

# EUROPEAN ECONOMY

EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

**Supplement B**  
**Business and Consumer**  
**Survey Results**  
**No 3 – March 2000**

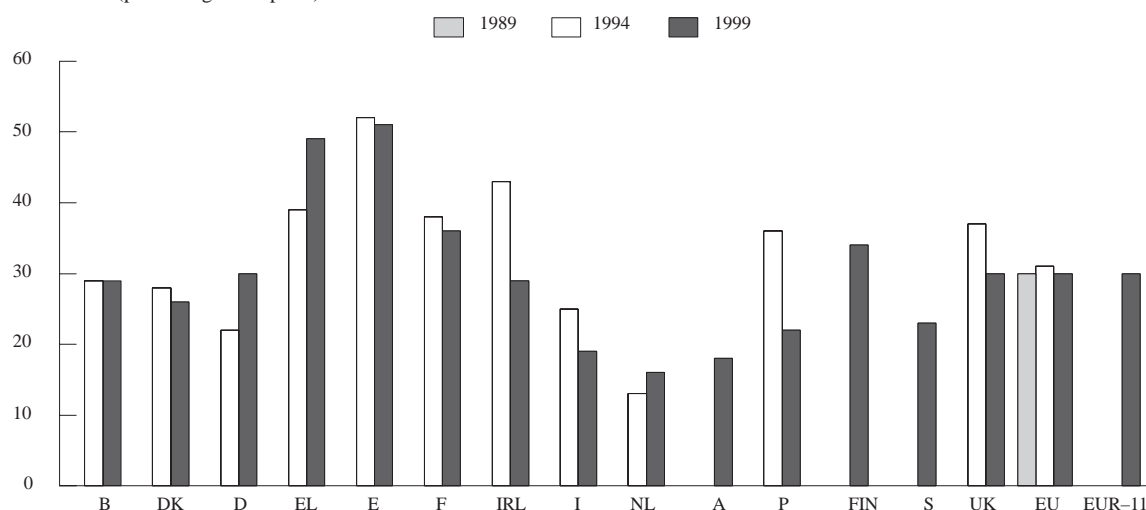
*In this number :*  
*Ad hoc survey on labour*  
*market among employees*

[http://europa.eu.int/comm/economy\\_finance](http://europa.eu.int/comm/economy_finance)

## Labour market survey among employees

- Among interviewed workers in 1999, 30 % stated that they had been unemployed at least once for four weeks or more, in the last five years. In comparison with the previous survey results from 1989 and 1994, the incidence of unemployment measured over a 5-year period has remained virtually unchanged.
- Across countries, the 5-year incidence of unemployment was lowest in the Netherlands, Austria and Italy with rates below 20 %; Greece and Spain are located at the other end of the spectrum with around 50 % of all workers having been affected by unemployment at least once in the past five years.
- Long-term unemployment has increased and is even more concentrated when looked at over a longer time period. In the EU, more than half of those affected by unemployment in the past five years stayed in total more than one year without a job, and still around one third were unemployed for 2 years or more.
- The highest share of long-term unemployment (cumulated duration of more than one year) by far was registered for Italy, followed by Spain and Belgium. Sweden, Austria and Denmark turned out to be the relatively best performers in that respect.
- Among those workers affected by unemployment, almost every second had suffered more than one spell of unemployment in the past five years.

GRAPH 1 : **Employees who have been unemployed for four weeks or more – EU**  
(percentage of replies)



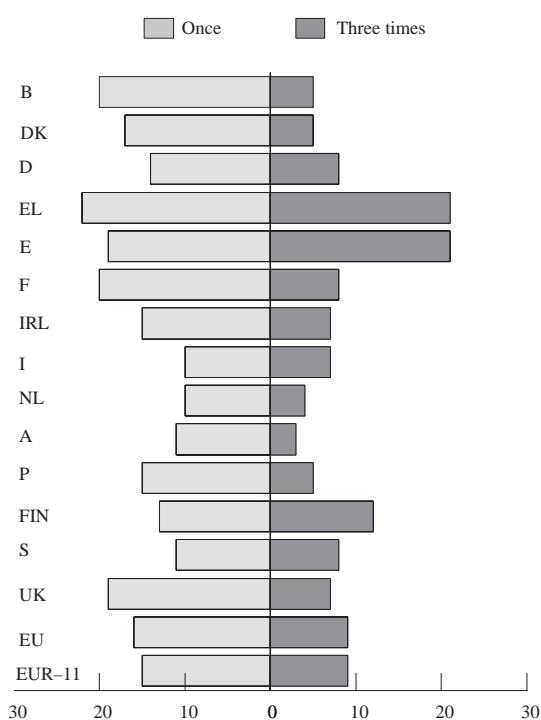
Source: EU ad hoc labour market survey, 1999.

### Labour market survey 1999 among employees

Complementing the available statistical material on labour market developments, the Commission has recently collected additional information by a harmonised ad-hoc labour market survey covering both workers and employers' opinions in the European Union Member States. The overall results of the survey, which overlaps to a large extent with those carried out in 1989 and 1994, should help to improve the understanding of current labour market developments and, thus, assist in the ongoing refinement of the strategy to tackle Europe's labour market problems. This issue of Supplement B presents the main results of the survey among employees; previous issues dealt with the results of the survey carried out among employers in services and in industry; a full report on the survey results will be published in a special issue of European Economy – Reports and Studies.

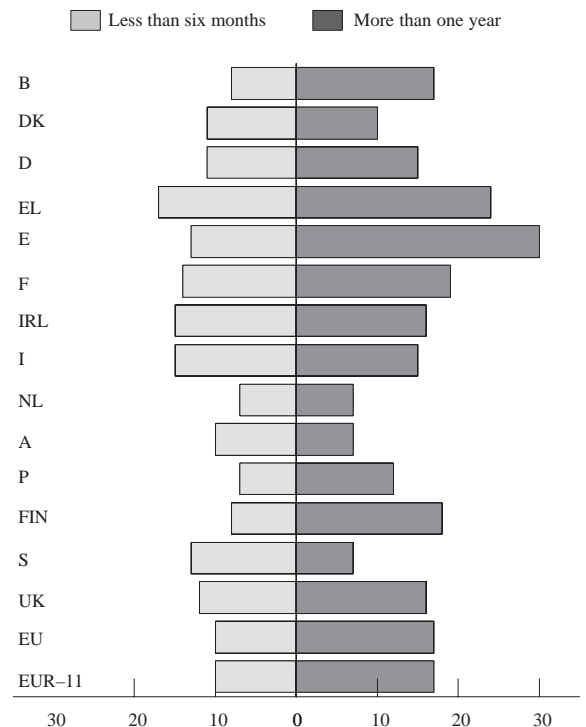
**Incidence of unemployment.** – For the EU as a whole, among workers who have been interviewed (either wage and salary earners or unemployed), 30 % stated that they had been unemployed at least once for four weeks or more, in the last five years. For a reference figure, the yearly average rate of unemployment in the EU over that period was slightly above 10 %. In comparison with the previous survey results from 1989 and 1994, the incidence of unemployment measured over a 5-year period has remained virtually unchanged, irrespective of the movement in overall unemployment. It should be noted, however, that the previous survey in 1994 was carried out at a cyclical trough with a corresponding peak in unemployment, a situation typically characterised by relatively high inflows into unemployment.

GRAPH 2: Number of unemployment periods– (1999 percentage of people having been unemployed in the last five years)



Source: EU ad hoc labour market survey in industry, 1999.

GRAPH 3: Duration of unemployment – EU (1999 percentage of people having been unemployed in the last five years)

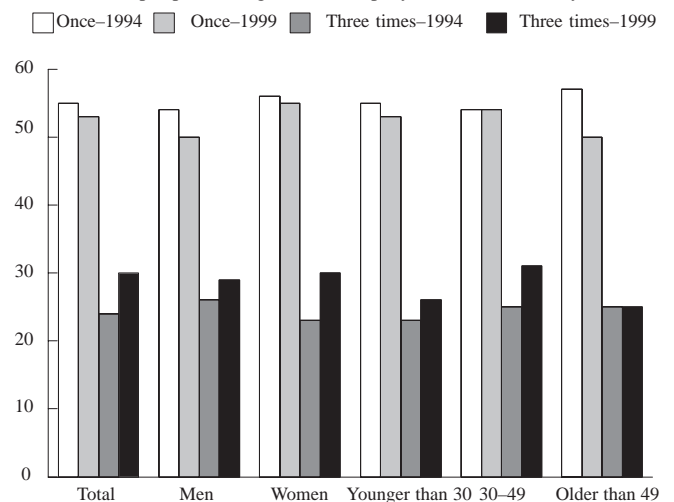


Source: EU ad hoc labour market survey in industry, 1999.

Differentiated by sex and age, the percentage of those having been affected by unemployment was higher for females (33 % compared to 28 % for males), and for workers below 30 years of age (42 % compared to about 25 % for those older than 30 years).

Across countries, the 5-year incidence of unemployment was lowest in the Netherlands, Austria and Italy with rates below 20 %; Greece and Spain are located at the other end of the spectrum with around 50 % of all workers having been affected by unemployment at least once in the past five years. In general, the incidence of unemployment correlates significantly positive with average unemployment rates, with Italy being a notable exception.

GRAPH 4: Number of periods of unemployment – EU (percentage of people having been unemployed in the last five years)



Source: EU ad hoc labour market survey in industry, 1999.

TABLE 1: **Duration of unemployment** (percentages of the unemployed)

Question: How long have you been unemployed (total) in the last five years?																
Duration of unemployment	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	EU	EUR-11
Less than 3 months	14	27	17	16	10	14	21	5	27	28	18	9	26	20	13	13
3-6 months	14	23	20	18	16	25	24	10	20	28	14	16	30	20	20	20
7-11 months	14	8	13	16	12	8	9	10	7	6	14	19	13	7	10	10
12-24 months	24	27	20	16	24	25	18	25	20	17	27	19	17	23	23	23
More than 24 months	34	15	30	33	39	28	29	50	27	22	27	38	13	30	33	33
<b>Long-term unemployment</b>																
1999	59	42	50	49	63	53	47	75	47	39	55	56	30	53	57	57
1994	47	30	28	50	57	43	72	50	44		29			51	40*	
1989	58	28	39	54	72	48	58	44	50		29				47	

\*Note: excluding UK to allow comparison between 1989 and 1994. Not the case for 1999 figure.

Source: EU ad hoc survey on labour market, 1999.

For the EU as a whole, among those workers affected by unemployment, almost every second had suffered more than one spell of unemployment in the past five years. The likelihood of multiple spells of unemployment has somewhat increased when compared to the results of the 1994 survey, probably again reflecting the different cyclical conditions. Unemployed men and workers in older age groups suffered from a somewhat higher probability of experiencing multiple spells of unemployment, but the differences by sex and broad age categories do not appear to be very pronounced. The cross-country variation, on the other hand, turned out to be quite large with the proportion of single spell unemployment experiences (as opposed to multiple spells) ranging from a high of almost 70 % in Belgium and Portugal to a low of 37 % in Finland and Spain.

**Duration distribution of unemployment.** – The survey results impressively reconfirm the severity of the long-term unemployment problem in the European Union. On average, among those affected by unemployment in the past five years, 57 % have been unemployed (in total) by more than one year, and one third of the unemployed has even spent more than two years without a job. In contrast, for another third of those affected by unemployment total duration was less than six months. In comparison with the results from previous surveys, long-term unemployment has further worsened, and the average duration of unemployment (accumulated total over the past five years' period) has increased by about 20 % compared to 1994. The overall burden of unemployment is, thus, heavily concentrated upon the long-term unemployed. Roughly speaking, in the EU some 85 million work years have been lost in the past five years due to unemployment, with the long-term unemployed (one year or more) accounting for almost 90 % of the overall loss.

Across countries, long-term unemployment seems to be particularly a problem in Italy and Spain, with predominantly young workers and females being affected, while the three best performing countries in that respect turned out to be Sweden, Austria and Denmark. According to the survey results, the only country that has achieved a sig-

nificant reduction in the share of long-term unemployment has been Ireland.

**Occupational qualification.** – A lack of occupational qualification increases the risk of unemployment. This general observation is reconfirmed by the survey results. While 40 % of the job seekers had not obtained an occupational qualification, this was true for only 29 % of the employed workers. In Portugal and Ireland about two thirds of the unemployed did not have an occupational qualification; in contrast, this share was below 30 % in Austria, Germany and Denmark.

**Working time arrangements.** – According to the survey results, the average weekly contractual working time in the EU amounted to 35 hours and, thus, has remained unchanged when compared to the results for 1994. Two thirds of the interviewed workers had a contractually agreed working week of between 35–40 hours, about one quarter of the workers held a contract specifying less than 35 hours, and almost 10 % had contracted for more than 40 working hours per week. Part-time working is still predominantly female with 35 % of female workers having a contractual working week of less than 30 hours, while the respective proportion of male workers was only 7 %.

At the time of the survey, average actual working hours per week were higher than contractual hours, probably reflecting both favourable overall economic conditions and a significant amount of regular overtime work. At the EU level, almost 20 % of the workers had worked longer hours than contractually agreed. In general, working longer hours is much more common for male workers (25 %) than for females (9 %), and almost non-existent among workers on part-time contracts.

While the majority of workers (57 %) appears to be satisfied with their current working times, more than one third of the interviewed workers would have preferred to work shorter hours (at given hourly wage rates). Nevertheless, preferences for a shorter working week turned out to be less pronounced now than five years ago, when 47 % of workers claimed a desire to work less hours.

However, at the EU level, workers would still prefer to work, on average, two hours less per week, which represents about 6 % of working time. Across countries, the highest shares of workers wishing to work less hours was

found in Greece, Spain, Sweden and Portugal, while the desire for a shorter working week appeared to be weakest in Italy, Austria and Germany.

TABLE 2: **Occupational qualification** (percentage of positive answers)

	Employed												
	Total	Men	Women	Type of training*			Obtained*		Nature of present job*				
				<30	30-49	>49	On-the-job	Education system	Government scheme	>2 years ago	<2 years ago	Skilled	Unskilled
<b>B</b>	76	79	73	78	75	76	10	59	4	69	7	:	:
<b>DK</b>	82	83	82	76	84	82	18	60	1	:	:	69	31
<b>D</b>	87	89	85	77	92	85	43	37	3	81	6	86	14
<b>EL</b>	71	76	67	63	76	75	25	41	3	61	10	95	5
<b>E</b>	64	65	60	64	64	61	24	33	4	51	13	67	33
<b>F</b>	70	74	65	67	73	59	27	35	5	54	16	89	11
<b>IRL</b>	33	35	30	39	31	23	13	10	7	24	9	86	14
<b>I</b>	59	63	53	55	55	59	20	27	12	54	5	68	32
<b>NL</b>	65	65	66	56	68	66	26	36	1	54	11	:	:
<b>A</b>	86	91	77	84	85	89	26	53	3	76	10	87	13
<b>P</b>	41	42	41	39	42	45	20	11	6	28	13	88	12
<b>FIN</b>	81	82	79	79	85	72	7	67	3	71	9	96	4
<b>S</b>	98	98	99	97	99	98	46	48	2	80	18	92	8
<b>UK</b>	60	68	51	50	65	62	25	25	1	45	15	67	33
<b>EU</b>	71	74	67	65	73	69	28	35	4	60	10	79	21
<b>EUR-11</b>	72	75	68	67	73	68	28	35	5	62	9	81	19

\*Note: The figures are for the total of questioned employees (employed).

Source: EU ad hoc survey on labour market, 1999.

	Unemployed												
	Total	Men	Women	Type of training*			Obtained*						
				<30	30-49	>49	On-the-job	Education system	Government scheme	>2 years ago	<2 years ago		
<b>B</b>	61	68	56	75	56	62	9	39	8	52	9		
<b>DK</b>	71	90	63	75	81	57	15	53	0	:	:		
<b>D</b>	75	74	75	55	83	77	34	35	3	69	6		
<b>EL</b>	57	57	57	58	57	56	21	33	2	44	13		
<b>E</b>	55	56	51	56	52	57	18	28	6	40	14		
<b>F</b>	66	74	62	58	71	69	26	28	9	46	20		
<b>IRL</b>	32	22	52	34	29	34	6	7	19	22	10		
<b>I</b>	45	57	33	52	39	38	10	24	10	36	9		
<b>NL</b>	55	44	62	:	67	57	9	32	0	55	0		
<b>A</b>	78	48	92	75	77	87	6	71	1	62	15		
<b>P</b>	33	35	30	42	40	15	6	5	5	11	22		
<b>FIN</b>	67	64	69	65	66	68	8	46	9	54	13		
<b>S</b>	:	:	:	:	:	:	:	:	:	:	:		
<b>UK</b>	53	51	58	35	73	37	13	23	7	30	21		
<b>EU</b>	60	63	59	53	66	58	20	30	6	47	13		
<b>EUR-11</b>	62	65	59	56	64	62	21	31	7	50	11		

\*Note: The figures are for the total of questioned employees (unemployed).

Source: EU ad hoc survey on labour market, 1999.

TABLE 3: Contractual and preferred working time (average hours)

	Contractual working time			Preferred working time		
	1989	1994	1999	1989	1994	1999
<b>B</b>	35	35	33	34	33	30
<b>DK</b>	36	36	36	35	34	34
<b>D</b>	36	35	34	34	33	32
<b>EL</b>	38	38	36	37	34	31
<b>E</b>	38	38	37	38	35	34
<b>F</b>	36	36	34	35	35	34
<b>IRL</b>	37	35	35	37	33	31
<b>I</b>	36	35	35	36	34	35
<b>NL</b>	34	32	32	34	29	30
<b>A</b>	:	:	35	:	:	36
<b>P</b>	40	40	37	37	36	34
<b>FIN</b>	:	:	36	:	:	36
<b>S</b>	:	:	36	:	:	33
<b>UK</b>	35	34	34	34	32	31
<b>EU</b>	36	35	35	35	33	33
<b>EUR-11</b>	:	:	35	:	:	33

Source: EU ad hoc survey on labour market, 1999.

For the EU as a whole, when confronted with the alternative of an increase in pay or a reduction of working time, 58 % of the workers opted for higher wages, while 39 % would prefer to work less hours. Denmark appears to be the only country in the European Union, where a clear majority of workers would be willing to forgo wage increases for a reduction in working time.

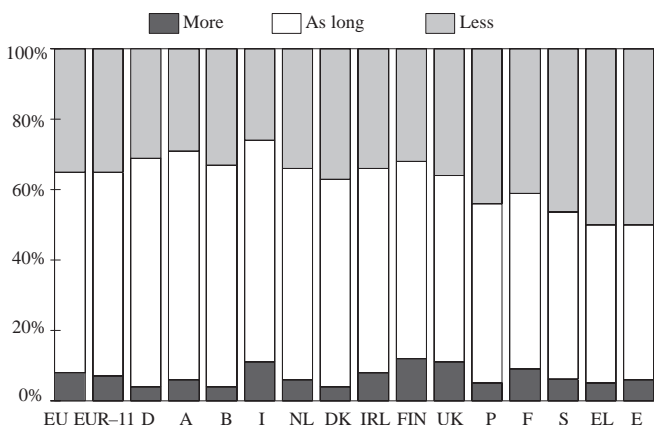
**Present and preferred job.** – Another indication for different working time preferences is given by the share of full-time workers who would be willing to take up part-time jobs with a correspondingly lower salary. At the EU level, 12 % of the interviewed full-time workers expressed their readiness to switch to a part-time job. On the other hand, more than one third of the part-time workers may have to be regarded as being involuntarily on part-time,

since they indicated their wish rather to have a full-time employment. Across countries, the highest share of involuntary part-time workers was found in Greece, Spain and Finland, where almost 70 % of the part-time workers would prefer to work full-time. Also, in most Member States the greater number of job-seekers prefers a full-time job (67 % at the EU level), with the notable exception of the Netherlands, where around three quarters of the job-seekers were looking for part-time employment.

**Flexible working practices.** – The survey also covered the readiness of workers to accept flexible working time arrangements such as shift and night work, week-end work and flex-work, if offered higher wages or additional leisure time. For the EU as a whole, under these conditions a majority of workers would be willing to work early or late shifts, and on Saturdays, while flex-

GRAPH 5: Satisfaction of employees concerning their current working hours (in order of importance)

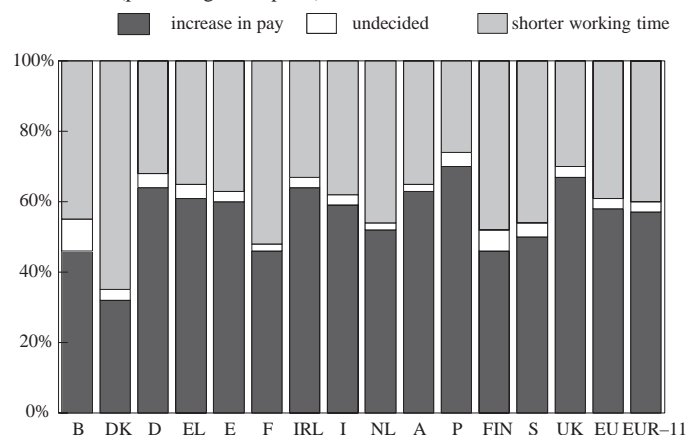
Question : Assuming that the present hourly wage rate remained unchanged, would you like to work: less, as long, more?



Note: Member states have been classified following the importance of the replies "as long".

Source: EU ad hoc survey on labour market 1999.

GRAPH 6: Preference for higher wage or shorter working time (percentage of replies)



Source: EU ad hoc survey on labour market, 1999.

Table 4: **Actual working time** (percentage of replies)

**Question:** 1. How many hours per week do you work according to your working contract?  
2. How many hours per week do you work at present?

		<20 hours	20–24 hours	25–29 hours	30–34 hours	35–40 hours	41–45 hours	>45 hours
<b>B</b>	(a)	10	14	6	6	61	1	2
	(b)	9	11	6	6	46	14	8
<b>DK</b>	(a)	1	3	4	9	81	1	1
	(b)	1	3	4	9	66	7	11
<b>D</b>	(a)	9	6	3	6	68	6	1
	(b)	8	7	2	5	49	19	9
<b>EL</b>	(a)	7	5	2	7	62	6	11
	(b)	5	6	3	5	39	16	26
<b>E</b>	(a)	3	8	3	3	69	9	6
	(b)	3	8	3	3	55	14	13
<b>F</b>	(a)	9	5	5	7	64	5	4
	(b)	7	6	5	7	46	17	11
<b>IRL</b>	(a)	10	9	4	4	64	6	4
	(b)	8	7	4	4	43	14	20
<b>I</b>	(a)	6	8	2	4	73	4	3
	(b)	4	8	3	5	61	13	6
<b>NL</b>	(a)	16	13	4	11	53	2	2
	(b)	15	11	4	11	33	11	16
<b>A</b>	(a)	4	8	3	5	73	4	3
	(b)	4	7	3	4	45	16	22
<b>P</b>	(a)	3	2	2	3	73	12	5
	(b)	3	1	2	3	61	20	10
<b>FIN</b>	(a)	3	3	2	7	80	3	2
	(b)	3	2	2	7	69	11	7
<b>S</b>	(a)	3	5	3	9	70	7	4
	(b)	14	7	3	11	41	12	12
<b>UK</b>	(a)	13	10	5	5	53	7	7
	(b)	12	11	5	8	34	10	20
<b>EU</b>	(a)	8	7	4	6	66	5	4
	(b)	7	8	4	6	48	15	12
<b>EUR-11</b>	(a)	8	7	3	6	68	5	3
	(b)	7	7	3	6	51	16	10

(a) according to your working contract.

(b) your actual working time.

Source: EU ad hoc survey on labour market, 1999.

work, work on Sundays and working night shifts clearly emerge as less attractive. In general, the readiness to accept flexible working practices decreases with increasing age of workers; it is also lower for females than for males, probably reflecting a greater burden of household obligations of women.

**Commuting.** – Finally, the survey dealt with yet another aspect of flexibility in the labour market, namely commuting. At the EU level, one third of the interviewed worker regarded themselves as commuters, with wide variations across countries. However, if a more restricted definition of commuting is applied (commuting time

more than 1 hour), the share of commuters drops to 6 %, and the cross-country variation is also significantly reduced; the highest proportion of commuters under the restricted definition was found for Belgium, followed with some margin by Greece and the Netherlands.

Overall, more than half of the workers would be willing to commute to find a (new) job, but only 17 % would accept a commuting time of more than one hour. 38 % of all workers indicated they were prepared to move to another region to find a (new) job, with the willingness to move strongly decreasing with higher age.

Table 5: Present and preferred jobs

**Question:** 1. If you are a full-time employee, would you rather have a part-time employment with a correspondingly lower salary?  
 2. If you are a part-time employee, would you rather have a full-time employment?  
 3. If you are unemployed, would you rather have full-time or part-time employment?

	Readiness to work part-time Full-time workers		Readiness to work full-time Part-time workers		Preferences of job-seekers	
	Yes	No	Yes	No	Full-time	Part-time
<b>B</b>	15	86	19	81	65	35
<b>DK</b>	14	86	18	82	73	27
<b>D</b>	6	94	20	80	70	30
<b>EL</b>	12	88	69	31	70	30
<b>E</b>	13	87	68	32	71	29
<b>F</b>	17	83	37	63	69	31
<b>IRL</b>	9	91	29	71	58	15
<b>I</b>	14	86	50	50	51	49
<b>NL</b>	22	78	19	81	27	73
<b>A</b>	11	89	15	85	56	44
<b>P</b>	8	92	42	58	88	12
<b>FIN</b>	9	91	69	31	91	9
<b>S</b>	11	89	32	68	86	14
<b>UK</b>	13	87	29	71	79	21
<b>EU</b>	12	88	36	64	67	33
<b>EUR-11</b>	12	88	37	63	64	36

Source: EU ad hoc survey on labour market, 1999.

Table 6: Flexible working practices – Possibilities (percentage of positive replies)

**Question:** Would you be willing to work different working hours, if you were offered higher wages or additional leisure time?

	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	EU	EUR-11
<b>Early or late shift</b>																
Total	53	80	65	74	67	64	67	74	66	70	59	81	78	68	68	67
Men	53	84	69	76	69	65	71	78	71	72	61	80	82	75	71	70
Women	53	75	60	71	66	63	62	66	61	67	56	82	75	61	63	63
Up to 30 years old	59	88	66	85	73	71	73	70	80	72	62	85	86	76	72	70
Aged between 30 and 49	51	80	67	71	65	63	66	77	64	73	59	82	79	66	68	68
Aged 49 upwards	54	75	58	65	63	57	54	76	55	57	56	75	72	61	63	62
<b>Night shift</b>																
Total	22	24	21	25	24	30	30	23	24	36	17	28	32	39	27	25
Men	27	28	28	32	25	39	35	29	28	41	22	32	33	49	33	31
Women	16	19	12	16	22	20	24	14	19	27	11	24	30	31	19	17
Up to 30 years old	24	41	20	34	27	35	36	28	30	37	20	47	55	49	32	28
Aged between 30 and 49	22	23	22	23	22	30	28	23	23	37	18	26	28	38	27	25
Aged 49 upwards	17	15	19	19	19	18	18	21	17	28	14	16	20	30	21	19
<b>Saturday work</b>																
Total	40	43	52	40	40	68	52	55	49	58	32	51	51	52	53	54
Men	40	40	54	45	40	72	60	59	47	60	33	50	46	55	56	57
Women	40	45	49	32	40	62	42	45	51	54	31	51	57	49	50	50
Up to 30 years old	46	54	51	42	45	74	63	55	63	59	33	69	67	58	58	57
Aged between 30 and 49	39	43	53	40	37	66	47	56	47	59	30	48	51	52	53	54
Aged 49 upwards	37	36	50	35	35	62	42	52	38	52	38	42	39	44	48	50

TABLE 7: Flexible working practices – Possibilities (percentage of positive replies)

**Question:** Would you be willing to work different working hours, if you were offered higher wages or additional leisure time?

	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	EU	EUR-11
<b>Sunday work</b>																
Total	27	34	21	19	19	38	29	26	33	28	12	40	46	40	30	27
Men	27	29	22	25	21	42	32	30	28	30	11	39	41	49	32	29
Women	27	38	20	12	18	32	26	16	39	25	13	40	52	32	26	23
Up to 30 years old	32	36	23	16	19	39	36	22	39	23	13	55	58	47	32	28
Aged between 30 and 49	25	35	22	21	20	39	27	22	34	30	11	37	47	40	29	27
Aged 49 upwards	27	29	16	18	18	28	20	24	22	29	12	33	35	29	24	22
<b>Working whenever required</b>																
Total	24	42	28	20	41	32	48	54	28	52	31	30	81	51	40	37
Men	26	45	31	25	45	39	54	58	32	53	29	32	79	60	44	41
Women	21	40	24	13	35	24	41	47	22	49	33	29	82	42	34	31
Up to 30 years old	32	51	31	23	41	30	52	56	31	46	32	45	85	54	42	38
Aged between 30 and 49	21	42	29	18	40	32	47	55	24	53	33	27	81	49	40	37
Aged 49 upwards	22	39	20	20	47	41	45	50	36	56	26	27	76	49	39	36

Source: EU ad hoc survey on labour market, 1999.

TABLE 8: Commuter (percentage of positive replies)

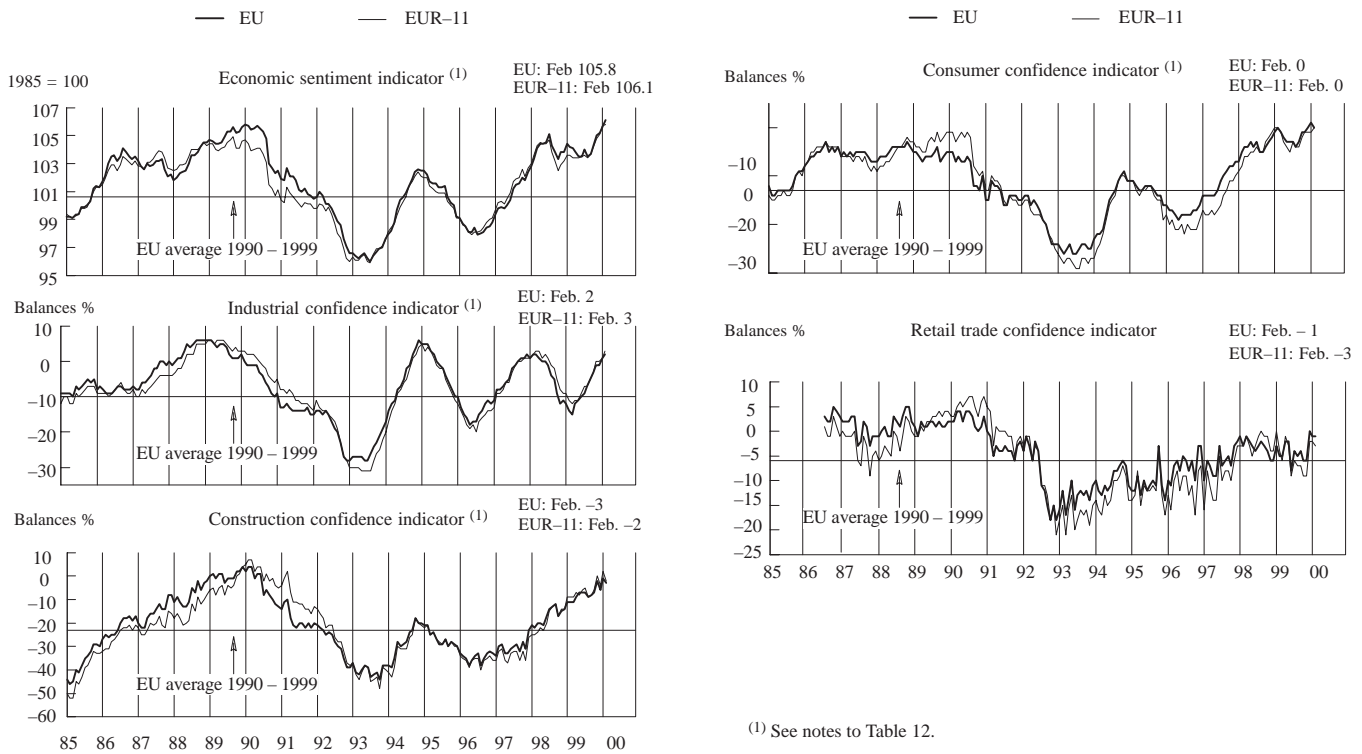
- Question:**
1. Are you a commuter?
  2. If yes, how long does it take for you to reach your work?
  3. Would you accept to commute to find a new job?
  4. If yes, how much time would you accept to spend in commuting?
  5. Would you be prepared to move to another region to find a (new) job?

	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	EU	EUR-11
<b>Commuter</b>	58	34	21	85	43	31	86	22	61	28	11	26	25	44	33	30
<b>Time spent commuting</b>																
less than 1 hour	41	28	18	73	37	22	80	18	51	24	6	19	17	37	27	24
1-2 hours	17	5	3	10	6	6	6	3	9	3	3	5	7	6	5	5
more than 2 hours	0	1	0	2	0	3	0	1	1	1	2	1	1	0	1	1
<b>Accept to commute to find a new job</b>	48	50	50	69	61	36	55	61	71	54	40	38	65	64	54	51
<b>Accept time in commuting</b>																
less than 1 hour	35	33	27	37	40	20	41	58	58	40	18	19	48	42	37	35
1-2 hours	12	16	21	27	17	12	13	2	12	14	14	16	16	20	15	13
more than 2 hours	1	2	2	5	5	4	1	1	1	1	8	2	1	1	2	2
<b>Move to another region</b>	:	33	27	40	38	41	19	56	:	21	22	36	42	36	38	38

Source: EU ad hoc survey on labour market, 1999.



GRAPH 7: Indicators of economic sentiment — European Union (s.a.)



(1) See notes to Table 12.

### Economic confidence reaches record level in the euro area

*Industrial confidence* rose one point in the EU and two points in the euro area, with industrialists being more optimistic in twelve Member countries. In *Austria* this indicator remained at the same level as in the previous months while the indexes for *Ireland* and the *United Kingdom* displayed slight decreases.

The *construction confidence indicator* lost part of the previous months gains, although it is still higher than at the end of 1999.

Confidence among *consumers* increased one point in the euro area after three consecutive months at a level of -1 points. However, in the case of the EU, this indicator edged downwards from January record and is now back to the level of last December.

The evolution of the *share price indices* in February is, to some extent, the cause of the improvement in the economic sentiment indicator. Stock prices have risen in all Member countries, except *Belgium*, *Austria* and the *United Kingdom*. Some of these increases were quite significant such as in the cases of *Germany*, *France*, *Italy*, *Finland* and *Sweden*.

The *economic sentiment indicator* advanced 0.1 points to 105.8 in the EU and remarkably 0.5 points to 106.1 in the euro area, establishing a new record level. *Denmark*, *Sweden* and *Finland* registered the biggest increases, 1.2, 1.0 and 0.9 points respectively, while the largest decrease was for *Austria*, -1.6 points.

**Export order books.**— This continues to be the most dynamic component of the industrial confidence indicator. There was a 4 point increase in both the euro area and the EU as a whole. All the Member countries displayed a level well above the average level in 1999 and, except in the case

of *Sweden*, well above the long term average for the period 1990–1999; in some cases by a very significant margin as in the case of *Luxembourg*, *France* and *Ireland* with 49, 34 and 25 percentage points respectively. Therefore, the export industry, thanks to the upturn in external demand and the exchange rate of the euro seems to be one of the main factors in pushing forward manufacturing industry.

**Construction industry.**— Managers in the building sector are less optimistic, with a two point drop in the EU and a four point decrease in the euro area. This is partly due to the decline in *order books*. Although less acute, the same tendency is observed in the *trends of activity compared with preceding months* and *employment*. However, the evolution of prices in this sector seems to be on the rise.

**Consumer confidence indicator.**— Most components of this indicator are steady or slightly positive. In the EU the *financial situation of households* has not changed in February, although there is a slight deterioration in the perception by consumers of the *general economic situation*, and *savings*. On the other hand, there is a more optimistic view on the evolution of *employment in the next twelve months*.

In the euro area there is a positive development of the indicator as a result of the better outcome on: the *general economic situation* over the past and the next twelve months, the *financial situation of the household* over the next year and *major purchases*.

Price expectations among consumers seem to be stabilising after the increase registered last January. A one point decrease is observed in both the EU and the euro area, for the last twelve months and the next twelve months equally.

**Retail trade confidence indicator.**— There is a slight decline for this index in the EU while it remains constant in the euro area. This is mainly due to the increase in *stocks* and

(continued on page 11)

TABLE 9:\*Indicators of confidence and economic sentiment (s.a)

	Aver.	Values		98	99	1999			1999				2000		
		90/99	Max. 87/91			Min 91/95	II	III	IV	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>B</b>															
1. industrial Conf. Ind.	-12	4	-33	-8	-9	-10	-8	0	-5	-1	-1	1	0	3	
2. construction Conf. Ind.	-14	7	-35	-11	1	-2	2	5	4	5	3	8	8	10	
3. consumer Conf. Ind.	-13	5	-30	-6	-2	-4	-5	1	-3	-1	2	2	3	4	
4. share-price index	285.1	241.3	168.7	481.1	497.9	496.4	481.3	488.6	492.6	464.4	504.3	497	469.1	434	
=5. economic sentiment ind.	102.9	107.8	98.7	105.1	105.5	105	104.9	106.4	105.4	105.9	106.6	106.7	106.6	106.7	
<b>DK</b>															
1. industrial Conf. Ind.	-3	5	-18	-1	-13	-18	-9	-7	-4	-8	-7	-7	-3	1	
2. construction Conf. Ind.	-8	12	-38	2	-9	-1	-14	-13	-13	-10	-9	-20	9	-11	
3. consumer Conf. Ind.	1	2	-10	3	-3	-5	2	-1	1	1	-1	-2	-2	2	
4. share-price index	214.8	168.7	128.5	350.6	338	323.3	343.4	370.1	350.4	346.7	372.2	391.3	398	415.7	
=5. economic sentiment ind.	97.7	97.4	94.7	98.4	96.1	95.7	96.7	96.7	97.1	96.8	96.8	96.4	97.6	97.8	
<b>D</b>															
1. industrial Conf. Ind.	-11	11	-36	-5	-14	-16	-15	-11	-14	-12	-11	-9	-7	-6	
2. construction Conf. Ind.	-30	3	-54	-44	-30	-30	-27	-29	-26	-29	-27	-31	-32	-33	
3. consumer Conf. Ind.	-13	5	-30	-7	-3	-4	-6	-5	-7	-6	-6	-4	-3	-1	
4. share-price index	203.4	174.2	122.6	328.9	347.8	340.9	347.9	374.7	345.6	343.6	373.9	406.6	440	479.5	
=5. economic sentiment ind.	99.7	104.9	95.7	100.9	100.5	100.3	100.3	100.7	100.1	100.2	100.6	101.2	101.8	102.3	
<b>EL</b>															
1. industrial Conf. Ind.	-1	6	-11	4	1	2	-1	4	0	4	4	4	6	11	
2. construction Conf. Ind.	-17	-12	-51	10	11	15	4	10	10	13	8	10	4	1	
3. consumer Conf. Ind.	-26	-8	-36	-29	-15	-16	-16	-6	-12	-8	-8	-3	-1	-4	
4. share-price index	918.3	1876.1	416.1	1293.9	2609.7	2265.7	2955.5	3285.6	3440.5	3384.4	3336.1	3136.2	3087.3	3139.4	
=5. economic sentiment ind.	99	100.3	97.8	99.6	101.6	101.3	101.5	102.8	102.3	102.8	102.7	103	103.1	102.9	
<b>E</b>															
1. industrial Conf. Ind.	-12	:	-44	1	-3	-3	-5	0	-4	-2	0	1	1	2	
2. construction Conf. Ind.	-12	:	-57	4	19	22	10	8	3	7	15	3	19	12	
3. consumer Conf. Ind.	-11	3	-38	5	8	6	8	10	8	11	11	8	8	10	
4. share-price index	504.7	381	226	968.2	1069.7	1071	1049.5	1108.1	1049.5	1021.8	1110.8	1191.6	1175.7	1286.3	
=5. economic sentiment ind.	101.2	103.3	98.5	102.8	103.1	103.1	102.7	102.9	102.5	102.8	103.1	102.7	103.2	103.1	
<b>F</b>															
1. industrial Conf. Ind.	-11	12	-41	5	-2	-9	0	6	3	4	10	5	7	9	
2. construction Conf. Ind.	-31	3	-61	-19	3	-1	7	16	8	13	18	18	22	20	
3. consumer Conf. Ind.	-18	-7	-29	-10	-4	-6	-5	-1	-4	-2	0	0	-1	-1	
4. share-price index	297.8	256.6	183.5	453.9	557.8	536.5	557.5	629.8	568.8	571	631.5	686.9	693.5	751.3	
=5. economic sentiment ind.	101.4	104.8	97.7	103.8	105.3	104.5	105.5	106.9	105.8	106.3	107.3	107.2	107.5	107.6	
<b>IRL</b>															
1. industrial Conf. Ind.	-1	14	-22	3	5	-1	8	17	11	9	21	20	15	12	
2. construction Conf. Ind.	9	32	-43	40	37	28	40	37	34	39	40	32	33	48	
3. consumer Conf. Ind.	1	-2	-27	17	20	20	22	22	21	22	23	21	23	21	
4. share-price index	451.1	320	197.1	864.3	921.8	925.9	910.2	894.1	897.7	873.3	891.7	917.3	930.7	940.3	
=5. economic sentiment ind.	104.2	105.2	100.3	106.8	106.6	106.3	106.9	107.1	106.7	106.8	107.3	107.1	107	106.6	
<b>I</b>															
1. industrial Conf. Ind.	-5	13	-22	0	-4	-8	-2	4	-1	3	4	5	6	10	
2. construction Conf. Ind.	-21	21	-68	-21	-15	-15	-18	-9	-16	-17	-4	-7	2	-6	
3. consumer Conf. Ind.	-18	0	-36	-11	-12	-14	-14	-13	-16	-13	-13	-13	-12	-13	
4. share-price index	239.1	253.2	114	416.8	458	467	443.4	463	446.2	427.7	445.8	515.4	536.4	607.9	
=5. economic sentiment ind.	99.7	104	96	101.4	100.9	100.6	100.5	101.2	100.3	100.9	101.1	101.5	101.8	102.1	
<b>NL</b>															
1. industrial Conf. Ind.	-2	3	-12	2	0	-2	-1	4	0	4	4	3	2	3	
2. construction Conf. Ind.	-4	9	-20	5	14	12	12	17	8	17	16	18	17	17	
3. consumer Conf. Ind.	2	11	-21	22	19	16	19	26	23	25	26	27	28	28	
4. share-price index	272.3	145.1	117.5	512.4	558.7	554.7	566.9	593.1	570.6	550.6	595	633.7	642.1	663	
=5. economic sentiment ind.	101.4	103.6	97.2	105	104.3	103.8	104.2	105.6	104.6	105.3	105.5	105.9	106	106	
<b>A</b>															
1. industrial Conf. Ind.	-12	9	-30	-9	-14	-18	-11	-9	-9	-11	-9	-8	-8	-8	
2. construction Conf. Ind.	:	:	:	-34	-24	-23	-19	-21	-20	-24	-15	-24	-19	-24	
3. consumer Conf. Ind.	:	:	:	-3	3	2	6	5	6	6	7	3	5	1	
4. share-price index	1119.2	1657.8	724.2	1335.6	1175.2	1227.2	1197.6	1146.7	1165	1121.5	1156.4	1162.2	1180.7	1096.7	
=5. economic sentiment ind.	100.7	112.6	95.2	101.7	102.2	101.8	103.3	103.1	103.4	102.8	103.9	102.7	103.5	101.9	
<b>P</b>															
1. industrial Conf. Ind.	-7	13	-28	2	-4	-6	-4	-3	-5	-3	-3	-3	-1	2	
2. construction Conf. Ind.	-25	:	-55	-12	-12	-16	-12	-9	-12	-7	-8	-13	-20	-9	
3. consumer Conf. Ind.	-11	6	-31	-5	-5	-6	-5	-5	-7	-4	-6	-6	-7	-6	
4. share-price index	154.2	179.8	85.6	278.5	234.3	236.6	219.3	223.9	209.3	210	222.6	239.2	238.1	247.7	
=5. economic sentiment ind.	101.4	106.4	98	103.5	102.1	102	101.9	101.9	101.6	101.9	101.9	101.9	101.9	102.3	

TABLE 9 (continued)\*: Indicators of confidence and economic sentiment (s.a)

	Aver.	Values		1998	1999	1999			1999				2000		
		90/99	Max 87/91			Min 91/95	II	III	IV	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>FIN</b>	1. industrial Conf. Ind.	:	:	:	2	-4	-7	-2	8	0	6	8	11	11	20
	2. construction Conf. Ind.	-29	33	-103	30	13	11	10	18	7	27	20	8	23	11
	3. consumer Conf. Ind.	3	:	-16	15	14	14	14	15	14	16	14	14	18	18
	4. share-price index	489.5	378.3	110.2	865.1	1489.3	1335.2	1472.7	1986.1	1472.1	1552.6	1916.4	2489.2	2745.1	3031.9
	=5. economic sentiment ind.	100.3	104.8	95	102.6	102.6	102.2	102.6	104.3	102.6	103.6	104.1	105.1	106	106.9
<b>S</b>	1. industrial Conf. Ind.	:	:	:	3	-7	-9	-2	-2	0	-1	-3	-1	5	8
	2. construction Conf. Ind.	-48	:	-83	-37	-29	-25	-29	-33	-30	-31	-33	-36	-35	-26
	3. consumer Conf. Ind.	:	:	:	6	9	7	12	12	14	12	12	13	15	17
	4. share-price index	365.9	251.2	128.1	631.6	732.4	699.3	733.4	858.9	742.9	752.5	849.7	974.6	1038.4	1165.4
	=5. economic sentiment ind.	98.9	103	95.2	101.1	100.8	100.6	101.4	101.5	101.7	101.3	101.3	101.8	102.4	103.4
<b>UK</b>	1. industrial Conf. Ind.	-12	21	-40	-16	-14	-15	-10	-5	-5	-6	-6	-4	-2	-5
	2. construction Conf. Ind.	-29	43	-80	-10	-11	-11	-9	-8	-8	-9	-7	-8	-9	-7
	3. consumer Conf. Ind.	-9	7	-25	0	1	1	1	2	1	3	0	4	6	2
	4. share-price index	286.3	202.9	161.1	436.1	483.9	493.1	481.5	494.8	471.2	467	499.8	517.6	498.5	475.9
	=5. economic sentiment ind.	99.5	104.1	96	100.6	100.5	100.7	100.8	101	100.9	100.9	100.9	101.3	101.4	100.9
<b>EU</b>	1. industrial Conf. Ind.	-10	6	-28	-3	-8	-11	-7	-2	-5	-3	-2	-1	1	2
	2. construction Conf. Ind.	-24	4	-44	-17	-8	-8	-8	-5	-8	-7	-2	-6	-1	-3
	3. consumer Conf. Ind.	-13	-3	-26	-4	-2	-3	-3	-1	-3	-1	-1	0	1	0
	4. share-price index	284.7	220.8	164.6	470.6	549.4	538	548.9	597.8	556.2	549.7	595.5	648.3	663.1	710.4
	=5. economic sentiment ind.	100.6	104.8	95.9	103.4	103.7	103.3	103.5	104.7	103.7	104.2	104.7	105.1	105.7	105.8
<b>EUR-11</b>	1. industrial Conf. Ind.	-9	6	-31	-1	-7	-10	-6	-1	-5	-3	-1	0	1	3
	2. construction Conf. Ind.	-23	7	-48	-19	-7	-7	-7	-3	-8	-6	0	-4	2	-2
	3. consumer Conf. Ind.	-14	-1	-29	-5	-2	-4	-4	-1	-4	-2	-1	-1	-1	0
	4. share-price index	280.3	219.8	155.2	476.8	543.9	534.9	538.4	587.5	541.1	533.7	583.2	645.7	666.6	724.9
	=5. economic sentiment ind.	101	105.8	96	103.8	104	103.5	103.7	104.8	103.7	104.3	105	105.2	105.6	106.1

\* Used data-sign in the Tables: (s.a.) = seasonally adjusted, : = not available.

The consumer survey results for Portugal have been estimated for the period 1996:07 to 1997:11.

EUR-11: The eleven Member States participating in Economic and Monetary Union as of January 1999 are: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, The Netherlands, Austria, Portugal, and Finland.

Economic sentiment indicator and share-price index: 1985 = 100; the confidence indicators: balances.

Share price index are not s.a.; Source: Eurostat, DRI. Weights for the calculation of EU and EUR-11 have been updated according to GDP.

Source: unless stated otherwise: European Commission business and consumer surveys.

the less optimistic view of retailers on the *expected business situation*. Although it does not affect the indicator, there is a considerable decrease in the *intention of placing orders*. **Economic sentiment indicator.**— As a consequence of the optimism found among industrialists and the positive evolution of the main *share price indexes*, there is a further im-

provement in the economic sentiment indicator. This is particularly noteworthy in the euro area where a 0.5 point increase up to 106.1, makes it the highest level observed for this indicator above the previous maximum of 105.8 dating from 1990.

20 March 2000