

## **Eurozone economic sentiment drops in April 2014**

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**By Bloomberg**

Economic confidence in the eurozone dropped unexpectedly in April 2014, despite a strong increase in consumer confidence, a key survey showed Tuesday.

The European Commission's closely watched Economic Sentiment Indicator (ESI) slipped to 102.0 points, a drop of 0.5%. Analysts had expected the index, which measures the mood among executives and consumers, to rise to 102.9.

"The slight decrease in sentiment was mainly due to a worsening of confidence in services and construction, which are the two sectors where confidence still scores below its long-term average," the European Union's executive wrote.

The drop comes on the back of a surge in confidence the previous month, when the index posted its most significant rise in five years, reaching a revised figure of 102.5.

But the commission said consumer confidence had improved by 0.7 points, "thanks to consumers' more positive views on the future general economic situation and the level of future unemployment."

Consumer confidence in the eurozone – which stands at -8.6 according to Monday's figures – is at its highest level since November 2007, according to the commission.

Among the largest eurozone countries, the ESI declined in the Netherlands, Spain and Germany, while remaining broadly stable in France and increasing slightly in Italy.

In the wider 28-member EU, economic confidence increased by 0.9 points, to 106.2.

April 2014 also saw a slight drop in the Business Climate Indicator, another eurozone index compiled by the commission, which fell by 0.13 points to 0.27.

The new data comes before the European Central Bank's next interest-rate meeting on May 8, 2014.

Source: <http://www.kinibiz.com/story/economics/83747/eurozone-economic-sentiment-drops-in-april-2014.html>