

INFORMATION MEMO

The Commission of the European Communities has published its third four-monthly report for 1968 on the results of the EEC business survey.

This report analyses, for the past four months, managements' replies to the monthly questionnaires.

Managements consider that in the Community as a whole industrial production has in recent months expanded along firm lines. The trend, which was already rising, received an additional boost from the efforts to make good the losses that occurred in France during the strikes. When the various elements in the surveys are added up, they suggest that expansion in the Community will remain lively in the months ahead.

In Germany, overall industrial production is still expanding very rapidly, and the performance of most sectors has been good. The surveys clearly suggest that the situation of industry on the whole is very promising, particularly now that the consumer goods sector is making a more vigorous contribution to general expansion.

In France, the surveys show that after the social disturbances the tempo of activity has recovered rapidly; this development does not appear to be exclusively due to the efforts firms are making to offset the production losses caused by the strikes.

Managements find the trend of demand, and more particularly domestic demand, to be satisfactory and production expectations are very optimistic. Managements' replies thus reveal that the productive apparatus is rapidly adjusting itself to the new situation and hold promise of a high level of activity in the months ahead.

In Italy, the expansionary trend slowed down, particularly in the first half of the year, mainly because of a shrinkage in domestic demand. The surveys show that of late there have been signs of an improvement, probably helped by the measures initiated by the Italian authorities in order to boost activity. It looks as though economic growth may pick up again in the months ahead.

In Belgium, the business climate, which since the beginning of the year had improved distinctly, has improved still further in recent months. The reports from managements on the state of domestic demand and even more of foreign demand have been increasingly favourable. Production expectations, which are now definitely optimistic, suggest that the tempo of expansion will remain firm in the months ahead.

In Luxembourg, activity has remained lively in recent months. The level of demand was still considered good by the great majority of firms, and all expected the level of activity to remain unchanged or increase in the months ahead. The present rate of expansion should therefore be maintained.