

Brussels, 30 November 2007

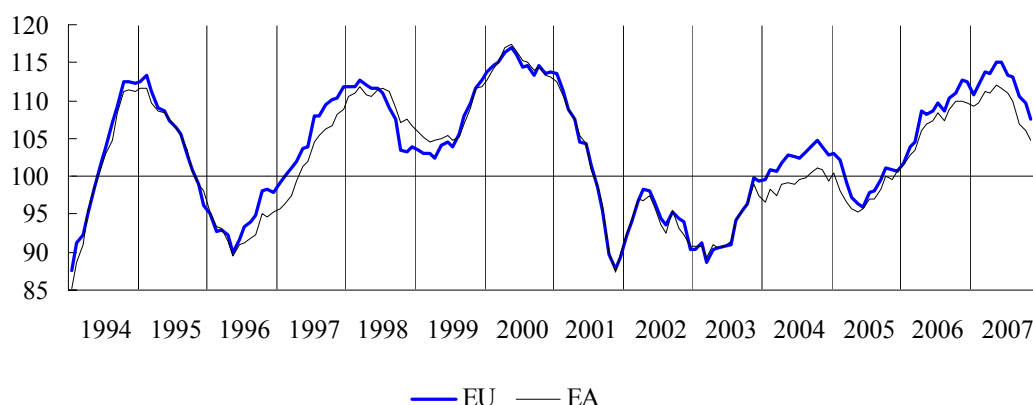
November 2007: Economic sentiment weakens further in both the EU and the euro area

In November, the Economic Sentiment Indicator (ESI) weakened further in both the EU and the euro area. It decreased by 2.0 points in the EU and by 1.2 points in the euro area, to 107.6 and 104.8 respectively; but still remains well above its long-term average in both areas.

Economic sentiment indicator (s.a.)

EU: November 107.6
Euro area: November 104.8

long-term average =100

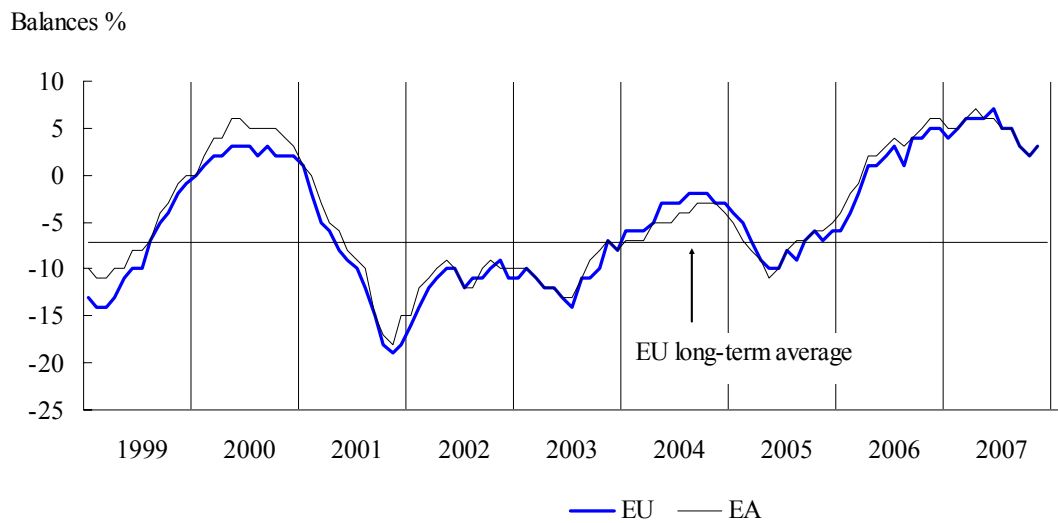


The decrease in the sentiment indicator for both the EU and the euro area is mainly due to a significant drop in confidence in the services sector and slightly lower confidence in the construction sector and among consumers, while confidence improved in the manufacturing and the retail trade sectors.

At the individual country level, the picture is mixed, with an approximately equal number of countries reporting increases and decreases in sentiment. Among the large Member States, confidence deteriorated markedly in Italy (-4.3) and the UK (-5.0). The decrease was more muted in Spain (-0.2) and France (-0.4). In Germany (+0.1), economic sentiment remained virtually unchanged, while it increased slightly in Poland (+0.5).

Industrial confidence indicator (s.a.)

EU: November 3
Euro area: November 3



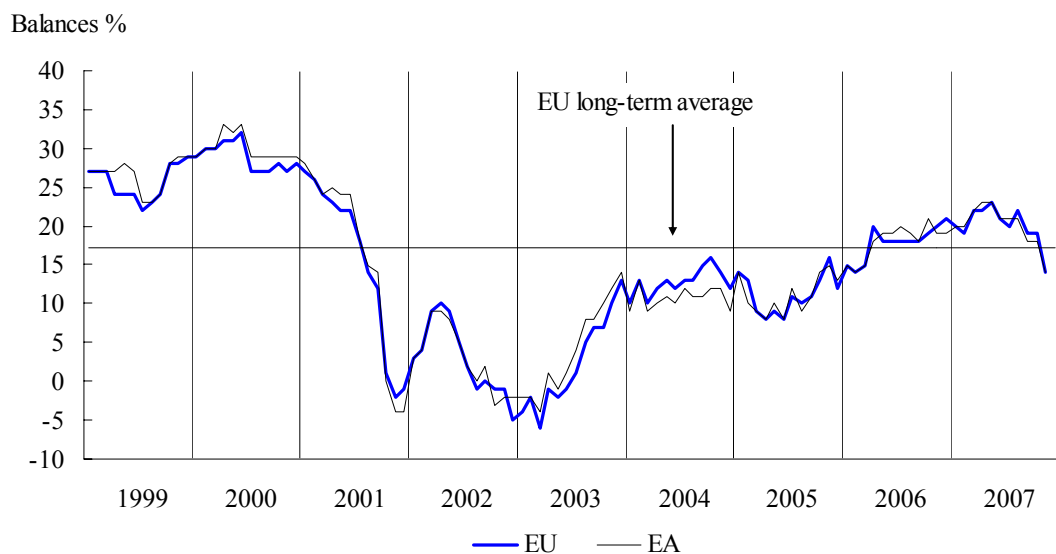
Following four consecutive months of decline, the industrial confidence indicator recovered slightly in November, increasing by one point in both the EU and the euro area. The level of the indicator still remains far above its long-term average.

In the EU, both managers' production expectations and their assessment of order books increased slightly, while their views on the stocks of finished products deteriorated somewhat. In the euro area, the picture is similar with the exception of managers' assessment of stocks of finished products, which remained unchanged.

Among large EU Member States, industrial confidence increased in Spain (+5), France (+2) and the UK (+1). The industrial confidence indicator remained unchanged in Germany and Poland, and weakened slightly in Italy (-1).

Service confidence indicator (s.a.)

EU: November 14
Euro area: November 14



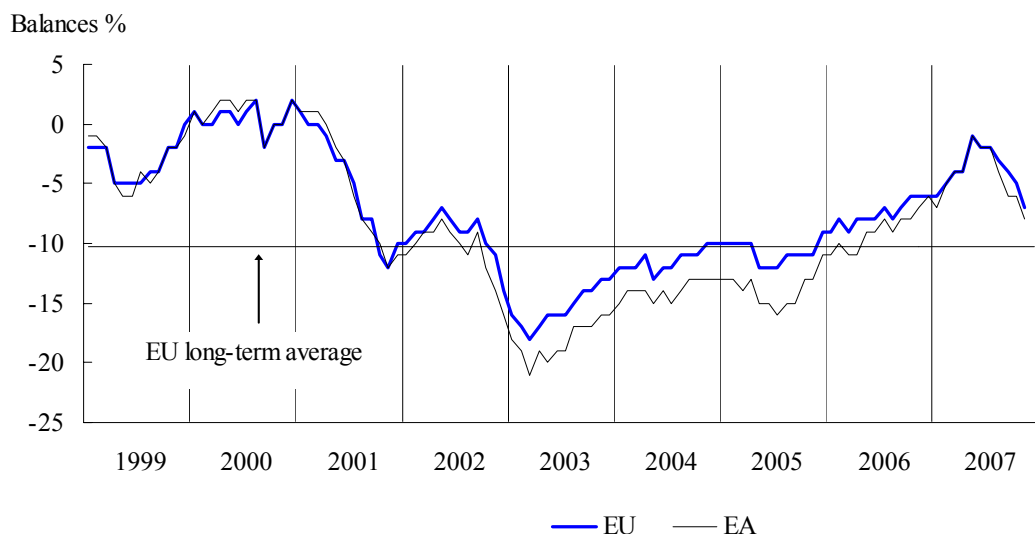
The services confidence indicator declined markedly in both the EU and the euro area in November. As a result, confidence among managers in the services sector is now below its long-term average in both the EU and the euro area.

In both areas, the decline in the confidence indicator was the result of a worsening in all the underlying components. Managers' assessment of the current business situation decreased by three points in the EU and by five points in the euro area. Their appraisal of the recent evolution of demand dropped by eight and five points, respectively, while their demand expectations declined by four points in both regions.

At the country level, the results are mixed but the majority of countries reported decreases in sentiment in November. Among the large Member States, services confidence decreased dramatically in Italy (-17) and the UK (-9). Smaller decreases were recorded in Germany (-2), Spain (-5) and France (-1), while the indicator remained stable in Poland.

Consumer confidence indicator (s.a.)

EU: November -7
Euro area: November -8



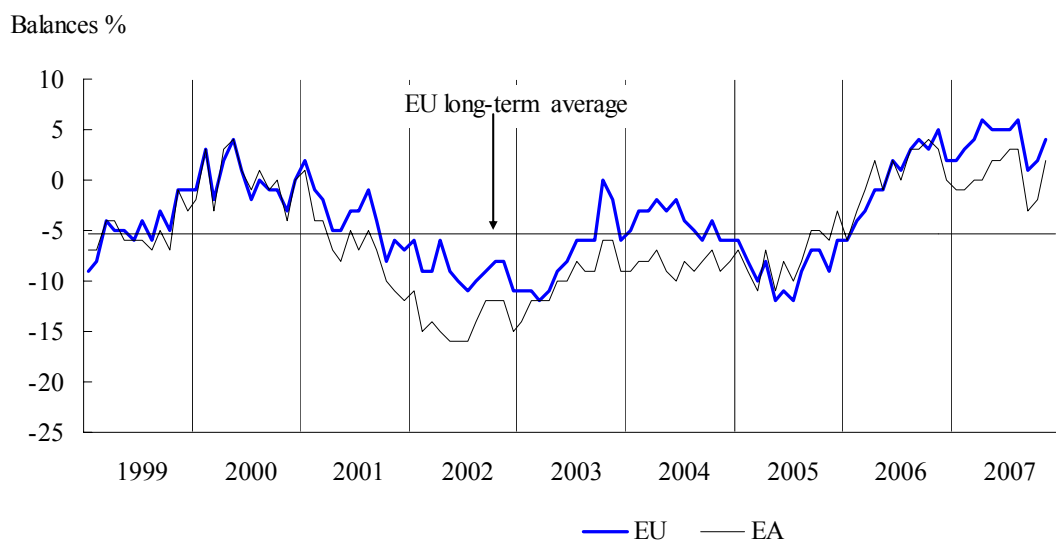
In November, consumer confidence declined further in both the EU and the euro area. However, despite the decreases registered since May of this year, the confidence indicators in both areas remain above their long-term averages.

In both areas, consumers' expectations regarding the general economic situation, their financial situation and unemployment over the next 12 months deteriorated, while their views on their savings over the next 12 months remained unchanged in the EU and weakened slightly in the euro area.

At the individual country level, a majority of countries reported a decrease in confidence. Among the large Member States, consumer confidence decreased by one point in Germany, Spain and Italy, and by two points in the UK. It deteriorated more markedly in France (-4), while it improved in Poland (+3).

Retail trade confidence indicator (s.a.)

EU: November 4
Euro area: November 2



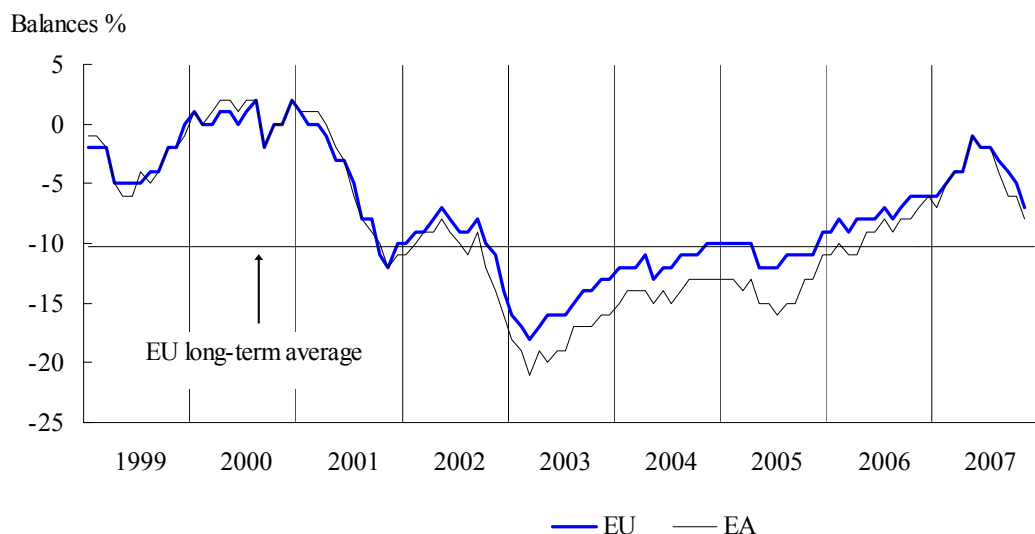
In November, the retail confidence indicator increased by two points in the EU and by four points in the euro area.

Retailers' assessment of the current business situation and their business expectations picked up in both areas. Meanwhile, their appraisal of the volume of stocks remained stable in the EU and improved in the euro area.

At the country level, the results are fairly mixed but predominantly positive. Among the large Member States, retail confidence increased slightly in Germany (+1) and sharply in France (+8) and Italy (+12). At the same time, it remained stable in Poland and declined in Spain (-2) and the UK (-3).

Construction confidence indicator (s.a.)

EU: November -1
Euro area: November -4



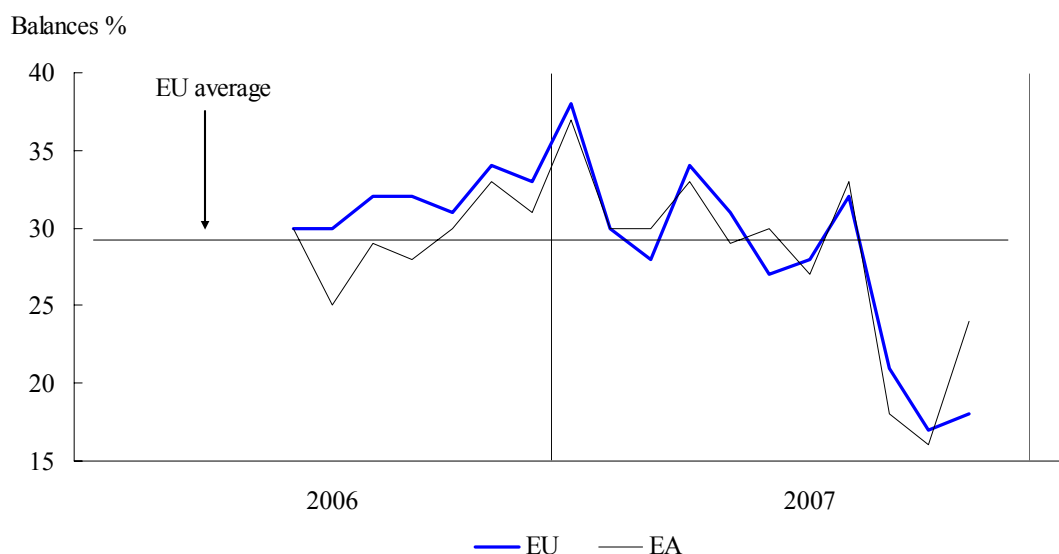
The construction confidence indicator decreased further in November in both the EU and the euro area. However, despite the downward trend followed for roughly one year, the indicator remains at a historically high level.

In the EU, the decrease in the construction confidence was driven by a worsening of managers' employment expectations while their assessment of order books remained unchanged. Meanwhile, in the euro area both these components decreased in November.

Developments at the individual country level were fairly mixed. Among the large Member States, construction confidence weakened by one point in France and Italy and dropped more sizeably, by fourteen points, in Spain. On the other hand, it improved in Germany (+1), Poland (+2) and the UK (+3).

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

EU: November 18
Euro area: November 24



Following a sharp fall in the last two months, the financial services confidence indicator recovered somewhat in both the EU and the euro area in November. While it increased by only a subdued amount in the EU (+1), it rose by eight points in the euro area.

In the EU, the modest increase in the indicator was the net result of an improvement in managers' assessment of the past evolution of demand and a slight worsening in both their views on the past business situation and expected evolution of demand. By contrast, in the euro area, all three underlying components contributed to the improvement in the indicator, with a significant increase in managers' assessment of the past evolution of demand.

These results are derived from the new EU survey in the financial services sector, launched by the European Commission to further increase the sectoral coverage of its survey programme. In line with the schedule of the other business surveys, the survey has been carried out on a monthly basis since April 2006. The objective is to achieve representative results for the EU and the euro area as a whole, rather than for individual Member States.

The next Business and Consumer Survey is due to be published on 7 January 2008.

Full tables are available on:

http://ec.europa.eu/comm/economy_finance/indicators/businessandconsumersurveys_en.htm