



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 9 January 2014

December 2013: Economic Sentiment rises further in both the euro area and the EU

In December the Economic Sentiment Indicator (ESI) increased by 1.6 points in the euro area (to 100.0) and 1.4 points in the EU (to 103.5). Sentiment in the euro area is thus back to its long-term average for the first time since July 2011. In the EU, the average had already been passed in September.

Economic sentiment indicator (s.a.)

December EU: 103.5 - Euro Area: 100.0



source: European Commission services

Euro area developments

In the euro area, the marked improvement resulted from rising confidence among consumers, as well as managers in services, retail trade, construction and, to a lesser extent, industry. Economic sentiment improved in three of the five largest economies, namely Spain (+4.0), Italy (+2.3) and the Netherlands (+1.5), while remaining virtually unchanged in Germany and France (both +0.3).

Industry confidence increased moderately (+0.5), driven by more positive assessments of the current level of overall order books and the stocks of finished products, which were somewhat counter-balanced by deteriorating production expectations. Of the survey questions not included in the confidence indicator, managers' assessment of the current level of export order books remained unchanged, while it worsened in the case of past production. Services confidence rose (+1.1) as a result of significantly improved assessments of the past business situation and past demand, which contrasted with slightly deteriorating demand expectations. Consumer confidence picked up (+1.8), thanks to more optimistic views of households on the future general economic situation, their unemployment expectations and, to a lesser extent, their savings over the next 12 months. Consumers' opinions about the future financial situation of their households remained broadly unchanged. Retail trade confidence increased substantially (+2.7), driven by managers' surging optimism about the future business situation and, to a lesser extent, improving appraisals of the present business situation and the volume of stocks. Also sentiment in construction improved significantly (+3.6), fuelled by managers' improved appraisal of order books and less pessimistic employment expectations. Financial services confidence (not included in the ESI) increased by 2.0 points, driven by a markedly improved assessment of past demand, which more than outweighed managers' grimmer views on the past business situation and demand expectations.

Employment plans were revised upwards in industry, retail trade and construction, while remaining broadly unchanged in services. Selling price expectations increased in industry, services and retail trade, but decreased in construction. Consumers' price expectations for the next 12 months increased.

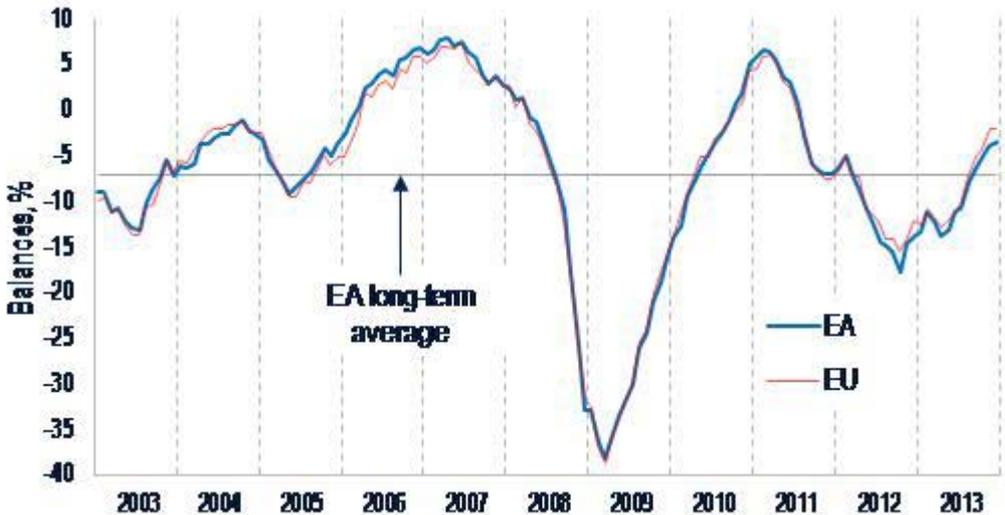
EU developments

In the wider EU, the improvement in sentiment was only slightly less pronounced than in the euro area (+1.4). On a sector basis, developments in the EU deviated from the euro area in so far as industry confidence remained unchanged and the surge in sentiment was considerably higher in retail trade, while lower in construction. On a country basis, the main reason for the slightly weaker improvement in sentiment was a virtually unchanged confidence level in the largest non-euro area EU economy, the UK (-0.1). The EU financial services confidence indicator improved at a slower pace than in the euro area (+0.5).

Employment plans in the EU were broadly in line with the euro area, except for services where plans were revised upwards and construction where they remained virtually unchanged. Selling price expectations developed in line with the euro area.

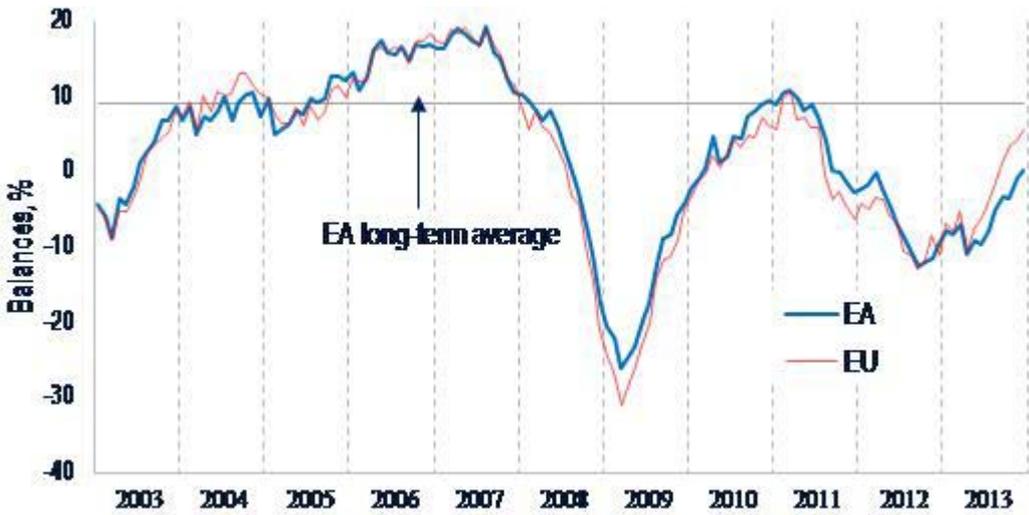
Industrial confidence indicator (s.a.)

December EU: -2.0 - Euro Area: -3.4



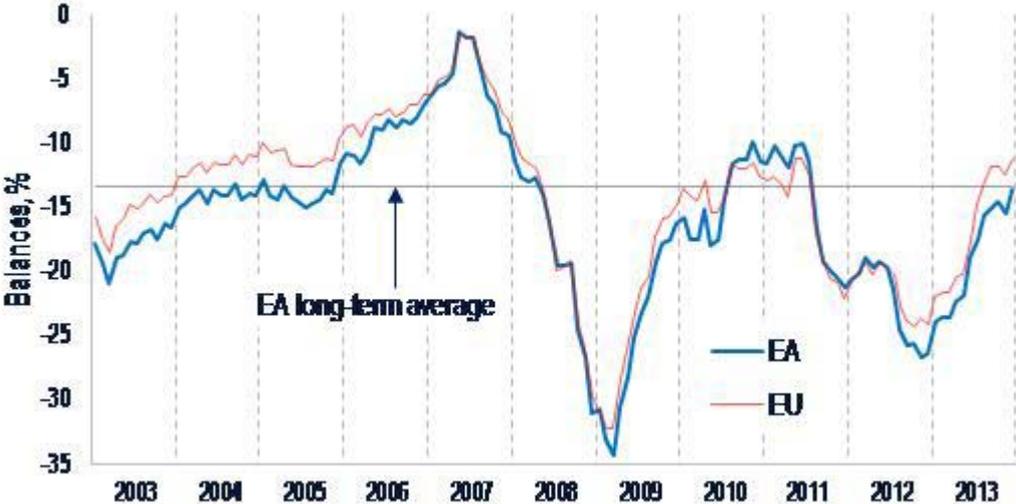
Service confidence indicator (s.a.)

December EU: 5.6 - Euro Area: 0.2



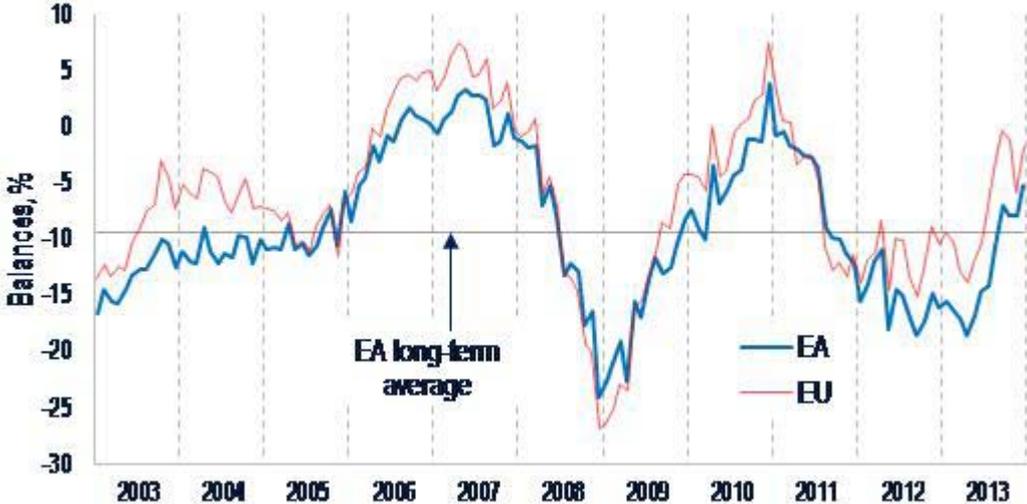
Consumer confidence indicator (s.a.)

December EU: -11.1 - Euro Area: -13.6



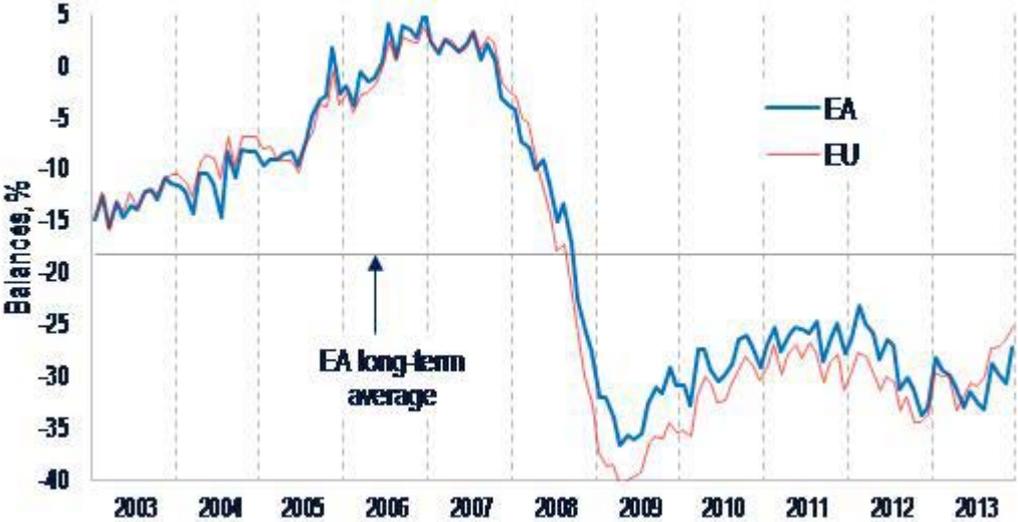
Retail trade confidence indicator (s.a.)

December EU: -1.6 - Euro Area: -5.1



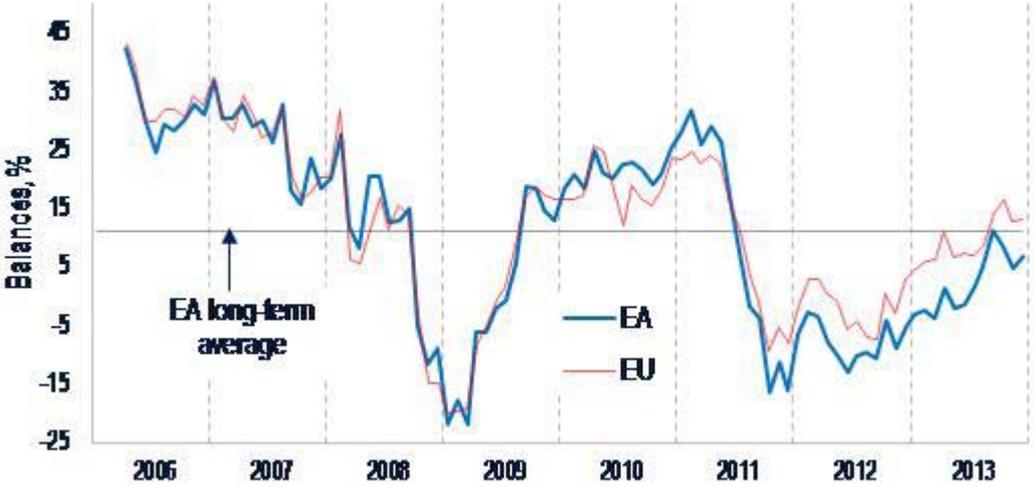
Construction confidence indicator (s.a.)

December EU: -25.2 - Euro Area: -27.1



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

December EU: 13.2 - Euro Area: 6.9



The next Business and Consumer Survey is due to be published on 30 January 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
January 2014	23 January 2014	30 January 2014
February 2014	20 February 2014	27 February 2014
March 2014	21 March 2014	28 March 2014

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