

Brussels, 29 September 2008

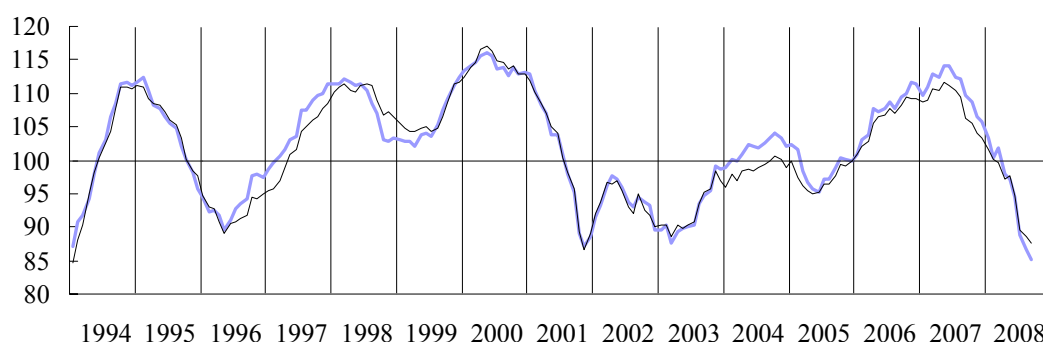
September 2008: Economic sentiment continues to decline in both the EU and the euro area

In September, the Economic Sentiment Indicator (ESI) fell by 1.5 points in the EU and by 0.8 points in the euro area, to 85.2 and 87.7 respectively. In the EU, the ESI reached its lowest level since December 1993, while for the euro area it approached its 2001 trough.

Economic sentiment indicator (s.a.)

EU: August 85.2
Euro area: August 87.7

long-term average =100



source: European Commission services

— EU — EA

In both the EU and the euro area, the overall decrease in sentiment was characterised by a fall in confidence in industry, services and construction, whereas consumer confidence was unchanged after a rebound in August, and confidence in retail trade improved slightly.

The financial services confidence indicator – not included in the ESI – decreased slightly in the EU, while it registered a minor improvement in the euro area. In both areas, the indicator stands below its long-term average.

A majority of countries reported a fall in their ESI. Among the large Member States, Italy and France registered a slight increase (+0.5 both), while drops in sentiment were registered in the Netherlands (-5.2), the UK (-4.2), Spain (-1.4), Germany (-1.3) and Poland (-1.2). Among these countries, the ESI stands above its long-term average only in Poland.

Employment expectations among industry managers in the EU deteriorated, while they rebounded in services. EU consumers expected a further increase in unemployment.

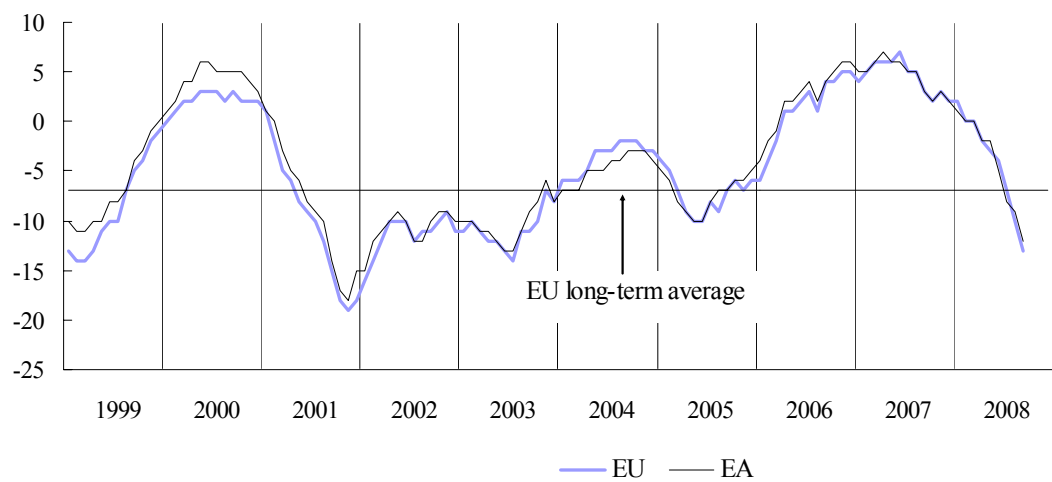
An increasing balance of managers in the EU – both in industry and construction sectors – expected their selling prices to fall over the next three months. Similarly, consumers' price expectations for the next 12 months decreased further.

These surveys are carried out mainly during the first two weeks of the month and therefore may not capture changes in sentiment resulting from significant recent events.

Industrial confidence indicator (s.a.)

EU: September -13
Euro area: September -12

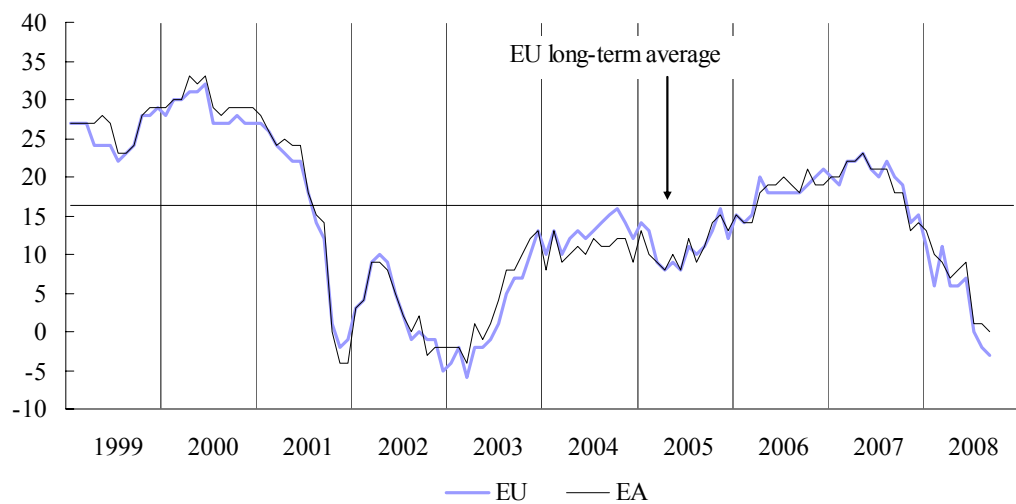
Balances %



Service confidence indicator (s.a.)

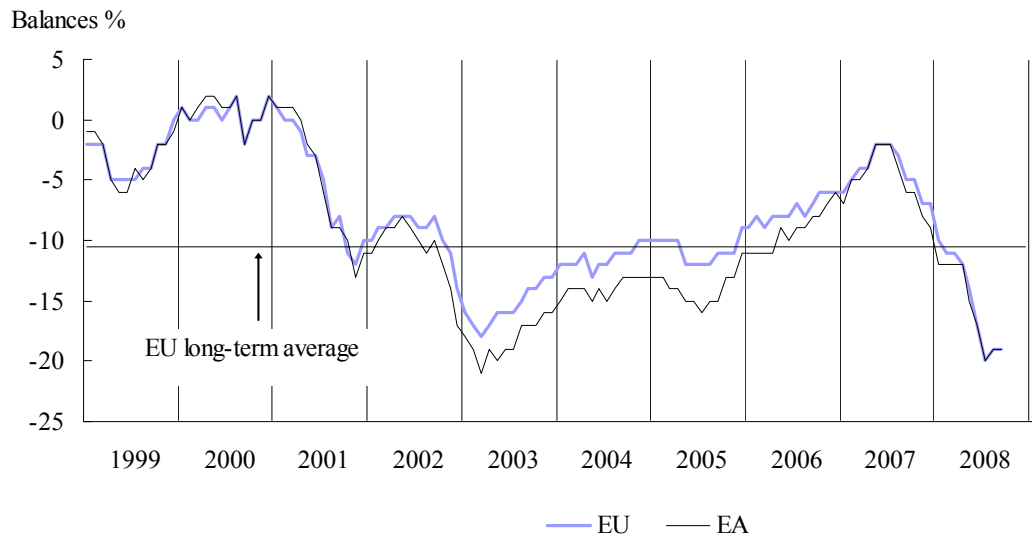
EU: September -3
Euro area: September 0

Balances %



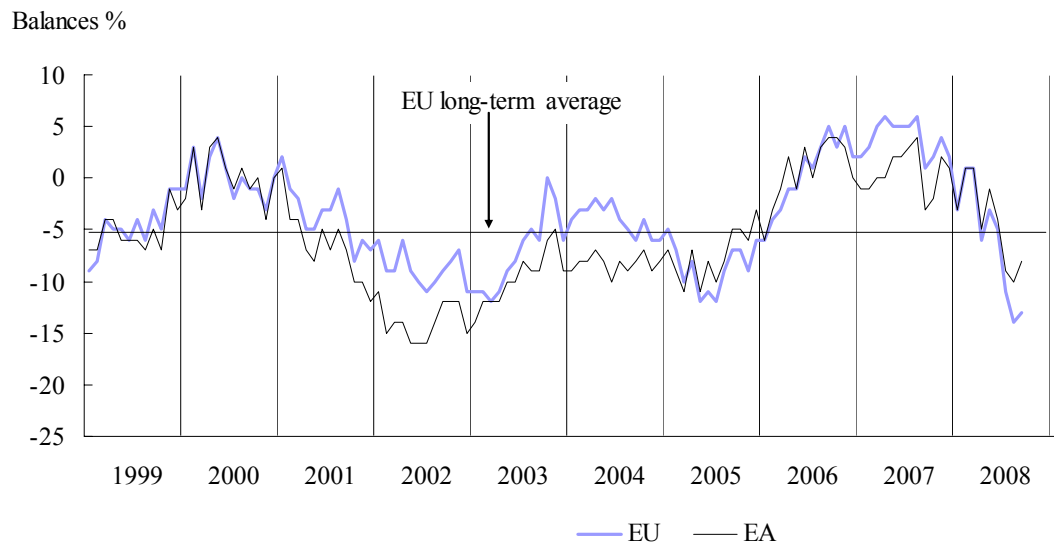
Consumer confidence indicator (s.a.)

EU: September -19
Euro area: September -19



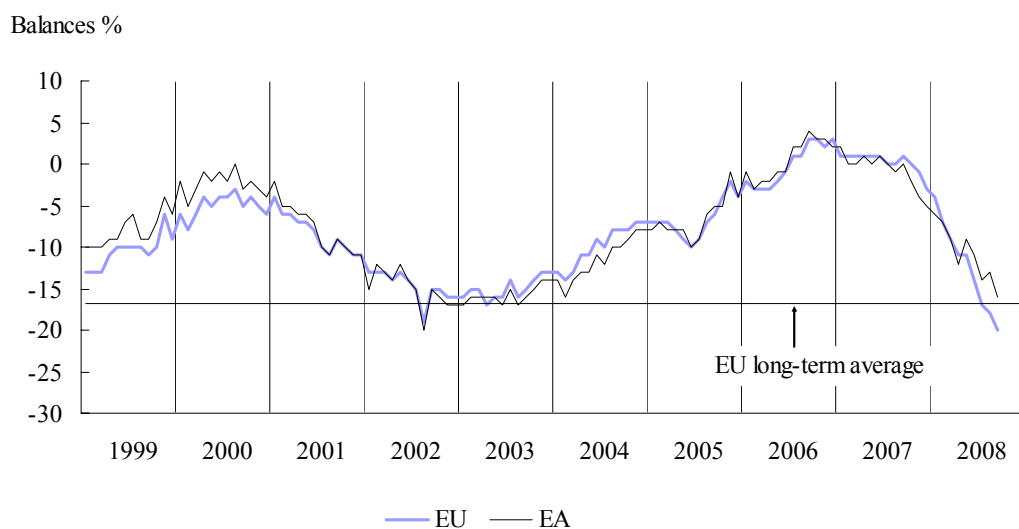
Retail trade confidence indicator (s.a.)

EU: September -13
Euro area: September -8



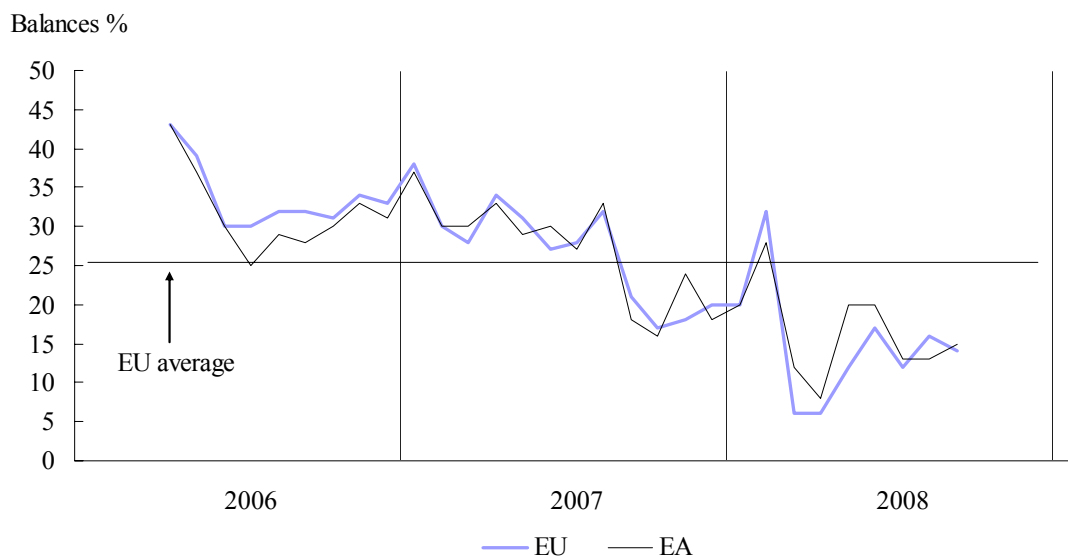
Construction confidence indicator (s.a.)

EU: September -20
Euro area: September -16



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

EU: September 14
Euro area: September 15



The next Business and Consumer Survey is due to be published on 30 October 2008.

Full tables are available on:

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