

April 29, 2024

## European economic sentiment declines in April

### Context

The Economic Sentiment Indicator (ESI) monitors the general sentiment of economic actors. It is generally derived from the results of surveys of both consumers and companies. The ESI is prepared by the Directorate General for Economic and Financial Affairs of the European Commission. Its objective is to track GDP growth at the level of Member States, the EU and the Eurozone.

### Recent events

Economic confidence took a hit in both the Eurozone and the EU as a whole in April, according to survey data released on Monday, along with a drop in employment expectations.

The European Commission's economic sentiment indicator recorded a slight decline in both the EU (0.3 points to 96.2) and the euro area (0.6 points to 95.6).

Similarly, the Employment Expectations Indicator (EEI) saw a steeper decline in both regions, falling 0.5 points to 101.7 in the EU and 0.7 points to 101.8 in the common currency area. .

In particular, significant changes were observed in the largest EU economies in relation to the evolution of the ESI: France experienced a notable drop (-4.8), **while Spain, Germany and Poland experienced improvements.**

### Risks

- At the moment the risk level is not high since despite the fall the EEI remained above its long-term average.
- If this negative trend persists, the indicator could be anticipating a less expansive economy with lower levels of spending by people and companies.
- The risk would seem to be distributed symmetrically since different EU countries are experiencing different dynamics of economic sentiment.

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