



EUROPEAN COMMISSION

PRESS RELEASE

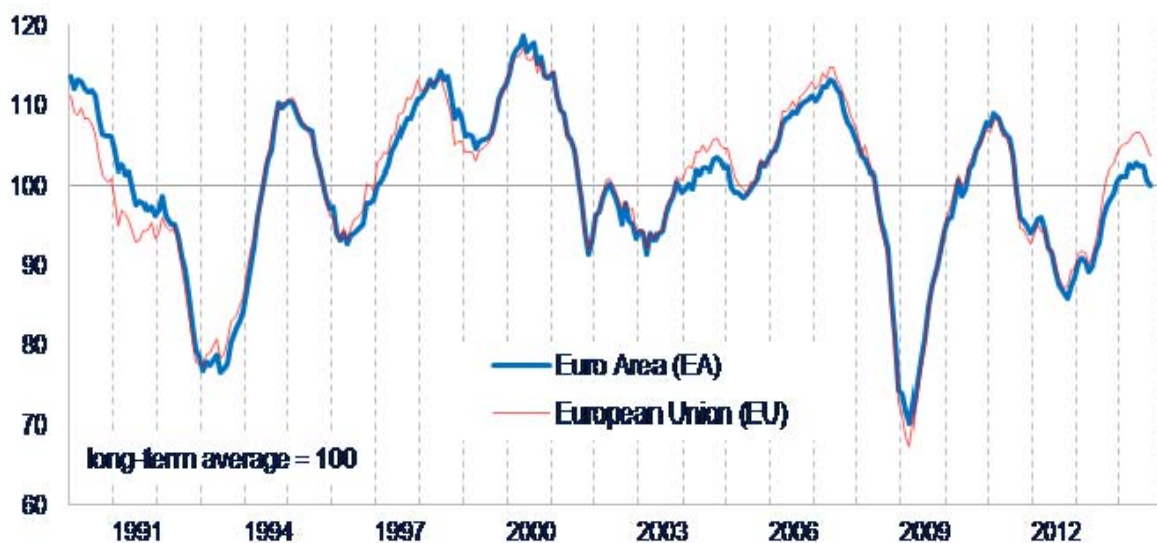
Brussels, 29 September 2014

September 2014: Economic Sentiment decreases in the euro area and the EU

In September the Economic Sentiment Indicator (ESI) decreased in both the euro area (by 0.7 points to 99.9) and the EU (by 1.0 point to 103.6). The euro-area indicator fell slightly below its long-term average of 100, which it had surpassed only in December 2013. The negative developments in the EU and the euro area indicator mainly reflect more cautious views of consumers and the retail trade sector.

Economic sentiment indicator (s.a.)

September EU: 103.6 – Euro Area: 99.9



source: European Commission services

Euro area developments

In the euro area, lower readings of retail trade and consumer confidence were only partly offset by positive signals from the construction sector. Industry and services confidence remained virtually unchanged. Amongst the largest euro-area economies, sentiment

increased only in Spain (+0.5), while it remained broadly flat in the Netherlands (+0.3), France (+0.2) and Germany (-0.3) and shed in Italy (-0.9).

The virtually flat development in industry confidence (-0.2) resulted from managers' improved production expectations being counter-balanced by grimmer views on the stocks of finished products and the current level of overall order books. The assessments of the level of export order books and past production, which do not enter the calculation of the confidence indicator, worsened significantly. The broadly unchanged reading of services confidence compared to the previous month (+0.1) was due to improved demand expectations being outweighed by managers' more negative stance on past demand and unchanged appraisals of the past business situation. Consumer confidence booked the fourth month-on-month decline in a row (-1.4) propelled by consumers' increased pessimism about future unemployment, the future general economic situation and, less so, the level of future savings. Consumers' expected financial situation remained unchanged. The sharp drop in retail trade confidence (-2.6) owed to more negative assessments of all components of the indicator, namely the expected and present business situation, as well as the adequacy of the volume of stocks. Construction confidence brightened (+0.7) as a consequence of significantly improved assessments of the level of order books in combination with broadly unchanged employment expectations. Dropping by 1.9 points, financial services confidence (not included in the ESI) continued the broad downward trend observed over the last 3 months. Clearly less positive appraisals of the past business situation and past demand were mitigated somewhat by broadly unchanged demand expectations.

Employment plans were only revised downwards in retail trade, while they remained virtually unchanged in industry and construction and even improved in services. Selling price expectations decreased in all surveyed business sectors (industry, services, construction and, most so, retail trade). Also consumer price expectations saw significant downward revisions.

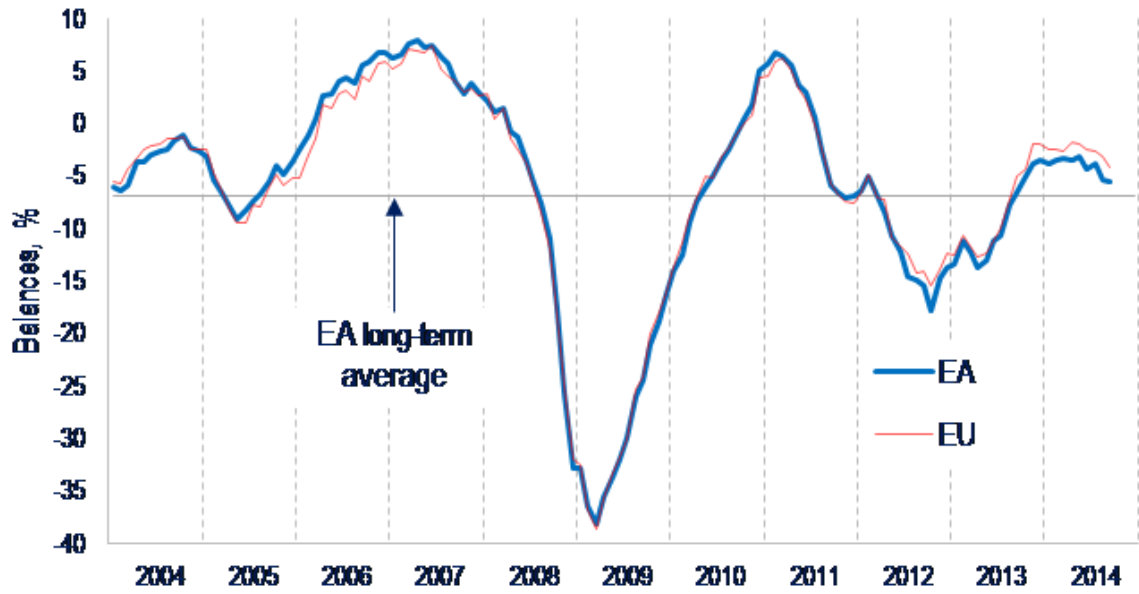
EU developments

With sentiment slipping in the largest EU economies outside the euro area (UK: -0.9, Poland: -0.4, Sweden: -2.6), the EU headline indicator shed somewhat more in the EU (-1.0) than in the euro area. In line with euro-area developments, confidence only strengthened in the construction sector, while remaining unchanged in services and fading in the retail trade and financial sector, as well as among consumers. Slipping industry confidence (-1.0) was the main sectoral difference compared to euro-area results.

Euro-area consumers' gloomier unemployment expectations were paralleled at EU-level, as were the downward revision of employment plans in the retail trade sector and the broadly unchanged plans in industry. By contrast, employment plans in construction saw upward revisions rather than unchanged readings, whereas they were corrected downwards rather than upwards in services. EU price expectations were in line with those for the euro area, except for the EU construction sector, where price expectations remained virtually unchanged.

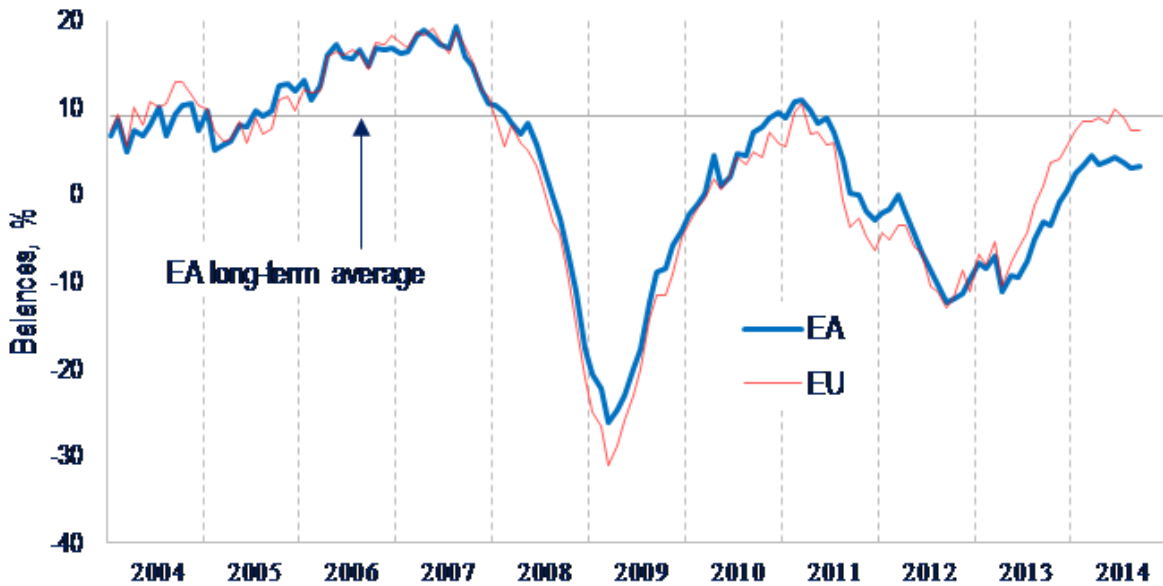
Industrial confidence indicator (s.a.)

September EU: -4.2 – Euro Area: -5.5



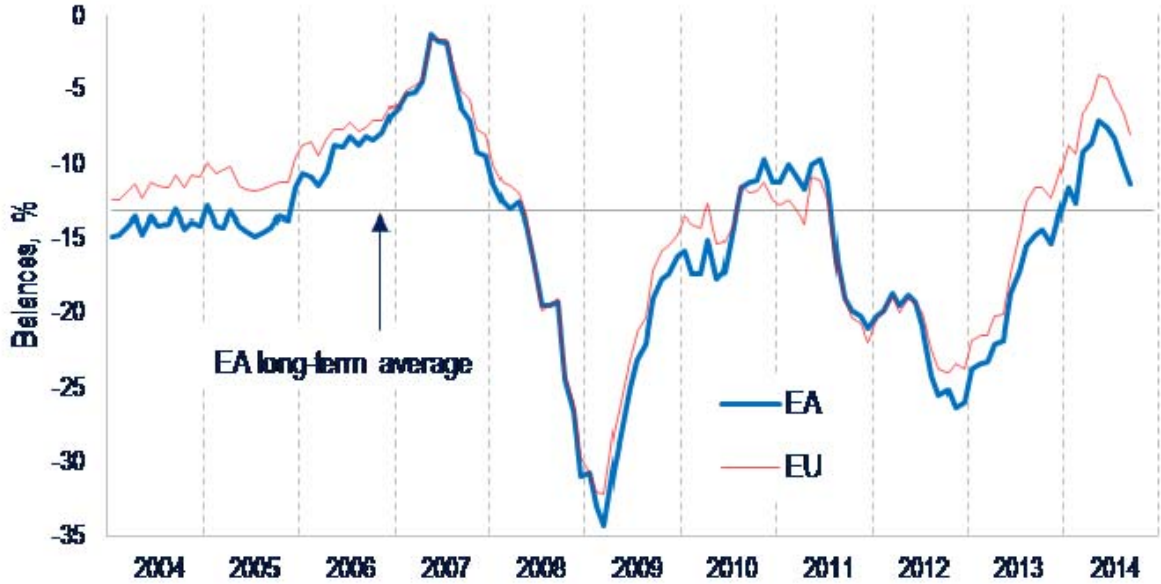
Service confidence indicator (s.a.)

September EU: 7.4 – Euro Area: 3.2



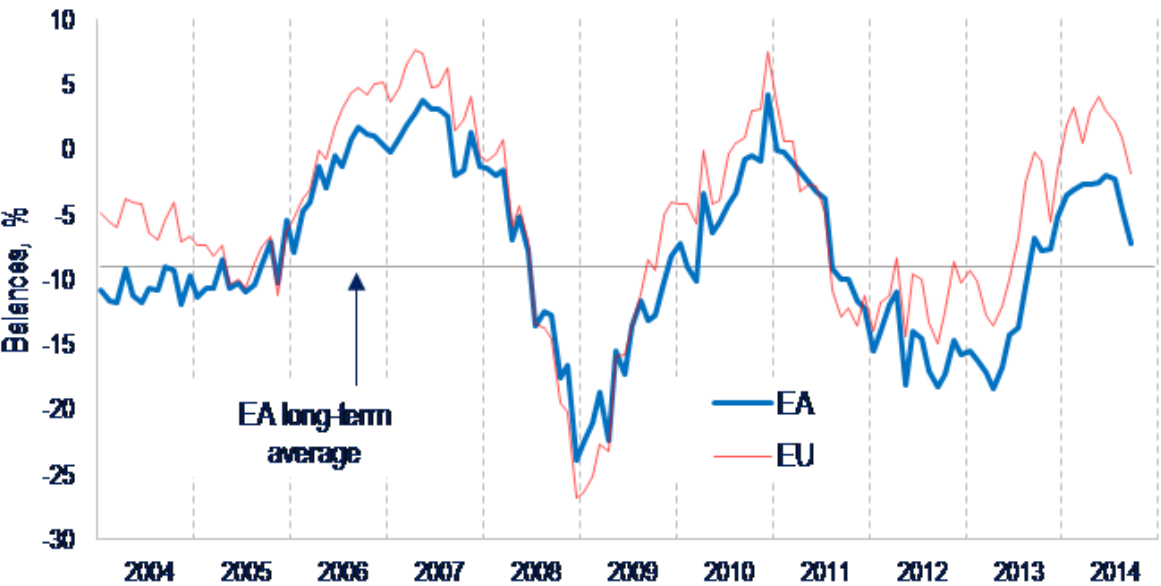
Consumer confidence indicator (s.a.)

September EU: -8.0 – Euro Area: -11.4



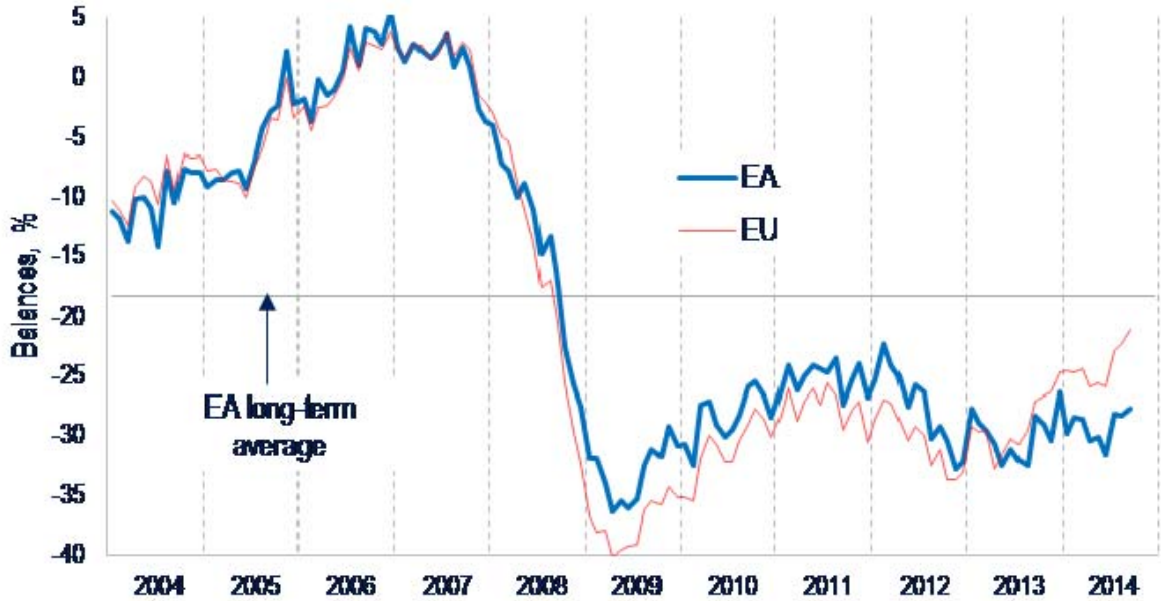
Retail trade confidence indicator (s.a.)

September EU: -1.8 – Euro Area: -7.2



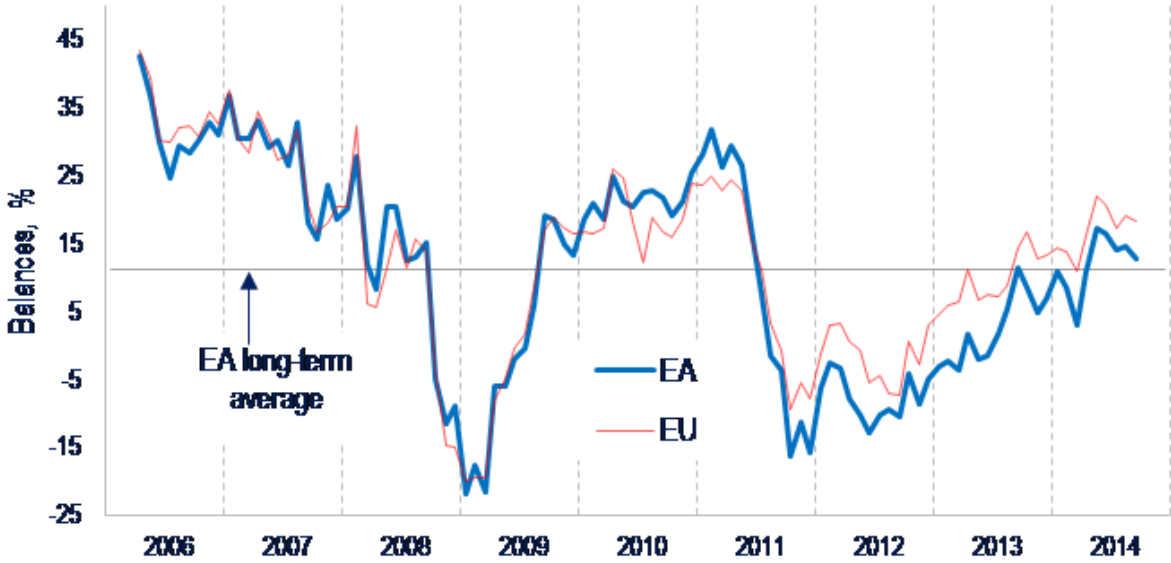
Construction confidence indicator (s.a.)

September EU: -21.2 – Euro Area: -27.7



Financial services confidence indicator (n.s.a.)

September EU: 18.3 – Euro Area: 12.7



The next Business and Consumer Survey is due to be published on 30 October 2014.

Full tables are available on:

http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm

Scheduled publication dates

	Flash estimate	Final release EU, euro area and Member States
October 2014	23 October 2014	30 October 2014
November 2014	20 November 2014	27 November 2014
December 2014	22 December	8 January 2015

Contacts :

[Simon O'Connor](#) (+32 2 296 73 59)

[Vandna Kalia](#) (+32 2 299 58 24)

[Audrey Augier](#) (+32 2 297 16 07)

For the public: **Europe Direct** by phone **00 800 6 7 8 9 10 11** or by [e-mail](#)