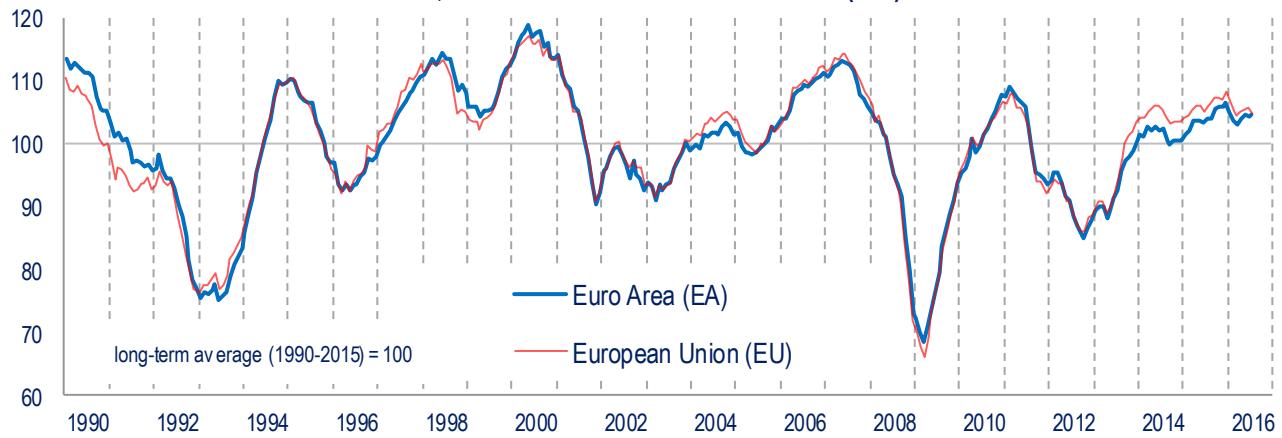




BUSINESS AND CONSUMER SURVEY RESULTS

Graph 1: Economic sentiment indicator (s.a.)



source: European Commission services

July 2016: Economic Sentiment resilient in the euro area, but down in the EU driven by the UK

In July, the *Economic Sentiment Indicator* (ESI) remained resilient in the euro area in the wake of the Brexit referendum, marking a marginal increase of 0.2 points (to 104.6), and decreased in the EU (by 0.9 points to 104.8).

Euro area developments

Broadly unchanged euro-area sentiment resulted from a drop in the consumer confidence indicator which was offset by increases in the industry, retail trade and construction sectors. In the latter the improvement was particularly strong. Confidence in services remained broadly flat. Amongst the largest euro-area economies, the ESI rose only in Italy (+0.4), while it decreased slightly in France (-0.4) and Spain (-0.5) and remained broadly unchanged in Germany (+0.2) and the Netherlands (0.0).

Increasing **industry confidence** (+0.4) resulted from managers' more optimistic assessment of the *current level of overall order books* and - to a lesser extent – healthier assessments of the *stocks of finished products*, while their *production expectations* decreased. Of the questions not included in the confidence indicator, both managers' assessment of *past production* and their views on *export order books* improved markedly. Broadly flat developments in **services confidence** (+0.2) resulted from managers' significantly brighter *demand expectations*, which were offset by marked decreases in their assessment of *past demand* and the *past business situation*. The decrease in **consumer confidence** (-0.7) reflected more negative assessments of the *future general economic situation*, *future unemployment* and consumers' *savings expectations*; only the views on households' future *financial situation* remained broadly stable. The increase in **retail trade confidence** (+1.0) resulted from more positive views on both the *present* and the *expected business situation*, while managers' assessment of the adequacy of the *volume of stocks* worsened. The marked rise in **construction confidence** (+1.9) was fuelled by upward revisions in both managers' *employment expectations* and their assessment of the level of *order books*. Finally, the rise (+1.4) in **financial services confidence** (not included in the ESI) resulted from improved appraisals of *past* and *expected demand*, which were only partly offset by a deterioration in managers' assessment of the *past business situation*.

Employment plans saw a significant upward revision in services and a smaller increase in construction, while employment plans remained broadly unchanged in industry and worsened in the retail trade sector. **Selling price expectations** increased markedly in services and construction, while they decreased slightly in industry and more importantly in retail trade. Also consumer price expectations dropped in July.

EU developments

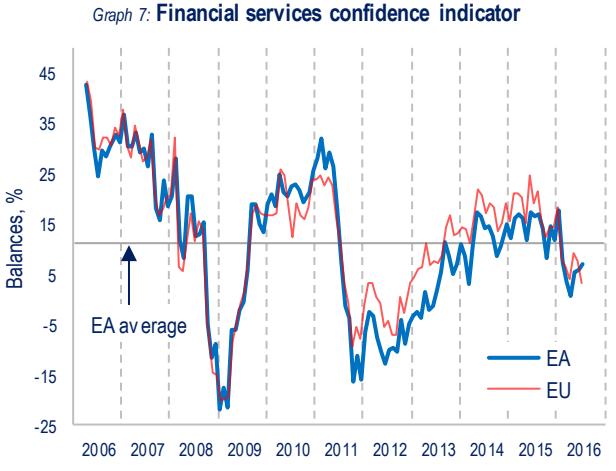
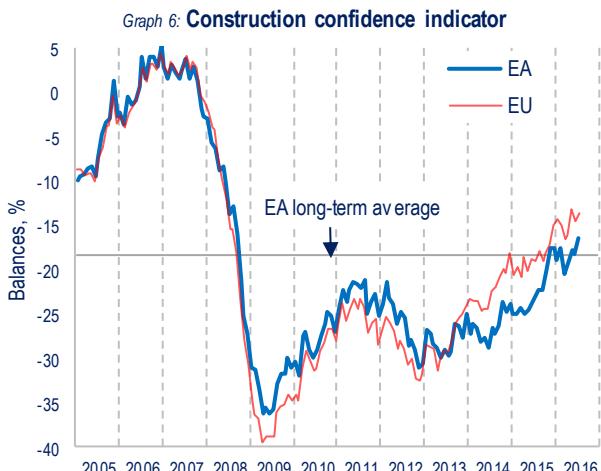
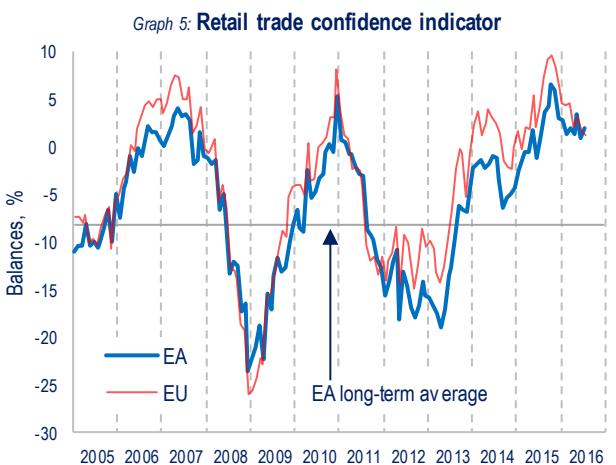
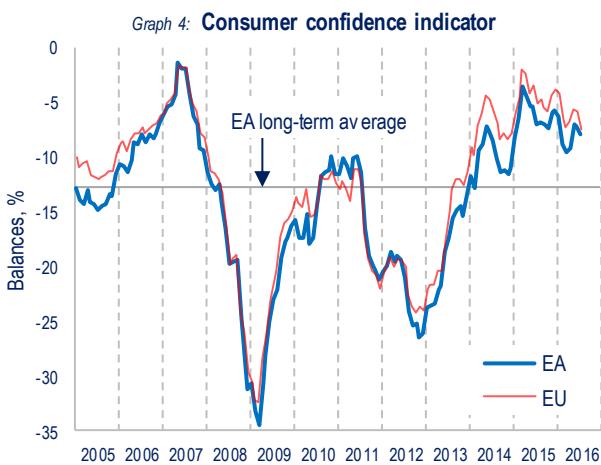
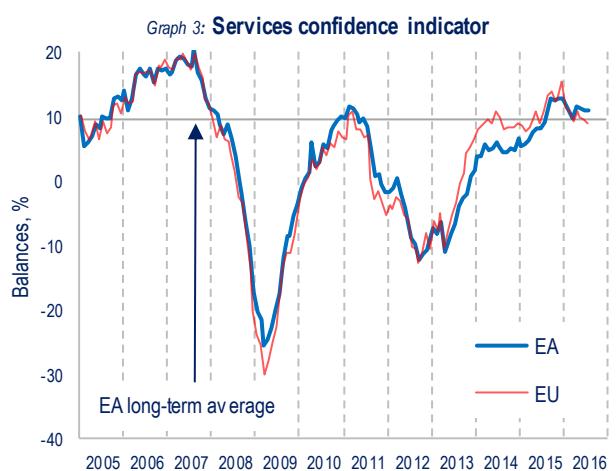
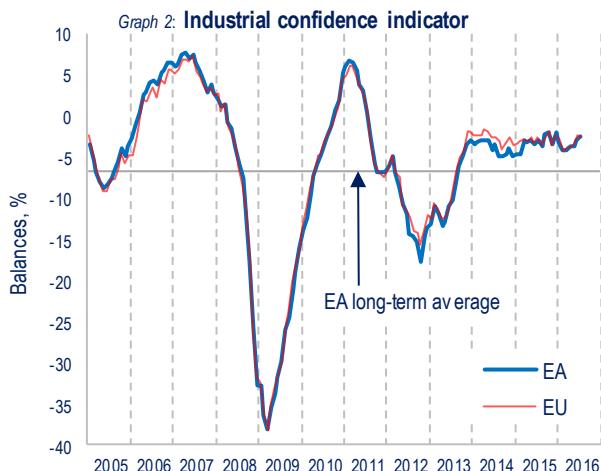
The decrease of the headline indicator for the EU (-0.9) was mainly due to the marked deterioration of sentiment in the largest non-euro area EU economy, the UK (-4.4), while the ESI remained broadly unchanged in Poland (+0.1). While construction confidence improved in line with the euro area, EU industry confidence remained broadly stable and confidence in services and retail trade worsened. In line with the euro area, consumer confidence decreased but the decrease was much more marked than in the euro area. Further in contrast with euro-area developments, EU confidence fell markedly in the financial services sector.

As in the euro area, EU managers in services and construction reported a strong upward revision in their employment expectations, while the latter decreased markedly in industry and in construction. Price expectations were in line with those for the euro area for the services and construction sectors, where managers expected prices to increase considerably; in contrast to the euro area prices were expected to rise also in retail trade and industry.

Quarterly survey results (conducted in July)

In the euro area manufacturing sector, the estimated rate of *capacity utilisation* remained broadly unchanged at 81.6% (0.1 points higher than in April). The share of managers assessing their *current production capacity* as 'more than sufficient' (in view of current order books and demand expectations) decreased (-2.2). On the external side, managers' *export volume expectations* were broadly stable (+0.2) and assessments of their *competitive position on foreign markets outside the EU over the past three months* improved compared with the previous survey carried out in April (by 1.0 point). Finally, managers' appraisal of developments in *new orders* improved markedly (by 4.6 points), while the estimated *number of months' production assured by orders on hand* remained broadly stable compared to April. Results in the wider EU were broadly in line except for developments in *export volume expectations* that were assessed slightly more positively (+0.6) in the EU than in the euro area, and the rate of capacity utilisation that increased more markedly by 0.4 points in the EU and now stands at 81.5%.

Compared to April, capacity utilisation in services was unchanged in the euro area (at 89.0%) and increased in the EU (by 0.2 points to 89.2%) in July.



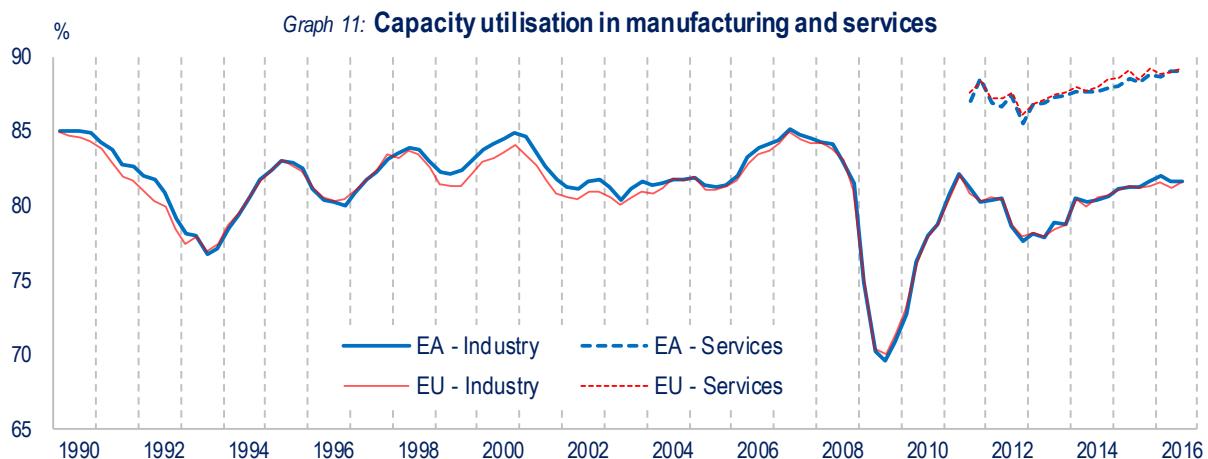
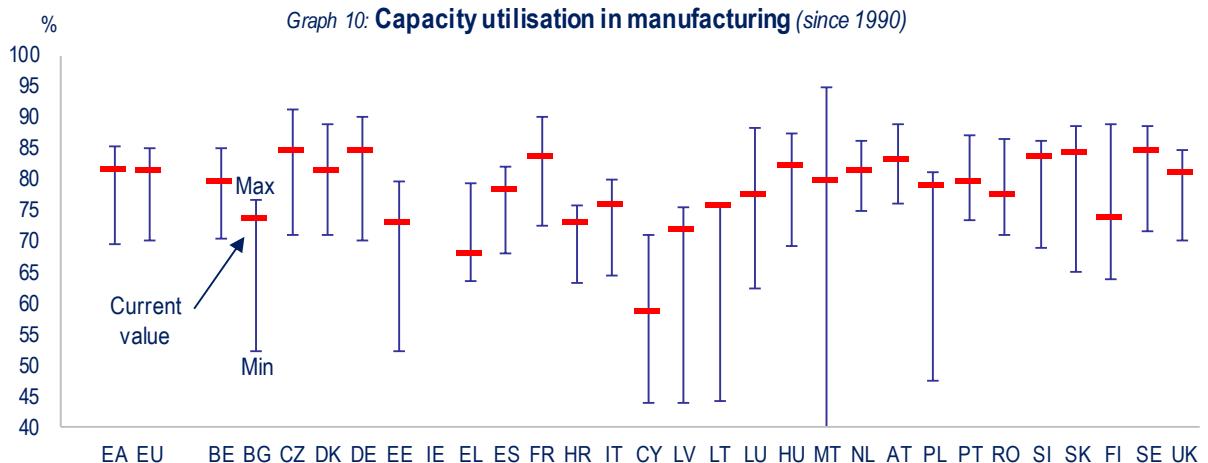
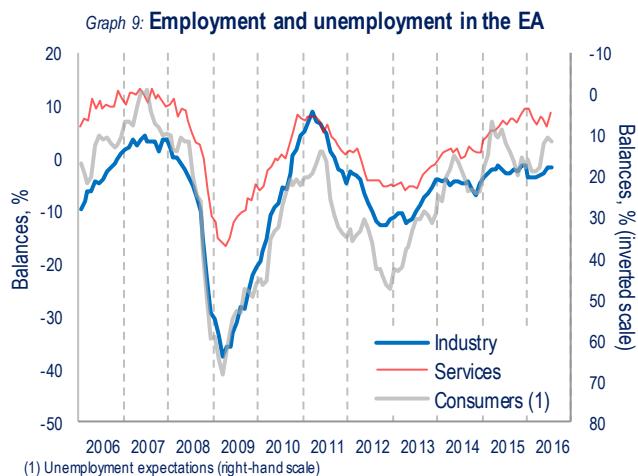
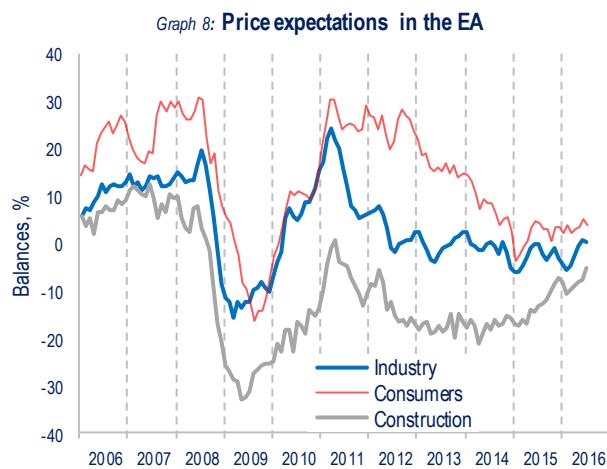


TABLE 4b (continued): Quarterly survey of consumers

(Data collected in January, April, July and October each year.)

Intention to carry out home improvements over the next 12 months (s.a.)^(a)

(Question 15)

	Since 1990 (*)				2014			2015			2016		
	Min.		Ave.	Max.		IV	I	II	III	IV	I	II	III
	Date	Value		Date	Value								
EU	I-97	-66.7	-59.3	III-16	-52.0	-55.4	-54.3	-53.7	-54.6	-54.2	-52.2	-52.4	-52.0
EA	III-93	-67.6	-61.8	III-16	-55.6	-59.4	-57.8	-57.6	-57.5	-57.5	-55.8	-57.0	-55.6
BE	III-97	-65.2	-49.5	II-12	-31.7	-49.4	-45.7	-46.0	-42.6	-38.8	-37.7	-37.2	-41.0
BG	I-02	-86.2	-68.7	III-08	-55.9	-65.7	-61.3	-61.1	-64.7	-65.8	-64.7	-56.6	-60.9
CZ	III-01	-50.6	-33.2	I-07	-18.4	-27.5	-31.3	-26.7	-26.9	-20.8	-25.5	-26.0	-24.5
DK	I-90	-86.7	-63.3	I-00	-26.1	-52.5	-59.6	-53.4	-54.8	-55.3	-56.3	-58.0	-53.6
DE	III-93	-60.2	-51.2	I-14	-41.2	-44.2	-44.0	-44.3	-41.5	-45.8	-43.4	-42.4	-42.6
EE	IV-92	-68.4	-44.3	II-06	-12.2	-49.9	-49.7	-54.7	-48.7	-49.9	-53.1	-53.8	-48.9
IE	II-90	-81.0	-64.3	II-15	-46.0	-51.0	-48.3	-46.0	:	:	:	:	:
EL	I-13	-93.8	-73.5	IV-95	-43.6	-88.3	-88.4	-85.4	-87.7	-84.5	-86.3	-84.1	-88.1
ES	II-11	-90.5	-77.2	IV-90	-60.7	-88.4	-85.2	-84.4	-84.2	-85.1	-82.1	-83.7	-81.5
FR	IV-95	-78.8	-66.0	III-11	-51.5	-60.3	-57.1	-57.4	-59.4	-54.7	-55.6	-59.0	-53.1
HR	II-12	-75.5	-67.5	II-07	-54.6	-71.1	-66.4	-67.2	-66.2	-66.5	-66.1	-65.9	-67.0
IT	IV-06	-88.0	-73.6	III-98	-59.0	-70.5	-66.9	-66.4	-69.4	-70.9	-66.2	-69.5	-70.1
CY	II-13	-88.8	-67.1	III-01	-45.6	-79.1	-70.0	-72.1	-72.6	-67.3	-73.4	-71.4	-72.7
LV	IV-95	-77.0	-48.0	I-02	-9.6	-39.1	-39.0	-34.4	-28.3	-24.6	-25.3	-26.9	-25.8
LT	I-10	-81.6	-65.0	I-07	-52.3	-66.7	-67.3	-67.0	-66.3	-65.9	-65.4	-67.7	-68.3
LU	IV-14	-48.3	-34.4	II-04	-21.8	-48.3	-40.0	-48.2	-46.6	-30.6	-35.7	-39.3	-32.8
HU	IV-11	-87.4	-70.9	III-00	-22.8	-77.2	-78.2	-74.5	-81.2	-75.3	-69.5	-75.9	-74.0
MT	IV-14	-74.2	-64.8	IV-09	-53.9	-74.2	-71.9	-66.8	-67.6	-60.2	-67.9	-65.6	-71.2
NL	II-96	-59.3	-47.2	IV-00	-34.7	-46.2	-49.4	-49.6	-43.7	-39.8	-42.7	-39.4	-39.7
AT	III-02	-50.4	-33.7	II-12	-20.2	-35.1	-39.0	-36.0	-35.2	-34.6	-29.6	-31.9	-26.0
PL	III-12	-59.0	-42.5	II-04	-30.1	-48.8	-44.2	-45.2	-54.2	-50.6	-51.9	-40.8	-40.7
PT	IV-12	-81.6	-64.0	I-98	-37.6	-76.2	-75.5	-74.2	-75.4	-74.8	-73.5	-73.3	-72.4
RO	III-10	-68.2	-52.8	I-07	-39.9	-51.3	-53.6	-56.0	-53.2	-56.0	-50.4	-55.3	-52.6
SI	II-12	-67.0	-41.1	III-07	-16.4	-66.6	-62.5	-63.9	-58.6	-63.8	-56.8	-56.2	-55.1
SK	I-16	-63.4	-56.4	III-07	-46.2	-57.0	-56.5	-56.5	-61.2	-61.4	-63.4	-62.5	-60.6
FI	III-98	-72.4	-58.5	IV-10	-45.2	-59.5	-57.3	-56.3	-59.1	-58.0	-54.5	-58.0	-57.7
SE	II-96	-46.9	-26.5	III-12	-10.7	-37.4	-34.8	-32.4	-30.1	-27.5	-34.8	-28.0	-26.3
UK	III-96	-74.1	-52.6	I-04	-35.0	-43.2	-43.6	-42.2	-46.6	-45.9	-40.3	-39.0	-43.4

(*) Minimum, maximum and averages are calculated over the period of availability which is not necessarily as from 1990.

(a) Balances: i.e. differences between the percentages of respondents giving positive and negative replies.

TABLE 5 (continued) : Monthly survey of retail trade (s.a.)

	Since 1990 (*)				2015					2016								
	Min.		Ave.	Max.		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
	Date	Value		Date	Value													
SELLING-PRICE EXPECTATIONS (Question 6)	EU	09-09	-4.7	8.8	06-08	27.2	2.2	2.7	3.9	1.9	2.8	3.1	-0.6	2.4	5.3	3.5	4.6	6.8
	EA	03-09	-11.3	5.4	11-07	23.3	3.0	-0.6	2.0	2.3	1.4	0.2	1.4	0.4	1.6	2.1	2.0	0.6
	BE	08-09	-13.2	5.0	04-11	26.4	14.0	7.9	12.1	5.9	2.2	4.1	6.2	0.4	5.2	5.3	4.1	9.9
	BG	11-09	-9.2	11.3	07-08	45.8	1.9	5.4	4.7	1.7	4.4	-1.9	4.2	0.2	4.8	3.5	5.6	1.4
	CZ	01-15	-11.9	2.2	01-04	22.5	8.0	8.0	6.1	1.9	0.7	-8.7	-0.2	1.9	3.0	6.9	6.6	6.1
	DK	02-13	-12.5	0.5	02-11	24.2	-0.6	-3.5	2.8	-4.7	-4.2	-0.7	4.4	0.0	0.9	-1.8	-2.4	-1.9
	DE	09-09	-21.1	11.0	12-06	42.2	7.1	0.9	5.7	4.8	6.7	3.9	2.3	2.2	4.2	2.4	4.2	2.6
	EE	03-09	-35.9	26.0	04-11	54.9	16.7	15.0	10.9	15.2	16.0	16.8	25.4	18.4	16.0	20.0	14.7	16.9
	IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	EL	06-12	-35.2	-1.6	05-08	33.6	2.6	2.5	-2.9	0.7	-1.4	-1.1	3.0	5.0	-2.5	14.0	30.7	10.2
	ES	02-09	-18.6	4.8	01-05	28.7	0.1	-2.6	3.5	1.8	1.1	3.0	4.4	3.9	1.8	3.7	4.4	0.7
	FR	03-09	-29.4	-2.7	09-95	15.5	-7.4	-7.8	-2.5	-2.9	-8.3	-8.0	-4.5	-4.7	-2.2	-4.6	-6.7	-5.9
	HR	02-14	-13.2	0.0	06-08	31.6	-0.2	-0.4	0.5	-4.3	3.5	0.1	-0.3	-0.6	2.3	0.1	1.0	4.1
	IT	08-05	-14.5	8.6	06-08	33.1	8.9	4.5	0.7	1.7	5.4	3.0	6.6	-0.6	-0.3	6.0	1.6	2.5
	CY	04-13	-27.7	3.8	07-08	34.3	-3.0	-0.2	-0.4	1.7	-5.5	-11.1	-2.8	-8.5	7.4	2.4	4.1	0.2
	LV	01-10	-22.5	21.7	05-04	55.7	4.9	3.9	4.9	2.8	3.2	2.7	4.1	7.0	6.7	6.3	8.3	7.6
	LT	07-09	-46.5	9.6	04-11	61.7	0.9	-2.6	5.1	-1.4	11.9	15.6	17.6	18.0	22.0	16.5	7.0	5.1
	LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	HU	03-10	3.6	40.9	05-96	81.3	17.5	15.8	16.2	16.1	9.1	7.1	10.0	4.5	7.2	12.5	11.2	15.8
	MT	02-14	-25.0	8.6	04-15	33.7	16.5	-0.1	21.9	15.7	14.2	-5.3	7.7	14.6	0.3	11.7	-2.8	-2.7
	NL	11-10	-18.7	6.1	10-12	26.2	5.7	0.0	5.5	7.4	5.6	5.4	6.1	2.6	3.6	3.1	2.7	3.3
	AT	09-09	-1.0	13.1	02-08	34.1	14.0	18.7	10.1	22.5	11.4	16.2	11.9	24.2	21.8	17.1	18.5	13.6
	PL	07-02	-7.0	14.5	03-09	39.4	3.6	4.3	6.0	3.9	5.2	4.4	6.0	6.4	5.7	5.4	7.2	6.3
	PT	07-03	-21.5	4.1	07-05	25.3	0.0	-2.1	-3.0	1.6	-0.8	-4.1	0.4	1.9	2.2	3.1	2.3	-0.1
	RO	01-16	-14.9	26.5	10-04	56.0	-1.6	2.7	3.5	-2.6	-9.9	-14.9	-10.5	15.5	0.6	-9.8	11.3	14.0
	SI	03-09	-32.6	10.5	02-08	40.2	8.1	-2.6	-5.5	2.8	-11.6	-17.3	-24.8	-25.2	4.4	-2.2	26.4	-29.0
	SK	07-09	-36.9	15.7	11-02	73.9	8.3	4.6	-2.4	-4.1	-13.7	-17.3	-10.2	-3.9	5.8	2.3	8.6	11.4
	FI	03-15	-48.9	4.9	07-11	59.6	-20.9	-27.1	-30.1	-19.4	-27.0	-36.9	-44.9	-29.6	-28.5	-24.8	-23.3	-29.7
	SE	07-05	-10.3	12.6	07-08	36.8	27.8	29.0	18.8	29.2	27.9	21.0	22.1	16.3	20.6	15.6	13.5	11.4
	UK	05-15	-17.3	20.3	01-11	66.9	-6.4	11.2	8.2	-3.9	6.7	14.8	-13.9	7.1	18.7	7.4	13.0	32.0

(a) The indicator is the arithmetic average of the balances (%) for the present and the future business situation, and for stocks – with inverted sign.

(b) United Kingdom: refers to the volume of sales for the time of the year.

(*) Minimum, maximum and averages are calculated over the period of availability which is not necessarily as from 01/1990.

