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EEC business surveys

The Commission of the European Communities has published its second report for 1970 on the results of the monthly surveys of the business situation among managements in the Community. This report covers the period from June to October 1970.

In the Community as a whole, the surveys show that the growth of production has slowed down in recent months. Pressures on the production apparatus are still heavy, although the rise in demand slackened a little during the year. Managements were less and less sanguine concerning their total order books: production expectations, though still comparatively favourable, have deteriorated since the beginning of the year.

All this suggests that in the months ahead activity will remain lively, while the pace of expansion may continue to slacken.

In Germany, replies from managements indicate that orders on hand had fallen a little; at the end of October, 20% considered that the level of orders was "above normal", as against 25% at the end of June. Managements expected the pace of activity to slacken in the months ahead: at the end of October, 19% expected production to slow down, as against 11% at the end of June.

In France, replies to the questionnaires continued to reflect the weaker rise in domestic and export demand. At the end of October, 19% of managements considered their total order books to be "above normal", as against 25% at the end of June. Production expectations were more optimistic in the autumn than at the beginning of the summer; at the end of October 29% of managements expected production to go up in the coming months, as against 27% at the end of June.

In Italy, managements report that domestic demand has slackened somewhat in recent months. At the end of October, 9% of them considered that their total order books were "above normal", as against 15% at the end of June. Assessments of export demand went down even more distinctly. Production expectations were more optimistic: at the end of October, 85% of industrialists thought that activity would remain unchanged or increase in the months ahead, as against 82% at the end of June.

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In Belgium, the surveys show that the pace of expansion has slackened somewhat. To judge by the assessments which managements have made of their total and export order books, demand appears to have weakened slightly. There was little if any change in expectations regarding the trend of production: at the end of October, 18% of the firms questioned expected production to go up in the future, as against 15% at the end of June.

In Luxembourg, managements' replies have become less favourable in recent months. Total and export order books are shorter, and stocks of finished products have built up again. Production expectations are less optimistic.