



Bank of Albania  
Monetary Policy Department



European Commission\*

# BUSINESS AND CONSUMER CONFIDENCE SURVEY

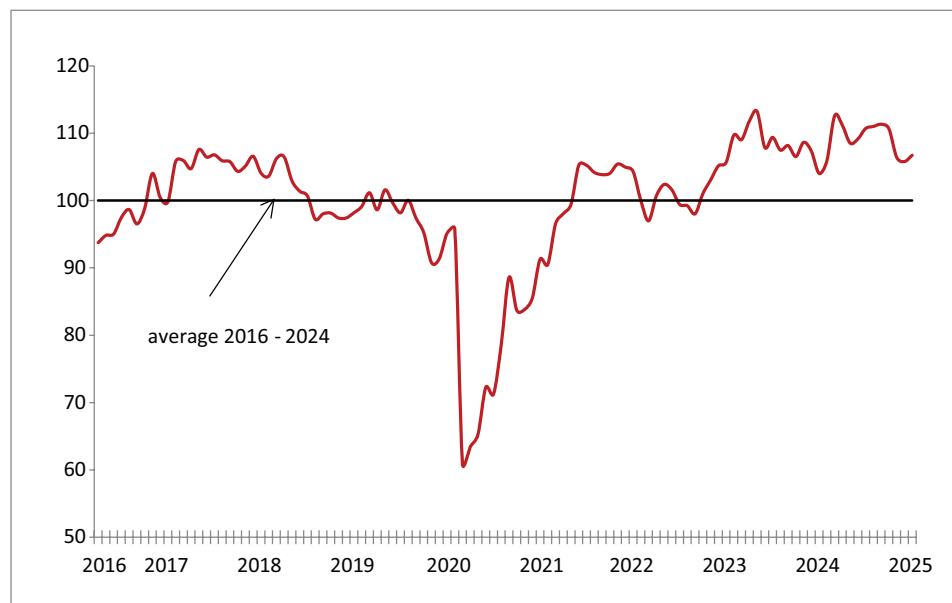
3 MARCH 2025

*\* Confidence surveys are co-funded by the European Union and Bank of Albania. In May 2016, they moved under the Harmonised European Commission Programme on harmonised Confidence Surveys.*

## BUSINESS AND CONSUMER CONFIDENCE SURVEY

In February 2025, the **Economic Sentiment Indicator (ESI)** turned up by 0.9 points, after falling in the previous two months. The current level of ESI scores around 7 percentage points above the historical average (Chart 1). The higher ESI in this month stemmed from the enhanced confidence in *industry, construction and among consumers*. On the other hand, confidence across the sectors of *industry and services* turned down (Chart 2).

Chart 1 Economic Sentiment Indicator, ESI (long-term average = 100)

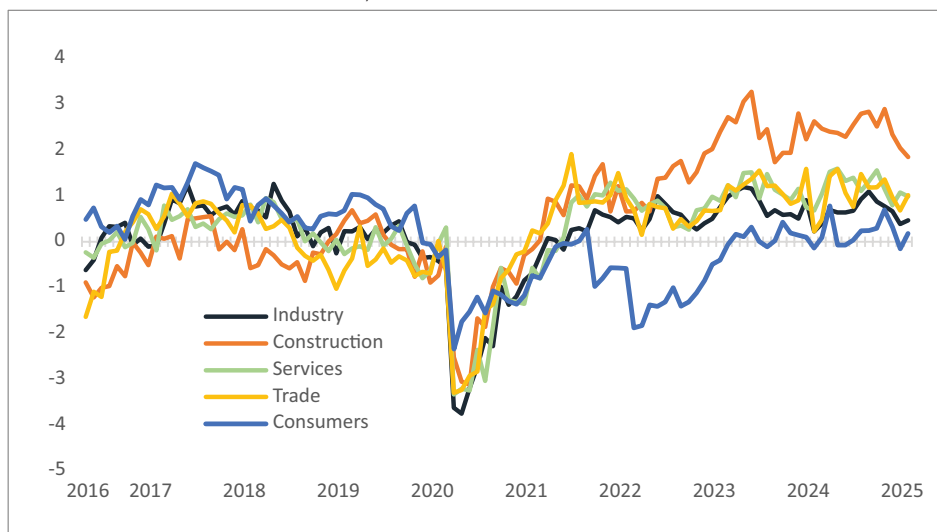


Source: Business and Consumer Confidence Survey, Bank of Albania.

**Industry Confidence Indicator (ICI)** expanded by 1.1 percentage points in February 2025, regaining the upturn after the contraction recorded in the past four months. The current level of ICI continues to score around 4 percentage points above the historical average (Chart 2). ICI increased in this month as businesses operating in this sector improved their assessments on *current industrial production*, coupled with more optimistic expectations on *future orders from exports*. Expectations on *selling prices* in the future have been revised up compared to the previous month (Table 2 - Industry).

In February 2025, **Construction Confidence Indicator (BCI)** contracted by 2.1 percentage points, down for the third month in a row. Nevertheless, the BCI continues to stand above the historical average, by around 13 percentage points (Chart 2). The less optimistic appraisals of businesses about the *current construction activity* drove the BCI declining. In February 2025, businesses operating in construction decreased the expectations on *employment*. Also, expectations on future *prices* were reported on the downside (Table 2 - Construction).

Chart 2 Confidence indicators by sector\*



Source: Business and Consumer Confidence Survey, Bank of Albania.

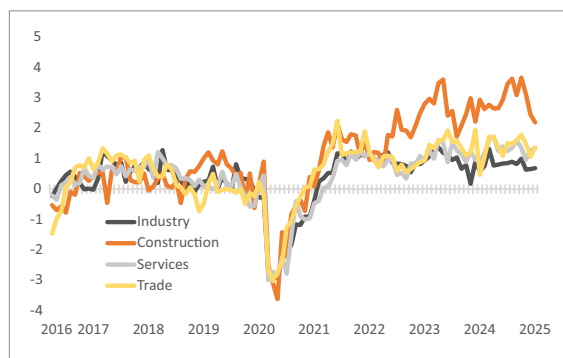
Note: \*The chart shows standardised series, to correct the changes in averages and in standard deviations of the respective confidence indicators.

**Services Confidence Indicator (SCI)** fell by 1.4 percentage points in February 2025. Despite fluctuations in past months, the current level of SCI stands around 11 percentage points above the historical average (Chart 2). The SCI went down as views of businesses operating in this sector on *current level of the demand* appeared less optimistic. In addition, expectations on *employment level in the future* were revised down. Businesses' assessment of prices performance in the future remained unchanged (Table 2 - Services).

**Trade Confidence Indicator (TCI)** edged up by 3.2 percentage points in February 2025. The current level of TCI stands around 7.5 percentage points above the historical average (Chart 2). TCI ticked up as trade-related businesses reported more positive appraisals on both the *current performance* of their business and expectations on the *employment level in the future*. While, their expectations on their future prices have been assessed downwards in February (Table 2 - Trade).

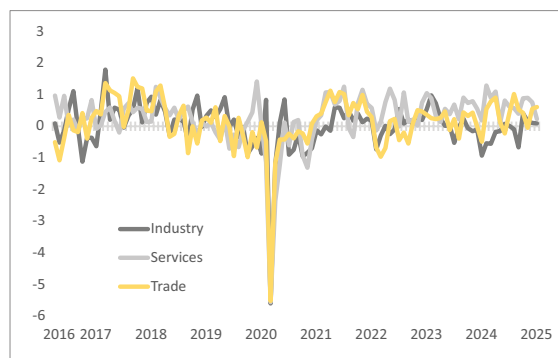
**Consumer Confidence Indicator (CCI)** rose by 2 percentage points in February, by reversing the upward trend of the two previous months. The current level of CCI stands around 1 percentage point above the historical average (Chart 2). All composing components of CCI provided increasing contributions. Consumers reported higher current assessment and expectations on *major purchases* in February 2025, in addition to reporting more optimistic views regarding expectations on both their financial situation and the general economic situation in Albania. Consumers' expectations on *unemployment* and prices in the future edged down in February 2025 (Table 2 - Consumers).

Chart 3 Business situation by sector over the past three months



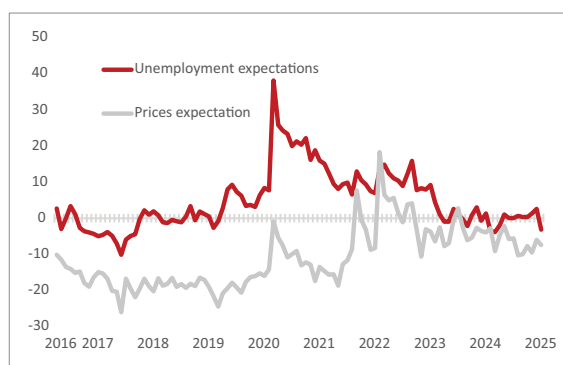
Source: Bank of Albania

Chart 4 Business expectations over the next three months



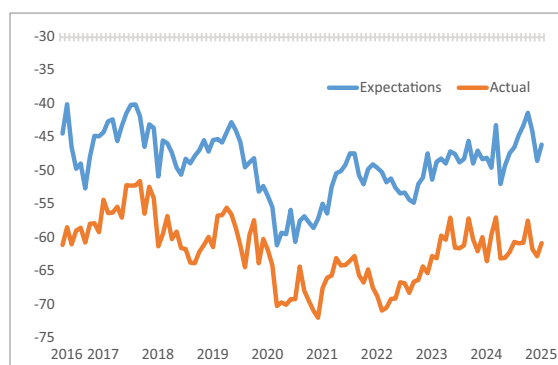
Source: Bank of Albania

Chart 5 Expectations for unemployment and prices over the next 12 months, in balance



Source: Bank of Albania

Chart 6 Major purchases of consumers, in balance



Source: Bank of Albania

Table 1 Confidence indicators by sector\*

	Values			2024 2025					Current situation	
	min.	ave.	max.	October	November	December	January	February	Conjectural**	Structural***
Industry	-60.8	-8.7	5.7	0.6	-0.8	-2.2	-5.9	-4.9	↑	+
Construction	-58.4	-19.6	8.3	0.4	4.4	-1.4	-4.5	-6.5	↓	+
Services	-45.8	11.5	32.4	31.7	25.3	19.6	24.1	22.7	↓	+
Trade	-33.3	1.2	17.2	10.2	11.8	8.1	5.3	8.5	↑	+
Consumer	-40.8	-26.5	-16.3	-24.9	-22.4	-24.7	-27.6	-25.5	↑	+

Source: Business and Consumer Confidence Survey, Bank of Albania.

\*) Indicators are calculated from seasonally adjusted balance. The minimum, average and maximum balances are calculated starting from May 2016.

\*\*\*) Situation compared to the previous month.

\*)\*) The situation for each indicator is considered as highly satisfactory (+ +) when the index is more than 1 standard deviation higher than the average; satisfactory (+) when the index is less than 1 standard deviation higher than the average; unsatisfactory (-) when the index is less than 1 standard deviation lower than the average; and highly unsatisfactory (-) when the index is more than 1 standard deviation lower than the average.

Table 2 Main balances of the sectors of the economy (in percentage points)\*

							2024	2025	
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>INDUSTRY</b>									
Production over the past three months (question 1, ICI component)	16.7	17.3	17.6	18.3	17.0	20.3	13.6	14.0	14.5
Order books (question 2, ICI component)	-8.8	-6.6	-1.8	-2.4	-6.4	-10.2	-8.9	-10.0	-8.4
Export order books (question 3, ICI component)	-15.6	-17.0	-12.1	-5.5	-9.0	-12.5	-11.4	-21.8	-20.6
Stock of finished product (question 4)	3.0	5.4	0.4	0.1	-6.7	-3.0	0.3	-1.4	7.5
Production, expectations (question 5)	28.4	31.0	30.3	29.1	22.8	34.6	32.0	31.3	31.1
Selling prices, expectation (question 6)	9.0	10.3	14.8	15.7	14.0	9.6	12.4	13.6	14.9
Employment, expectation (question 7)	0.6	5.5	5.9	5.8	5.9	12.2	13.9	11.4	7.2
<b>CONSTRUCTION</b>									
Construction activity over the past three months (question 1, BCI component)	18.5	21.8	28.1	30.1	23.7	30.4	24.1	16.1	12.9
Order books (question 3, BCI component)	-22.4	-20.1	-21.4	-22.5	-22.8	-21.7	-26.8	-25.1	-26.0
Employment, expectation (question 4)	14.3	17.2	17.1	19.2	17.8	19.0	18.2	22.8	14.7
Prices, expectation (question 5)	10.5	15.6	14.1	10.2	8.4	4.9	16.7	17.0	12.1
<b>SERVICES</b>									
Business situation over the past three months (question 1, SCI component)	25.5	28.2	25.7	27.4	31.8	27.3	20.6	26.1	26.9
Demand over the past three months (question 2, SCI component)	30.7	30.2	23.6	28.6	31.7	23.2	18.7	22.1	18.6
Demand, expectation (question 3)	25.6	33.0	31.0	30.5	28.6	33.8	33.9	32.5	26.9
Employment over the past three months (question 4)	12.7	15.0	8.1	18.0	13.4	11.9	9.0	8.0	8.1
Employment, expectation (question 5)	11.9	10.9	10.2	10.8	7.0	5.8	8.3	8.8	6.5
Prices, expectation (question 6)	9.2	4.1	10.6	9.5	8.9	8.6	12.8	10.3	10.4
<b>TRADE</b>									
Business situation over the past three months (question 1, TCI component)	15.1	10.0	17.0	16.6	18.5	21.6	16.6	9.4	14.6
Inventories situation (question 2)	4.8	6.6	0.1	-0.9	-0.2	-2.7	1.0	0.2	-1.0
Future orders, expectation (question 3)	23.9	23.0	22.0	26.0	22.4	23.0	16.3	22.4	24.2
Business performance, expectation (question 4)	23.5	19.1	27.1	34.9	28.6	27.3	21.3	29.0	29.6
Employment, expectation (question 5, TCI component)	2.9	2.1	8.9	3.6	1.9	2.1	-0.4	1.2	2.3
Prices, expectation (question 6)	6.9	4.3	6.7	-1.5	3.4	-4.3	8.9	12.3	6.3
<b>CONSUMER</b>									
Current financial situation (question 1)	-8.8	-7.8	-6.8	-6.9	-6.1	-4.1	-6.1	-10.0	-9.6
Financial situation, expectation (question 2, CCI component)	2.8	2.3	3.0	2.8	2.4	4.0	3.9	0.5	2.1
Current economic situation (question 3)	-14.0	-14.0	-12.9	-14.4	-11.4	-9.3	-11.1	-13.3	-12.7
Economic situation, expectation (question 4, CCI component)	1.1	1.4	3.4	2.0	2.1	4.9	3.1	0.5	2.6
Current prices (question 5)	32.4	29.8	29.0	24.5	28.0	24.4	23.2	25.6	26.3
Prices, expectation (question 6)	-2.2	-5.8	-5.6	-10.3	-10.0	-7.7	-9.5	-6.0	-7.4
Unemployment, expectation (question 7)	1.0	0.0	0.0	0.6	0.3	0.3	1.3	2.6	-3.2
Current major purchases (question 8, CCI component)	-63.0	-62.1	-60.6	-60.8	-60.7	-57.4	-61.7	-62.8	-60.8
Major purchases, expectations (question 9, CCI component)	-49.2	-47.3	-46.5	-44.6	-43.2	-41.3	-44.1	-48.5	-46.1
Current savings (question 10)	-45.8	-44.0	-43.9	-43.7	-41.7	-41.7	-41.9	-46.3	-45.9
Savings, expectation (question 11)	-38.4	-38.3	-36.5	-36.3	-39.4	-37.8	-35.0	-46.5	-42.5
Situation of income and expenses (question 12)	3.2	2.8	4.5	5.7	6.2	5.5	7.1	3.3	5.2

Source: Business and Consumer Confidence Survey, Bank of Albania.

# ANNEX

## Methodological notes

**Balance** is the most frequently used indicator in aggregating the qualitative data from surveys. It is calculated as the difference between the percentages of positive and negative answers. The balance is expressed in percentage point from surveys.

**Confidence Index (CI)** is constructed for each sector and is calculated as the simple average of seasonally –adjusted balances of indicators that have the highest correlation with the reference series (the series of real data of the economy).

**Economic Sentiment Indicator (ESI)** is constructed based on the same balances use for constructing CIs for each sector (industry, construction, services, trade and consumers), aiming to capture the domestic economic activity. Before aggregating the ESI, these balances are standardized and weighted.