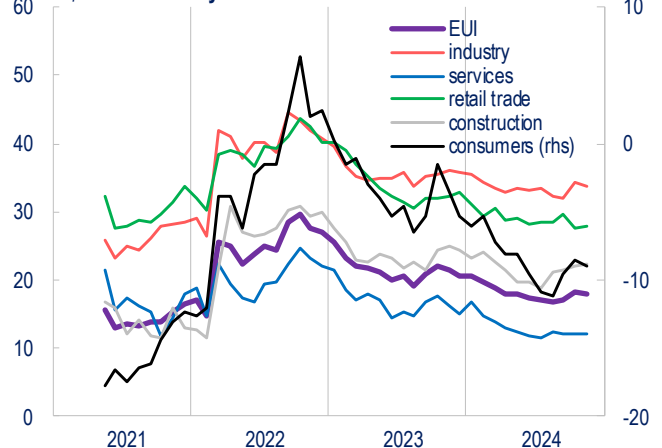
Graph 6: Selling price expectations (next 3 months) in the EU²



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.

The European Commission's **Economic Uncertainty Indicator (EUI)**⁴ edged down in November (-0.3 points to 17.9), thanks to lower uncertainty in industry about the future business situation and among consumers about their future financial situation. Uncertainty among retail trade and construction managers increased marginally, while it remained unchanged for services managers.

Investment survey (conducted in October/November)

The bi-annual investment survey, conducted in October/November and in March/April, asks managers in the industry and services sectors about the direction of change (increase, unchanged, decrease) of investment by their company. In spring, managers are asked about investment realised in the previous year (t-1) and planned in the current year (t). In autumn, they are asked about investment realised/planned in the current year (t) as well as plans for the following year (t+1).

According to the investment survey carried out in October/November 2024⁵, the share of managers in the EU manufacturing industry expecting an increase in their investments in 2024 was lower than the share of managers expecting a decrease, resulting in a balance of -1% of positive over negative opinions. Moreover, this balance of opinions for investment in 2024 was markedly lower than in the previous survey conducted in March/April 2024 (+10%). For 2025, the balance of assessments expecting an increase rather than a decrease of investments compared to 2024 stood at 5%.

In the services sector, the balance of managers expecting an increase in their investments in 2024 was positive (6%), but it also declined compared to the previous survey conducted in March/April 2024 (9%). For 2025, the balance of assessments predicting an increase compared to 2024 stood at 9%.

Data collection period: 1 November to 21 November (1 October to 21 November for investment questions).

⁴ See the special topic of the [2021-Q3 EBCI](#) for background, and section 3.6 of the [BCS User Guide](#) for methodological details.

⁵ The upcoming 2023-Q4 EBCI (to be released mid-January 2024) will feature a more detailed presentation of the results of the investment survey, including a focus on the structure of and factors stimulating investment in 2024 and 2025.

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

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Upcoming releases:	Flash Consumer Confidence Indicator	20 December 2024
	Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs)	08 January 2025