

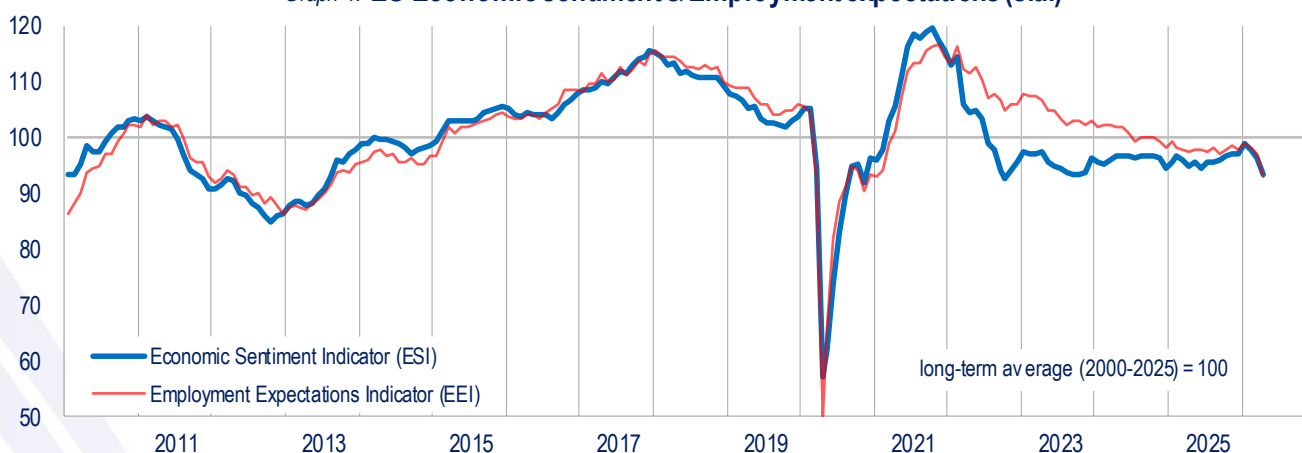
Business and consumer survey results for April 2026

Economic Sentiment and Employment Expectations plunge in the EU and the euro area

In April 2026, the Economic Sentiment Indicator (ESI) recorded a sharp drop in both the EU (-2.9 to 93.5) and the euro area (-3.2 to 93.0).¹ Also the *Employment Expectations Indicator* (EEI) plummeted in both the EU (-4.0 points to 93.2) and the euro area (-4.6 to 91.7). Both indicators have fallen markedly below their long-term averages of 100.

EU developments

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

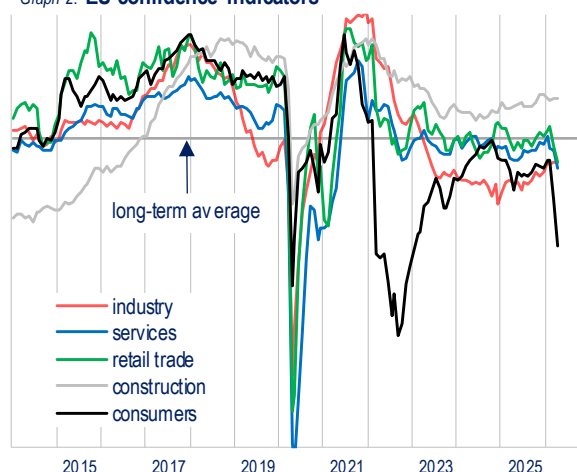


source: European Commission services

In the EU, the decline of the ESI was driven by plummeting confidence among consumers, as well as managers in services and retail trade. Confidence in construction and industry held up broadly stable. Among the largest EU economies, the ESI deteriorated significantly in Germany (-3.9), France (-3.0), Italy (-2.8) and the Netherlands (-2.5), while it decreased less dramatically in Spain (-0.9) and Poland (-0.8).

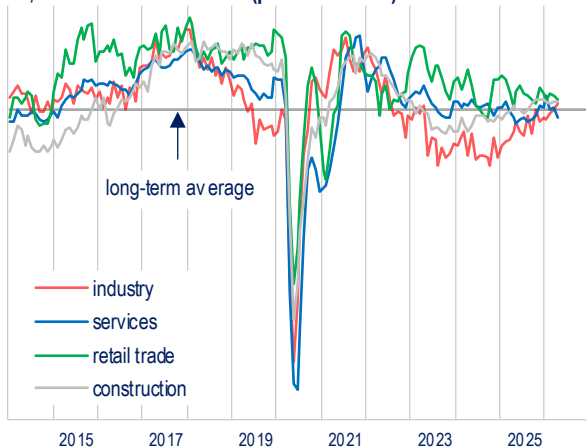
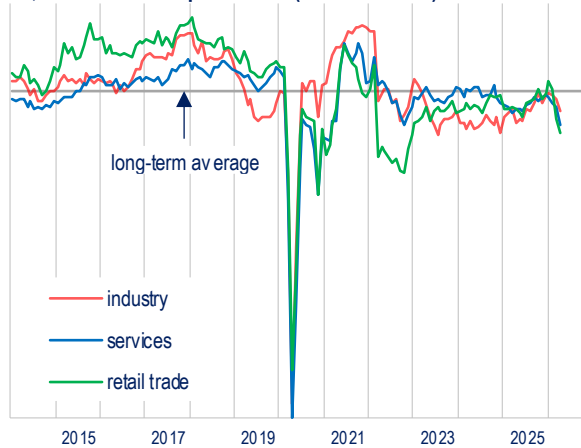
Industry confidence remained virtually unchanged (-0.1), as a sharp decline in managers' *production expectations* was almost offset by improvements in their assessment of the *stocks of finished products* and the current level of *overall order books*. Of the questions not entering the confidence indicator, managers' assessment of developments in *past production* improved markedly, while their appraisal of *export order books* remained virtually the same. **Services confidence** declined by a lot (-3.4), reflecting managers' more negative assessments across all three components (*past and expected demand*, and *past business situation*). The steep decline in **consumer confidence** (-4.0) was likewise driven by a deterioration in all four of its components – i.e. consumers' views on their *household's past and future financial situation*, their *intentions to make major purchases*, and their expectations about the *general economic situation in their country*. The decline in the latter was particularly pronounced. **Retail trade confidence** also declined (-1.7), owing mostly to retailers' markedly worsened assessment of the *expected business situation*. Also their assessments of the *past business situation* and the *volume of stocks* worsened. **Construction confidence** stayed broadly stable (-0.3), as builders' assessment of their *order books* and *employment expectations* decreased only mildly.

Graph 2: EU confidence indicators²



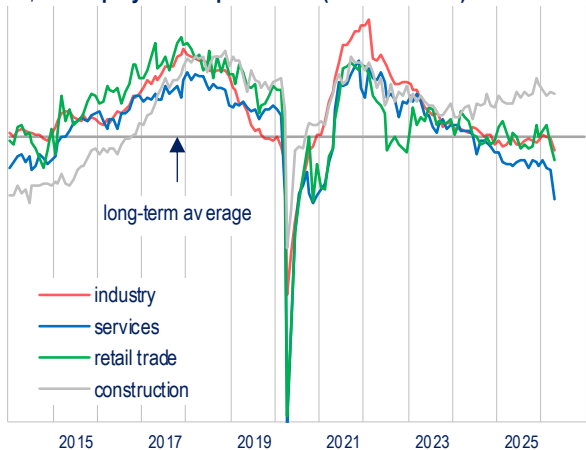
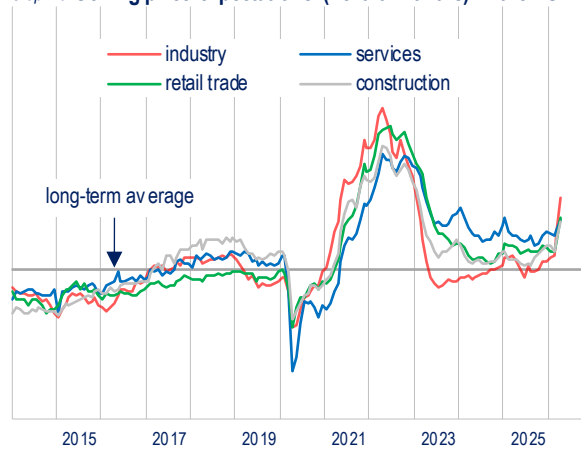
¹ Past survey data were revised due to seasonal adjustment and revisions in French business survey data.

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

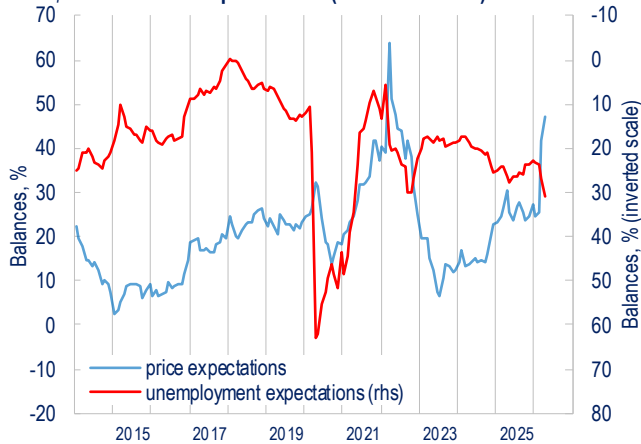
Graph 3: Business situation (past 3 months) in the EU²Graph 4: Business expectations (next 3 months) in the EU²

The **Employment Expectations Indicator** registered its third consecutive decline (-4.0). The sharp drop in April resulted from lower employment plans among managers in services (a pronounced -4.4), followed by those in industry, and retail trade, while expectations in construction merely edged down. Consumers' unemployment expectations, which are not included in the headline indicator, worsened notably (-3.8). At the same time, the EU **Labour Hoarding Indicator** also increased (+0.9 points to 10.8%), continuing its upward trend since the beginning of the year and rising further above its long-term average of 9.6.³

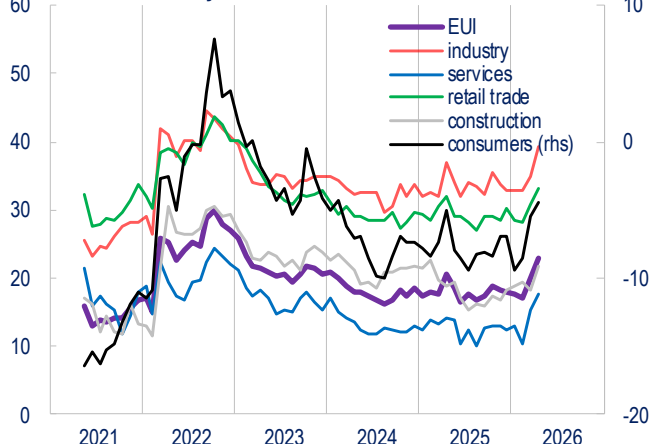
Selling price expectations surged across all business sectors, especially in industry (+10.7), retail trade (+7.6) and construction (+6.8), and, to a lesser extent, in services (+2.1). Selling price expectations currently stand well above their long-term average in all four business sectors. Consumers' price expectations for the next twelve months rose sharply in April (+5.5), adding to the very steep increase of March. In the same vein, perceptions of price developments over the past twelve months increased considerably (+8.2) and remain at a very high level.

Graph 5: Employment expectations (next 3 months) in the EU²Graph 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 [2024-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)** surged in April (+2.9 points to 22.9). Managers' uncertainty about their future business situation increased sharply across all business sectors, especially in industry (+4.4, reaching its highest value since January 2023) and construction (+3.4). Consumers' uncertainty about their future financial situation picked up as well, to the highest level since February 2024.

Quarterly survey results (conducted in April)

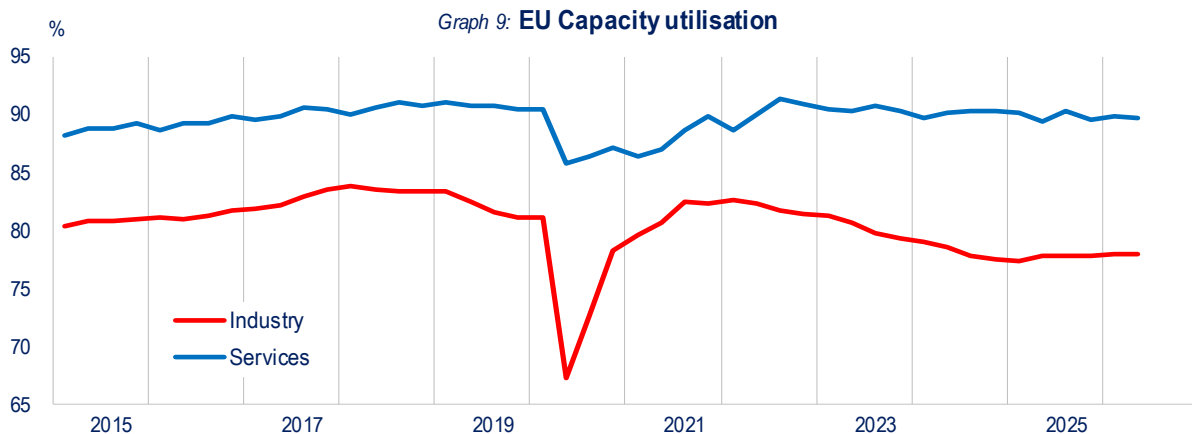
The quarterly questions in the industry and services surveys are asked in January, April, July and October of each year.

In EU industry, the estimated rate of *capacity utilisation* edged up in April (+0.1 pps to 78.0%) compared to January, though remaining below its long-term average of 80.4%. In the euro area, the rate increased more markedly by 0.7 pps to 78.5%.

In line with the rising *capacity utilisation* rate, the share of managers judging their *current production capacity* as 'more than sufficient' rather than 'not sufficient' (given current order books and demand expectations) decreased slightly (-0.3). On the external side, managers' assessments of their *competitive position on foreign markets outside the EU over the past three months* increased substantially (+3.1 pps). Also their evaluation of *order developments* over the past three months improved strongly (+2.8).

The share of industry managers pointing to *shortages of material and/or equipment* as a *factor limiting production* increased noticeably since January (+4.8 pps to 13.6%). Meanwhile, the proportion indicating *insufficient demand* as a limiting factor fell by 1 ppt, to 35.2%. The share of managers indicating a *shortage of labour force* decreased as well (-0.7 to 16.4%). At 5.5%, the share of those pointing to *financial constraints* as limiting their firm's production stayed fairly stable at a relatively low level.

Turning to services, the *capacity utilisation* rate in the EU edged down compared to January (-0.1 pps to 89.8%), remaining above its long-term average of 89.4%. In the euro area, it edged down by 0.2 pps to 89.7%.



Investment survey (conducted in March/April)

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 in their company's investment (increase, unchanged, decrease). In spring, managers are asked about investment realised in their firm during the previous year (t-1) and investment planned in the current year (t).

According to the survey conducted in March/April 2026, the share of managers in EU industry reporting an increase in their firm's investment in 2025 was higher than the share reporting a decrease. The resulting balance of 6% of positive over negative assessments represents a significant upward revision from the balance recorded in the previous survey in October/November 2025 (0%). As regards investment in 2026, the balance of expectations for an increase compared to 2025 rose to 7%, also an upward revision from the 5% reported in the October/November 2025 survey.

The percentage of managers reporting an increase in their firm's investment in 2025 grew in the services sector as well (net balance of 16% compared to 5% in the October/November 2025 wave). For 2026, the balance of service managers predicting an increase in investment compared to 2025 rose to 11%, again above the October/November 2025 survey balance (7%).

Data collection period: 1 to 23 April.

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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