

Brussels, 29 August 2008

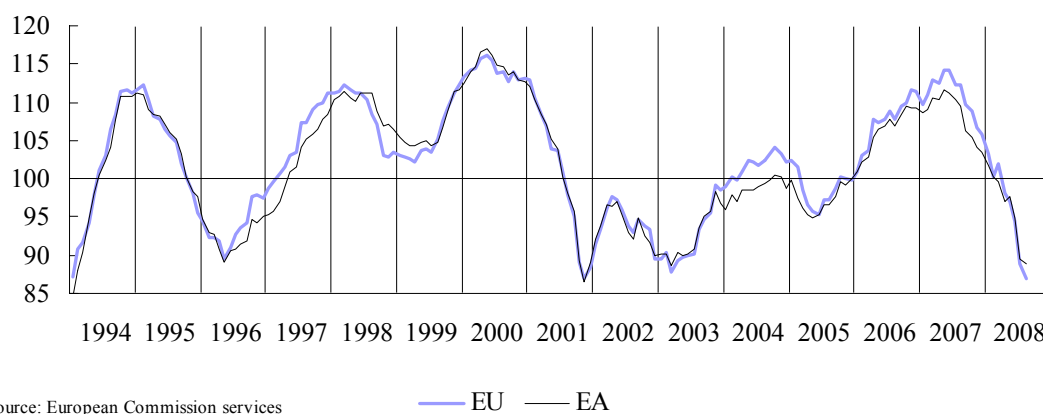
August 2008: Economic sentiment continues to decline in both the EU and the euro area

In August, the Economic Sentiment Indicator (ESI) declined further in both the EU and the euro area. It fell by 1.9 points in the EU and by 0.7 of a point in the euro area, to 86.9 and 88.8 respectively. In the EU, the ESI reached its lowest level since December 1993.

Economic sentiment indicator (s.a.)

EU: August 86.9
Euro area: August 88.8

long-term average =100



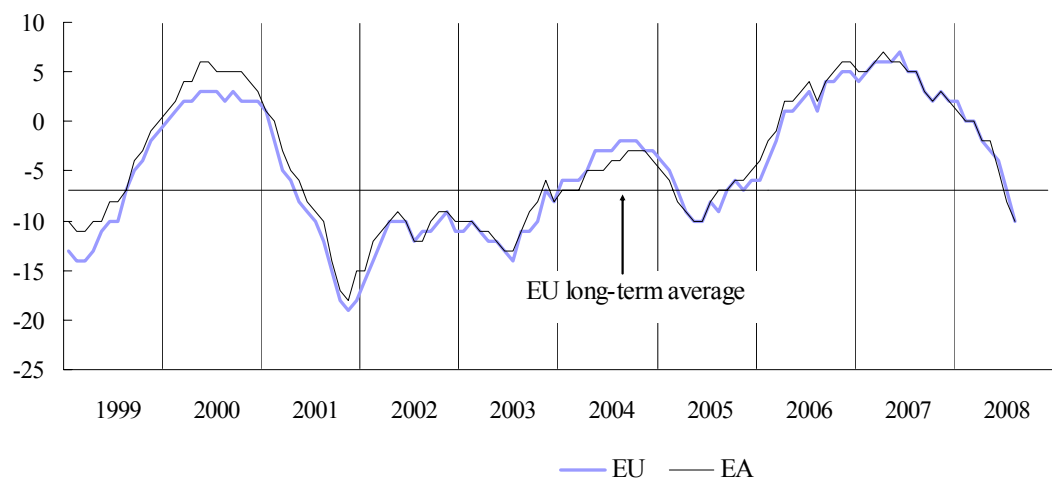
The overall decrease in sentiment in the EU was characterised by a fall in all business sectors, whereas only consumer confidence improved slightly. Both industrial confidence and construction confidence fell below their respective long-term averages. In the euro area, the fall in overall sentiment was caused by lower confidence in industry and retail trade, while the other three components improved. Consumer confidence rose in both areas for the first time after a continuous decline throughout the year.

In August a majority of countries reported a fall in sentiment. Among the large Member States, the UK, Spain, and Germany registered drops in sentiment (-5.2, -3.2, and -2.6 respectively), while it remained stable in Poland. Following significant declines in July, the indicators for Italy and the Netherlands recovered (+4.1 and +1.7 respectively); for the Netherlands, the recovery brought the indicator above its long-term average.

Industrial confidence indicator (s.a.)

EU: August -10
Euro area: August -10

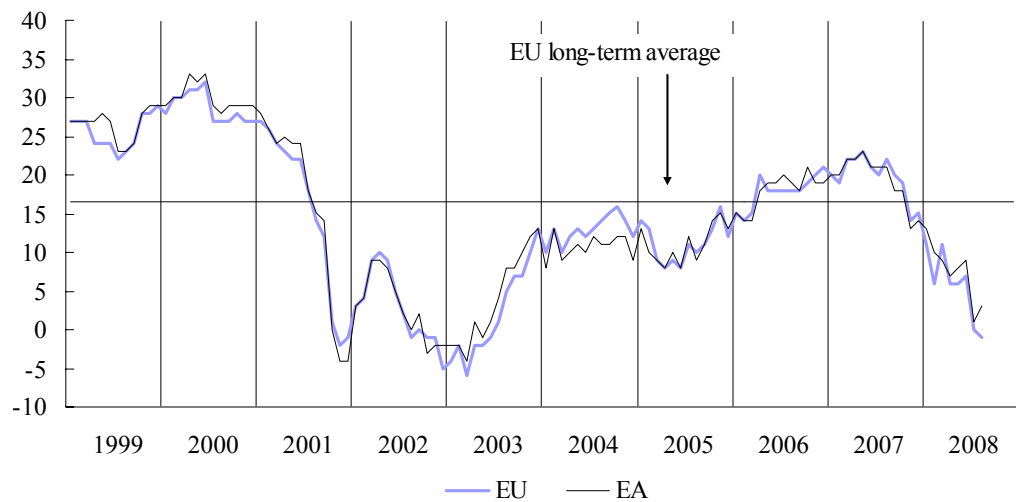
Balances %



Service confidence indicator (s.a.)

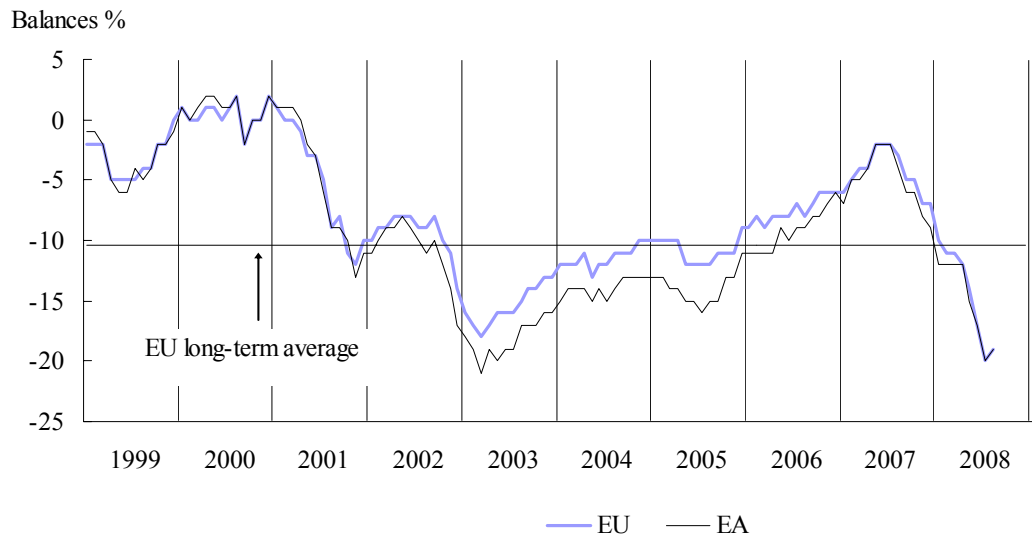
EU: August -1
Euro area: August 3

Balances %



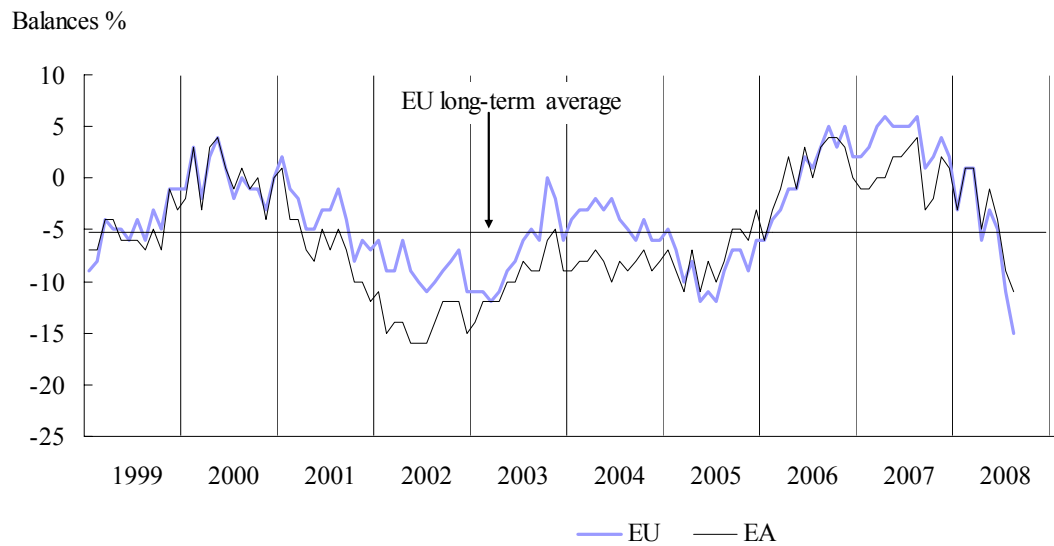
Consumer confidence indicator (s.a.)

EU: August -19
Euro area: August -19



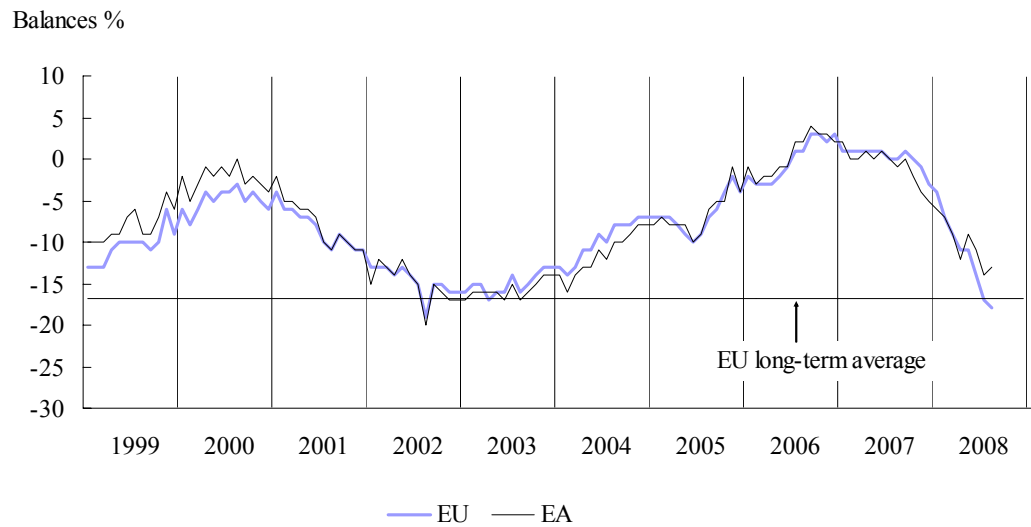
Retail trade confidence indicator (s.a.)

EU: August -15
Euro area: August -11



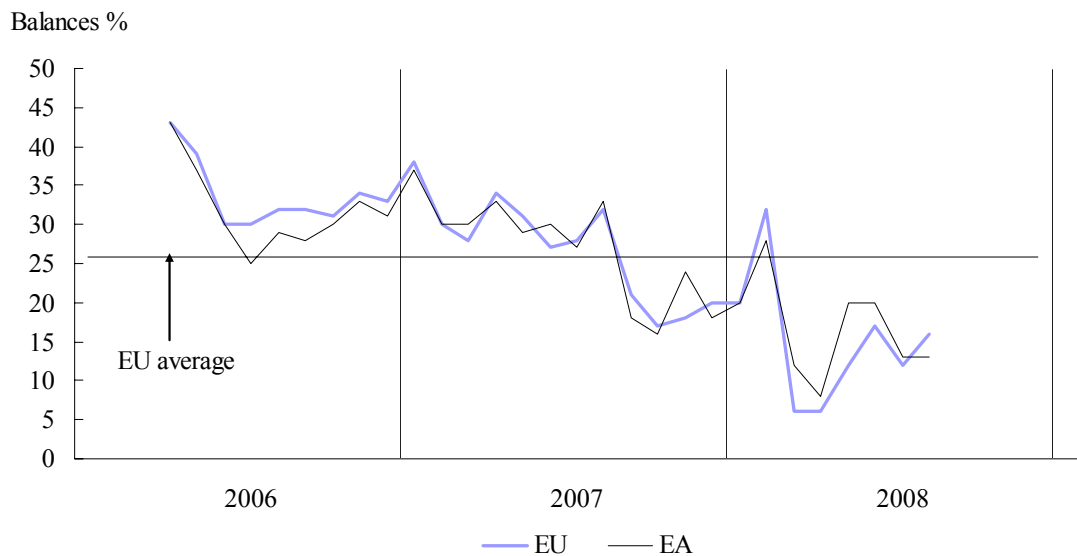
Construction confidence indicator (s.a.)

EU: August -18
Euro area: August -13



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

EU: August 16
Euro area: August 13



The next Business and Consumer Survey is due to be published on 29 September 2008.

Full tables are available on:

http://ec.europa.eu/economy_finance/db_indicators/db_indicators8650_en.htm