

Business and consumer survey results for April 2021

Economic Sentiment and Employment Expectations continue their strong recovery in the EU and the euro area

In April 2021, the *Economic Sentiment Indicator* (ESI) continued its strong recovery, gaining 9.8 (EU) / 9.4 (EA) points compared to March.¹ At 109.7 (EU) / 110.3 (EA) points, the ESI scores markedly above its long-term average and pre-pandemic level for the first time since the outbreak of COVID-19 on the continent. Also the Employment Expectations Indicator (EEI) saw a forceful increase (+9.9 points to 107.9 in the EU and +9.3 points to 107.1 in the euro area)², which lifted the indicator both above its long-term average and pre-pandemic level.

EU developments

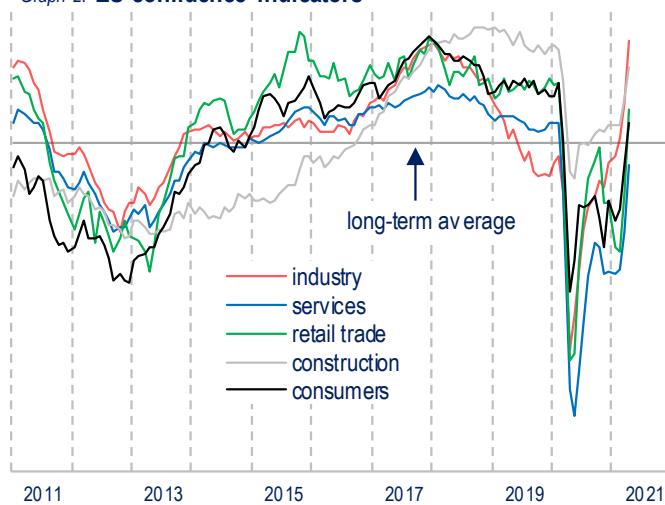
Graph 1: EU Economic sentiment & Employment expectations (s.a.)



In the EU, the ESI's increase was driven by improving confidence in all surveyed business sectors (i.e. industry, services, retail trade, construction) and among consumers. The ESI rose markedly in all of the six largest EU economies, most so in Poland (+11.3), followed by the Netherlands (+10.7), Spain (+9.1), France (+8.5), Germany (+5.7) and Italy (+5.3). Thanks to the latest increases, sentiment in all six countries is above its long-term average of 100.

Industry confidence increased for the fifth month in a row (+8.3) and reached a new all-time high. The improvement was 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 of the *stocks of finished products*. The production expectations reached their best reading on record, while stocks were considered as scarce as never before. Of the questions not entering the confidence indicator, both managers' views on *export order books* and their appraisals of *past production* improved markedly, too. **Services confidence** posted the second significant improvement in a row (+12.2), driven by managers' more optimistic *demand expectations*, as well as more positive views on the *past business situation* and *past demand*. Thanks to its second forceful increase in a row (+3.1) **consumer confidence** exceeded its

Graph 2: EU confidence indicators³

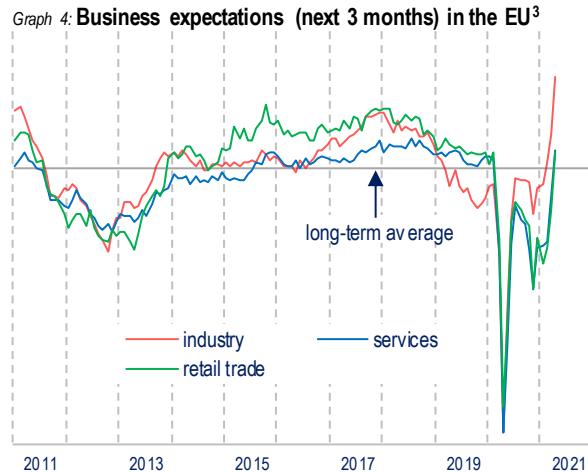
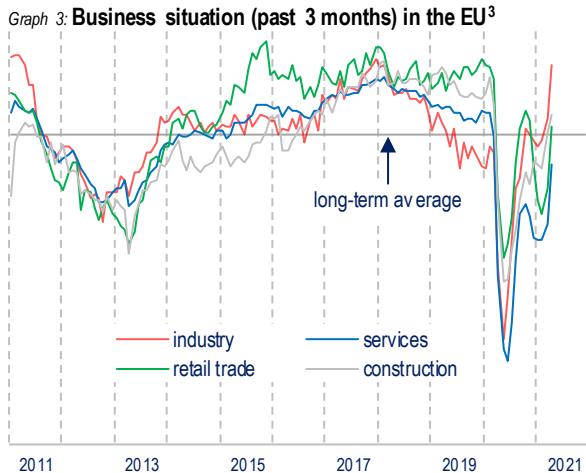


¹ Business confidence indices for France were revised compared to the March press release, the net effect being a slight downward revision of the ESI for March by 0.1 points to 99.9 in the EU and 100.9 in the euro area.

² The Employment Expectations Indicator for France was slightly revised compared to the March press release, the effect being an upward revision of the euro area EEI for March by 0.1 points to 97.8.

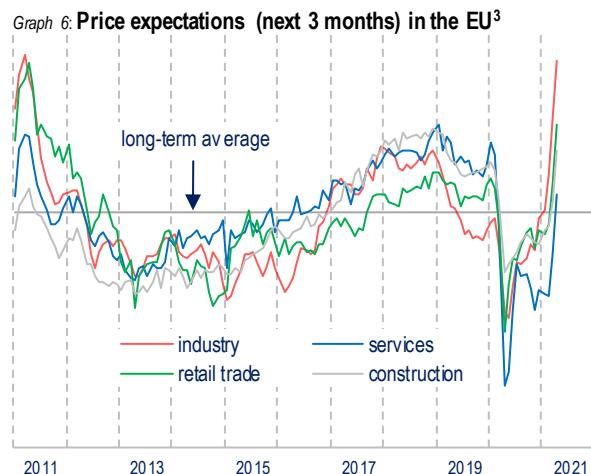
³ The graph presents standardised series to correct for differences in means and standard deviations.

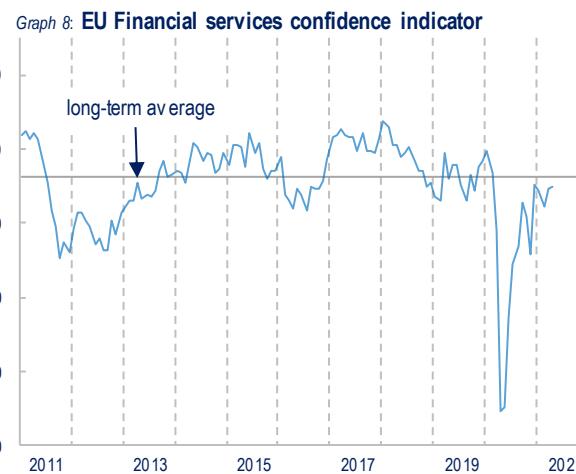
long-term average for the first time since March last year. Households' expectations improved both in respect of the general economic situation in their country and their personal sphere, as measured by their future financial situation and their intentions to make major purchases. Consumers' views on their past financial situation, by contrast, showed no signs of a recovery from the COVID-19 induced slide, improving only marginally on the month. The second marked increase in a row (+9.5) lifted **retail trade confidence** above its long-term average, which it had undercut since March 2020. The rise in confidence reflected managers' improved assessments of the *past* and the *expected business situation* and, to a lesser extent, the adequacy of the *volume of stocks*. **Construction confidence** firmed (+5.8), as managers posted better appraisals of the *level of order books* and, particularly, more optimistic *employment expectations*. **Financial services confidence** (not included in the ESI) stayed virtually flat in April (+0.5). While manager's appraisals of the *past business situation* improved, their views on *past demand* and *demand expectations* deteriorated.



Thanks to a forceful increase in April (+9.9), the **Employment Expectations Indicator** (EEI) exceeded its long-term average for the first time since February 2020. The improvement was driven by more optimistic employment plans in all surveyed business sectors, i.e. industry, services, retail trade and construction. The April results lifted employment plans in services and retail trade above their respective long-term averages and brought them virtually back to their pre-pandemic levels, the latter also holding true for employment plans in construction, which exceeded their long-term average already since September last year. In line with the upbeat employment data, consumers' unemployment expectations, which are not included in the EEI, receded further.

Selling price expectations saw the second month of uniform and marked increases across all surveyed business sectors, i.e. industry, services, retail trade and construction. Consumer price expectations increased only mildly.





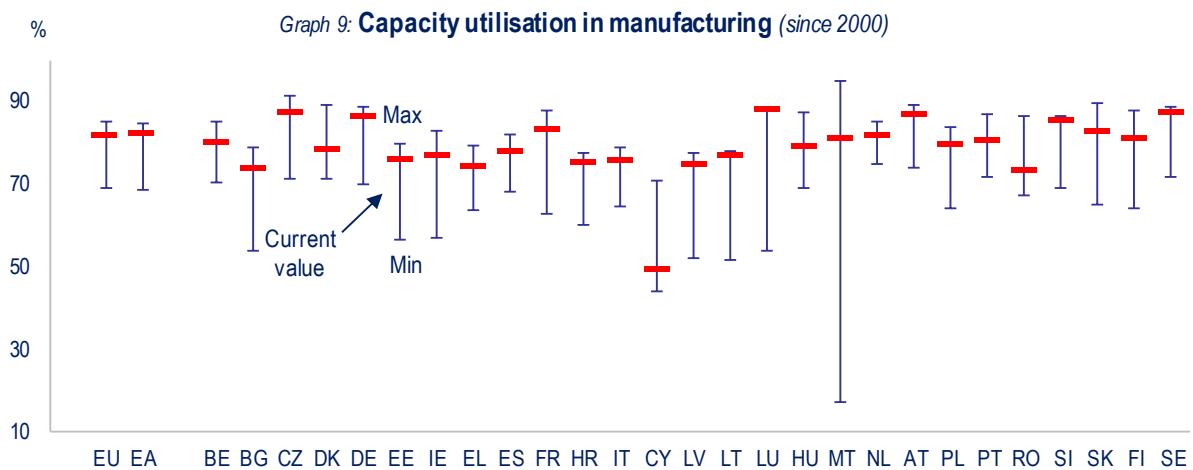
Quarterly survey results (conducted in April)

The quarterly questions in the industry and services surveys are asked in January, April, July and October of each year. In April 2021, the estimated rate of capacity utilisation in the EU industry sector recovered for the fourth time in a row. Thanks to a sharp increase by 4.7 points (to 82.3%) compared to January 2021, the indicator surpassed both its long-term average and the pre-pandemic level. In line with the higher capacity utilisation, the share of managers assessing their current production capacity as 'more than sufficient' (in view of current order books and demand expectations) declined sharply (-11.1 points). On the external side, managers' export volume expectations continued the recovery observed since July 2020, registering a marked 22.0-point increase compared to January, which brought the indicator close to all-time highs. Also firms' assessments of their competitive position on foreign markets outside the EU over the past three months brightened (+6.5 points). Thanks to a sharp improvement compared to January (+22.7 points), managers' appraisals of new orders reached the best score on record. The same goes for the estimated number of months' production assured by orders on hand, which grew to an all-time high of 4.9 months (+0.3 months compared to January).

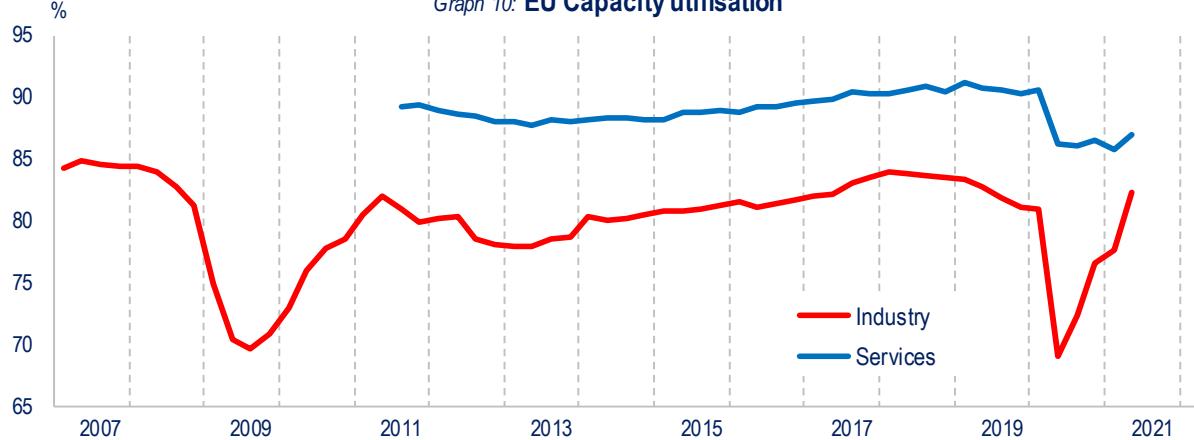
Euro-area developments were qualitatively in line with the described EU-developments; the estimated rate of capacity utilisation recovered to 82.5%, a marked 5.0 percentage points higher than in January and in excess of both the indicator's long-term average and pre-pandemic level.

Capacity utilisation in services inched 1.1 percentage points higher in the EU (to 86.9%) and 1.2 percentage points higher in the euro area (to 86.4%) compared to January, providing some indication of a bottoming-out after both indicators reached their lowest score on record in January.

Data collection period: 1 April to 22 April



Graph 10: EU Capacity utilisation

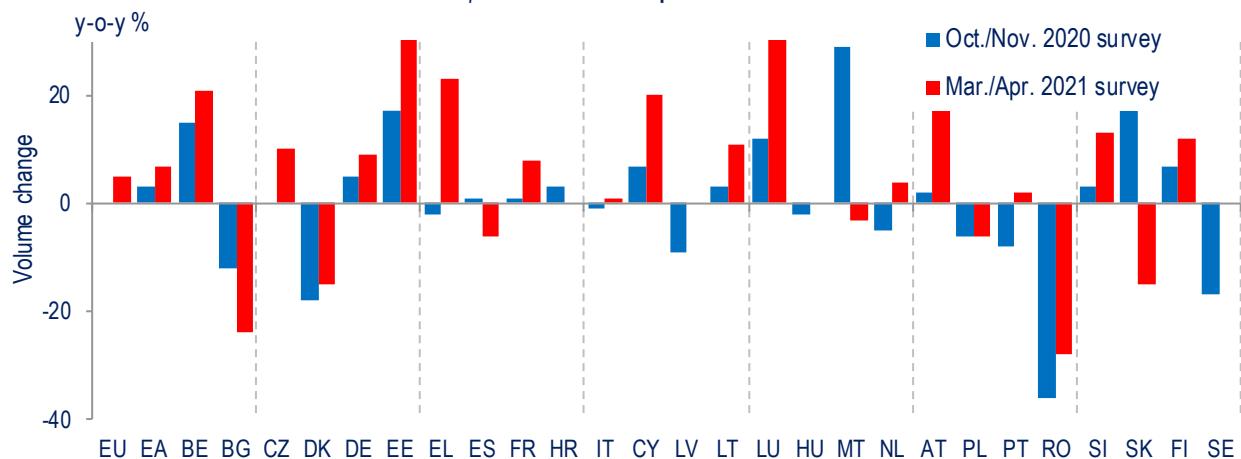


Industrial investment survey (conducted in March/April)

According to the bi-annual investment survey carried out in March/April this year⁴, real investment in the manufacturing industry is expected to increase by 5% in the EU in 2021, which is a considerable upward-revision compared to the 0% growth managers had expected in the previous survey of October/November 2020. As for real investment in 2020, managers in the March/April wave of the survey reported a decline by 10%, which is one percentage point up compared to their assessment in the previous survey conducted in October/November 2020.

In the euro area, real manufacturing investment in 2021 is estimated to increase by 7%, i.e. 4 percentage points up from the +3% expected in October/November last year. As regards 2020, the current estimation points to a decrease by 11%, which is one percentage point up compared to the assessment in the previous survey conducted in October/November 2020.

Graph 11: Investment expectations for 2021



⁴ The EU/EA aggregates were calculated without Latvia and Sweden, which did not submit investment data in April.

TABLE 4b (continued): Quarterly survey of consumers

(Data collected in January, April, July and October each year.)

Intention to carry out home improvements over the next 12 months (s.a.)^(a)

(Question 15)

	Since 2000 (*)				2019				2020				2021			
	Min.		Ave.	Max.	2019		2020		2021		I		II			
	Date	Value			III	IV	I	II	III	IV	I	II	I	II		
EU	IV-02	-58.1	-52.2	II-21	-43.4	-48.4	-47.1	-46.5	-52.8	-47.8	-47.6	-47.3	-49.6	-43.4		
EA	IV-02	-59.6	-53.5	II-21	-45.2	-49.9	-48.1	-47.6	-55.4	-49.6	-48.8	-49.6	-45.2			
BE	IV-08	-55.4	-44.8	II-12	-31.7	-45.8	-46.8	-47.3	-42.6	-41.3	-39.3	-41.2	-46.9			
BG	I-02	-86.2	-65.6	II-20	-39.0	-55.3	-52.6	-53.1	-39.0	-55.2	-57.6	-59.4	-58.1			
CZ	III-01	-50.6	-30.8	I-19	-15.1	-21.0	-24.3	-17.8	-28.4	-23.2	-29.8	-28.7	-26.5			
DK	I-03	-80.0	-56.6	I-00	-26.1	-42.2	-45.7	-46.0	-44.5	-42.6	-40.5	-39.2	-33.4			
DE	II-20	-35.5	-26.1	III-17	-16.1	-27.7	-26.0	-22.4	-35.5	-33.7	-31.9	-34.8	-29.9			
EE	I-21	-68.8	-44.1	II-06	-12.2	-57.9	-65.0	-63.1	-68.7	-66.6	-64.2	-68.8	-68.4			
IE	II-20	-47.0	-38.6	II-21	-25.0	-41.8	-42.7	-40.8	-47.0	-35.3	-37.3	-34.6	-25.0			
EL	I-13	-93.8	-76.0	II-01	-52.2	-69.3	-63.2	-69.6	-78.0	-77.2	-78.6	-77.9	-69.6			
ES	II-11	-90.5	-80.3	I-00	-69.8	-74.6	-74.7	-75.9	-81.6	-76.6	-77.0	-78.7	-76.2			
FR	III-01	-71.0	-59.3	II-21	-46.8	-53.6	-50.0	-51.3	-58.5	-50.5	-51.8	-48.3	-46.8			
HR	II-12	-75.5	-64.6	I-20	-51.3	-56.9	-53.4	-51.3	-51.8	-59.8	-57.6	-62.6	-53.2			
IT	IV-06	-86.0	-74.4	II-21	-55.7	-69.2	-68.4	-66.4	:	-62.2	-57.6	-61.0	-55.7			
CY	II-13	-88.8	-67.1	III-01	-45.6	-60.0	-56.5	-62.6	-70.7	-63.7	-64.5	-68.1	-57.3			
LV	I-00	-73.5	-37.4	I-02	-9.6	-28.5	-20.4	-22.2	-23.9	-18.6	-27.3	-21.5	-17.4			
LT	I-10	-81.6	-64.2	I-07	-52.3	-61.8	-61.8	-60.8	-63.9	-64.0	-54.7	-57.0	-53.3			
LU	IV-14	-48.3	-33.7	II-04	-21.8	-31.3	-25.6	-28.7	-31.4	-25.8	-34.4	-30.1	-24.8			
HU	IV-11	-87.4	-69.7	III-00	-22.8	-68.2	-65.1	-68.4	-50.8	-39.9	-64.7	-40.6	-64.9			
MT	II-17	-80.7	-64.9	IV-09	-53.9	-63.2	-61.7	-60.4	-72.6	-57.3	-64.6	-63.7	-58.5			
NL	III-05	-59.9	-49.1	II-21	-32.1	-42.8	-37.6	-40.2	-42.5	-37.6	-39.5	-38.3	-32.1			
AT	III-02	-50.4	-30.6	II-12	-20.2	-25.7	-24.0	-26.6	-39.5	-27.3	-28.1	-30.9	-21.0			
PL	III-12	-59.0	-41.1	I-21	-8.0	-40.5	-45.4	-41.6	-25.7	-21.8	-23.0	-8.0	-11.1			
PT	IV-12	-81.6	-66.9	III-01	-44.1	-69.3	-67.1	-65.9	-76.3	-67.1	-70.5	-64.8	-62.2			
RO	III-10	-68.2	-52.3	I-07	-39.9	-45.1	-45.9	-45.2	-52.3	:	:	:	:			
SI	II-12	-67.0	-45.4	III-07	-16.4	-46.7	-46.4	-48.3	-58.4	-47.4	-50.9	-52.9	-41.2			
SK	IV-20	-70.7	-58.2	III-07	-46.2	-62.8	-63.5	-65.0	-69.4	-68.5	-70.7	-67.0	-64.8			
FI	II-18	-69.8	-59.0	II-21	-47.2	-53.8	-55.0	-55.2	-61.4	-51.7	-53.0	-48.8	-47.2			
SE	IV-14	-33.8	-20.3	III-12	-7.1	-28.7	-27.4	-29.3	-32.5	-23.6	-25.3	-23.1	-16.0			

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

(a) Balances: i.e. differences between the percentages of respondents giving positive and negative replies.

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

	Since 2000 (*)				2020								2021					
	Min.		Ave.	Max.		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
	Date	Value		Date	Value													
SELLING-PRICE EXPECTATIONS (Question 6)	EU	08-09	-6.0	6.4	11-07	22.3	-1.0	1.8	1.5	2.9	4.3	4.8	2.7	4.6	4.1	5.2	9.5	15.3
	EA	03-09	-8.7	5.7	11-07	21.7	-3.1	0.1	-0.6	0.8	2.7	3.2	1.4	3.3	2.8	3.9	8.2	14.0
	BE	12-20	-15.2	6.3	04-11	26.4	-10.3	5.0	-2.7	0.3	5.6	10.0	-13.4	-15.2	1.5	7.3	13.3	15.3
	BG	11-09	-9.2	9.8	07-08	45.8	-5.5	0.5	3.0	-0.1	2.5	0.9	0.1	0.2	1.3	3.5	6.9	9.2
	CZ	01-15	-11.9	5.0	08-20	27.6	22.3	18.7	22.7	27.6	21.0	15.4	15.7	19.2	14.5	22.0	24.1	26.3
	DK	04-20	-16.4	-0.4	02-11	24.2	-10.9	-7.6	-3.1	-1.8	-1.7	-0.4	-0.4	-2.8	-5.5	-8.1	-4.8	4.4
	DE	04-20	-9.6	10.8	11-06	38.6	3.0	-1.3	-2.5	5.5	8.8	10.9	12.0	18.6	11.5	11.9	16.9	25.2
	EE	03-09	-35.9	28.6	04-11	54.9	2.5	14.3	25.0	27.3	22.8	21.3	18.9	13.1	15.2	22.2	27.8	43.1
	IE	07-09	-51.4	8.4	03-21	39.9	0.0	11.3	7.5	9.1	8.9	9.3	8.1	24.5	12.8	32.2	39.9	30.9
	EL	06-12	-35.2	-0.3	05-08	33.6	-10.9	-9.4	0.6	5.1	-1.0	0.2	4.9	5.6	0.1	-0.8	0.4	13.8
	ES	02-09	-18.6	4.4	01-05	28.7	-7.5	-3.1	-4.9	-6.7	-4.2	-5.8	-8.8	-5.0	-2.7	-6.4	-0.9	12.4
	FR	03-09	-29.4	-2.8	11-07	14.0	-6.1	-2.0	-2.9	-0.4	-0.4	0.0	-4.9	-5.7	0.3	-1.6	1.3	1.5
	HR	04-20	-16.9	1.2	06-08	31.6	-10.9	-0.1	-9.3	0.8	-0.6	-5.3	-0.9	3.2	-3.3	-2.2	-1.4	5.2
	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	8.0
	CY	04-13	-27.7	3.9	07-08	34.3	-1.6	0.2	1.9	3.1	5.3	2.0	1.4	4.3	0.9	-3.3	2.6	-0.5
	LV	01-10	-22.5	19.1	05-04	55.7	0.7	9.0	10.8	6.7	6.7	3.7	0.8	3.1	2.7	4.3	13.0	23.0
	LT	07-09	-46.5	8.0	04-11	61.7	-3.9	2.6	2.1	1.2	3.3	2.9	3.8	1.5	0.3	2.8	7.4	8.1
	LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	HU	03-10	3.6	32.3	06-00	80.8	31.8	25.8	20.6	23.2	27.3	34.7	28.5	28.9	29.1	36.6	38.9	50.4
	MT	02-19	-32.9	6.4	03-21	46.3	13.0	24.8	-6.1	26.9	18.2	28.8	27.1	22.9	45.0	45.3	46.3	-3.3
	NL	11-10	-18.7	5.4	10-12	26.2	0.5	4.9	2.9	-0.4	1.3	-0.2	-1.2	-1.8	-6.0	-1.2	-0.3	6.9
	AT	09-09	-1.0	13.9	02-08	34.1	5.5	13.7	17.0	12.7	12.3	20.7	10.9	6.1	5.4	21.7	31.3	33.4
	PL	07-02	-7.0	14.2	03-09	39.4	8.8	14.6	14.5	16.6	14.8	12.7	9.4	12.7	17.5	15.1	19.5	24.4
	PT	07-03	-21.5	3.3	07-05	25.3	-8.5	-2.3	-1.8	-2.5	-3.7	-2.0	-2.6	-0.2	-1.1	-2.1	-0.7	2.1
	RO	01-16	-14.9	24.2	10-04	56.0	18.8	25.0	26.6	22.1	16.8	14.2	11.5	13.0	15.2	9.8	25.8	26.2
	SI	03-09	-32.6	9.0	02-08	40.2	-5.8	23.2	8.1	2.3	9.9	11.5	8.1	5.4	-6.5	-13.7	8.4	-8.5
	SK	07-09	-36.9	15.5	11-02	73.9	-6.8	0.2	9.4	13.3	9.2	7.8	3.8	3.1	8.1	7.0	16.6	12.5
	FI	03-15	-48.9	4.2	07-11	59.6	-11.3	-2.9	0.7	2.8	-0.5	-5.8	2.3	5.9	1.7	0.8	1.8	21.0
	SE	07-05	-10.3	14.7	11-18	38.8	18.8	8.1	13.2	18.4	15.7	21.1	13.2	17.3	11.0	15.3	15.7	25.8

(*) 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.		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
	Date	Value		Date	Value															
FINANCIAL SERVICES	EU	04-20	-51.1	12.6	04-06	43.3	-49.5	-25.4	-11.0	-6.5	5.4	1.7	-8.7	10.2	8.8	4.3	9.5	10.0		
CONFIDENCE INDICATOR ^(b)	EA	04-20	-51.9	11.1	04-06	42.6	-48.6	-22.8	-8.6	-4.8	6.7	3.3	-7.6	11.9	11.1	5.4	11.2	11.4		
ASSESSMENT OF BUSINESS SITUATION	EU	05-20	-63.4	9.8	04-06	38.6	-63.4	-38.1	-22.2	-9.8	1.3	1.1	-6.8	6.2	8.9	0.3	4.2	9.1		
OVER THE PAST 3 MONTHS ^(c)	EA	05-20	-62.4	8.7	04-06	39.6	-62.4	-35.6	-18.9	-7.0	3.2	3.2	-5.2	8.1	11.9	1.6	5.5	10.1		
EVOLUTION OF DEMAND	EU	05-20	-51.6	11.6	04-06	41.6	-51.6	-34.4	-20.5	-12.2	3.0	4.5	-2.3	14.8	13.1	5.1	8.0	6.9		
OVER THE PAST 3 MONTHS ^(c)	EA	05-20	-50.8	10.5	04-06	40.3	-50.8	-31.8	-17.2	-10.1	5.2	7.1	-0.7	18.2	17.0	6.9	10.0	8.6		
EVOLUTION OF DEMAND EXPECTED	EU	04-20	-61.6	16.2	04-06	49.5	-33.5	-3.8	9.7	2.5	12.1	-0.4	-16.9	9.7	4.4	7.5	16.3	14.0		
OVER THE NEXT 3 MONTHS ^(c)	EA	04-20	-61.5	14.1	04-06	47.8	-32.5	-1.2	10.3	2.6	11.8	-0.3	-16.8	9.5	4.4	7.8	17.9	15.4		
EVOLUTION OF EMPLOYMENT	EU	02-09	-11.2	5.6	01-07	23.3	-10.9	-6.4	-5.1	-6.6	-3.5	-3.5	-4.1	2.7	0.7	-1.1	7.7	2.4		
OVER THE PAST 3 MONTHS	EA	03-13	-12.4	3.9	09-08	25.7	-11.4	-5.5	-4.6	-5.9	-1.8	-3.7	-3.3	4.9	2.2	-0.6	9.1	1.9		
EVOLUTION OF EMPLOYMENT	EU	04-20	-26.6	7.2	04-06	30.0	-17.5	-7.7	-2.2	-1.3	3.8	-4.6	-14.8	-0.1	10.5	2.8	5.4	9.4		
EXPECTED OVER THE NEXT 3 MONTHS	EA	04-20	-26.6	4.9	04-06	29.5	-17.5	-6.7	-1.7	-0.9	4.9	-4.4	-14.8	0.8	11.8	4.0	5.7	10.4		

(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 21 May 2021
Full Business and Consumer Survey Results (incl. ESI, EEI, sectoral CIs) 28 May 2021