

# EUROPEAN ECONOMY

EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

**Supplement B**  
Business and consumer  
survey results  
No 5 – May 1994

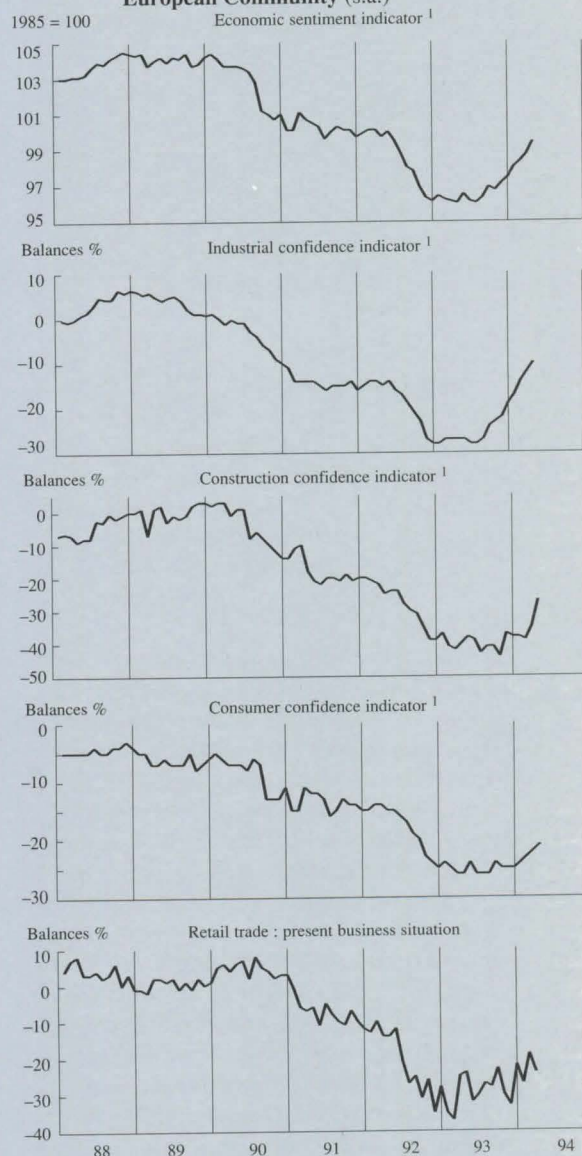


*In this number :*  
*Capacity utilization in industry;*  
*employment expectations*

## THE MAIN POINTS IN BRIEF

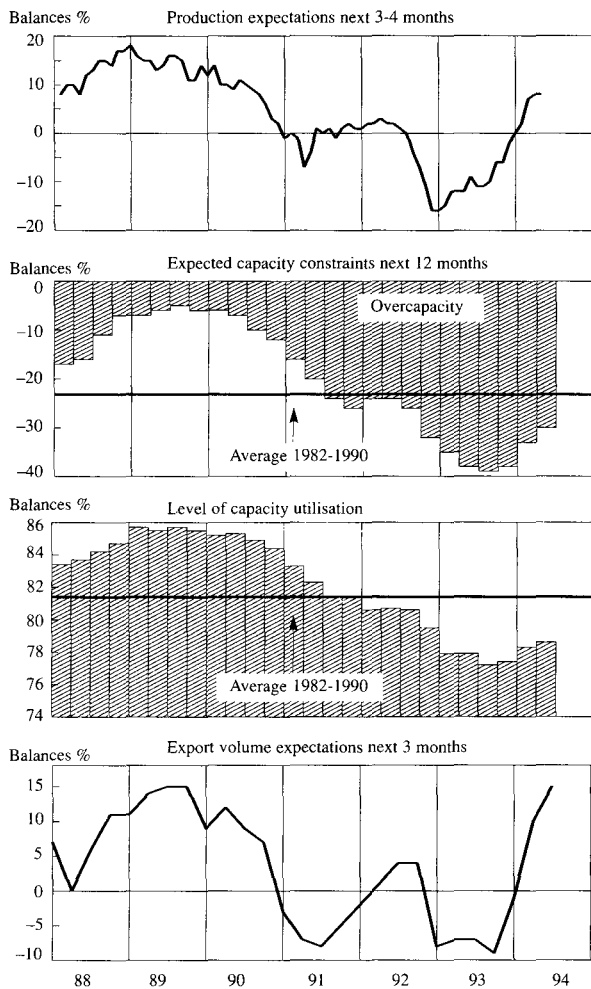
- The economic climate in Europe is still improving. The EU's leading economic indicator continues to point upwards. A contributory factor has been the positive mood in industry, construction and among consumers.
- In April *consumers* in the EU were again less pessimistic than a month earlier. Without the pronounced deterioration in the climate among consumers in the United Kingdom and Portugal, the overall results for Europe would have been even better.
- Against this, *retailers* were less hopeful in March about their current and future business trend, following the unmistakable rise in confidence in February.
- The climate in *construction* also improved and the situation in *industry* was again brighter, reflecting higher capacity utilization (78.6% in April as against 78.3% in January). The most marked rise in capacity utilization was in the investment goods industry (0.9% point).

GRAPH 1 : Indicators of economic sentiment —  
European Community (s.a.)



<sup>1</sup> See notes to Table 8.

GRAPH 2 : Indicators of output and demand in industry — European Community (s.a.)



**The economic climate in the Community is still improving.** — The business surveys conducted in April again confirm the gradual consolidation of confidence regarding economic growth. The key economic indicators are following a steady upward trend. The EU's leading economic indicator continues to point upwards. A contributory factor has been the positive mood in industry, construction and among consumers.

Although *consumers* in the European Union were again less pessimistic in April than a month earlier, it remains to be seen whether this gradual decline in skepticism in recent months will have a lasting impact on consumer confidence, triggering a tangible revival in private consumption. In any case, the general economic policy environment (budget consolidation, wage moderation) can hardly be expected to give a major boost to private household expenditure. On the other hand, the positive developments on the prices front are underpinning real private consumption. However, the trend in consumer confidence varies from country to country. In six out of the eleven countries surveyed (Belgium, Denmark, Germany, France, Italy, the Netherlands), the climate was less gloomy, whereas in the other countries in particular Ireland, Portugal and the United Kingdom — consumer assessments were marked by increasing misgivings regarding their own financial situation. Consumers in these countries are more optimistic about the general economic situation and the future trend. Without the pronounced deterioration in the climate among consumers in the United Kingdom and Portugal, the

overall results for Europe would have been even better. This improvement is also reflected in assessments of the future labour market trend and above all of the price trend. Lastly, consumers are again less reticent about making major purchases.

Despite the favourable assessments by consumers, *retailers* were less hopeful in March about their current and future business trend, following the unmistakable rise in confidence in February. The March results point to a consolidation of confidence regarding the future business trend at the level recorded at the start of the year. According to initial results for April, the business climate in retailing will probably show only a slight pick-up as spring advances.

According to the most recent survey results, there has been a marked improvement in the climate in the *construction industry*. The downward trend in interest rates and the more favourable circumstances for building activity have undoubtedly helped boost optimism among building firms. Thus, this sector was able to make a distinct break from its cyclical low (October 1993). At the same time, assessments of order books and of the employment trend are more positive again.

The current climate in *industry* continued to improve. The climate indicator is continuing to point upwards and the number of managers planning to increase output over the next few months easily exceeds those planning to reduce output. However, order-book levels (domestic and export) are still regarded as very low and, in the light of the anticipated demand for industrial products, stocks of finished goods are viewed as too high. None the less, the assessment of order-book levels and stock levels is much less cautious than was the case recently.

This brighter picture is confirmed by the results of the quarterly survey. For the first time since the autumn of 1992, a clear majority of managers were positive about the trend in new orders, so that demand for industrial goods can be expected to become more buoyant. This is particularly true of export demand.

**Capacity utilization in industry again higher.** — According to the most recent business surveys, capacity utilization in industrial firms in the European Union stood at 78.6% in April, once again up on the previous quarter (78.3%). Compared with the planned level of production in the coming months, spare capacity has declined again, albeit only slightly. The degree of capacity utilization is therefore likely to rise a little over the next few months. The renewed revival in demand for investment goods led to a higher increase in capacity utilization in the *investment goods industries* in April than in January and in relation to the two other main industrial sectors. Even so, capacity utilization in the investment goods industries remains well below that in the *consumer goods industries and producer goods industries*. Capacity utilization in the *consumer goods industries* was also higher than in January, and this explains the improved level of capacity utilization in industry as a whole. On the other hand, capacity utilization in the *basic materials and producer goods industries* remained unchanged from the previous quarter.

Taking the countries individually, capacity utilization in industry fell only in the United Kingdom, Ireland and Luxembourg.

TABLE 1\*: Capacity utilization in manufacturing industry (%) <sup>(a)</sup> (s.a.)

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	73,8	82,2	79,4	77,4	74,8	77,6	76,4	75,3	74,5	74,5	74,9	76,4	77,1
<b>DK</b>	:	82,4	80,5	79,2	77,1	79,2	78,9	77,5	75,4	77,0	78,5	80,2	:
<b>D</b>	75,6	89,5	88,2	84,8	79,1	84,9	82,9	80,5	79,2	78,5	78,1	78,5	80,4
<b>GR</b>	73,5	78,9	77,2	78,3	75,9	76,8	78,8	77,8	76,7	74,4	74,6	74,1	74,3
<b>E</b>	:	81,7	77,6	76,6	72,8	78,1	76,4	73,9	73,9	71,1	72,1	75,7	73,2
<b>F</b>	81,1	88,3	84,2	82,5	79,7	82,6	82,1	81,2	79,4	78,9	79,1	79,2	79,9
<b>IRL</b>	55,7	78,7	75,5	77,1	73,6	75,8	76,7	71,6	74,9	73,5	74,4	76,6	74,7
<b>I</b>	69,0	80,8	77,3	76,4	74,4	75,9	75,0	74,4	74,6	74,3	74,3	74,4	74,4
<b>L</b>	66,8	85,6	82,1	79,8	80,1	79,9	78,3	80,0	80,5	81,0	78,8	80,7	80,1
<b>NL</b>	75,8	86,1	84,6	83,5	81,0	84,1	83,1	82,2	81,1	80,3	80,5	80,5	82,0
<b>P</b>	:	82,3	79,1	77,3	73,9	77,5	76,9	75,2	75,0	72,9	72,6	74,8	76,5
<b>UK<sup>(b)</sup></b>	71,4	94,8	78,6	77,9	79,9	78,8	78,5	76,7	80,8	80,4	81,7	83,5	82,6
<b>EUR</b>	76,4	85,8	82,1	80,4	77,6	80,6	79,5	77,9	77,9	77,2	77,4	78,3	78,6

TABLE 2: Degree of capacity utilization and orders on hand by industrial branches — European Community<sup>(a)</sup> (s.a.)

Industries	Degree of capacity utilization in %									Expected capacity constraints : balances overcapacity (+) capacity too small (-)						
	1992		1993		1993		1994		1992	1993	1993				1994	
			I	II	III	IV	I	II			I	II	III	IV	I	II
<b>Industry as a whole</b>	80,4	77,6	77,9	77,9	77,2	77,4	78,3	78,6	+27	+38	+35	+38	+39	+38	+33	+30
<b>Consumer goods<sup>(d)</sup></b>	81,5	79,6	79,8	79,9	79,5	79,1	79,3	79,9	+25	+33	+29	+36	+35	+33	+29	+24
<b>Investment goods<sup>(d)</sup></b>	78,9	76,5	76,9	77,0	75,8	75,8	76,4	76,4	+28	+46	+43	+42	+50	+49	+48	+42
<b>Intermediate goods<sup>(d)</sup></b>	80,6	77,8	78,1	77,9	77,3	77,8	79,4	79,4	+7	+40	+37	+43	+40	+41	+34	+32
Textile industry	79,9	77,8	77,7	76,8	77,8	79,0	80,0	81,3	+26	+34	+31	+35	+36	+32	+26	+16
Footwear and clothing	83,0	80,3	80,8	79,9	80,4	80,1	81,0	81,6	+25	+32	+29	+31	+33	+34	+25	+21
Timber/wooden furniture	79,8	77,6	78,3	76,8	77,3	78,0	78,1	78,9	+24	+30	+29	+30	+33	+28	+30	+26
Manufacture of paper, paper products, printing of which : manufacture of paper	82,5	80,9	80,6	80,2	81,1	81,7	82,5	82,7	+27	+31	+28	+33	+32	+30	+26	+25
Leather	87,3	85,3	85,3	86,1	84,3	85,8	88,4	88,2	+32	+40	+38	+37	+44	+42	+27	+17
Plastics	76,8	74,5	73,0	73,7	74,5	76,7	78,6	80,3	+33	+32	+32	+30	+41	+25	+20	-1
Mineral-oil refining	79,5	76,4	76,9	75,5	76,5	76,7	77,3	78,8	+20	+39	+35	+42	+39	+38	+32	+27
Metals	90,3	89,6	87,8	90,5	90,9	89,2	92,1	93,3	+4	0	-1	-6	-7	+15	+14	+27
Non-metallic mineral products	80,6	75,0	75,0	77,0	74,3	73,8	77,2	76,1	+29	+53	+46	+53	+56	+56	+40	+41
Metal articles	80,0	76,7	76,7	76,8	76,4	76,9	76,4	77,0	+32	+41	+42	+42	+40	+40	+34	+33
Mechanical engineering of which: machines tools	76,8	73,3	74,3	73,2	72,8	72,9	72,9	74,5	+32	+45	+42	+41	+46	+49	+40	+34
Office and data processing machinery	77,8	75,3	76,7	75,4	74,7	74,5	75,4	76,5	+42	+50	+43	+51	+55	+52	+48	+42
Electrical engineering	77,0	73,3	73,9	73,9	73,2	72,3	74,5	76,8	+40	+54	+53	+53	+53	+56	+45	+35
Shipbuilding	80,1	74,2	74,8	74,0	75,6	72,3	76,9	83,6	+44	+70	+74	+66	+59	+80	+40	+31
Rubber products	79,2	78,9	78,9	80,3	77,5	78,8	79,0	79,7	+32	+36	+35	+35	+41	+34	+40	+31
Instrument engineering	74,0	70,6	67,3	70,4	75,1	69,6	69,0	68,4	+55	+48	+60	+51	+38	+43	+64	+53
	84,0	78,4	78,9	79,9	79,1	75,5	77,7	80,9	+7	+40	+31	+38	+42	+49	+44	+43
	82,5	80,1	80,3	80,4	80,8	78,9	78,5	76,5	+28	+41	+44	+39	+46	+35	+32	+30

TABLE 3: Expected capacity constraints in manufacturing industry : i.e. balance of respondents expecting capacity to be more than sufficient in relation to production expectations <sup>(a)(c)</sup> (s.a.)

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	+51	+9	+24	+33	+50	+35	+37	+46	+49	+54	+50	+45	+34
<b>DK</b>	+34	+10	+23	+28	+31	+28	+26	+31	+33	+30	+28	+22	:
<b>D</b>	+46	-6	+5	+18	+42	+17	+29	+36	+43	+44	+45	+44	+34
<b>GR</b>	+32	+8	+10	+11	+15	+10	+9	+12	+14	+17	+17	+19	+21
<b>E</b>	:	+3	+14	+14	+17	+16	+11	+12	+20	+17	+17	+14	+11
<b>F</b>	+48	-6	+18	+25	+47	+25	+32	+39	+46	+52	+50	+42	+38
<b>IRL</b>	+34	+1	+19	+11	+24	+14	+10	+20	+21	+30	+23	+15	+18
<b>I</b>	+56	+12	+33	+35	+38	+33	+37	+37	+37	+40	+38	+33	+29
<b>L</b>	+64	-3	+13	+32	+44	+41	+38	+42	+45	+45	+44	+45	+51
<b>NL</b>	+51	-1	+3	+7	+15	+7	+11	+14	+16	+16	+15	+15	+10
<b>P</b>	:	-4	+10	+22	+36	+19	+21	+29	+34	+40	+40	+31	+22
<b>UK</b>	+66	+1	+47	+48	+39	+48	+52	+45	+37	+37	+36	+29	+36
<b>EUR</b>	+49	+5	+22	+27	+38	+26	+32	+35	+38	+39	+38	+33	+30

\* Used data-signs in the tables : (s.a.) = seasonally adjusted ; = not available.  
The figures for the Federal Republic of Germany refer to Western Germany, if not mentioned otherwise.  
Source, unless stated otherwise : European Community business surveys.

(a) The data are collected in January, April, July and October each year.

(b) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

(c) Answers to the questions whether, taking into account the level of order-books or production capacity is more than sufficient (+), sufficient (=) or less than sufficient (-). This, negative balances (capacity less than sufficient) indicate high levels of capacity utilization and positive balances (capacity more than sufficient) are associated with low levels of capacity utilization.

(d) The three major groups do not cover all the sectors of industry as a whole.

TABLE 4 : Estimated number of months' production assured by orders on hand in manufacturing industry <sup>(a)</sup> (s.a.)

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	3,0	4,3	3,7	3,5	3,1	3,5	3,4	3,3	3,1	3,0	2,9	3,0	2,9
<b>DK</b>	:	2,9	2,0	2,0	2,0	1,9	2,0	2,9	1,3	1,8	2,0	1,8	:
<b>D</b>	2,5	3,3	3,2	2,8	2,4	2,8	2,6	2,4	2,5	2,3	2,5	2,6	2,5
<b>GR</b>	5,0	6,9	5,7	5,5	5,6	5,1	5,2	5,2	5,8	5,8	5,4	5,6	5,7
<b>E</b>	:	3,5	2,3	2,5	2,0	3,0	2,3	2,6	1,5	2,1	1,7	2,4	2,6
<b>F</b>	2,9	3,7	3,0	3,0	2,8	2,7	3,0	3,0	3,1	2,3	2,8	2,7	3,1
<b>IRL</b>	1,5	2,2	1,9	2,3	1,9	2,2	2,1	2,0	1,9	2,2	1,6	2,5	2,2
<b>I</b>	3,6	4,7	4,1	4,1	3,9	3,9	4,3	4,1	4,0	3,9	3,8	3,8	4,1
<b>L</b>	1,7	2,7	2,4	2,2	2,1	2,1	2,0	2,3	2,1	1,9	1,9	2,0	2,0
<b>NL</b>	2,5	3,3	3,0	2,8	2,3	2,9	2,6	2,4	2,3	2,2	2,2	2,2	2,2
<b>P</b>	:	4,4	3,8	3,6	3,5	3,6	3,8	3,4	3,7	3,3	3,7	3,4	3,3
<b>UK</b>	2,9	4,1	3,1	3,1	3,0	3,1	3,1	2,9	3,0	2,8	3,3	3,1	2,9
<b>EUR</b>	3,0	3,6	3,3	3,2	2,9	3,1	3,1	3,0	2,9	2,7	2,9	2,9	3,0

TABLE 5 : New orders in manufacturing industry <sup>(a)</sup> (s.a.)

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

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	-22	+10	-11	-12	-15	-13	-13	-15	-21	-13	-12	+4	+5
<b>DK</b>	-14	+19	+4	-1	-7	-5	-8	-15	-18	-5	+10	+19	:
<b>D</b>	-23	+18	-2	-10	-13	-5	-19	-21	-17	-13	-2	-4	+20
<b>E</b>	:	+12	+5	+1	-5	+1	-6	+1	-8	-8	-6	-4	-3
<b>F</b>	-32	+21	-26	-15	-38	-11	-27	-30	-40	-45	-38	-21	+3
<b>IRL</b>	-42	+20	-11	-5	-2	+15	-7	-11	0	-5	+9	+10	+2
<b>I</b>	-21	+23	-1	-4	-5	-5	-13	-10	-6	-6	+1	+14	+15
<b>L</b>	-67	+10	-34	-35	-26	-32	-39	-48	-12	-25	-19	-16	-8
<b>NL</b>	-11	+16	+4	+5	+2	+7	+4	+1	-2	+7	+3	+8	+17
<b>P</b>	:	+28	-10	-17	-34	-20	-25	-31	-35	-37	-31	-13	-3
<b>UK</b>	-26	+31	-40	-23	+1	-15	-20	-10	-4	+9	+7	+13	+12
<b>EUR</b>	-23	+19	-12	-10	-13	-7	-17	-16	-16	-13	-7	0	+11

TABLE 6 : Export volume expectations in manufacturing industry <sup>(a)</sup> (s.a.)

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

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	:	+13	-14	-10	-10	-12	-12	-11	-18	-10	+1	+15	+16
<b>D</b>	-13	+15	-11	-4	-14	+3	-20	-17	-15	-14	-9	+5	+15
<b>GR</b>	-15	+29	+18	+17	+15	-18	+13	+21	+16	+19	+5	+21	+26
<b>E</b>	:	+8	+1	0	-1	-1	-3	+5	-8	-2	+1	-4	+12
<b>F</b>	-24	+14	-11	-3	-23	+4	-11	-23	-25	-30	-14	-1	+9
<b>IRL</b>	-35	+38	+12	-1	-5	+19	-29	+1	-10	-28	+18	-13	+21
<b>I</b>	-13	+27	+6	+7	+10	+6	+6	+2	+11	+10	+15	+26	+22
<b>L</b>	-67	+13	-39	-38	-23	-25	-46	-42	-6	-26	-17	-19	-8
<b>NL</b>	-11	+18	+6	+8	+3	+3	+6	+4	+3	-2	+5	+14	+10
<b>P</b>	:	+30	+5	-3	-20	-6	-11	-24	-22	-25	-6	+6	+17
<b>UK</b>	-6	+23	-4	+6	+12	+6	+9	+20	+15	+4	+8	+18	+13
<b>EUR</b>	-14	+16	-5	0	-6	+4	-8	-7	-7	-9	-1	+10	+15

TABLE 7 : Employment expectations in manufacturing industry <sup>(a)</sup> (s.a.)

Balance of respondents expecting employment up, unchanged, down

	Ranges		1991	1992	1993	1992		1993				1994	
	Trough 81/83	Peak 88/90				III	IV	I	II	III	IV	I	II
<b>B</b>	-17	+3	-10	-14	-23	-16	-18	-22	-25	-26	-20	-16	-10
<b>DK</b>	-11	+2	-5	-7	-13	-6	-11	-17	-21	-7	-6	+3	:
<b>D</b>	-37	+8	-7	-27	-51	-25	-41	-48	-52	-51	-53	-43	-30
<b>GR</b>	-14	+3	-7	-4	-5	-10	-6	-4	-4	-5	-6	-3	:
<b>E</b>	:	-9	-18	-20	-43	-21	-23	-41	-52	-47	-33	-32	-25
<b>F</b>	-44	-10	-30	-40	-49	-40	-40	-44	-49	-53	-50	-43	-39
<b>IRL</b>	-32	+13	-15	-18	-26	-4	-33	-19	-29	-30	-26	-23	-14
<b>I</b>	-38	+7	-12	-23	-21	-23	-27	-24	-20	-21	-18	-22	-15
<b>L</b>	-59	+5	-41	-35	-44	-36	-40	-43	-44	-41	-48	-40	-48
<b>NL</b>	36	+14	-8	-14	-27	-13	-17	-25	-29	-26	-27	-27	-24
<b>P</b>	:	+1	-12	-21	-32	-21	-23	-29	-34	-32	-32	-28	-16
<b>UK</b>	-44	+13	-43	-35	-27	-30	-40	-32	-26	-28	-22	-12	-24
<b>EUR</b>	-32	-3	-19	-28	-37	-26	-34	-36	-38	-39	-34	-31	-26

(a) The data are collected in January, April, July and October each year.

TABLE 8 : Indicators of confidence and economic sentiment (s.a.)

		Ranges		1991	1992	1993	1993		1994	1993		1994			
		Trough 81/83	Peak 88/90				III	IV		I	Nov.	Dec.	Jan.	Feb.	Mar.
<b>B</b>	1. industrial confidence indicator	-33	2	-15	-20	-29	-29	-24	-12	-23	-21	-15	-9	-12	-10
	2. construction confidence indicator	-63	7	-7	-13	-21	-20	-21	-17	-22	-17	-18	-16	-18	-14
	3. consumer confidence indicator	-29	5	-7	-12	-26	-29	-29	-24	-29	-30	-25	-24	-22	-20
	4. share-price index <sup>(a)</sup>	:	:	177.4	175.3	191.4	197.1	207.9	223.9	205.4	216.6	222.5	226.2	223.1	221.4
	= 5. economic sentiment indicator	96.5	106.6	102.3	100.5	97.2	96.8	97.1	99.0	97.1	97.3	98.6	99.2	99.2	99.8
<b>DK</b>	1. industrial confidence indicator	-22	5	-8	-7	-12	-10	-3	6	:	:	6	:	:	:
	2. construction confidence indicator	-37	12	-32	-22	-26	-23	-18	-11	:	:	-11	:	:	:
	3. consumer confidence indicator	-20	-4	-2	-2	-5	-4	-2	3	-1	-1	0	5	3	8
	4. share-price index <sup>(a)</sup>	:	:	157.9	144.7	147.7	148.0	163.7	189.7	159.4	169.7	193.4	190.2	185.4	179.1
	= 5. economic sentiment indicator	95.3	99.0	97.2	97.2	97.0	97.3	98.3	:	98.2	98.7	99.5	100.1	:	:
<b>D</b>	1. industrial confidence indicator	-38	11	0	-18	-34	-35	-31	-24	-31	-29	-28	-25	-20	-19
	2. construction confidence indicator	-63	3	-5	-15	-28	-31	-30	-30	-32	-30	-31	-30	-31	-28
	3. consumer confidence indicator	-32	6	-12	-20	-28	-28	-29	-27	-29	-29	-29	-29	-24	-22
	4. share-price index <sup>(a)</sup>	:	:	141.3	137.5	147.4	150.8	166.9	171.8	165.8	172.9	173.8	170.9	170.8	176.5
	= 5. economic sentiment indicator	93.9	104.2	101.3	98.6	96.1	96.0	96.6	97.3	96.5	96.9	96.9	97.1	98.0	98.4
<b>E</b>	1. industrial confidence indicator	:	0	-22	-25	-35	-35	-28	-19	-28	-26	-23	-20	-14	-12
	2. construction confidence indicator	:	32	-8	-37	-44	-42	-35	-38	-32	-25	-35	-46	-34	-30
	3. consumer confidence indicator	:	5	-6	-20	-34	-35	-35	-33	-36	-35	-36	-32	-32	-33
	4. share-price index <sup>(a)</sup>	:	:	311.2	270.0	316.0	335.9	360.8	397.2	343.2	378.1	419.7	397.6	374.2	359.3
	= 5. economic sentiment indicator	:	104.6	101.5	100.0	98.8	98.9	99.6	100.6	99.4	100.0	100.3	100.6	100.8	100.8
<b>F</b>	1. industrial confidence indicator	-38	12	-20	-21	-35	-39	-31	-21	-34	-29	-24	-21	-16	-7
	2. construction confidence indicator	-59	2	-16	-43	-57	-58	-50	-42	:	:	-46	:	:	-40
	3. consumer confidence indicator	-27	-9	-21	-22	-25	-27	-25	-22	-25	-24	-22	-22	-22	-21
	4. share-price index <sup>(a)</sup>	:	:	208.6	217.2	241.2	248.1	263.0	277.0	257.6	271.2	279.9	281.2	269.9	261.9
	= 5. economic sentiment indicator	98.5	106.1	101.3	99.8	97.9	97.4	98.3	100.1	98.1	98.8	99.7	100.1	100.4	101.1
<b>IRL</b>	1. industrial confidence indicator	-36	14	-9	-4	-13	-15	-9	1	-12	-7	2	1	0	1
	2. construction confidence indicator	-60	30	-22	-11	-27	-23	-25	-22	-22	-32	-22	-23	-21	-19
	3. consumer confidence indicator	-46	-3	-18	-21	-14	-10	-7	-2	-9	-9	-1	-3	-1	-6
	4. share-price index <sup>(a)</sup>	:	:	241.4	223.9	280.8	293.5	317.8	332.8	315.6	328.2	358.3	329.9	310.3	299.9
	= 5. economic sentiment indicator	97.3	104.7	101.3	101.1	101.4	101.8	102.4	103.3	102.1	102.2	103.6	103.1	103.3	102.7
<b>I</b>	1. industrial confidence indicator	-38	13	-13	-15	-17	-18	-12	-6	-13	-8	-8	-7	-3	-4
	2. construction confidence indicator	-51	21	-7	-16	-48	-57	-53	-58	-40	-51	-59	-65	-50	-22
	3. consumer confidence indicator	-28	0	-13	-19	-32	-32	-31	-30	-34	-30	-31	-29	-29	-24
	4. share-price index <sup>(a)</sup>	:	:	156.4	136.9	168.2	180.1	177.0	199.4	168.2	182.2	189.1	205.8	203.2	238.2
	= 5. economic sentiment indicator	95.8	103.7	100.1	98.8	97.0	97.0	97.6	98.3	97.1	98.0	97.8	98.3	98.8	100.4
<b>NL</b>	1. industrial confidence indicator	-27	3	-4	-6	-10	-11	-9	-6	-8	-9	-6	-6	-6	-5
	2. construction confidence indicator	-45	9	-6	-15	-17	-19	-18	-16	-18	-17	-17	-17	-14	-15
	3. consumer confidence indicator	-36	11	-10	-10	-17	-18	-16	-13	-15	-15	-15	-12	-11	-9
	4. share-price index <sup>(a)</sup>	:	:	136.0	142.4	163.3	169.5	180.0	195.6	181.6	186.2	196.7	198.7	191.3	193.0
	= 5. economic sentiment indicator	93.3	103.4	99.2	98.7	97.6	97.5	97.9	98.8	98.1	98.2	98.5	98.9	99.0	99.3
<b>UK</b>	1. industrial confidence indicator	-57	21	-32	-24	-11	-9	-8	-2	-6	-6	-3	1	-2	-8
	2. construction confidence indicator	-57	42	-64	-50	-36	-33	-30	-21	-31	-29	-24	-20	-19	-21
	3. consumer confidence indicator	-24	7	-17	-15	-13	-11	-11	-11	-11	-13	-9	-10	-14	-17
	4. share-price index <sup>(a)</sup>	:	:	190.3	198.1	228.2	229.3	242.3	259.3	237.5	250.4	262.9	262.8	252.2	245.0
	= 5. economic sentiment indicator	97.0	103.8	97.2	98.0	99.2	99.5	99.7	100.4	99.7	99.7	100.4	100.6	100.1	99.5
<b>EUR</b>	1. industrial confidence indicator	-35	6	-14	-19	-26	-26	-21	-14	-22	-19	-17	-14	-12	-10
	2. construction confidence indicator	-50	3	-18	-28	-40	-42	-39	-37	-37	-38	-38	-39	-35	-27
	3. consumer confidence indicator	-22	3	-14	-18	-25	-25	-25	-23	-25	-25	-24	-23	-22	-21
	4. share-price index <sup>(a)</sup>	:	:	174.9	177.1	199.5	203.0	216.5	231.0	212.8	223.8	233.2	233.5	226.4	224.9
	= 5. economic sentiment indicator	96.1	104.4	100.2	98.5	96.4	96.3	97.1	98.3	97.1	97.4	98.0	98.3	98.7	99.4

(a) Not seasonally adjusted.

TABLE 9 : **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator <sup>(a)</sup>  
 Balances : i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Ranges		1991	1992	1993	1993		1994	1993		1994			
		Trough 81/83	Peak 88/90				III	IV	I	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
INDUSTRIAL CONFIDENCE INDICATOR	B	-33	2	-15	-20	-29	-29	-24	-12	-23	-21	-15	-9	-12	-10
	DK	-22	5	-8	-7	-13	-10	-3	6	:	:	6	:	:	:
	D	-38	11	0	-18	-34	-35	-31	-24	-31	-29	-28	-25	-20	-19
	GR	:	5	-7	-4	-6	-4	-8	-3	-10	-9	-5	-1	-2	0
	E	:	0	-22	-25	-35	-35	-28	-21	-28	-26	-23	-20	-14	-12
	F	-38	12	-20	-21	-35	-39	-31	-20	-34	-29	-24	-21	-16	-7
	IRL	-36	14	-9	-4	-13	-15	-9	1	-12	-7	2	1	0	1
	I	-38	13	-13	-15	-18	-18	-12	-6	-13	-8	-8	-7	-3	-4
	L	-67	11	-24	-28	-25	-25	-24	-19	-27	-21	-20	-18	-18	-15
	NL	-27	3	-5	-6	-10	-11	-8	-6	-8	-9	-6	-6	-6	-5
P	:	5	-7	-12	-25	-27	-21	-13	-20	-19	-17	-12	-9	-9	
UK	-57	21	-32	-24	-11	-9	-7	-1	-6	-6	-3	1	-2	-8	
EUR	-35	6	-14	-19	-26	-26	-21	-14	-22	-19	-17	-14	-12	-10	
PRODUCTION EXPECTATIONS	B	-37	12	-12	-16	-28	-31	-21	-5	-18	-17	-9	2	-7	-6
	DK	-12	15	8	7	4	12	9	17	:	:	17	:	:	:
	D	-27	14	3	-10	-20	-18	-11	-2	-9	-7	-6	-1	2	5
	GR	:	29	18	25	20	22	17	21	16	18	20	21	21	23
	E	:	16	-1	-4	-10	-9	-3	1	-3	-1	-3	5	3	0
	F	-20	23	-4	-4	-20	-24	-14	1	-18	-13	-5	0	7	11
	IRL	-37	27	4	1	-3	-4	1	14	-5	3	16	15	10	14
	I	-22	28	8	1	-1	1	6	9	8	11	7	9	11	12
	L	-66	19	-27	-28	-16	-6	-14	-9	-17	-7	-11	-8	-7	-7
	NL	-13	12	5	4	1	0	4	8	7	2	12	6	5	8
P	:	18	9	3	-8	-9	-5	-1	-2	-5	-4	0	1	5	
UK	-44	34	-14	-1	11	11	13	22	17	14	19	26	22	12	
EUR	-24	28	0	-4	-9	-9	-3	6	-2	0	2	7	8	8	
ORDER-BOOKS	B	-49	-1	-26	-33	-45	-44	-41	-31	-41	-38	-35	-31	-28	-26
	DK	-32	11	-14	-17	-31	-36	-12	-6	:	:	-6	:	:	:
	D	-54	12	-4	-29	-57	-58	-57	-51	-59	-56	-56	-53	-45	-45
	GR	:	-7	-23	-21	-26	-24	-25	-19	-29	-30	-20	-18	-19	-18
	E	:	-3	-39	-43	-58	-58	-52	-42	-53	-51	-40	-43	-31	-22
	F	-56	16	-35	-39	-57	-62	-57	-42	-59	-54	-49	-45	-31	-23
	IRL	-57	16	-22	-8	-20	-23	-10	-2	-9	-11	1	-3	-3	-10
	I	-64	12	-28	-30	-38	-40	-29	-21	-34	-25	-21	-25	-16	-17
	L	-70	16	-38	-44	-44	-46	-44	-40	-49	-44	-34	-44	-41	-36
	NL	-42	1	-11	-15	-23	-22	-22	-18	-22	-22	-22	-17	-14	-16
P	:	0	-21	-30	-48	-51	-45	-30	-45	-40	-36	-31	-23	-23	
UK	-57	26	-56	-49	-26	-21	-20	-15	-20	-18	-17	-11	-16	-17	
EUR	-56	5	-28	-35	-46	-47	-42	-34	-44	-40	-37	-35	-28	-26	
EXPORT ORDER-BOOKS	B	-55	-3	-30	-36	-49	-49	-44	-34	-43	-42	-39	-30	-32	-28
	DK	10	17	-4	-9	-24	-25	-8	2	:	:	2	:	:	:
	D	-48	1	-32	-39	-63	-66	-63	-59	-63	-61	-62	-59	-56	-51
	GR	:	-16	-24	-26	-24	-21	-15	-4	-17	-13	-3	2	-10	-4
	E	:	-17	-33	-38	-48	-47	-42	-33	-41	-44	-34	-33	-24	-18
	F	-52	24	-34	-32	-54	-59	-51	-37	-52	-47	-42	-39	-31	-15
	IRL	:	29	-20	2	-18	-24	-18	-15	-19	-23	-8	-18	-18	-19
	I	-57	0	-33	-35	-26	-25	-11	-2	-17	-5	0	-4	-1	5
	L	-80	52	-47	-51	-42	-51	-51	-43	-59	-42	-43	-46	-41	-34
	P	:	1	-24	-29	-50	-53	-38	-15	-39	-33	-14	-19	-11	-4
UK	-65	12	-35	-35	-19	-16	-16	-10	-20	-11	-8	-14	-8	-8	
EUR	-50	0	-32	-35	-46	-48	-42	-35	-44	-40	-36	-36	-32	-25	
STOCKS OF FINISHED PRODUCTS	B	19	-1	7	12	13	13	9	0	9	7	1	-2	1	-2
	DK	23	-1	18	11	10	5	5	-6	:	:	-6	:	:	:
	D	27	-9	0	15	27	27	25	20	26	23	22	20	18	18
	GR	:	1	14	15	12	10	14	10	17	14	16	7	8	6
	E	:	8	26	27	37	37	28	21	27	25	26	21	15	14
	F	42	-3	21	19	27	30	23	21	24	21	19	19	24	9
	IRL	29	-6	8	5	15	20	18	9	23	13	10	10	7	2
	I	28	-4	19	17	13	14	13	7	13	11	11	6	5	6
	L	58	-10	7	11	15	22	14	8	14	12	16	2	5	2
	NL	39	0	8	7	9	10	8	8	9	8	7	8	8	6
P	:	0	10	9	18	20	13	8	13	11	12	6	5	8	
UK	41	4	26	20	18	17	16	13	15	15	12	13	13	18	
EUR	31	2	15	17	22	23	20	15	20	18	16	15	14	12	
SELLING-PRICE EXPECTATIONS	B	12	24	2	-3	-6	-2	-2	-1	-2	-3	-5	2	0	3
	D	2	26	14	10	-2	-1	-4	-4	-4	-7	-7	-4	-2	0
	GR	:	41	28	28	22	22	24	22	22	29	23	20	22	30
	E	:	21	0	-5	-10	-7	-6	2	-6	-4	-5	3	4	7
	F	17	34	11	8	-3	-4	-5	-4	-8	-5	-2	-3	-7	-10
	IRL	1	23	-1	-4	-4	1	0	-9	-1	-6	-10	-11	-6	-5
	I	6	32	16	13	11	10	9	12	8	11	11	13	13	15
	L	-38	62	-32	-14	1	10	14	-1	14	8	2	2	-7	-10
	P	:	28	17	10	3	3	2	14	1	4	9	17	15	13
	UK	9	34	5	-1	5	4	1	2	6	-3	2	2	3	-4
EUR	22	28	11	7	1	1	0	1	0	-1	0	2	2	2	

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

TABLE 10: Consumer opinion on economic and financial conditions<sup>(a)</sup> (s.a.)

		Ranges		1991	1992	1993	1993		1994		1993					
		Trough 81/83	Peak 88/90				III	IV	I	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
CONSUMER CONFIDENCE INDICATOR <sup>(b)</sup>	B	-31	5	-7	-12	-26	-29	-29	-24	-29	-30	-25	-24	-22	-20	
	DK	-17	2	-2	-2	-5	-4	-2	3	-1	-1	0	5	3	8	
	D	-29	6	-12	-20	-28	-28	-29	-27	-29	-29	-29	-29	-24	-22	
	GR	:	-7	-27	-31	-27	-26	-17	-16	-16	-16	-16	-15	-16	-20	
	E	:	5	-6	-20	-34	-35	-35	-33	-36	-35	-36	-32	-32	-33	
	F	-12	-9	-21	-22	-25	-27	-25	-22	-25	-24	-22	-22	-22	-21	
	IRL	-39	-3	-18	-21	-13	-9	-7	-2	-9	-9	-1	-3	-1	-6	
	I	-27	0	-13	-19	-32	-32	-31	-30	-34	-30	-31	-29	-29	-24	
	NL	-37	11	-10	-10	-17	-18	-16	-13	-15	-15	-15	-12	-11	-9	
	P	:	4	3	-5	-24	-27	-29	-27	-31	-27	-30	-27	-23	-26	
	UK	-22	7	-17	-15	-13	-11	-11	-11	-11	-13	-9	-10	-14	-17	
	EUR <sup>(c)</sup>	-21	-3	-14	-18	-25	-25	-25	-23	-25	-25	-24	-23	-22	-21	
	FINANCIAL SITUATION OF HOUSEHOLDS	B	-29	2	-3	-4	-11	-12	-14	-12	-15	-16	-11	-12	-13	-9
		DK	-12	6	-1	3	1	-1	3	6	1	4	6	8	5	9
		D	-21	4	-7	-15	-18	-18	-19	-21	-18	-20	-21	-23	-19	-18
		GR	:	-8	-34	-39	-37	-35	-28	-22	-27	-23	-23	-21	-21	-25
E		:	0	-4	-12	-22	-23	-25	-24	-24	-26	-27	-23	-22	-23	
F		-11	-5	-10	-10	-12	-13	-15	-14	-15	-15	-15	-14	-14	-13	
IRL		-47	-13	-21	-22	-17	-15	-12	-10	-13	-12	-11	-10	-9	-13	
I		-17	-1	-5	-9	-20	-21	-22	-23	-24	-22	-24	-22	-22	-20	
NL		-25	12	4	1	-1	0	-2	-1	-1	-1	0	-1	-1	-1	
P		:	2	-1	-5	-18	-18	-22	-20	-23	-23	-23	-19	-19	-21	
UK		-34	-2	-22	-20	-21	-20	-20	-22	-20	-23	-21	-21	-23	-23	
EUR <sup>(c)</sup>		-18	-4	-9	-12	-17	-17	-18	-18	-18	-19	-19	-18	-18	-17	
B		-17	8	2	0	-5	-6	-7	-4	-7	-9	-4	-4	-4	-1	
DK		-7	12	7	10	10	11	11	11	12	12	10	13	11	12	
D		-17	4	-6	-9	-13	-13	-14	-13	-14	-14	-14	-15	-11	-11	
GR		:	3	-23	-26	-18	-18	-3	-4	-1	-4	-3	-3	-5	-11	
E	:	8	3	-7	-11	-10	-11	-9	-13	-10	-11	-8	-8	-7		
F	-4	3	-2	-1	-5	-8	-6	-4	-6	-5	-4	-3	-4	-3		
IRL	-32	0	-8	-8	-5	-4	-2	0	-3	-3	0	1	0	-4		
I	-11	5	-1	-5	-12	-12	-11	-8	-14	-11	-10	-7	-7	-4		
NL	-21	10	0	2	-1	-1	-2	-3	-1	-2	-2	-3	-3	-1		
P	:	9	7	1	-13	-13	-16	-12	-17	-12	-14	-13	-10	-13		
UK	-17	4	-1	-1	-7	-6	-11	-14	-10	-14	-11	-14	-17	-21		
EUR <sup>(c)</sup>	-10	2	-2	-4	-9	-9	-10	-9	-10	-10	-9	-9	-8	-8		
GENERAL ECONOMIC SITUATION	B	-73	7	-20	-32	-54	-58	-57	-52	-56	-59	-55	-52	-48	-45	
	DK	-51	8	-1	-3	-14	-12	-5	1	-3	-6	-4	3	4	12	
	D	-55	14	-18	-34	-54	-56	-59	-56	-57	-60	-60	-59	-50	-46	
	GR	:	-16	-32	-36	-34	-34	-27	-24	-26	-26	-23	-25	-23	-25	
	E	:	0	-11	-30	-54	-56	-59	-57	-60	-58	-60	-55	-56	-59	
	F	-42	-23	-43	-46	-54	-56	-54	-52	-53	-54	-51	-53	-51	-49	
	IRL	-82	-3	-31	-44	-36	-30	-24	-10	-29	-24	-11	-10	-10	-16	
	I	-62	-3	-30	-47	-70	-72	-70	-69	-72	-71	-69	-69	-68	-60	
	NL	-69	21	-23	-26	-47	-48	-45	-41	-42	-45	-49	-40	-35	-32	
	P	:	13	10	-4	-33	-38	-42	-35	-44	-39	-39	-34	-33	-36	
	UK	-65	4	-52	-50	-40	-33	-27	-22	-29	-26	-18	-22	-27	-33	
	EUR <sup>(c)</sup>	-52	-10	-30	-40	-53	-53	-52	-49	-52	-52	-50	-49	-47	-45	
	B	-55	8	-11	-22	-40	-42	-43	-29	-45	-40	-33	-29	-25	-23	
	DK	-31	5	-1	-4	-6	-4	-5	4	-2	-5	-1	8	4	8	
	D	-37	6	-16	-24	-38	-37	-38	-29	-38	-36	-34	-31	-23	-19	
	GR	:	0	-15	-20	-13	-13	2	-1	6	-1	1	-3	-1	-9	
E	:	6	-6	-24	-25	-25	-23	-22	-25	-22	-24	-20	-22	-20		
F	-40	-7	-29	-26	-27	-28	-25	-18	-26	-21	-15	-17	-22	-20		
IRL	-48	10	-18	-18	-11	-5	-3	3	-6	-7	5	4	0	-4		
I	-32	5	-18	-23	-29	-26	-24	-12	-31	-22	-14	-7	-14	-1		
NL	-51	11	-29	-24	-30	-30	-23	-16	-18	-25	-21	-15	-11	-7		
P	:	12	9	-5	-25	-28	-28	-22	-30	-22	-26	-23	-18	-22		
UK	-23	8	-5	-7	-10	-5	-11	-8	-10	-12	-4	-4	-15	-22		
EUR <sup>(c)</sup>	-35	-3	-16	-20	-27	-25	-25	-18	-26	-23	-19	-16	-18	-16		
MAJOR PURCHASES	B	5	8	-5	-4	-21	-28	-25	-22	-23	-28	-22	-23	-20	-22	
	DK	3	-4	-14	-18	-17	-16	-13	-8	-10	-12	-11	-8	-6	2	
	D	-19	3	-13	-16	-18	-18	-16	-18	-16	-16	-17	-19	-18	-16	
	GR	:	-13	-31	-35	-31	-31	-31	-28	-33	-27	-27	-25	-31	-29	
	E	:	13	-14	-25	-58	-58	-59	-54	-59	-58	-56	-52	-53	-55	
	F	23	-1	-21	-26	-29	-31	-27	-23	-26	-26	-24	-24	-21	-21	
	IRL	1	5	-10	-11	4	6	5	9	4	1	11	2	15	7	
	I	-15	-2	-9	-14	-28	-30	-28	-37	-31	-27	-37	-37	-36	-36	
	NL	-23	11	-1	-3	-7	-7	-8	-3	-10	-4	-4	-3	-3	-2	
	P	:	-2	-9	-13	-34	-36	-39	-42	-39	-42	-47	-43	-37	-38	
	UK	20	28	-5	5	11	9	11	10	11	8	11	9	11	15	
	EUR <sup>(c)</sup>	5	1	-12	-14	-21	-22	-20	-20	-21	-20	-20	-21	-19	-18	

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

TABLE 11 : **Expected employment in the retail trade**  
Balances : i.e. differences between the percentages of respondents giving positive and negative replies (seasonnally adjusted)

		Peak	1991	1992	1993	1992			1993				1994
		88/90				II	III	IV	I	II	III	IV	I
FOOD, DRINK, AND TOBACCO	<b>B</b>	9	5	2	-2	1	7	4	-14	-5	3	7	10
	<b>DK</b>	:	-1	1	0	7	-4	-1	0	2	-3	0	8
	<b>D</b>	18	3	8	-7	14	-3	13	-6	-14	-4	-2	0
	<b>E</b>	12	-1	-9	-15	-6	-7	-16	-15	-16	-20	-9	-7
	<b>F</b>	0	-25	-20	-11	-26	-27	-9	-18	-8	-6	-11	-4
	<b>I</b>	8	1	2	-3	8	-2	3	9	-3	-19	3	-11
	<b>NL</b>	12	2	2	-1	8	0	-1	-1	4	0	-6	-6
	<b>P</b>	30	10	2	4	2	8	-1	-5	-6	32	-4	26
	<b>UK</b>	45	6	-1	7	20	1	-16	5	5	-6	24	-3
	<b>EUR</b>	14	-3	-1	-4	3	-2	-2	-4	-6	-9	2	-3
TEXTILES, CLOTHING, FOOTWEAR	<b>B</b>	22	-4	-2	-2	9	-5	-17	-3	-4	2	-1	-6
	<b>DK</b>	:	7	7	1	12	6	2	3	3	0	-4	3
	<b>D</b>	4	-1	-5	-7	-2	-4	-8	-10	-4	-9	-3	-4
	<b>E</b>	4	-3	-8	-13	-6	-2	-15	-13	-8	-20	-11	-7
	<b>F</b>	-4	-5	-10	-14	-10	-8	-12	-20	-11	-8	-18	-8
	<b>I</b>	-8	-22	-16	-21	-12	-11	-26	-32	-30	-9	-11	-18
	<b>NL</b>	7	5	2	0	2	4	-2	0	-2	1	0	-7
	<b>P</b>	2	2	2	-13	2	-5	-3	-20	-6	-13	-14	-4
	<b>UK</b>	40	-32	-32	-13	-26	-36	-27	-29	-24	5	-3	14
	<b>EUR</b>	5	-12	-10	-12	-10	-3	-15	-18	-13	-8	-7	-4
HOUSEHOLD GOODS (TOTAL)	<b>B</b>	5	-2	0	-4	8	-12	-3	-2	-8	-2	-5	-2
	<b>DK</b>	:	4	3	-2	13	-3	-5	-11	-5	1	8	17
	<b>D</b>	8	2	-4	-6	-6	-3	-3	-8	-6	-5	-3	-6
	<b>E</b>	10	1	-2	-14	0	0	-8	-12	-12	-16	-15	-11
	<b>F</b>	9	3	-1	1	4	-9	0	1	2	0	0	7
	<b>I</b>	6	-12	-4	-11	-10	-2	9	4	-7	-6	-36	-13
	<b>NL</b>	30	13	2	2	4	4	-14	2	6	4	-5	5
	<b>P</b>	6	-6	-1	-10	-4	-4	-8	-10	-10	-13	-8	-3
	<b>UK</b>	32	-15	-36	-18	-56	-26	-47	-23	-5	-32	-11	17
	<b>EUR</b>	9	-3	-6	-6	-12	-1	-8	0	-3	-12	-10	0
MOTOR VEHICLE	<b>B</b>	16	-2	-8	-5	-19	-1	-5	-1	-14	8	-12	-3
	<b>DK</b>	:	9	6	0	10	10	-1	-1	0	-3	4	25
	<b>D</b>	10	4	-6	-32	-9	1	-12	-26	-31	-38	-32	-22
	<b>E</b>	23	-3	-2	-12	1	-7	1	-10	-11	-18	-7	-9
	<b>F</b>	1	-5	-10	-10	-7	-7	-17	-11	-8	-13	-7	-2
	<b>I</b>	23	-16	-14	-26	-8	-26	-6	-16	-45	-15	-29	-17
	<b>NL</b>	8	3	2	-3	-1	1	3	-2	-1	-4	-5	1
	<b>P</b>	21	0	-7	-17	-4	-3	-15	-17	-4	-20	-25	-25
	<b>UK</b>	47	-61	-51	-28	-54	-60	-40	-44	-32	-27	-10	3
	<b>EUR</b>	14	-14	-11	-21	-15	-2	-13	-19	-23	-24	-16	-8
RETAIL TRADE (TOTAL)	<b>B</b>	12	0	-1	-4	1	-2	-5	-9	-5	0	-2	0
	<b>DK</b>	:	8	7	-3	14	5	6	-5	-7	1	-1	11
	<b>D</b>	9	2	0	-9	2	-3	1	-10	-11	-10	-6	-7
	<b>E</b>	9	0	-3	-12	-4	6	-11	-10	-11	-19	-8	-7
	<b>F</b>	-1	-9	-8	-9	-13	2	-11	-9	-5	-6	-14	-2
	<b>I</b>	5	-8	-7	-14	-5	-6	-8	-8	-19	-14	-15	-16
	<b>NL</b>	10	5	3	-1	4	3	-2	-1	1	1	-4	-4
	<b>P</b>	7	4	-3	-10	-1	-4	-5	-11	-7	-7	-15	-11
	<b>UK</b>	34	-25	-27	-11	-23	-29	-28	-20	-14	-13	2	5
	<b>EUR</b>	7	-7	-7	-10	-7	-1	-9	-10	-11	-12	-7	3



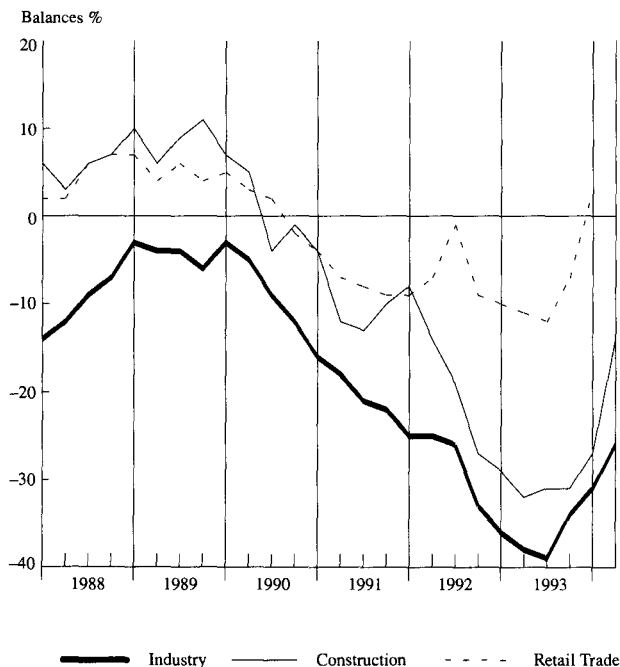
## EMPLOYMENT LOSSES MAY BE STOPPED IN THE SECOND HALF OF 1994, ACCORDING TO BUSINESS AND CONSUMER SURVEYS

Managers in industry, construction and retail trade as well as consumers agree on the slowing down of employment losses. The improvement in consumers' unemployment expectations may be a signal for a more positive growth outlook.

After a continuous decline since the end of 1989, managers' opinions on employment improved since the second half of 1993 (Graph 3). The lowest point in employment prospects was reached in 1993 in almost all Member States (Graph 4). One notable exception is the United Kingdom, which went into recession earlier and where the lowest point was already reached in 1991. The improvement in employment prospects fits well with the more positive assessment of actual and expected future activity in the different branches. Other factors explaining improving employment expectations are the measures which governments have taken to tackle the level of non-wage labour costs, often by adjustments to the social security system.

For industry and construction many activity indicators point now to a workload that is no longer compatible with further employment losses. In *industry*, the existence of unused capacity together with increases in new orders on hand improves output expectations. Indeed, a majority of managers now are confronted with an increase in new orders (Tables 9). In 1993, improving production expectations did not trigger off an immediate improvement in employment expectations. This happened only when order-books started to be filled again (Graph 6). Indeed, managers only start to hire additional work force when there is enough evidence about recovery; initially filling labour shortages by overtime and temporary work. Evidence about recovery is now sufficiently available in industry to reconsider employment prospects. In *construction* the assessment of order-books has improved recently at the same time as have employment expectations (Graph 7). In April also the indicator of trend of activity rises clearly.

GRAPH 3 : Employment expectations in European Community business surveys — European Community  
Balances of answers expecting increase or reduction of employment; seasonally adjusted quarterly data



Source : European Community Business Surveys

The actual improvement in managers' opinions on employment does not yet point to a rise in 1994 employment. In the past, the evolution of employment expectations has indicated the movement in the growth rate of employment, rather than its level (Graph 9). The improvement in opinion starts from such a low point in 1993 that employment on average, is still expected to decrease in 1994. Comparing this with the same period of the previous year, the decline may end by the second half of 1994.

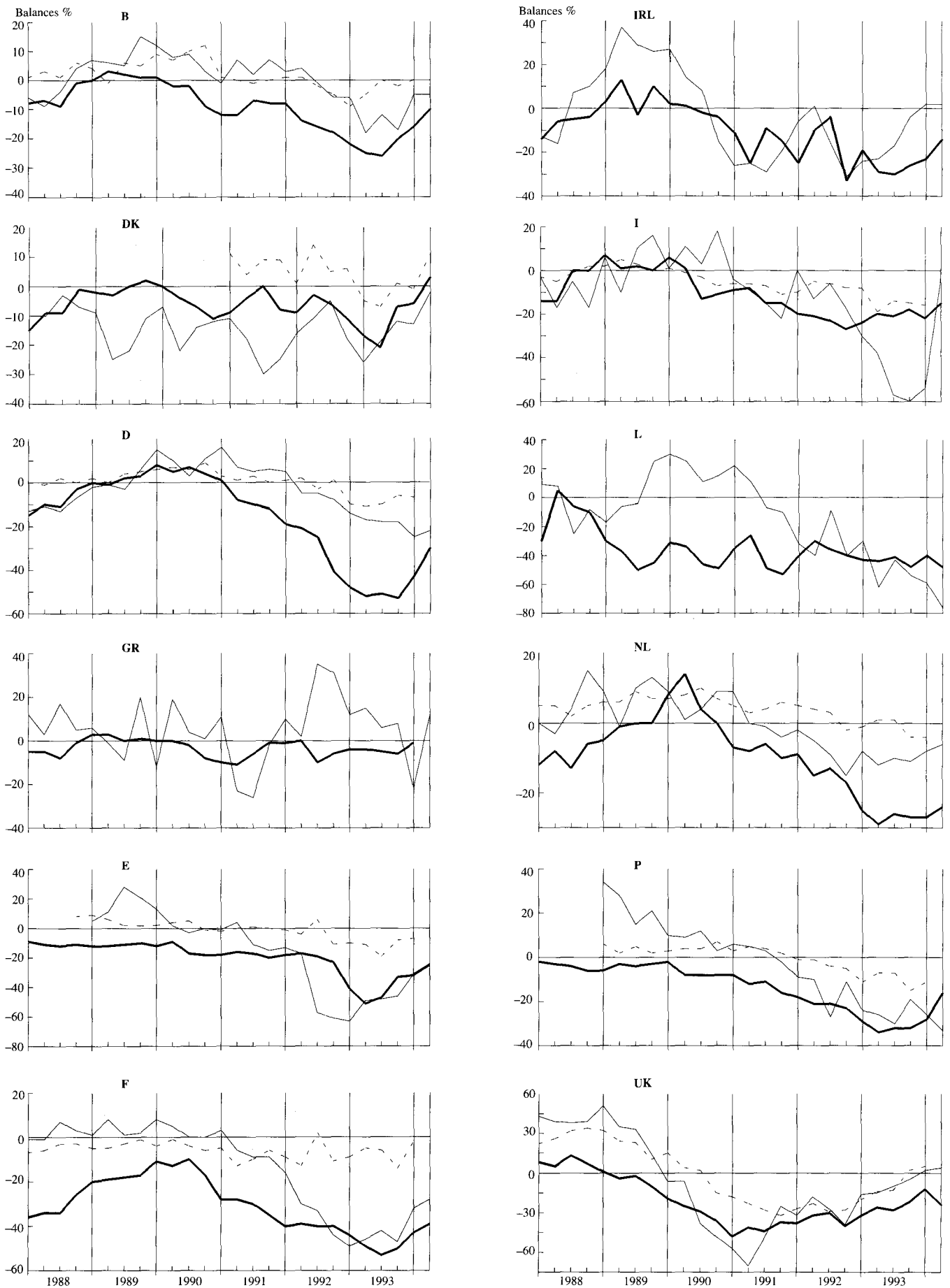
Consumers' opinion on unemployment improved also from the second quarter of 1993. The movement in opinion mirrors the decrease in the recorded growth in the unemployment rate (Graph 5). In the United Kingdom and in Ireland the most negative unemployment expectations on the part of consumers were observed earlier than 1993, contrary to what happened in all other Member States (Graph 5). If the present trend persists, the unemployment rate in the second half of 1994 could be on the same level as that in the same period of 1993.

The improvement in consumers' unemployment expectations may be a signal for a more positive growth outlook. In April consumers' opinion concerning their financial situation over the next twelve months stands only one point above the 1993 average (Table 10). But the poor income outlook for households may be balanced by the diminishing risk of job losses, thus giving support to consumer confidence.

**GRAPH 4 : Employment expectations in European Community business surveys**

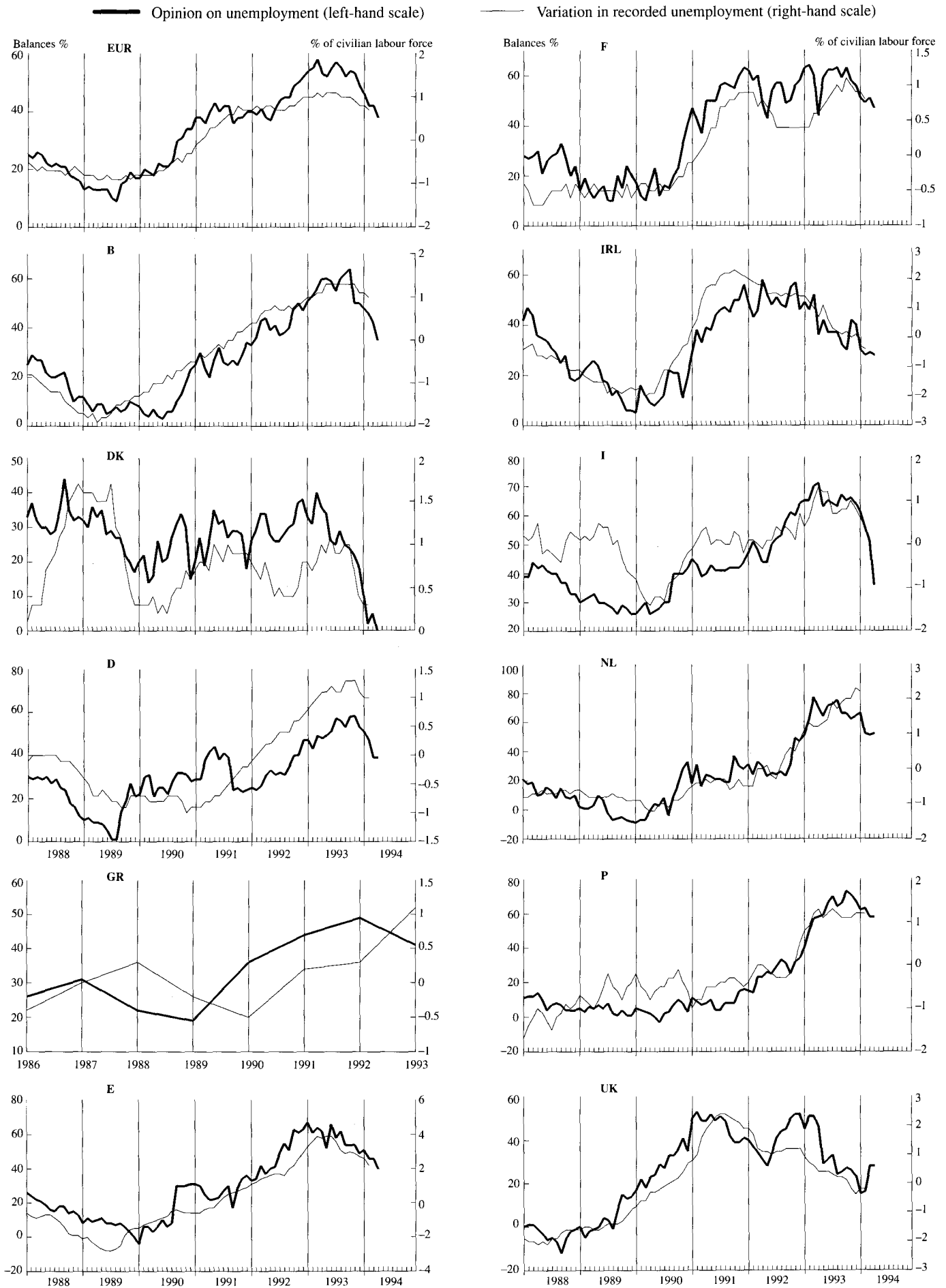
Balances of answers expecting increase or reduction of employment; seasonally adjusted quarterly data

— Industry      — Construction      - - - Retail Trade



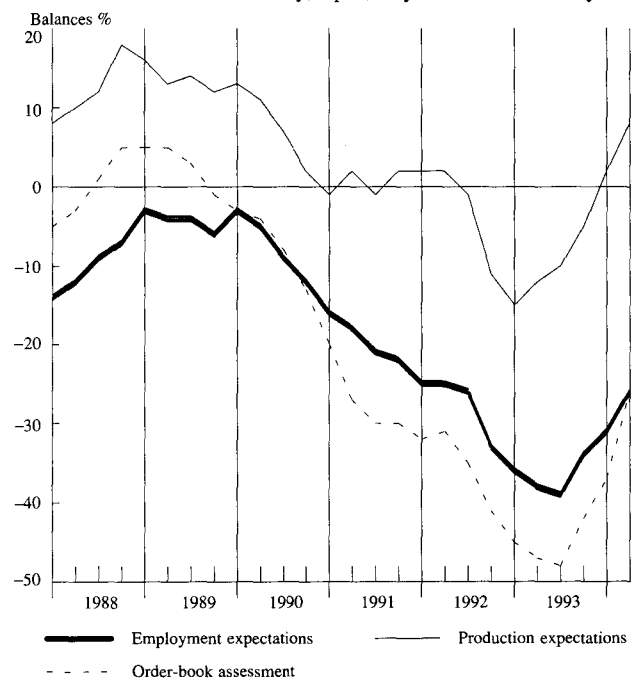
Source : European Community Business Surveys

**GRAPH 5 : Unemployment expectations in European Community consumer surveys and realisations**  
(seasonally adjusted monthly data except for Greece)



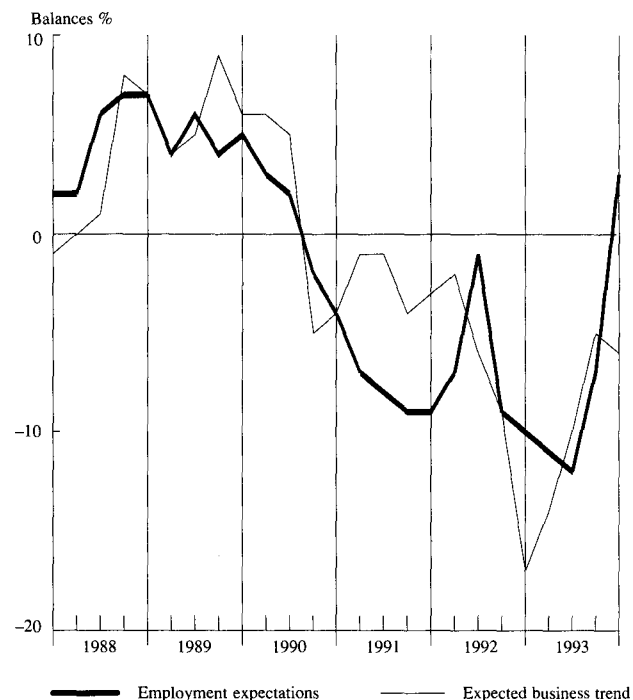
Unemployment expectations – Source : European Community Consumer Surveys.  
Variation in unemployment rate compared with corresponding month of preceding year – Source : Eurostat.

**GRAPH 6 : Assessment of employment and activity in industry — European Community (s.a.)**  
Results of January, April, July and October each year



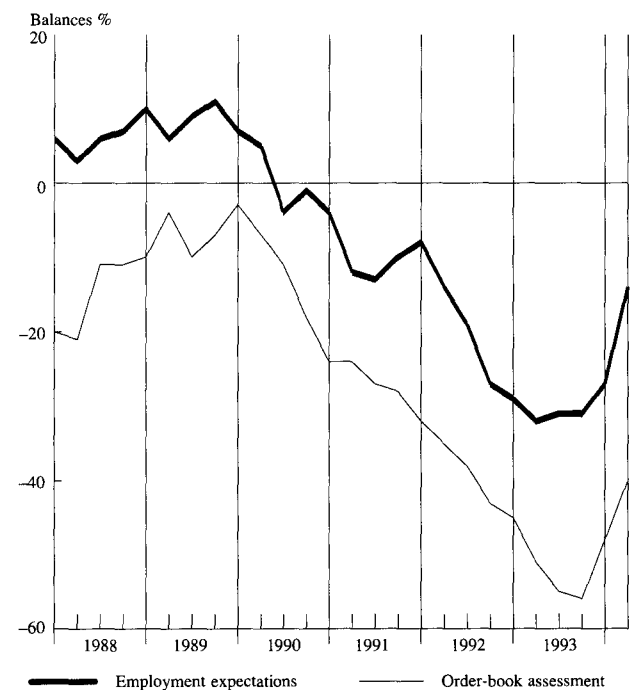
Source : European Community Business Surveys

**GRAPH 8 : Assessment of employment and activity in retail trade — European Community (s.a.)**



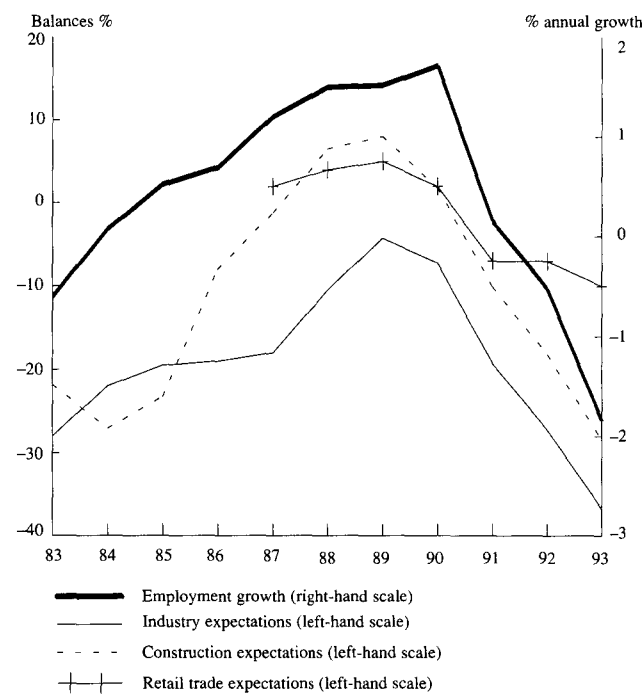
Source : European Community Business Surveys

**GRAPH 7 : Assessment of employment and activity in construction — European Community (s.a.)**  
Results of January, April, July and October each year



Source : European Community Business Surveys

**GRAPH 9 : Employment expectations and realisations — European Community**



Employment : occupied population, National Accounts definition  
Source : European Community Business Surveys and Eurostat

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