



**European
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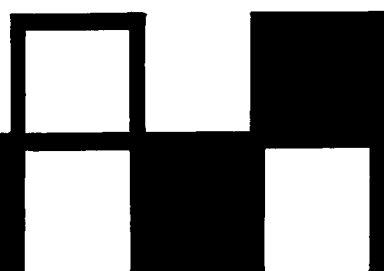
Commission

**Directorate-
General
for Economic
and Financial
Affairs**

**Report of the results
of the business surveys
carried out among heads
of enterprises
in the Community**

2

1971



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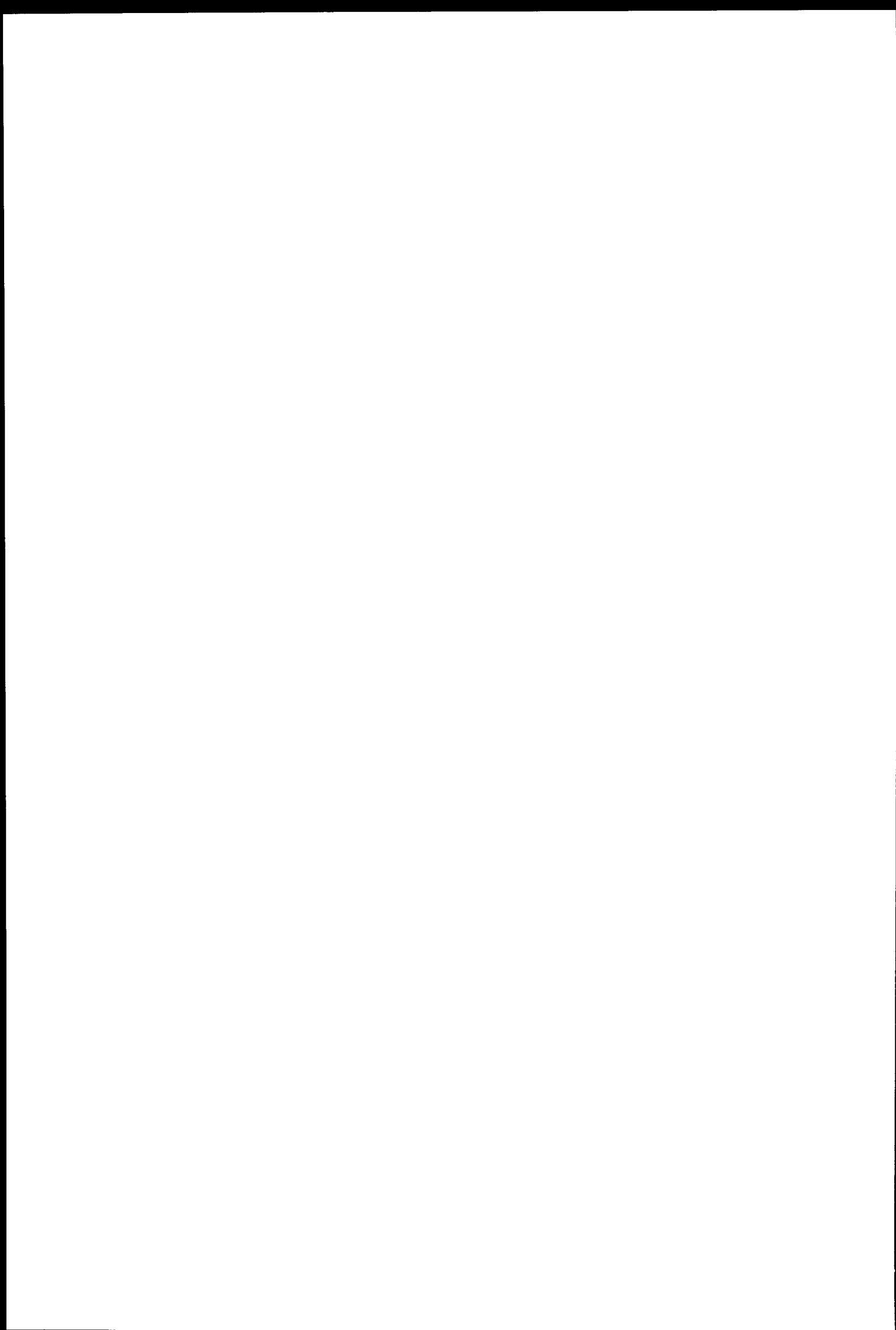
EEC business surveys, carried out:

in the German Federal Republic by the IFO-Institut
in France by INSEE
in Italy by ISCO-Mondo Economico
in the Netherlands by CBS
in Belgium by the National Bank
in Luxembourg by STATEC

COMMISSION OF THE EUROPEAN COMMUNITIES
Directorate-General for Economic and Financial Affairs

**RESULTS OF THE BUSINESS SURVEYS
CARRIED OUT AMONG HEADS OF ENTERPRISES
IN THE COMMUNITY**

November 1971



MONTHLY BUSINESS SURVEY
(ECONOMIC TRENDS)



PRESENTATION OF THE RESULTS

This issue summarizes the results of the monthly business surveys carried out between the end of April 1971 and the end of September 1971. It comprises four chapters—industry as a whole, consumer goods, capital goods, and intermediate goods—each with comments illustrated by diagrams and tables displaying the relevant data for each participating country and for the Community as a whole. The data relating to specific industries are given only for the Community as a whole and will be found in a consolidated table at the end of the brochure. For Luxembourg, the data given concern only industry as a whole; the relatively small number of firms in this country makes it practically impossible to publish a breakdown for the three types of industry without disclosing confidential information.

All the member countries contribute to the survey on a voluntary basis. Dutch companies and their trade federations have so far considered that for reasons of industrial secrecy they could not take part in the survey. After negotiations with the trade federations concerned, the "Centraal bureau voor de statistiek" has, however, been carrying out the business survey since September 1969 in accordance with the Community plan in certain industrial sectors, and it hopes to extend the survey gradually to the remaining sectors. The first results cannot be published in the present Report as they are still incomplete, but they will be included at a later date.

In the EEC Business Survey the data concerning the Community as a whole have been calculated on the basis of information obtained from the five participating countries, whose aggregate contribution to the Community's industrial production is more than 90%. However, as concerns individual industries, overall Community data are reckoned only in those cases where they are deemed sufficiently representative: thus, for the man-made fibre branch no figure is given, since no results can at present be included for the Federal Republic of Germany.

The classification of the main sectors of economic activity is based provisionally on the nomenclature given below. It is intended in the future to provide a more detailed breakdown, with a classification based on the main end-uses for each product.

INDUSTRIES PRODUCING CONSUMER GOODS	INDUSTRIES PRODUCING CAPITAL GOODS	INDUSTRIES PRODUCING INTERMEDIATE GOODS
Garments and knitted and crocheted goods	Building materials	Textiles
Footwear and processing of leather	General equipment products	Leather
Consumer chemicals	Mechanical equipment (other than electrical)	Wool and cork
Furniture	Electrical equipment goods	Paper
China and hollow glass	Commercial vehicles	Printing
Metal consumer articles	Shipbuilding, aircraft manufac- turing, railway and tramway rolling stock	Processing of plastics Basic chemicals
Domestic electric appliances	Precision instruments	Chemicals for industrial and agri- cultural uses
Private cars		Petroleum
Photographic goods, spectacles, watches and clocks		Iron and steel and primary pro- cessing thereof
		Production of man-made fibres
		Rubber
		Non-ferrous metals industry

INDUSTRY AS A WHOLE

In the COMMUNITY AS A WHOLE, the slowdown in the growth of production has continued during the past few months. Managements' replies to the surveys, particularly to the questions on total and export order books and the production outlook, reflected a certain deterioration in the economic climate, reinforced by the technical and psychological effects of the measures which the United States took or announced on 15 August. At the end of September, 39% of industrialists considered the level of total orders on hand to be "below normal", as against 35% at the end of May. In export orders, the fall was distinctly sharper as the corresponding percentages were 42 and 29. Also at the end of September, 22% of industrialists thought that their production would decline in the next few months, as against 14% at the end of May, and stocks of finished products were reported to have built up a little. Pressures on selling prices are still fairly heavy. All this suggests that the pace of expansion may continue to slow down in the months ahead.

In GERMANY, replies from managements indicate that orders on hand have fallen appreciably in recent months, for at the end of September only 7% of managements considered that order books were "above normal", as against 11% at the end of May. Industrialists' views on the trend of exports in the months ahead began to deteriorate very distinctly in August. During the same period, stocks of finished products probably built up somewhat. Managements expected the pace of activity to slow down distinctly in the next few months: at the end of September, 26% of them reckoned with a fall in the rate of production, as against 5% at the end of May. Expectations as to selling prices indicated that the trend was still distinctly upward.

In FRANCE, industrialists' replies to the surveys still reflected a buoyant trend of demand. At the end of September, 70% of managements considered that total order books were "normal" or "above normal", as against 67% at the end of May. The trend in export orders, however, started to deteriorate in August. During the period under review, stocks of finished products probably changed very little. Views on the production outlook were still optimistic: at the end of September, 30% of managements expected production to go up in the next few months, as against 29% at the end of May. Price predictions still mirrored a fairly sharp upward tendency.

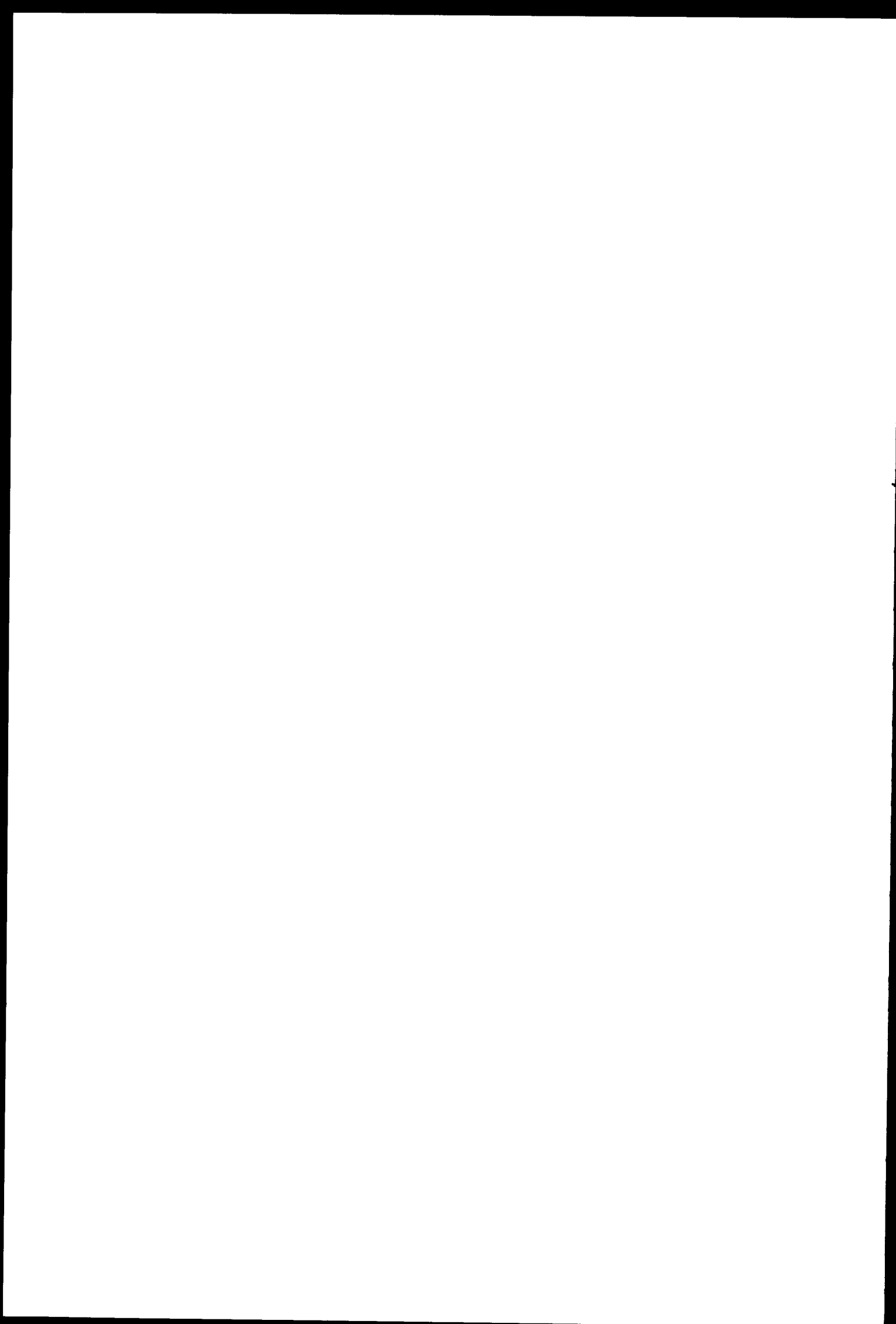
In ITALY, replies from managements suggest that demand has slackened further in recent months. At the end of September, 58% of industrialists considered that total order books were "below normal", as against 50% at the end of May. Managements considered stocks of finished products and available production capacity to be "more than sufficient". Production expectations were still rather pessimistic: at the end of September, only 11% of industrialists thought that activity would speed up in the next few months, as against 10% at the end of May. Expectations as regards selling prices indicated a persistence of the upward tendency.

In BELGIUM, the surveys seem to suggest that the pace of expansion has slackened. To judge by managements' opinions on the level of total orders on hand, demand has weakened further. At the end of September, 30% of managements considered their total order books to be below normal, as against 27% at the end of May. Reports on export demand became very distinctly less favourable after the American measures were announced. Stocks of finished products probably showed little change. Managements' views on the future trend of production became pessimistic: at the end of September, 31% of them expected their production to fall, as against 18% at the end of May.

In LUXEMBOURG, managements' replies to the surveys have become less favourable in recent months. Domestic and export demand has weakened and stocks of finished products have built up somewhat. Production expectations have become pessimistic, and the upward tendency of prices has been less marked.

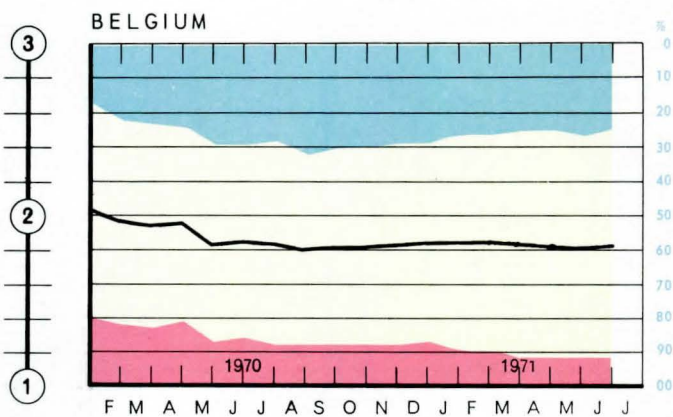
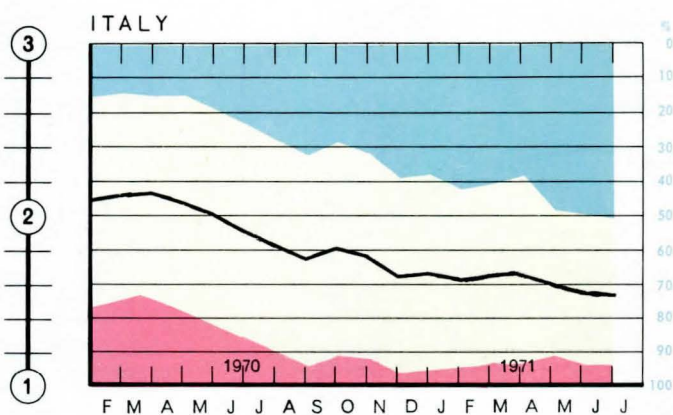
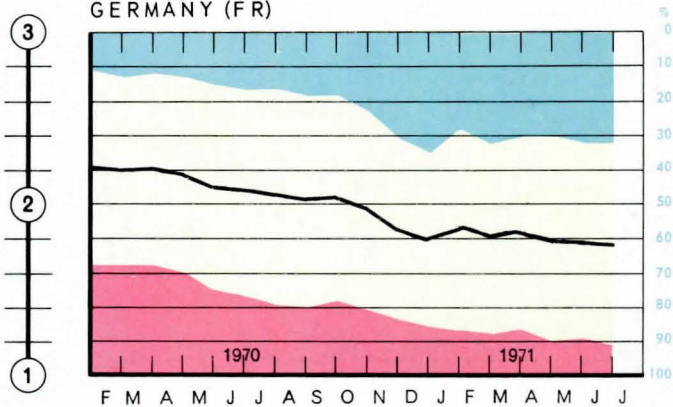
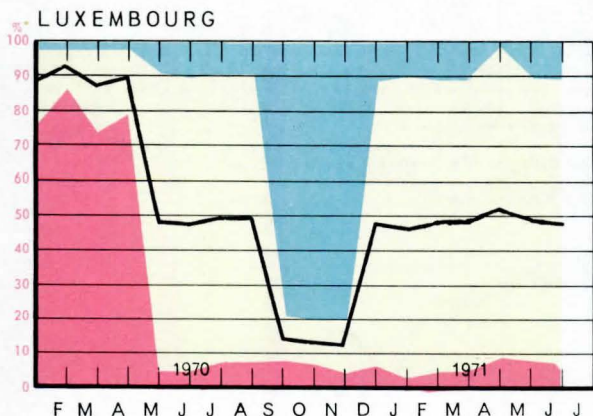
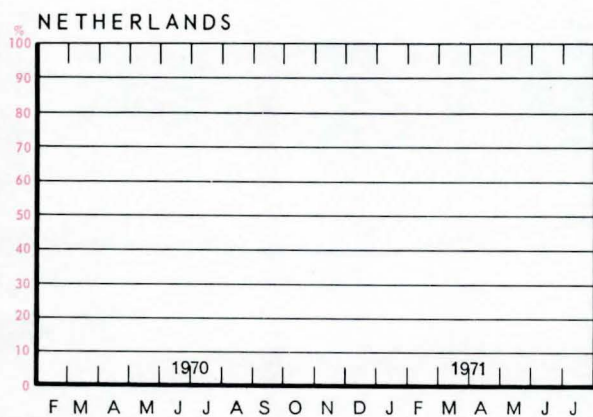
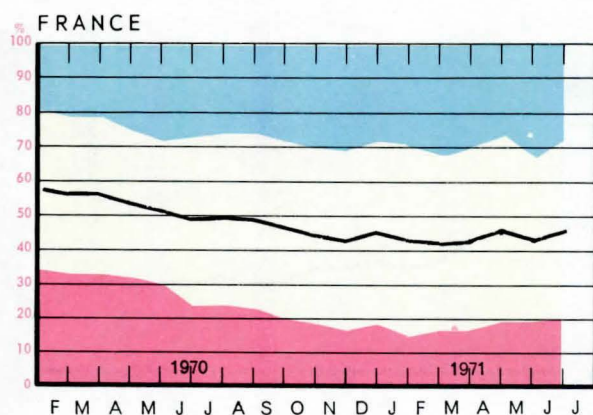
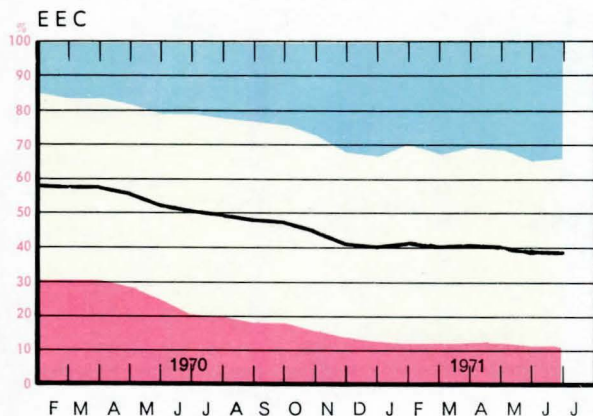
The figures are percentages of replies received

Country	Questions 1971	Assessments															Expectations									
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
GERMANY (FR)	+ = -	10	11	9	8	7	10	11	16	8	7	18	19	19	18	21	8	6	17	11	11	15	13	14	15	21
		59	56	58	58	57	71	63	63	70	56	74	74	76	76	71	83	81	80	79	69	81	83	83	82	76
		31	33	33	34	36	19	26	21	22	37	8	7	5	6	8	9	13	13	10	20	4	4	3	3	3
FRANCE	+ = -	19	19	20	21	20	24	25	25	23	20	28	29	25	25	24	32	29	27	29	31	43	46	41	40	39
		54	48	52	50	50	49	48	46	46	47	65	64	65	64	64	60	62	64	62	59	54	51	56	58	59
		27	33	28	29	30	27	27	29	31	33	7	7	10	11	12	8	9	9	9	10	3	3	3	2	2
ITALY	+ = -	9	6	6	2	2	9	10	10	3	1	35	30	33	36	37	8	10	13	10	14	25	23	35	32	32
		42	44	43	48	44	40	44	42	51	48	58	62	59	59	56	69	63	66	70	65	64	64	52	58	62
		49	50	51	50	54	51	46	48	46	51	7	8	8	5	7	23	27	21	20	21	11	13	13	10	6
NETHERLANDS	+ = -																									
BELGIUM	+ = -	8	8	8	9	11	7	8	9	11	9	21	24	19	19	22	12	13	12	13	14	25	27	24	26	27
		67	65	67	67	63	71	69	66	65	63	73	68	74	73	70	69	69	62	68	61	72	69	70	67	64
		25	27	25	24	26	22	23	25	24	28	6	8	7	8	8	19	18	26	19	25	3	4	6	7	9
LUXEMBOURG	+ = -	9	8	7	8	4	7	6	4	5	1	4	4	3	3	2	6	6	4	3	6	84	80	7	5	5
		89	81	82	82	87	92	84	86	85	90	95	95	96	94	94	94	93	96	96	91	16	20	93	95	95
		2	11	11	10	9	1	10	10	10	9	1	1	1	3	4	0	1	0	1	3	0	0	0	0	0
EEC	+ = -	13	12	12	11	11	12	13	16	11	9	24	24	23	23	25	16	14	15	17	18	26	27	27	26	29
		55	53	54	55	53	62	58	57	61	54	69	69	70	70	66	72	72	71	71	65	69	68	68	70	68
		32	35	34	34	36	26	29	27	28	37	7	7	7	7	9	12	14	14	12	17	5	5	5	4	3



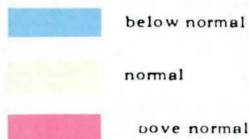
INDUSTRY AS A WHOLE

Order-books



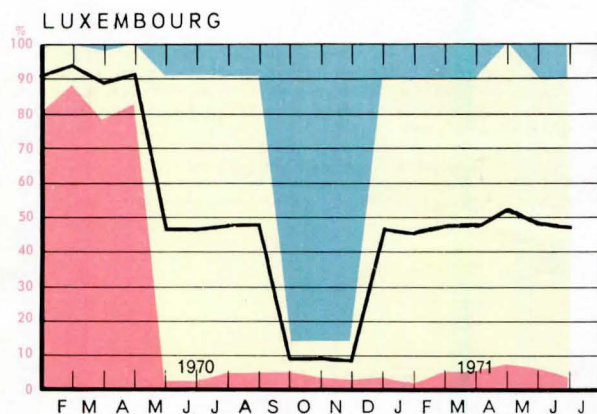
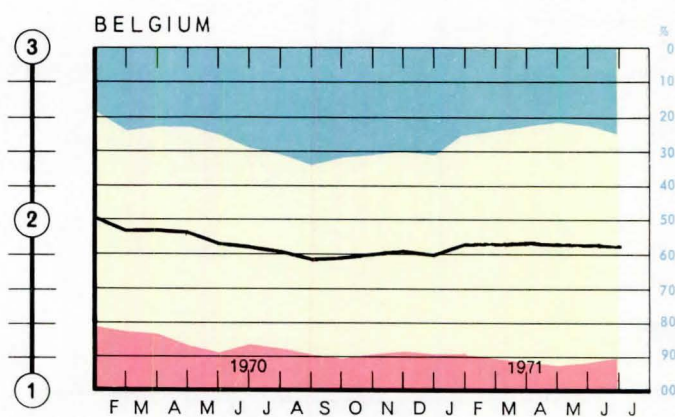
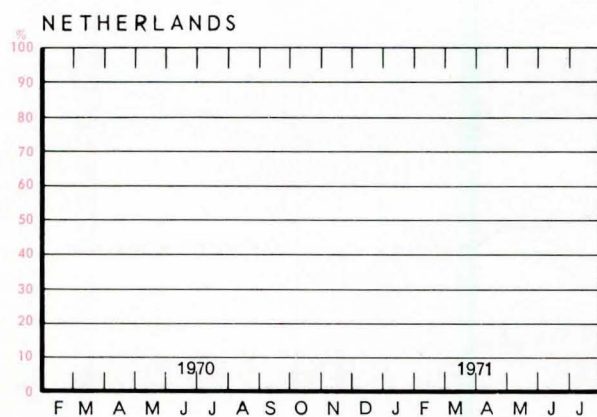
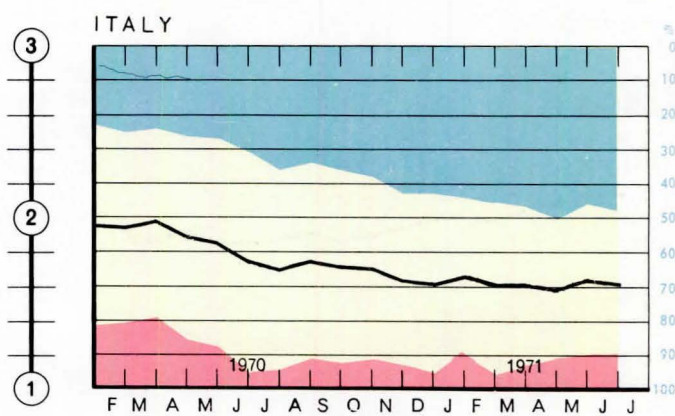
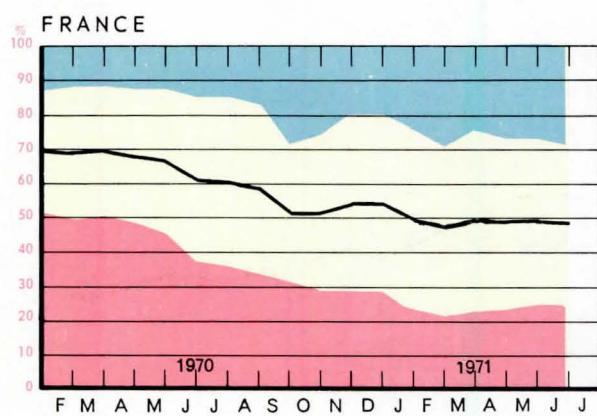
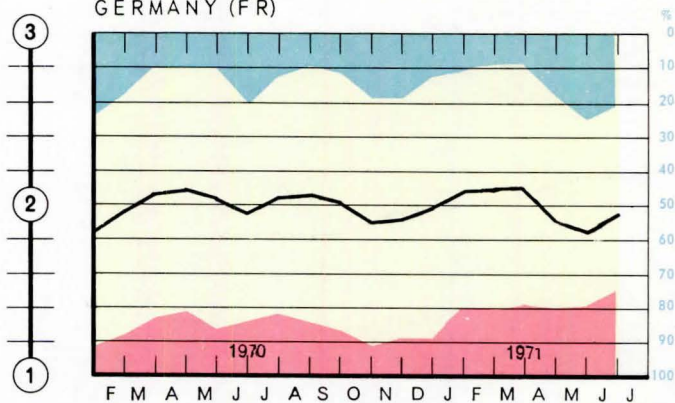
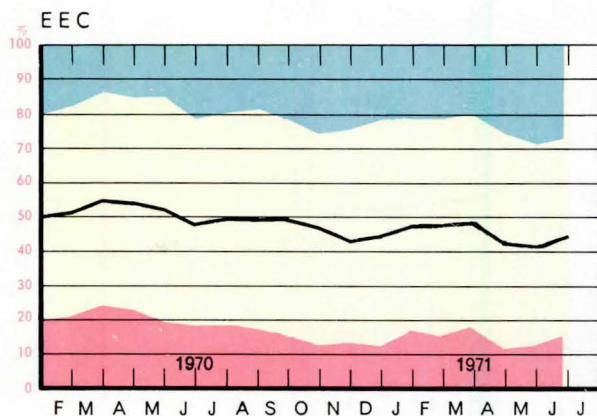
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



INDUSTRY AS A WHOLE

Export order-books



3

2

1

The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

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- by 0.01 for the answer "below normal";

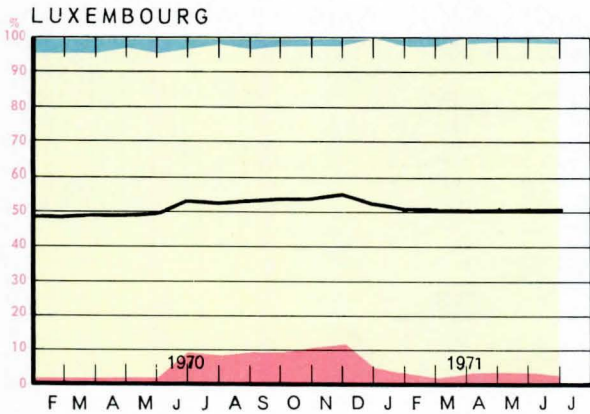
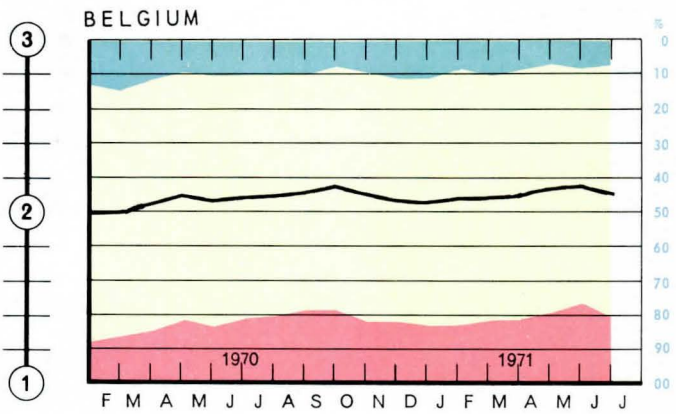
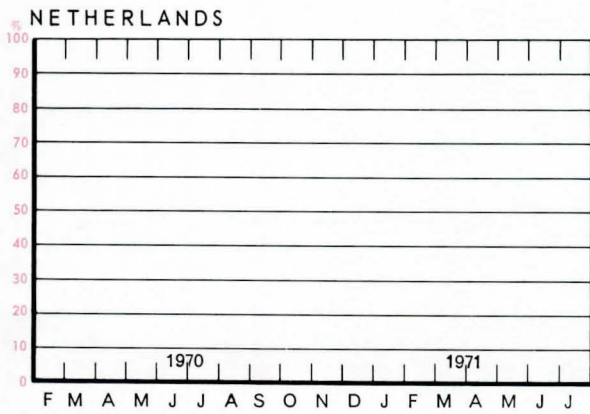
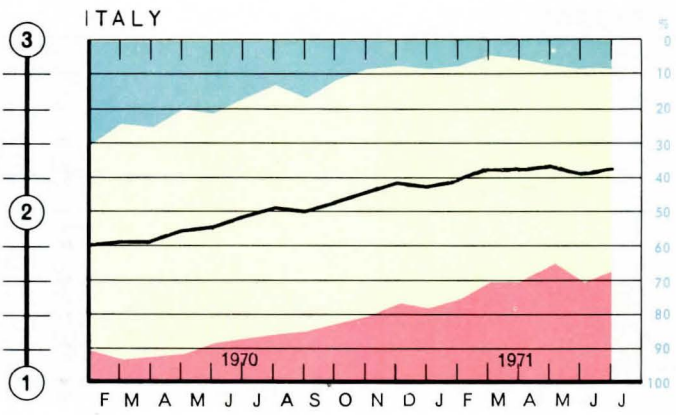
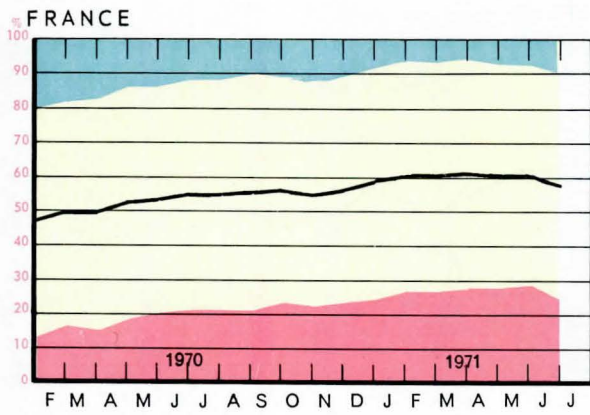
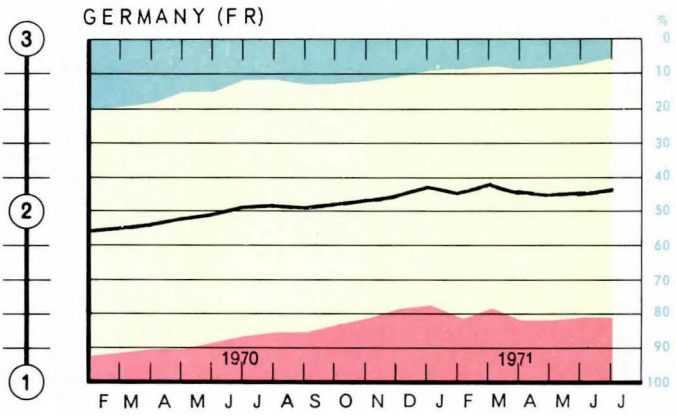
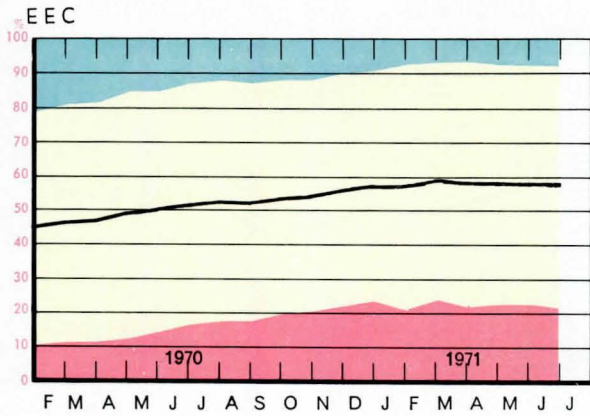
below normal

normal

above normal

INDUSTRY AS A WHOLE

Stocks of finished products



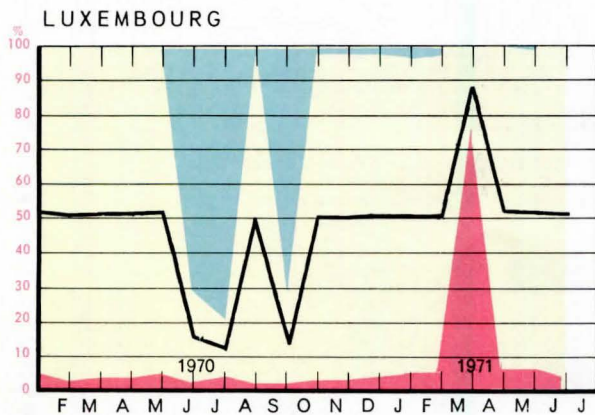
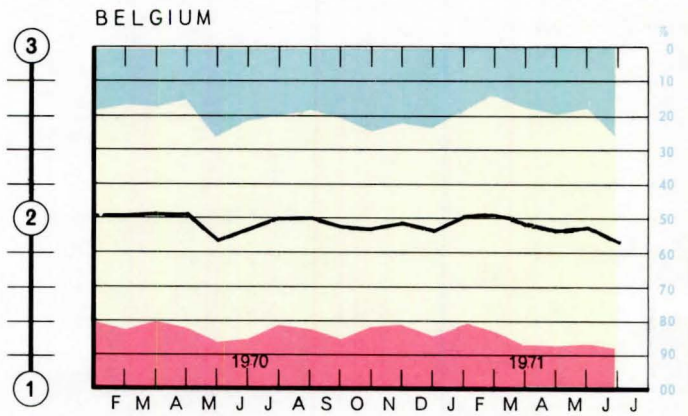
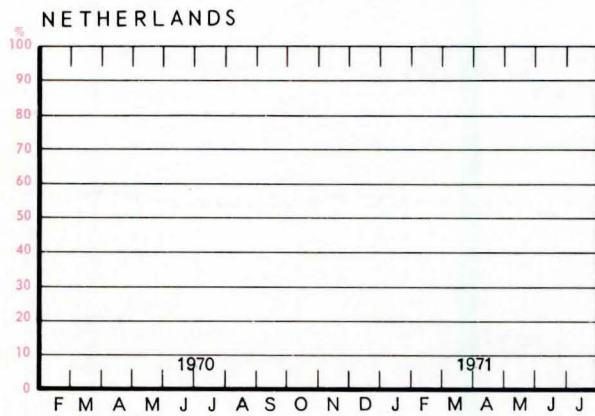
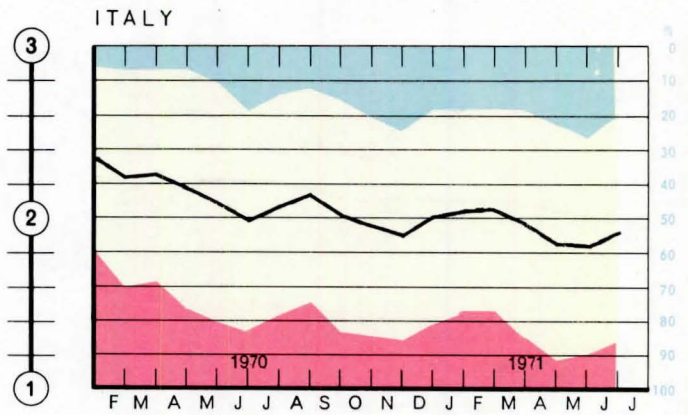
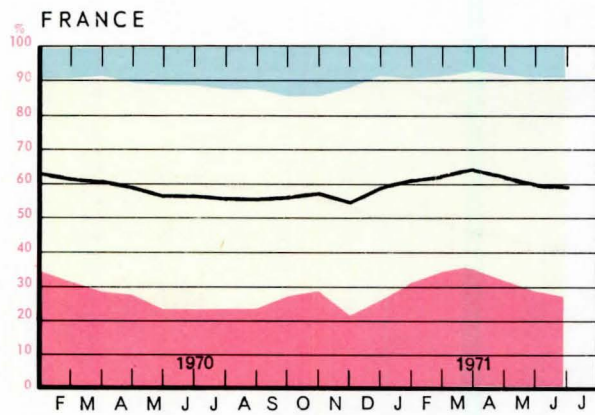
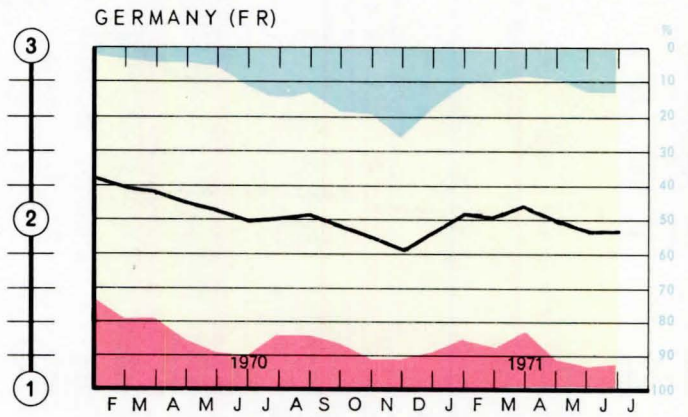
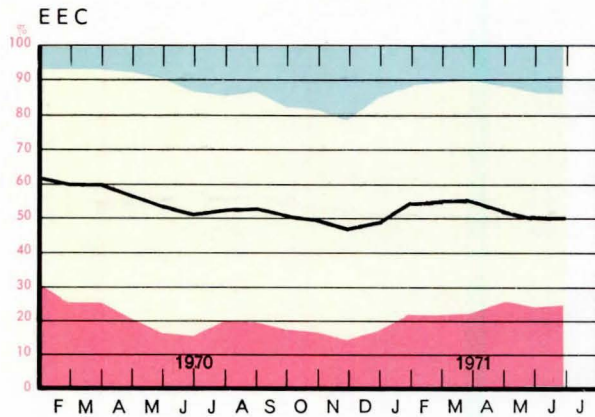
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- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



INDUSTRY AS A WHOLE

Trend in production



3
2
1

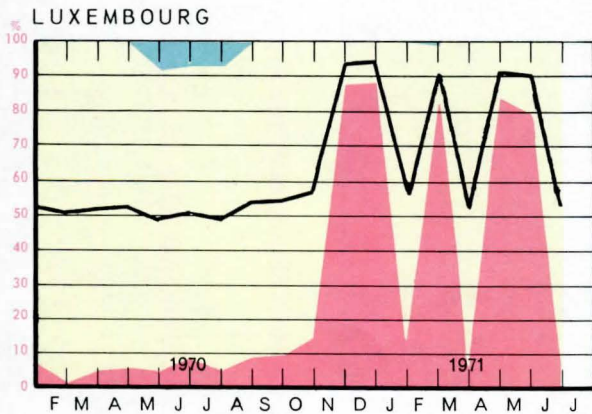
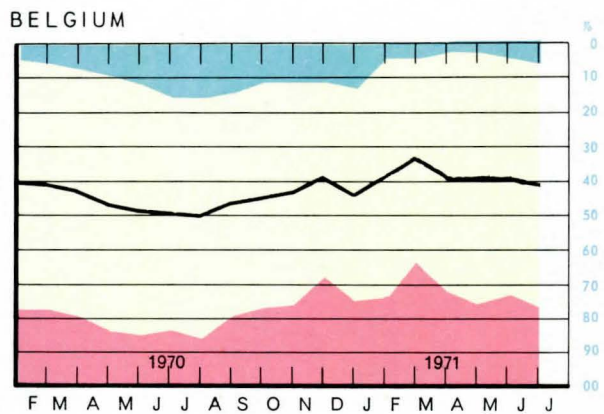
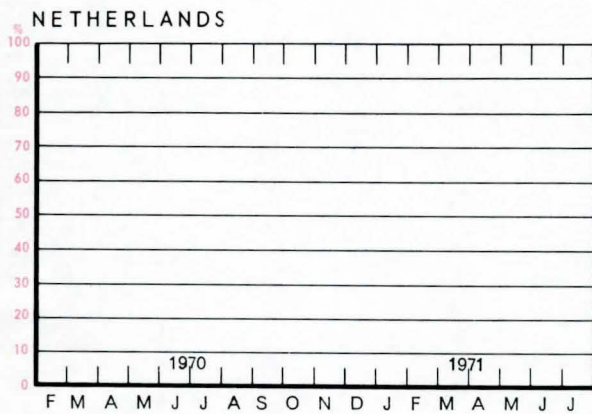
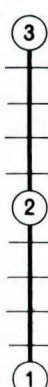
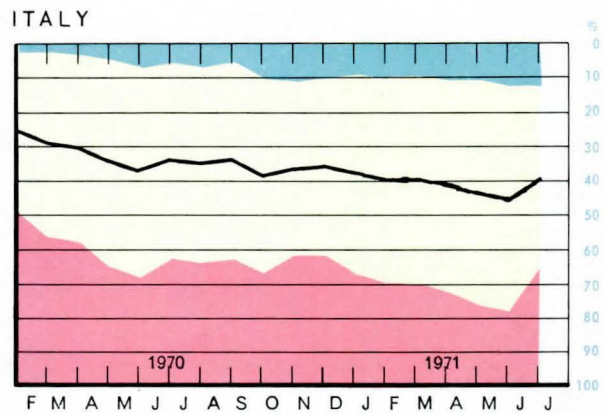
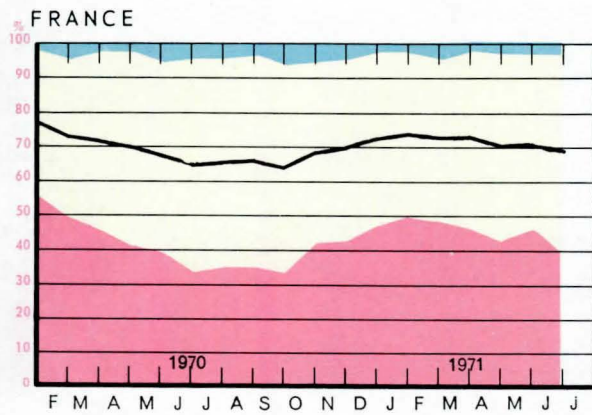
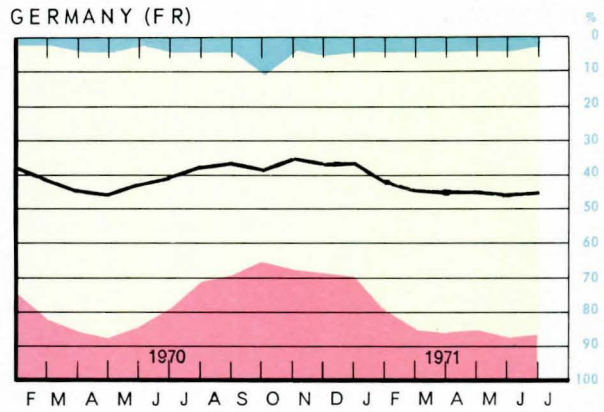
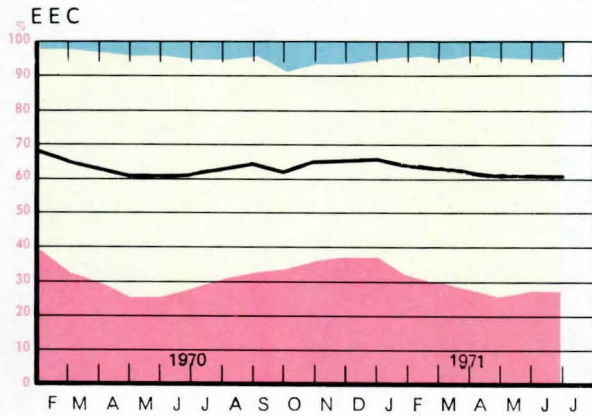
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "up";
- by 0.92 for the answer "no change"
- by 0.01 for the answer "down".

- down
- no change
- up

INDUSTRY AS A WHOLE

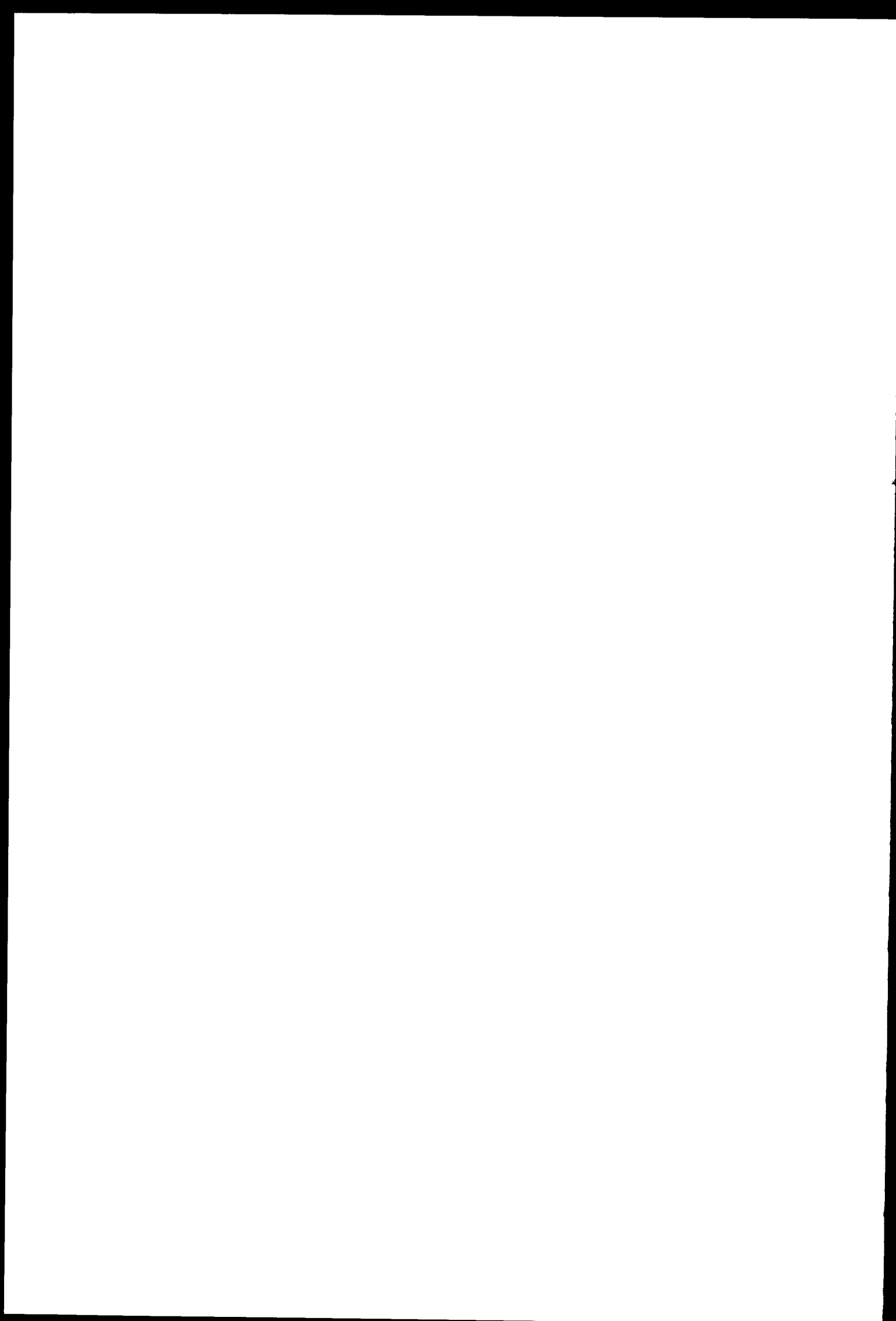
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "up";
- by 0.92 for the answer "no change";
- by 0.01 for the answer "down".





CONSUMER GOODS

In GERMANY, managements' views on the level of orders in the consumer goods industries have hardly changed since the end of the first half-year. The proportion of managements which considered their total order books to be "above normal" declined from 9% at the end of May to 8% at the end of September, while stocks of finished products are reported to have contracted. The production outlook became somewhat more favourable: at the end of September, 11% of managements expected production to go up, as against 7% at the end of May. Pressures on selling prices remained heavy.

In FRANCE, the surveys show that business in the consumer goods industries has remained very good. All in all, managements' views on the trend of overall demand became distinctly more favourable: the percentage balance of industrialists considering their total order books to be "above normal" over those judging them to be "below normal" increased from + 3 at the end of May to + 24 at the end of September. Stocks of finished products are reported to have contracted a little. Production expectations remained very optimistic: at the end of September, 96% of industrialists expected output to remain unchanged or go up in the months ahead, as against 94% at the end of May.

In ITALY, the surveys appear to suggest that activity in the consumer goods industries has tended to stabilize of late. Managements' opinions on the trend of demand nevertheless seem to have deteriorated further — at the end of September, 7% of managements described their total order books as "above normal", as against 17% at the end of May — but industrialists' views on the production outlook were less pessimistic than in the preceding months. There was still a very marked tendency for prices to rise.

In BELGIUM, business in the consumer goods industries showed very little change: managements' assessments of total order books were much the same as in the first half of the year. At the end of September, 12% of them considered that total orders were "above normal", as against 13% at the end of May. Stocks of finished products showed little or no movement. Managements' opinions on the future trend of production remained virtually unchanged: at the end of September, 76% of industrialists expected their production to go up or be maintained, as against 79% at the end of May. Selling prices were still expected to rise distinctly.

In the COMMUNITY AS A WHOLE, the business climate in the consumer goods industries improved slightly. Overall demand was reported to have strengthened a little: at the end of September, 77% of industrialists judged their total order books to be "normal" or "above normal", as against 74% at the end of May. Stocks of finished products were said to have contracted somewhat. Production expectations, though no longer what they were at the beginning of the year, have been improving recently. At the end of September, 19% of managements expected that the present rate of production would be maintained or increased, as against 16% at the end of May.

In the *non-durable consumer goods* industries, overall demand strengthened slightly. Stocks of finished products are reported to have contracted somewhat, while production expectations pointed upward.

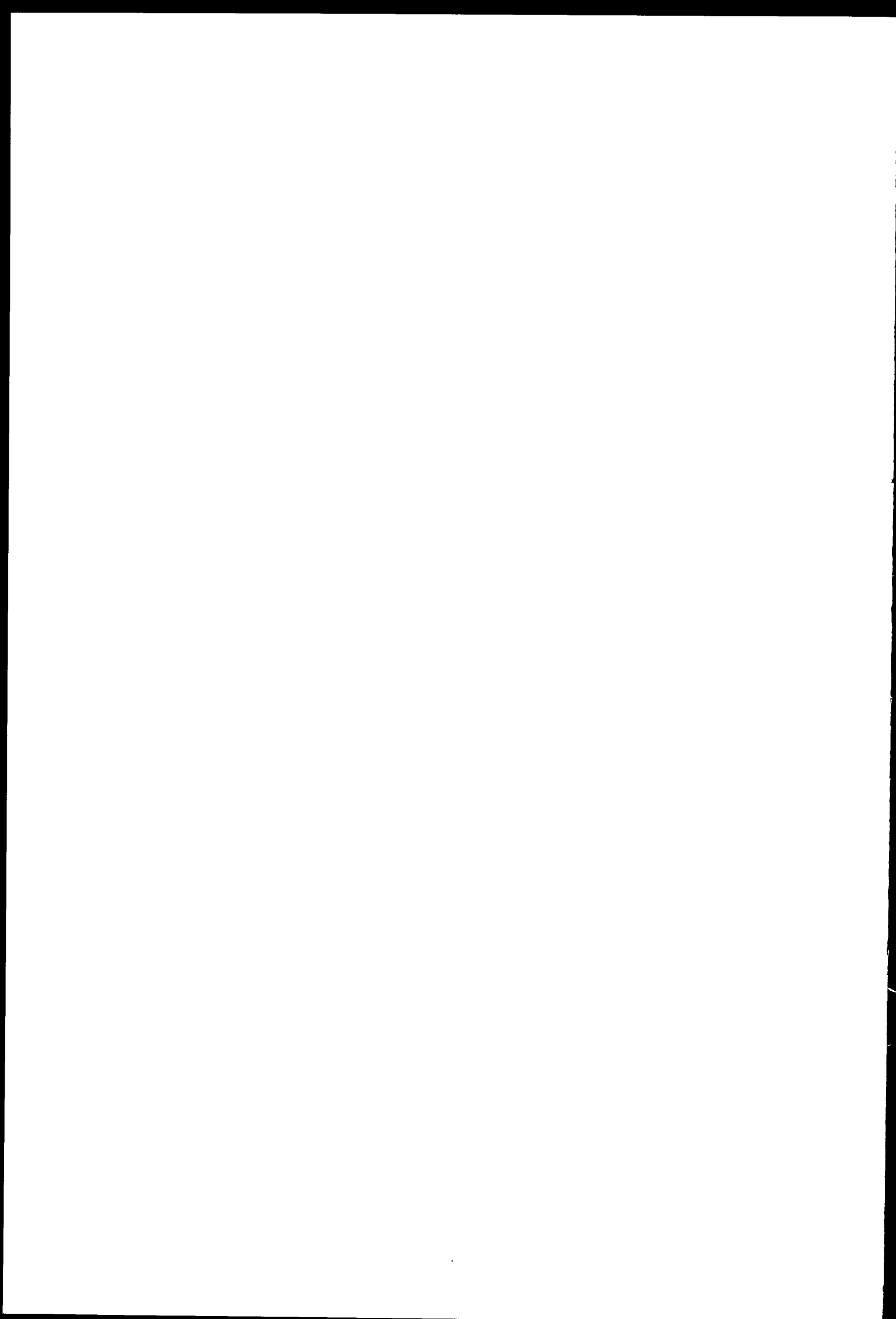
In *garments and knitwear*, total order books lengthened, stocks contracted, and opinions on the production outlook were more optimistic. In *leather and footwear*, demand slackened but production expectations remained unchanged.

In *consumer durables*, opinions on order books were more favourable than at the end of May, stocks of finished products declined and production expectations were optimistic. In the *motor vehicle* industry, demand lost in vigour and production expectations were a little less favourable.

As regards *metal consumer articles and domestic electric appliances*, demand and production expectations appear to have improved.

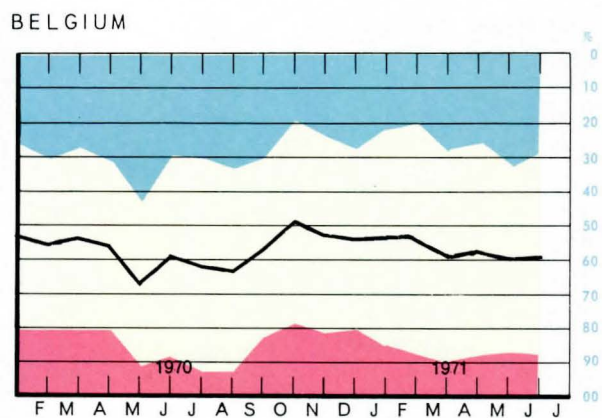
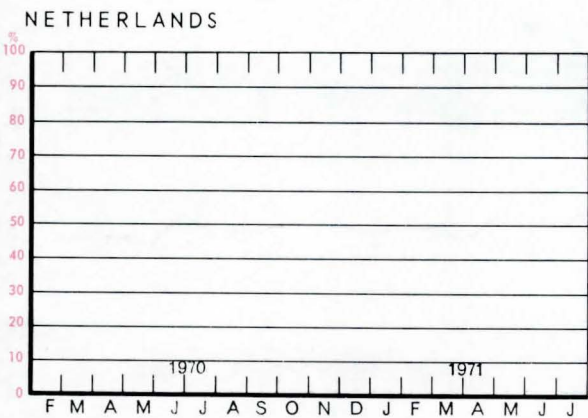
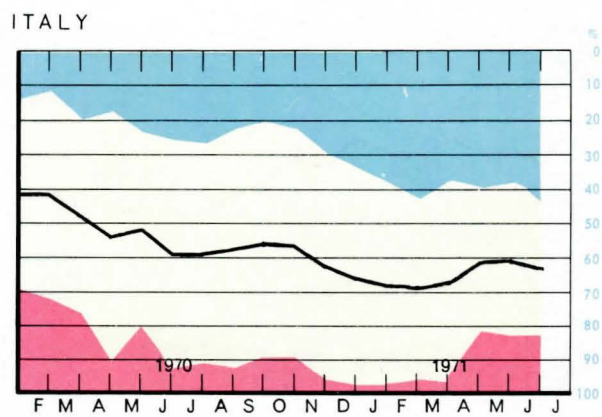
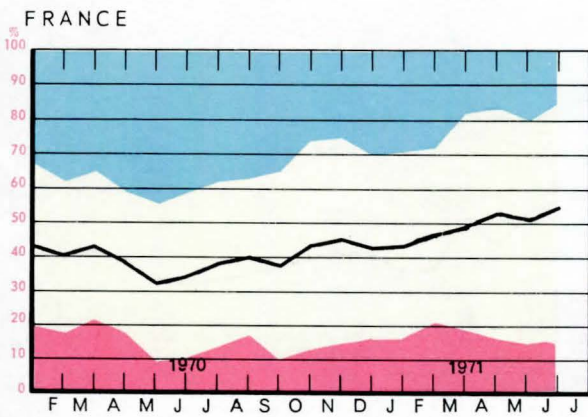
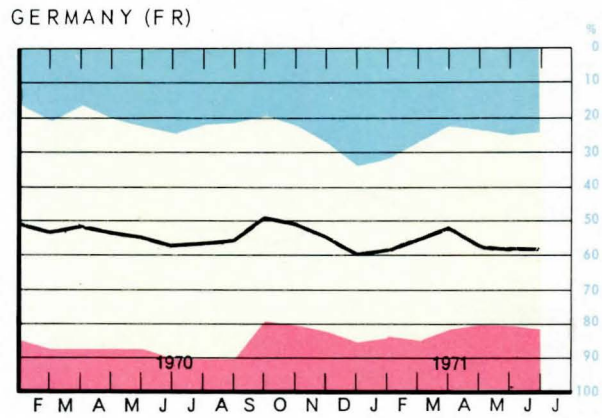
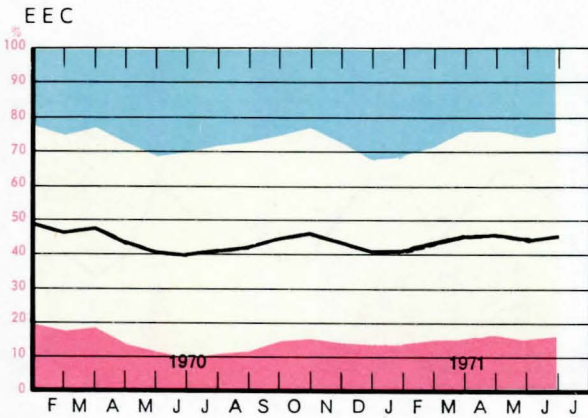
The figures are percentages of replies received

Country	Questions 1971	Assessments															Expectations									
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
GERMANY (FR)	+ = -	9	9	8	5	6	9	3	13	11	10	22	26	26	22	20	9	7	8	17	17	13	12	16	19	23
		67	66	68	71	70	61	62	54	59	51	62	57	67	70	61	81	82	79	77	77	83	86	84	81	77
		24	25	24	24	24	30	35	33	30	39	16	17	7	8	19	10	11	13	6	6	3	2	0	0	0
FRANCE	+ = -	24	23	26	30	34	23	22	37	32	25	22	22	19	19	18	41	34	33	36	38	39	45	42	42	41
		59	57	59	55	52	59	62	49	48	50	71	74	68	65	62	52	60	61	59	58	59	54	55	56	58
		17	20	15	15	14	18	16	14	20	25	7	4	13	16	20	7	6	6	5	4	2	1	3	2	1
ITALY	+ = -	18	17	17	2	1	25	23	22	3	0	37	35	34	34	31	8	6	20	10	9	29	30	50	37	35
		42	45	39	60	57	28	37	34	57	55	47	47	49	59	49	69	66	63	69	69	64	62	44	58	63
		40	38	44	38	42	47	40	44	40	45	16	18	17	7	20	23	28	17	21	22	7	8	6	5	2
NETHERLANDS	+ = -																									
BELGIUM	+ = -	12	13	12	12	22	16	15	13	17	18	22	28	24	19	28	15	13	15	14	24	27	28	34	37	42
		62	55	59	63	51	59	62	63	65	63	73	62	69	70	62	66	66	55	69	55	73	72	66	63	57
		26	32	29	25	27	25	23	24	18	19	5	10	7	11	10	19	21	30	17	21					
LUXEMBOURG	+ = -	13	26	6	0	0						1	16	1	0	1	36	1	0	13	13	30	48	30	44	44
		63	58	86	98	98						99	70	99	86	99	62	99	98	85	85	70	52	70	56	56
		24	16	8	2	2						0	14	0	14	0	2	0	2	2	2	0	0	0	0	0
EEC	+ = -	16	15	16	13	15	16	12	19	14	12	25	26	25	23	22	20	16	19	22	23	25	27	32	31	32
		60	59	59	63	61	53	57	50	57	52	63	61	64	66	59	68	71	69	69	68	72	70	66	68	67
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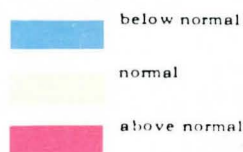
CONSUMER GOODS

Order-books



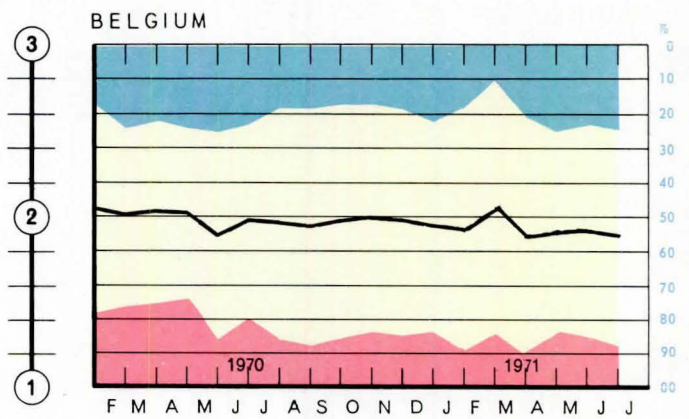
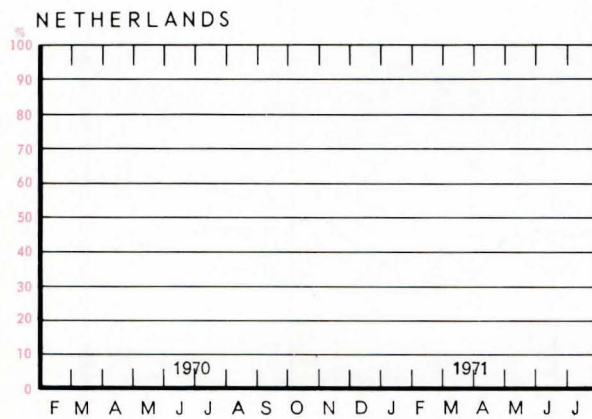
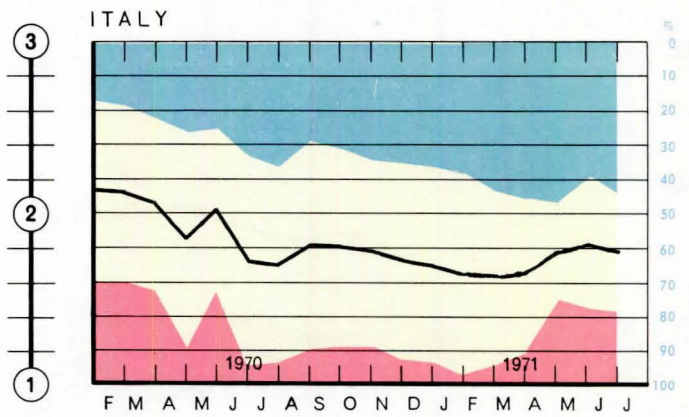
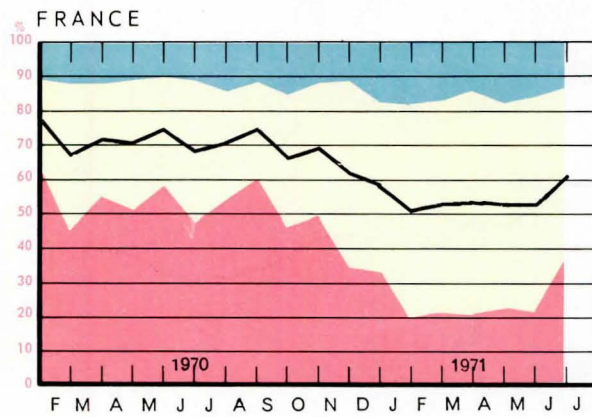
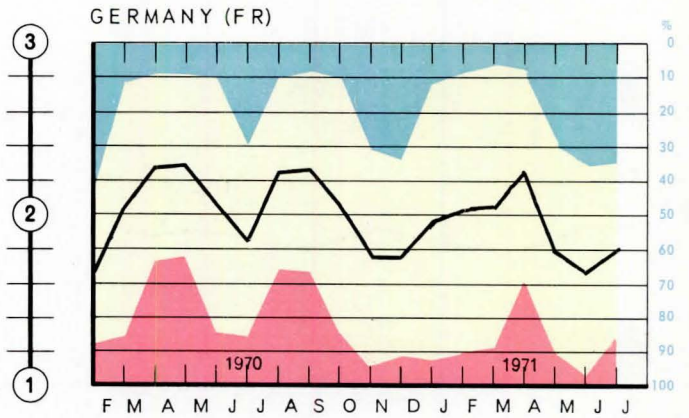
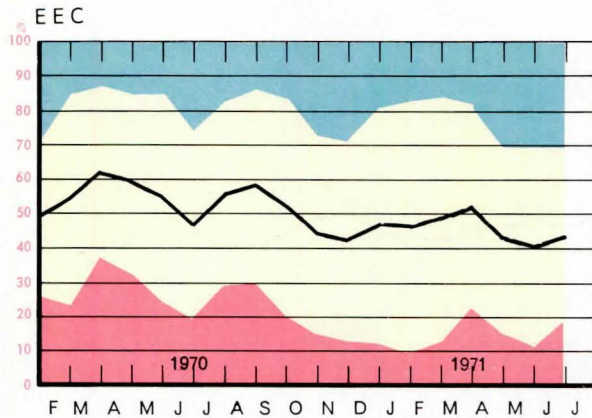
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



CONSUMER GOODS

Export order-books



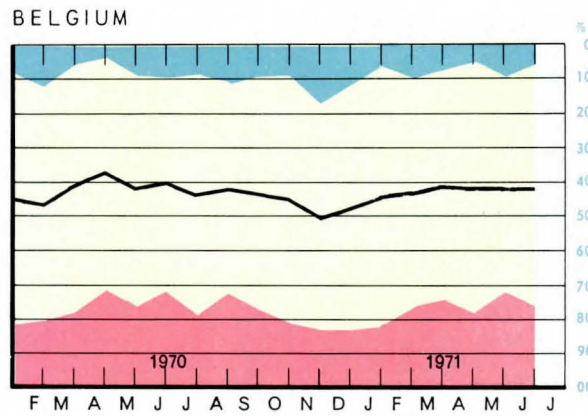
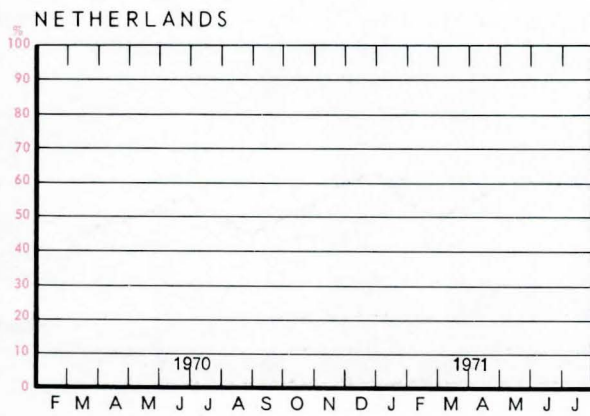
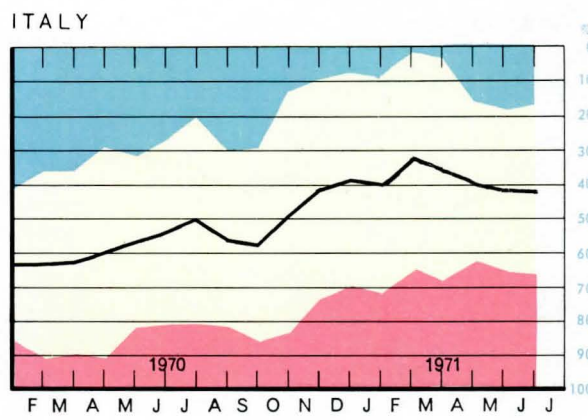
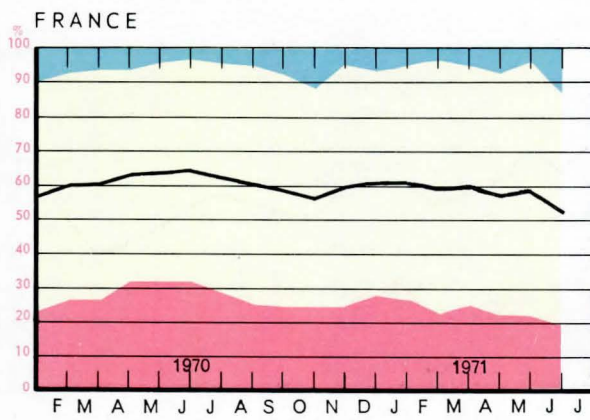
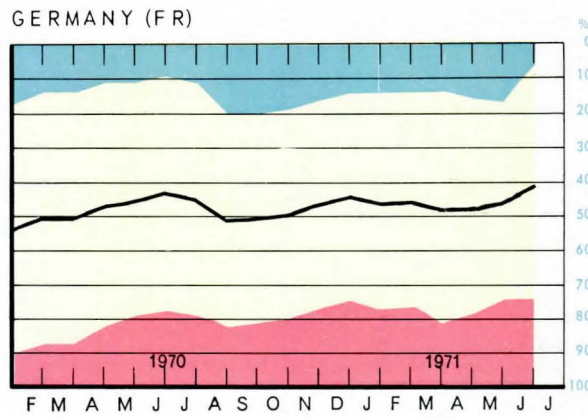
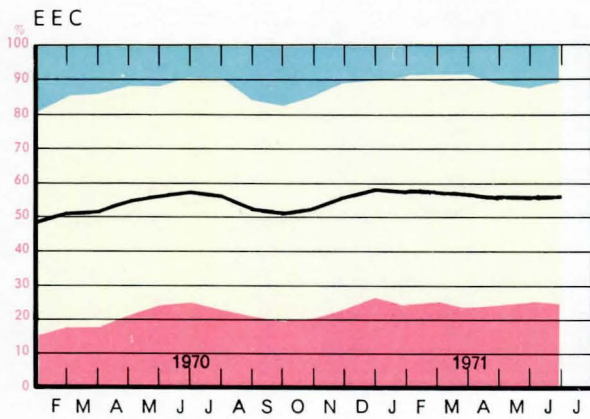
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



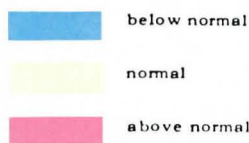
CONSUMER GOODS

Stocks of finished products



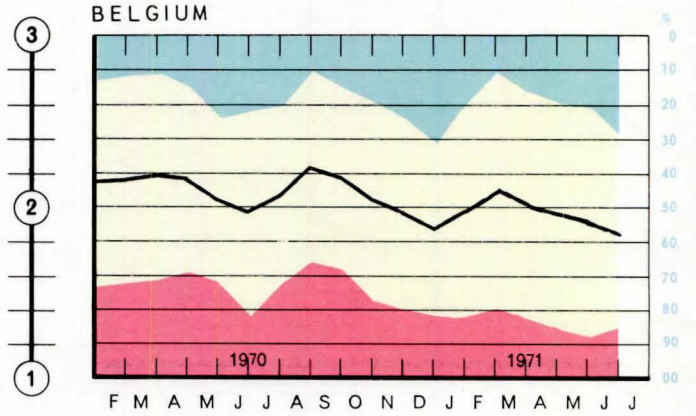
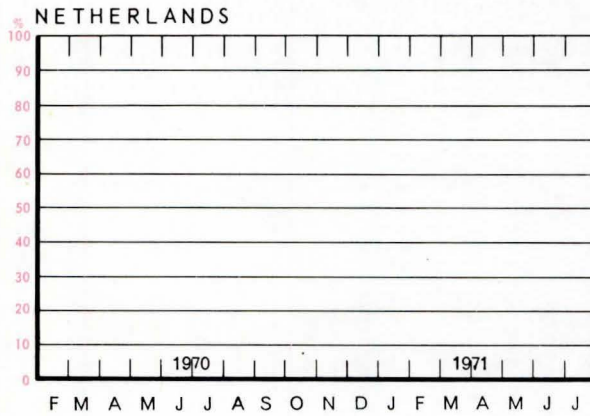
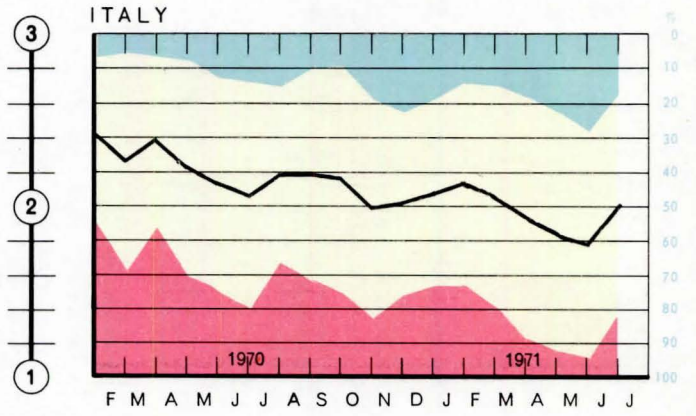
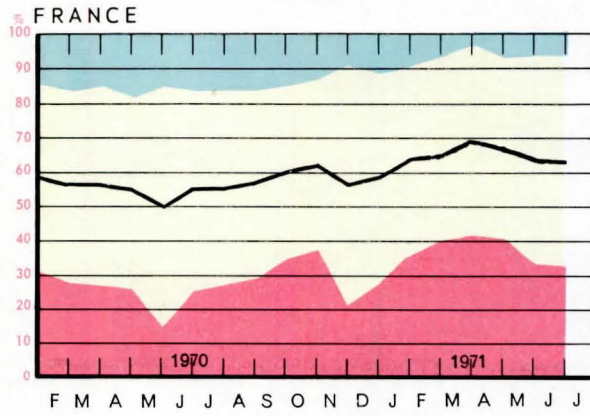
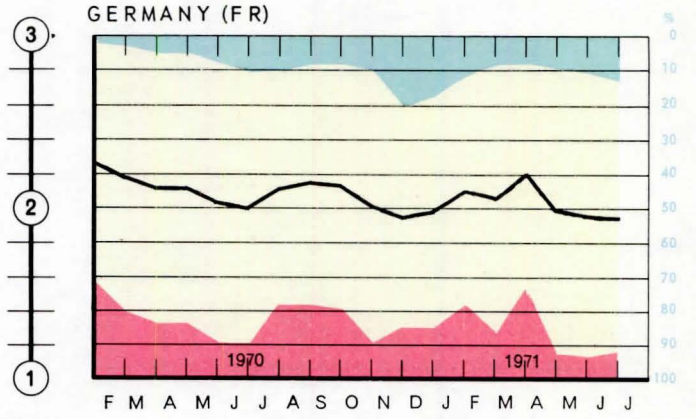
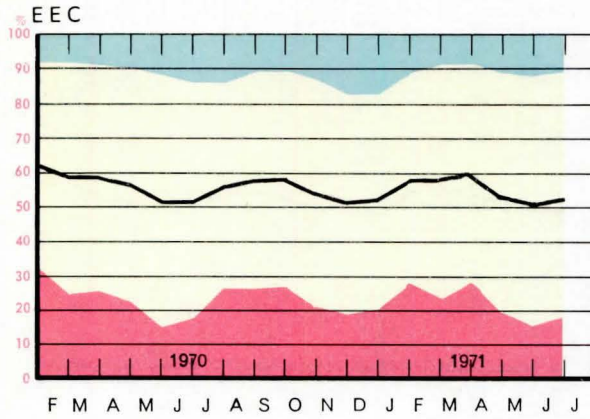
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal" ;
- by 0.02 for the answer "normal" ;
- by 0.01 for the answer "below normal" ;



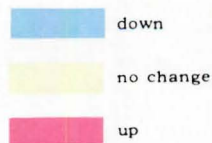
CONSUMER GOODS

Trend in production



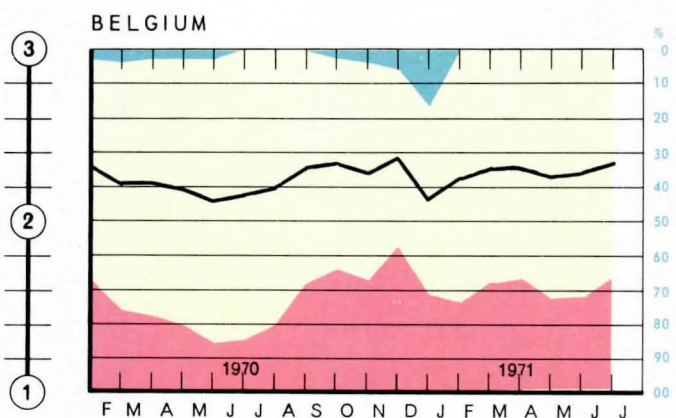
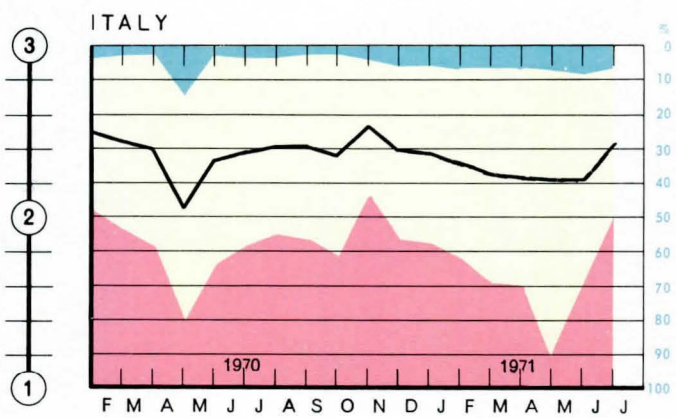
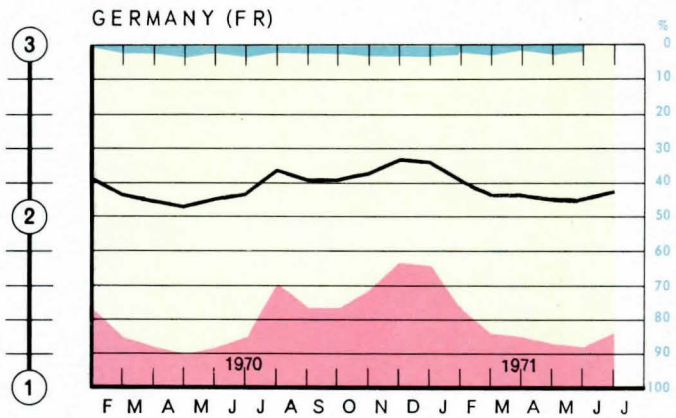
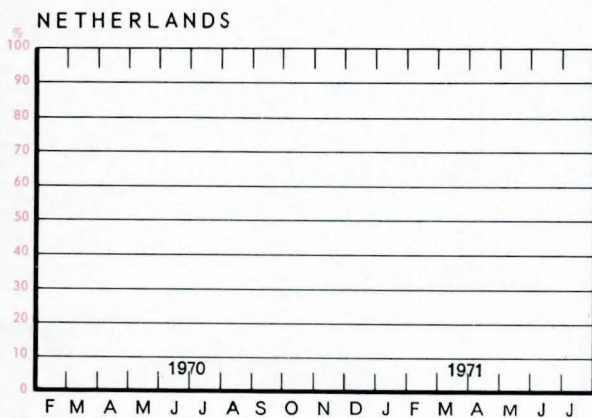
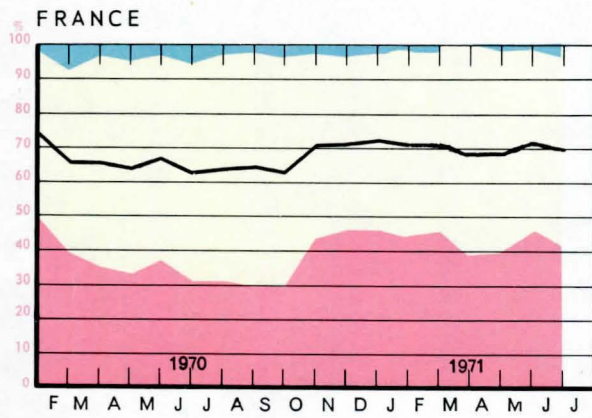
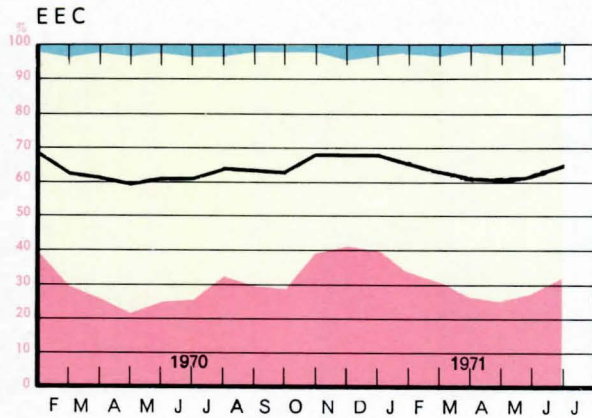
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.92 for the answer "no change";
by 0.01 for the answer "down".



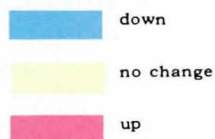
CONSUMER GOODS

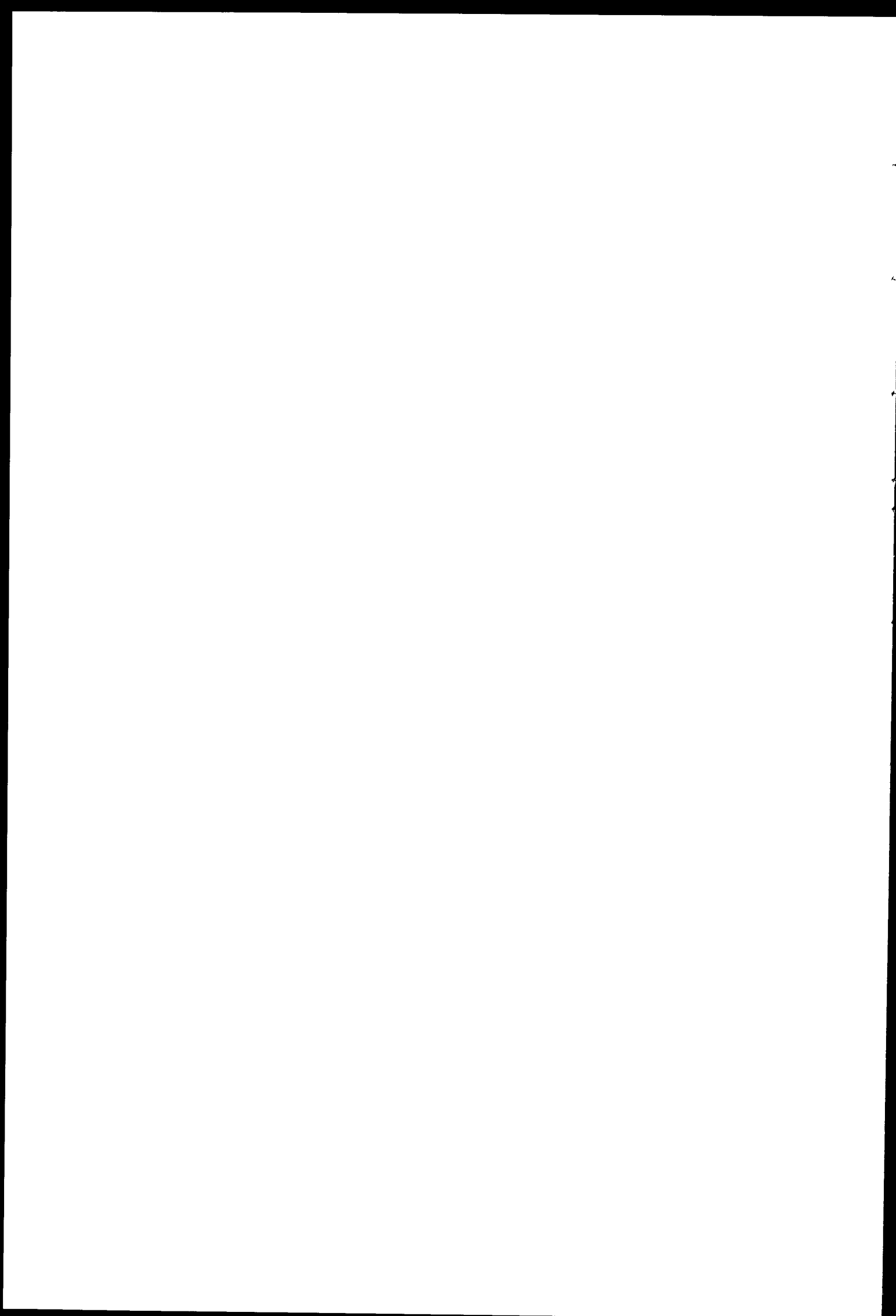
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.92 for the answer "no change";
by 0.01 for the answer "down".





CAPITAL GOODS

In GERMANY, the surveys suggest that the situation in the capital goods sector has considerably deteriorated during the past few months. Managements took a less optimistic view of the trend of overall demand: at the end of September, 36% considered the total level of orders to be "below normal", as against 26% at the end of May. Opinions on the future trend of exports also took a perceptible turn for the worse. Stocks of finished products were reported to have built up, and the margin of free production capacity seems to have widened somewhat. Managements' opinions on the future trend of production were distinctly less favourable: at the end of September, 23% of them expected activity to decline in the coming months, as against 13% at the end of May.

In the industries associated with building, demand slackened a little, stocks of finished products built up, and production expectations became comparatively pessimistic.

In FRANCE, the surveys suggest that the pressure of demand, both domestic and export, has eased slightly during the past few months: at the end of September, 61% of managements considered that their total order books "normal" or "above normal", as against 64% at the end of May. Export orders showed a similar trend. Stocks of finished products would appear to have contracted. Production expectations became somewhat less optimistic: at the end of September, 20% of managements expected the current rate of output to fall, as against 12% at the end of May. Price expectations pointed to the persistence of a marked upward trend.

In the industries associated with building, domestic demand lost momentum and stocks built up, but production expectations remained favourable.

In ITALY, growth in the capital goods industries has slowed down further during recent months. Demand, both domestic and export, has weakened: the percentage of managements which considered their total order books to be "below normal" rose from 52 at the end of May to 67 at the end of September. Stocks of finished products are reported to have been even higher than in recent months and the margin of free production capacity widened. Production expectations reflected managements' pessimism: at the end of September, 33% of managements expected the current rate of output to fall. Price expectations indicated a persistence of pressures.

In the industries associated with building, demand slowed down, stocks of finished products built up, and production expectations took a turn for the worse.

In BELGIUM, business in the capital goods sector has still lacked vigour in recent months. Managements nevertheless took a slightly more optimistic view of the trend of demand: at the end of August, 12% of them considered the total level of orders to be "above normal", as against 9% at the end of May. Stocks of finished products were said to be still at a high level, and industrialists reported that there was more free production capacity than previously. Production expectations worsened: at the end of September, 35% of managements expected activity to decline in the coming months, as against 19% at the end of May. The upward trend of selling prices continued.

In the industries associated with building, demand was more buoyant, stocks rose and production expectations remained pessimistic.

In the COMMUNITY AS A WHOLE, the latest surveys suggest that business in the capital goods sector was slack. Overall demand lost in vigour, for at the end of September 59% of managements questioned considered that their total order books were "normal" or "above normal", as against 67% at the end of May. Stocks of finished products were reported to be high. Production expectations reflected the growing pessimism of industrialists: at the end of September, 24% of them expected activity to decline, as against 15% at the end of May.

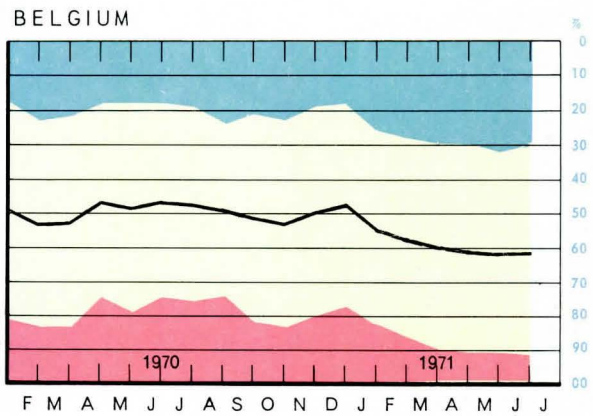
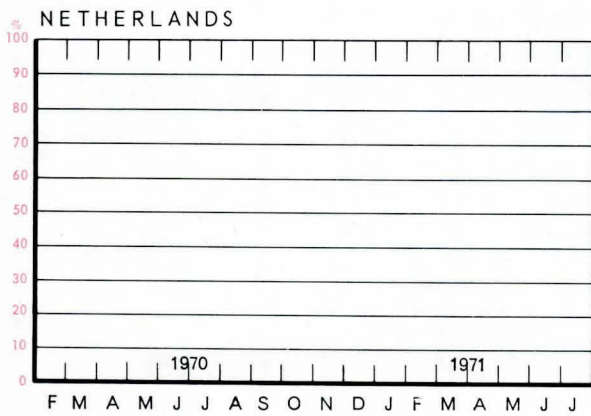
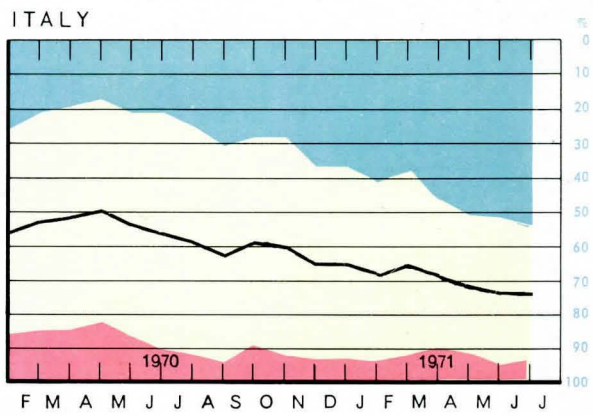
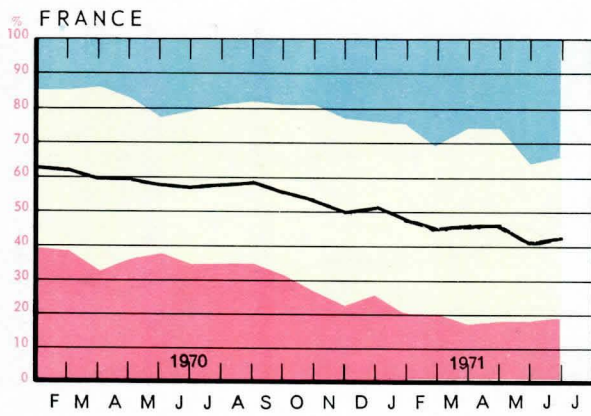
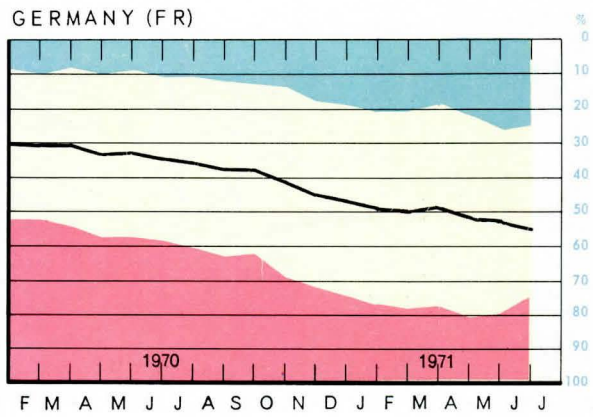
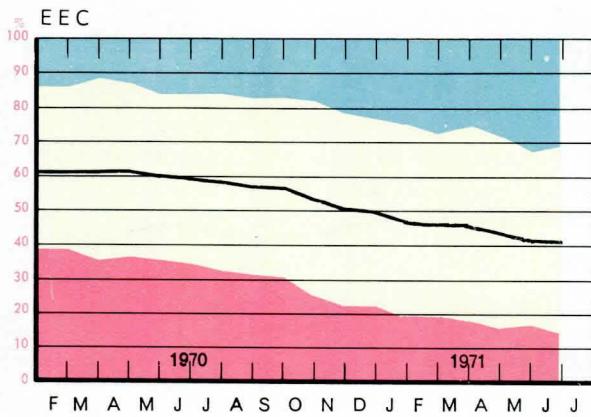
In the *commercial vehicle* industry, the level of orders on hand was low, stocks were reported to have contracted somewhat, and production expectations were not very favourable. In the *general equipment products* industry, order books shortened slightly, stocks were still high, and the trend of activity was less favourable. In *mechanical equipment (other than electrical)*, the flow of domestic and export orders slowed down, and managements took a pessimistic view of the future trend of production. In the *electrical equipment* industry, business was reported to have lost momentum, order books were shorter and production expectations deteriorated.

The figures are percentages of replies received

Country	Questions	1971	Assessments															Expectations									
			Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
			A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
GERMANY (FR)	+	19	20	16	13	13	8	7	8	7	5	14	15	15	15	17	10	8	7	7	6	8	8	8	12	23	
	=	58	54	59	59	57	72	67	70	70	62	76	77	76	76	75	81	79	78	80	73	90	89	89	85	75	
	-	23	26	25	28	30	20	26	22	23	33	10	8	9	9	8	9	13	15	13	21	2	3	3	3	2	
FRANCE	+	18	18	19	19	17	25	24	21	20	18	30	34	32	29	27	26	20	23	24	25	54	54	48	49	50	
	=	56	46	47	45	45	42	42	41	40	39	66	59	60	65	68	63	68	66	63	59	45	44	52	51	50	
	-	26	36	34	36	38	33	34	38	40	43	4	7	8	6	5	11	12	11	13	16	1	2	0	0	0	
ITALY	+	8	5	7	2	4	5	6	11	4	3	31	31	29	33	35	10	9	10	11	13	29	26	41	36	37	
	=	41	43	39	43	37	44	46	42	49	43	63	63	65	65	62	65	63	68	67	61	60	65	52	54	57	
	-	51	52	54	55	59	51	48	47	47	54	6	6	6	2	3	25	28	22	22	26	11	9	7	10	6	
NETHERLANDS	+																										
	=																										
	-																										
BELGIUM	+	9	9	8	10	12	6	4	7	10	6	25	35	25	25	26	11	12	15	18	14	25	31	21	32	31	
	=	61	59	62	61	63	67	66	66	62	69	64	55	64	66	66	62	69	57	57	58	72	65	75	66	66	
	-	30	32	30	29	25	27	30	27	28	25	11	10	11	9	8	27	19	28	25	28	3	4	4	2	3	
LUXEMBOURG	+	33	36	27	35	29	36	40	14	18	20	18	14	15	9	9	26	17	29	12	29	26	29	23	22	18	
	=	50	40	49	42	54	42	37	57	54	57	76	79	80	70	63	74	72	67	75	64	74	64	77	76	82	
	-	17	24	24	23	17	22	23	29	28	23	6	7	5	21	28	0	11	4	13	7	0	7	0	2	0	
EEC	+	16	17	15	13	13	10	9	11	9	7	22	24	23	22	23	15	12	13	14	14	27	26	26	28	34	
	=	56	50	53	53	51	63	60	61	62	56	70	69	69	71	70	72	73	72	71	66	70	70	71	69	64	
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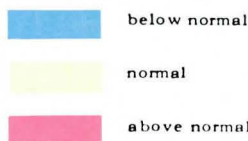
CAPITAL GOODS

Order-books



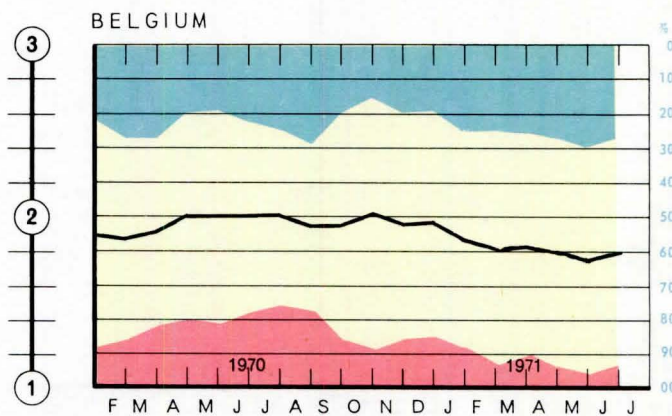
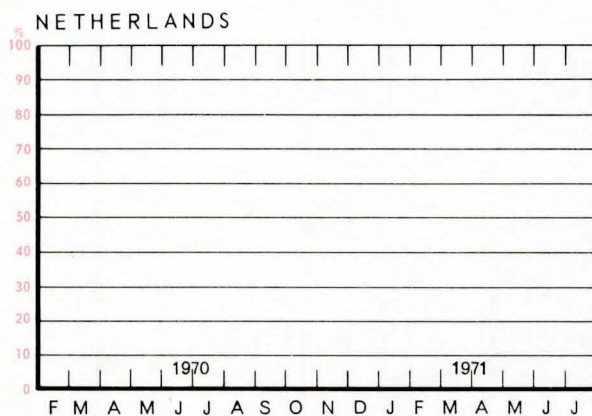
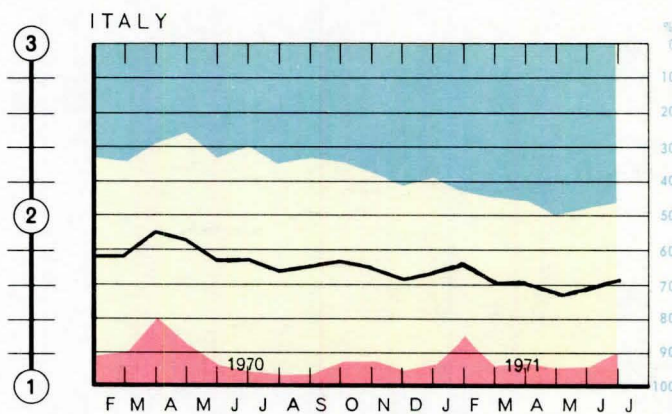
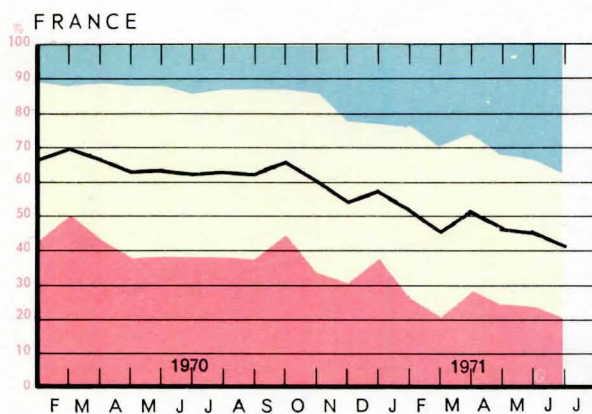
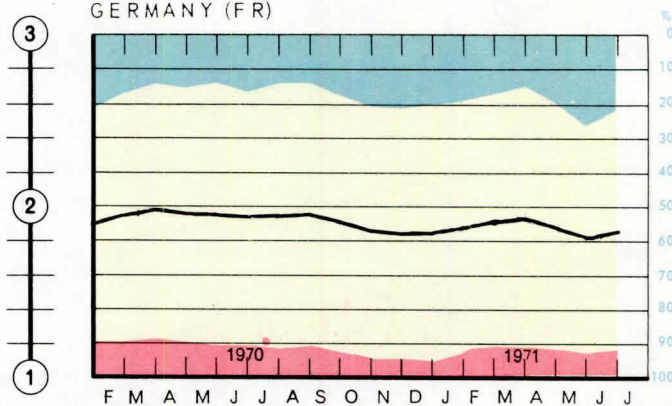
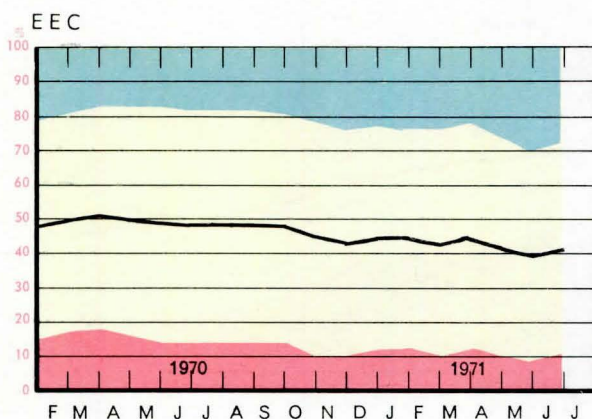
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- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



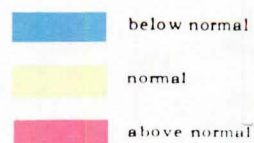
CAPITAL GOODS

Export order-books



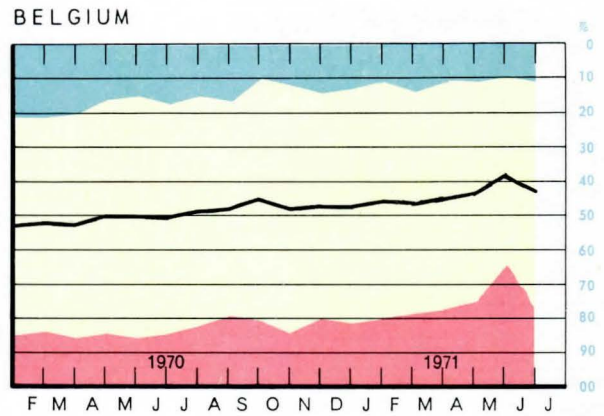
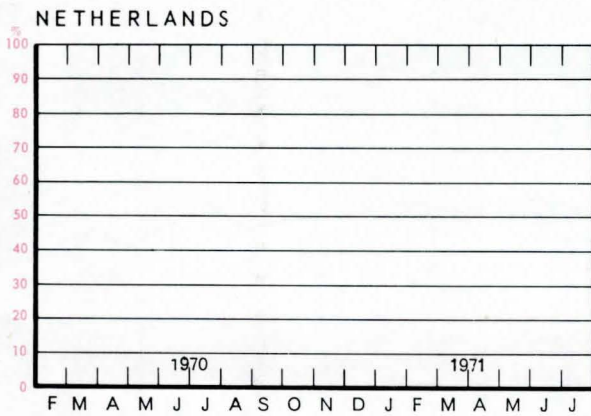
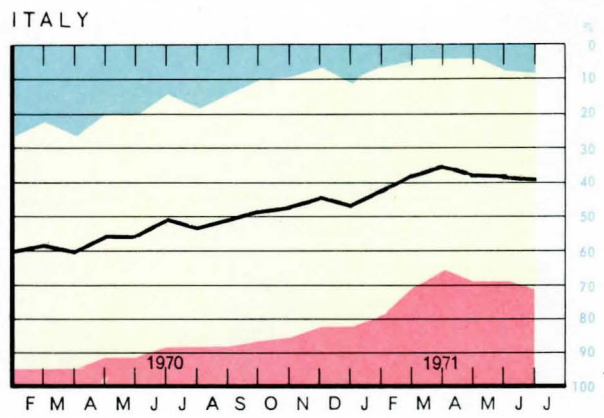
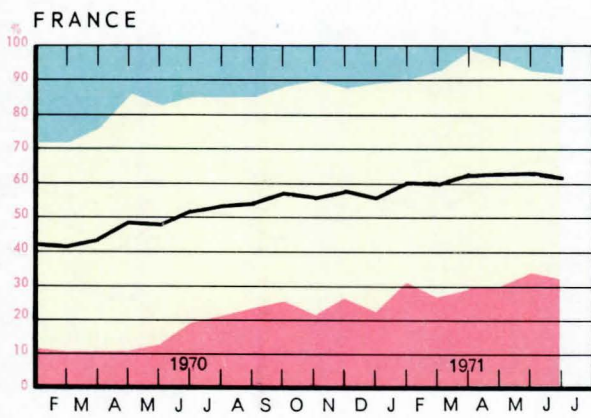
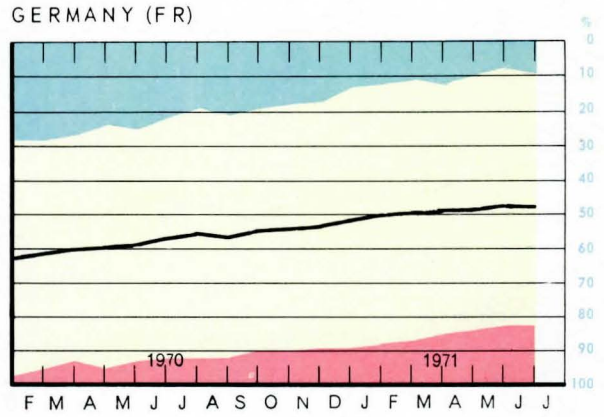
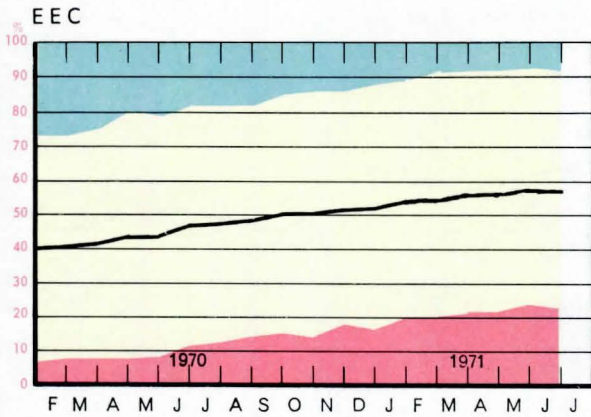
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal";



CAPITAL GOODS

Stocks of finished products



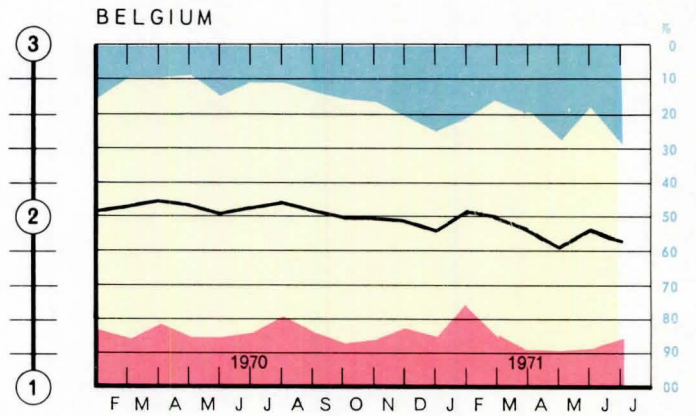
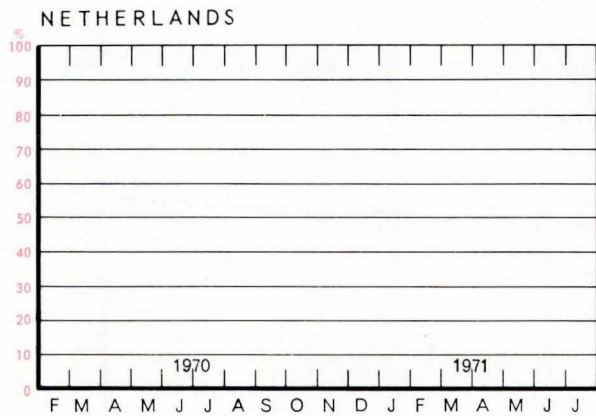
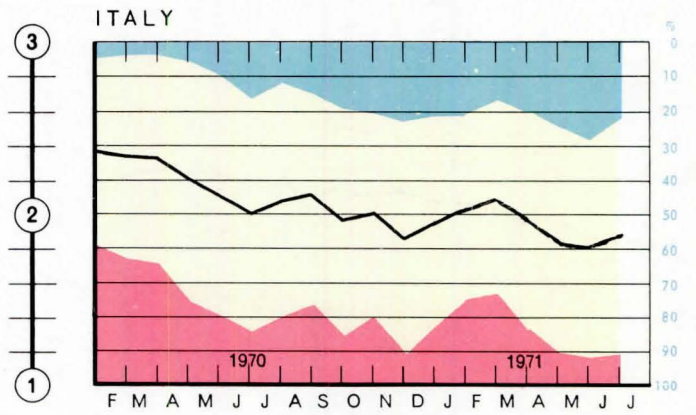
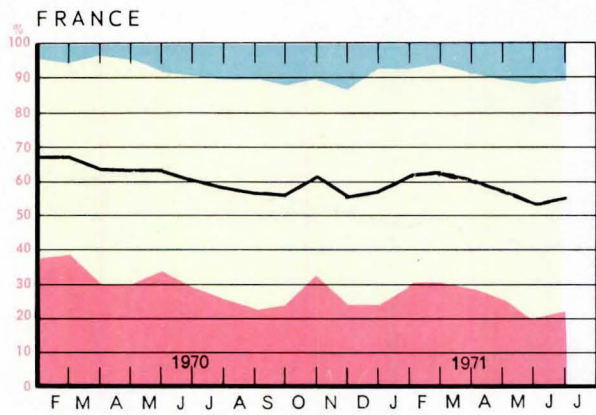
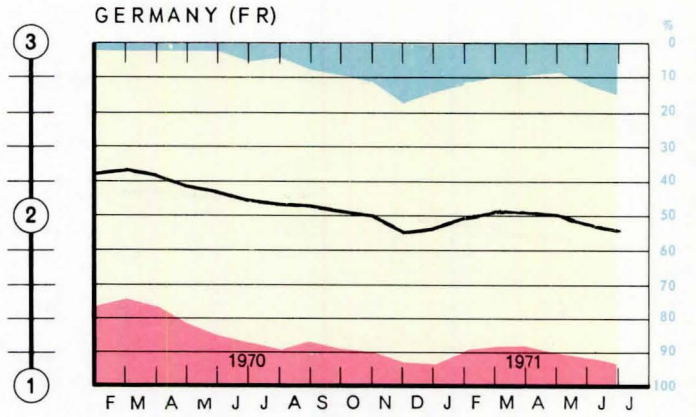
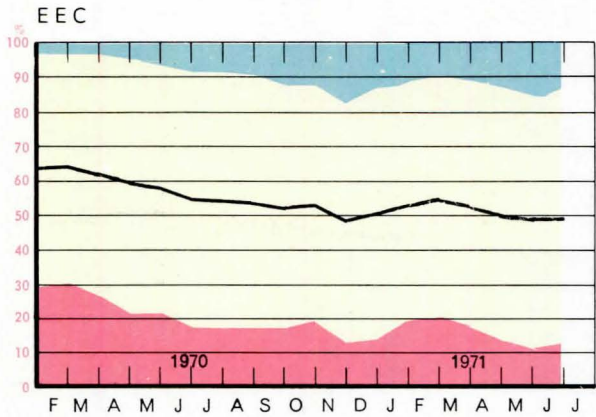
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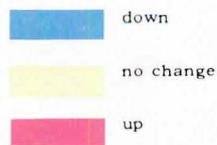
CAPITAL GOODS

Trend in production



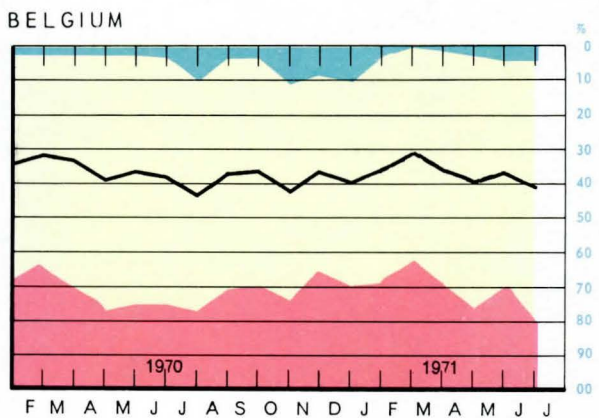
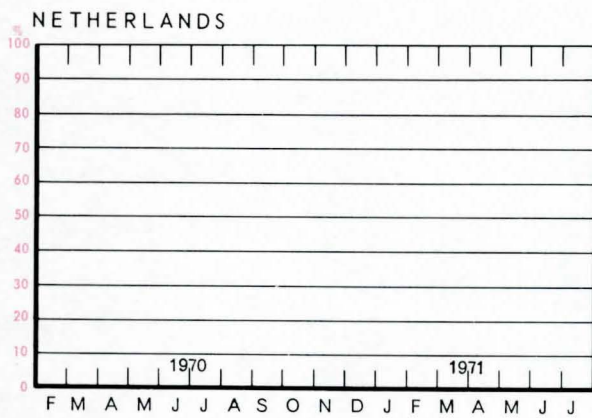
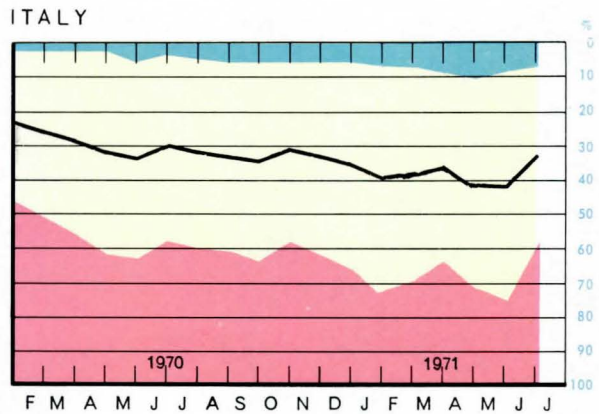
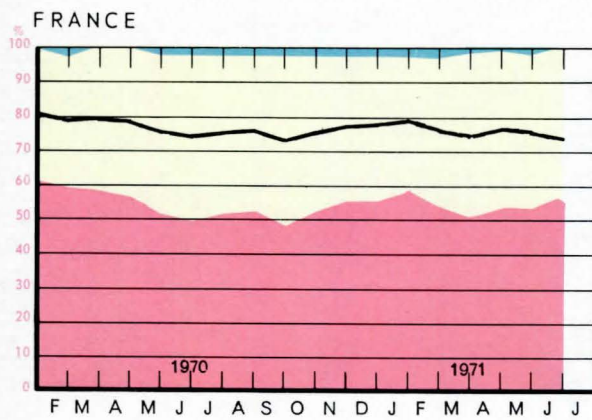
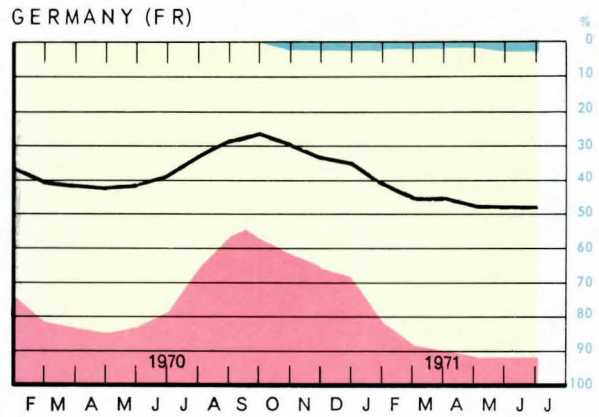
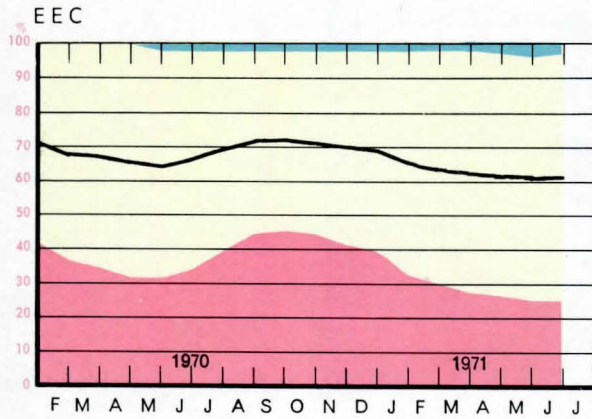
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.92 for the answer "no change";
by 0.01 for the answer "down".



CAPITAL GOODS

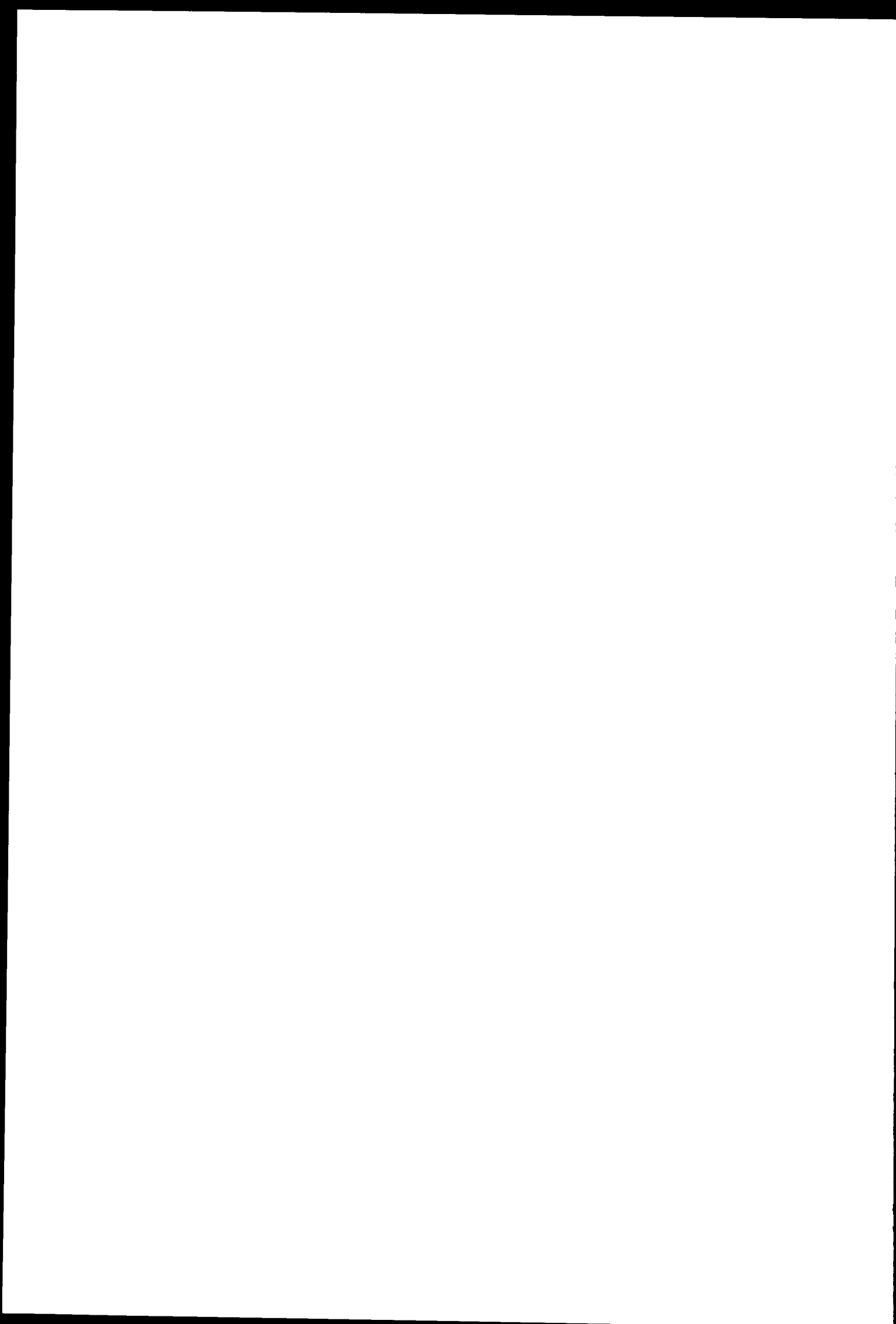
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

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by 0.01 for the answer "down".





INTERMEDIATE GOODS

In GERMANY, the situation in the intermediate goods sector has taken a turn for the worse during recent months. Reports on the state of total order books were less favourable: at the end of September, 51% of managements considered the total level of orders to be "normal" or "above normal", as against 57% at the end of May. Managements' views on the future trend of exports became pessimistic. Stocks of finished products were reported to have built up again. Production expectations tended downward: at the end of September, 35% of industrialists expected activity to decline in the months ahead, as against 14% at the end of May. Price expectations still foreshadowed an upward trend.

In FRANCE, the surveys suggest that expansion in the intermediate goods sector slowed down somewhat. At the end of September, 15% of managements considered their total order books to be "above normal", as against 18% at the end of May. The volume of export orders is thought to have fallen even more. Stocks of finished products contracted slightly. Managements took the view that the future trend of production would nevertheless be fairly favourable: at the end of September, 31% of them expected production to go up in the months ahead, as against 32% at the end of May.

In ITALY, business in the intermediate goods sector has still been slack during recent months. The weakness of domestic and export demand was reflected in industrialists' opinions on the state of their total order books: at the end of September, 65% of them considered that the level of their orders was "below normal", as against 53% at the end of May. The surveys suggest that stocks of finished products rose and the margin of free production capacity widened. Views on the future trend of production are uncertain although there is no evidence of the situation deteriorating: at the end of September as at the end of May, 12% of managements thought that the current rate of output would go up. Selling prices were expected to rise distinctly.

In BELGIUM, the latest surveys reflected a slowdown in the pace of expansion in the intermediate goods sector. Managements' opinions on the order situation deteriorated: at the end of September, 30% of them considered the level of their total order books to be "below normal", as against 21% at the end of May. For export orders, the corresponding percentages were 36 and 20. During the same period stocks of finished products remained at a high level. At the end of September, 33% of industrialists expected the current rate of activity to slow down, as against 15% at the end of May. The pressure on selling prices has eased somewhat.

In the COMMUNITY AS A WHOLE, the surveys suggest that in the intermediate goods sector the trend lost momentum. The volume of orders on hand fell: at the end of September, 46% of managements considered the level of total orders to be "below normal", as against 41% at the end of May. During the same period stocks of finished products were reported to have built up. Production trends showed that industrialists were less optimistic about the future.

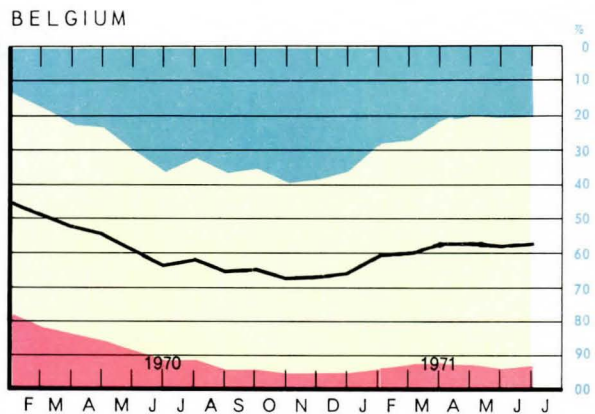
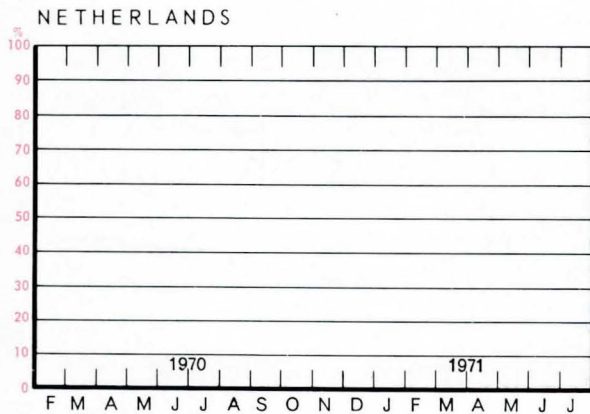
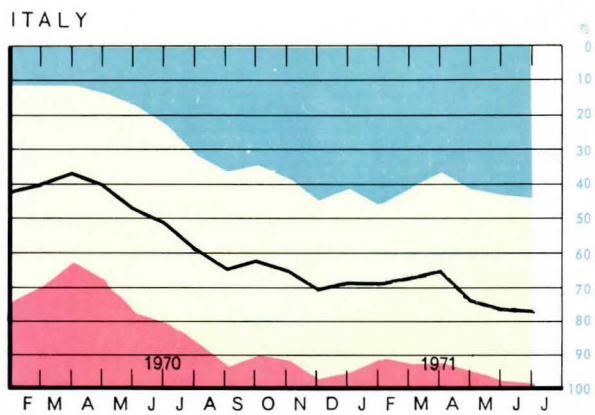
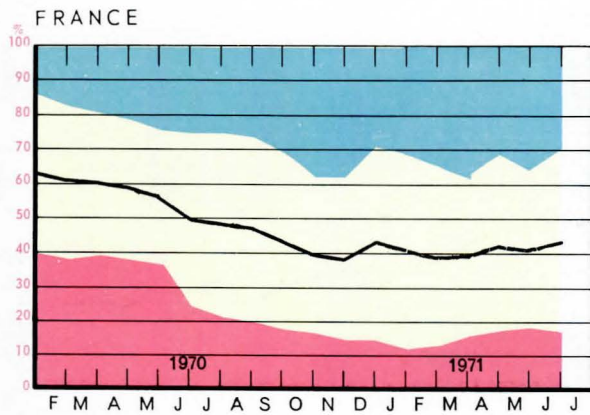
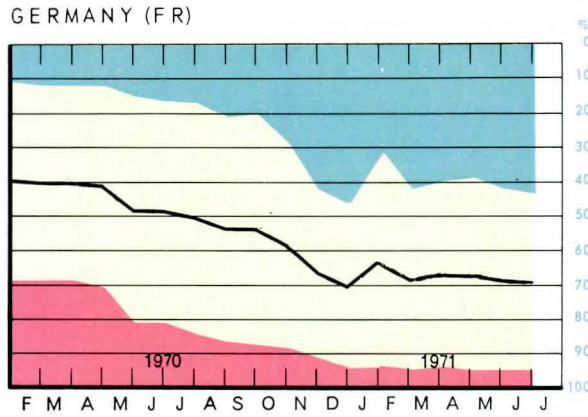
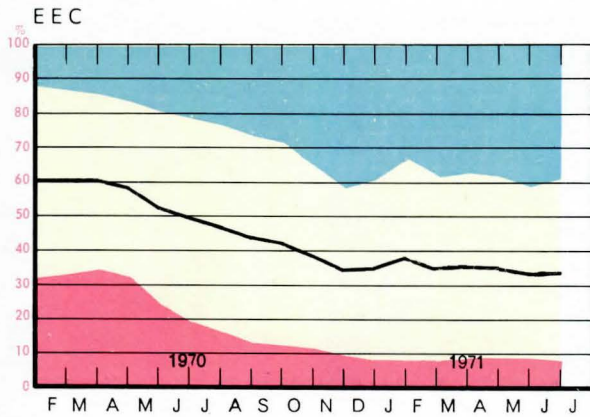
In the *iron and steel products industry (including primary processing)*, demand was less buoyant, and managements expected production to decline. In the *non-ferrous metals industry*, order books were short and production forecasts less optimistic. In *wood and printing*, demand was sluggish but stocks were reported to have contracted somewhat and production expectations picked up slightly. In *chemicals*, order books were still short and production expectations had hardly changed.

The figures are percentages of replies received

Country	Questions	1971	Assessments															Expectations									
			Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
			A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
GERMANY (FR)	+		5	5	5	5	4	12	21	28	9	8	19	17	20	19	26	7	4	8	12	12	20	17	17	14	19
	=		56	53	52	53	50	76	59	60	74	52	79	82	78	78	71	84	82	81	78	63	73	77	79	82	76
	-		39	42	43	42	46	12	20	12	17	40	2	1	2	3	3	9	14	11	10	25	7	6	4	4	5
FRANCE	+		17	18	17	17	15	24	26	23	22	20	29	29	24	25	24	31	32	26	29	32	38	42	36	33	30
	=		51	46	53	52	52	48	47	47	48	50	63	62	66	64	64	62	58	65	62	59	57	53	60	64	67
	-		32	36	30	31	33	28	27	30	30	30	8	9	10	11	12	7	10	9	9	9	5	5	4	3	3
ITALY	+		5	2	1	1	3	1	3	1	1	1	35	23	34	37	41	7	12	10	9	17	20	18	25	28	29
	=		43	45	45	45	39	46	48	47	51	47	61	67	61	57	56	70	63	67	72	66	67	64	56	60	63
	-		52	53	54	54	58	53	49	52	48	52	4	5	5	6	3	23	25	23	19	17	13	18	19	12	8
NETHERLANDS	+																										
	=																										
	-																										
BELGIUM	+		7	6	7	6	5	5	9	9	9	7	18	15	13	16	16	12	13	9	9	9	24	23	20	17	16
	=		73	73	72	74	69	75	71	67	67	61	78	80	81	79	78	75	72	69	74	67	72	71	69	69	66
	-		20	21	21	20	26	20	20	24	24	32	4	5	6	5	6	13	15	22	17	24	4	6	11	14	18
LUXEMBOURG	+		6	4	4	4	1	6	4	4	4	0	2	2	2	2	1	3	4	1	1	3	92	87	5	2	3
	=		94	87	87	87	91	94	87	87	87	91	98	98	97	97	98	97	96	99	99	94	8	13	95	98	97
	-		0	9	9	9	8	0	9	9	9	9	0	0	1	1	1	0	0	0	0	3	0	0	0	0	0
EEC	+		9	9	8	8	7	12	17	19	11	9	25	22	23	24	27	15	15	14	16	19	27	26	24	23	24
	=		53	50	53	53	51	65	57	57	63	54	71	74	72	70	67	74	70	73	72	63	66	66	69	71	71
	-		38	41	39	39	42	23	26	24	26	37	4	4	5	6	6	11	15	13	12	18	7	8	7	6	5

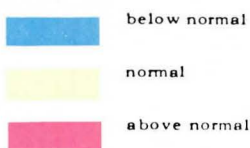
INTERMEDIATE GOODS

Order-books



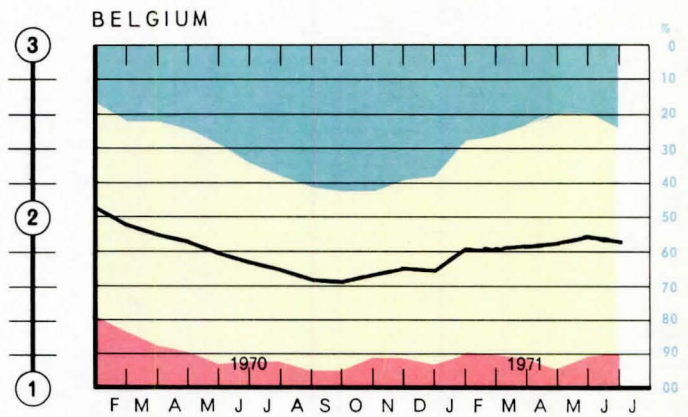
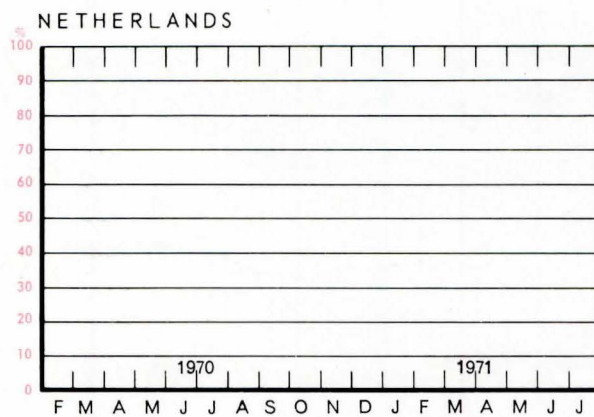
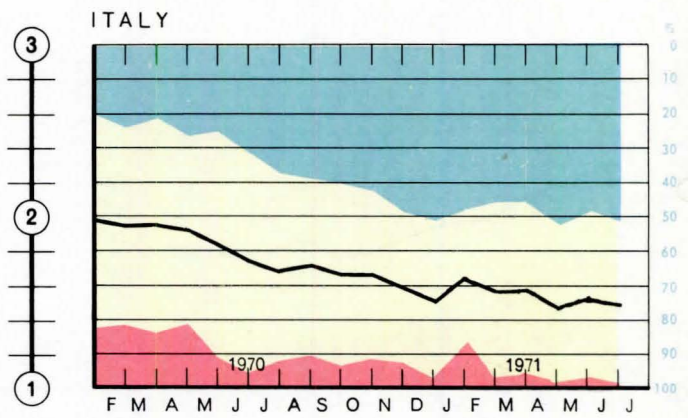
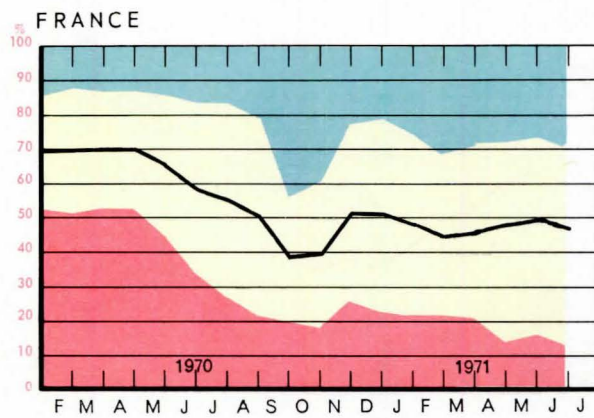
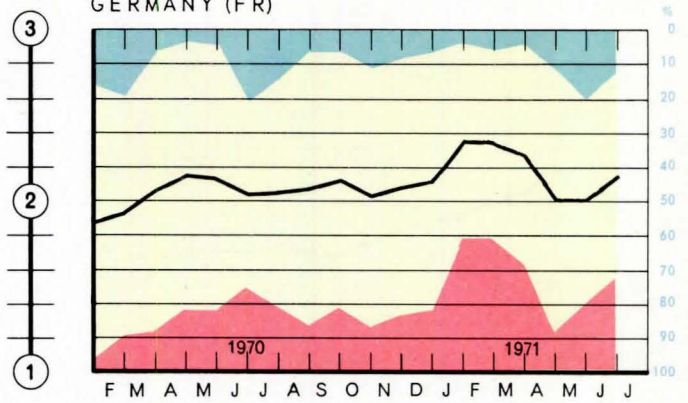
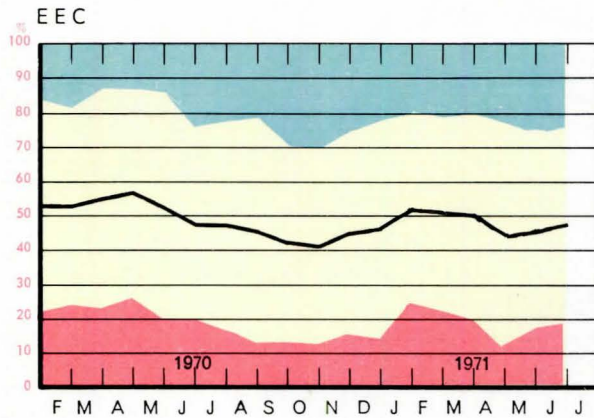
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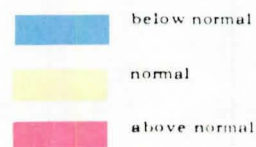
INTERMEDIATE GOODS

Export order-books



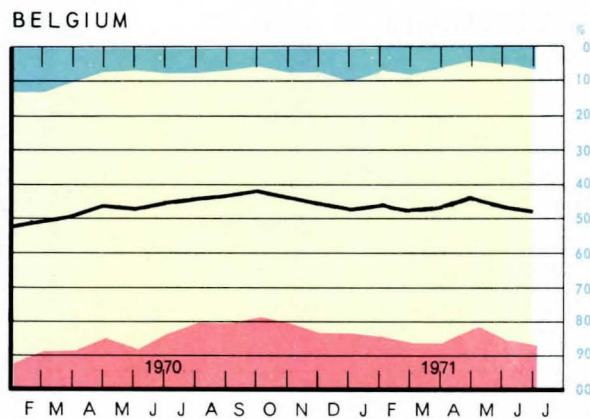
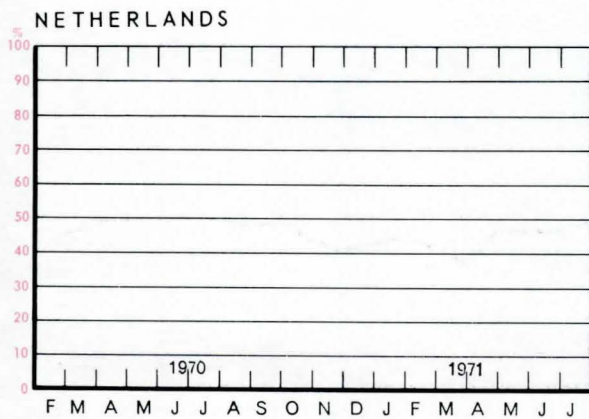
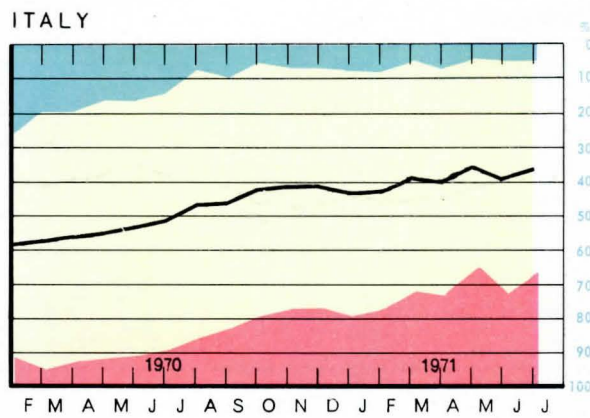
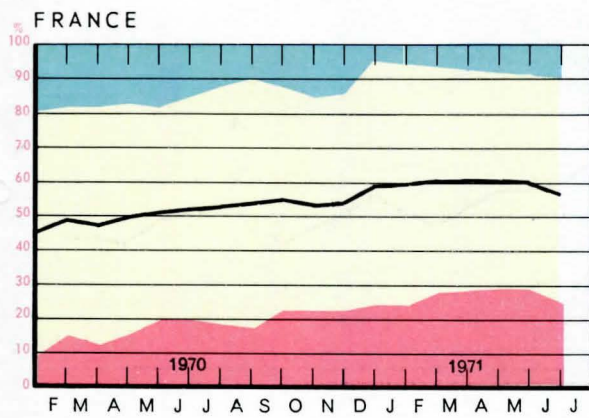
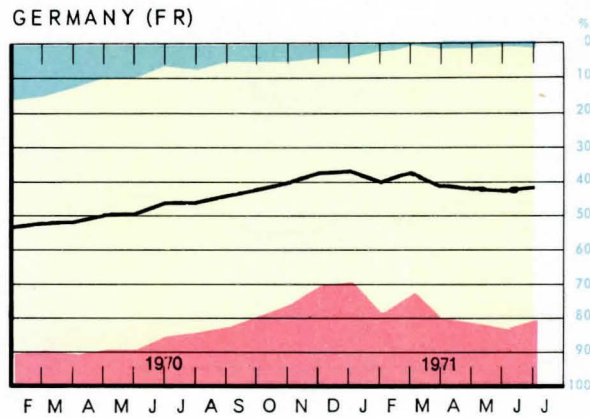
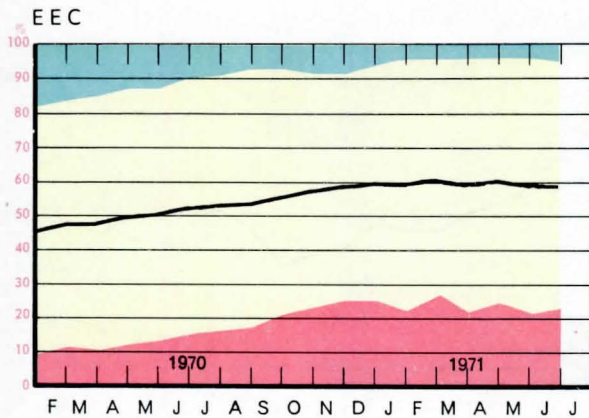
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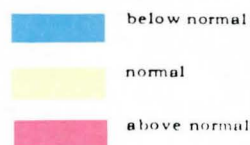
INTERMEDIATE GOODS

Stocks of finished products



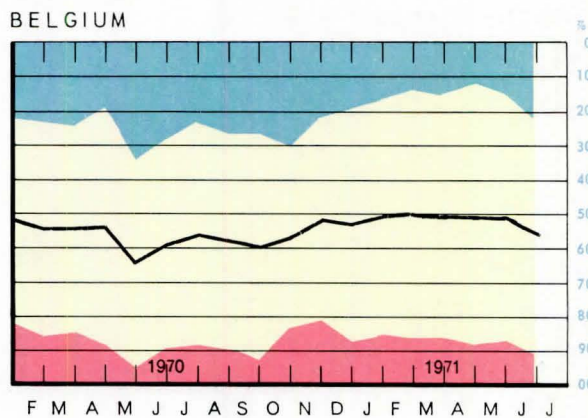
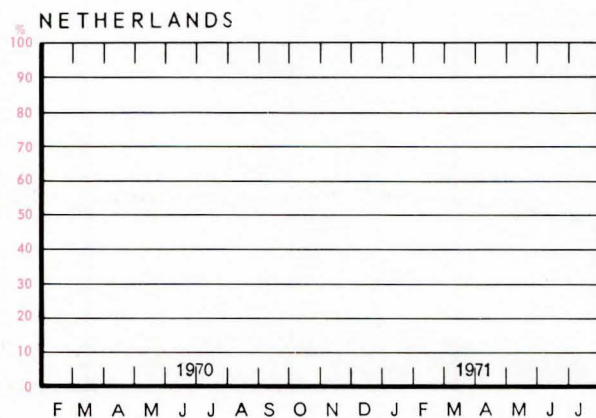
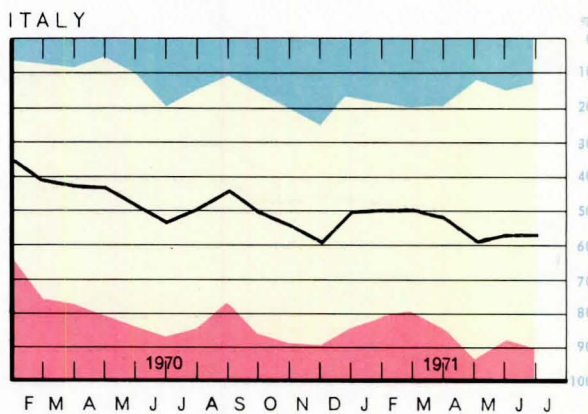
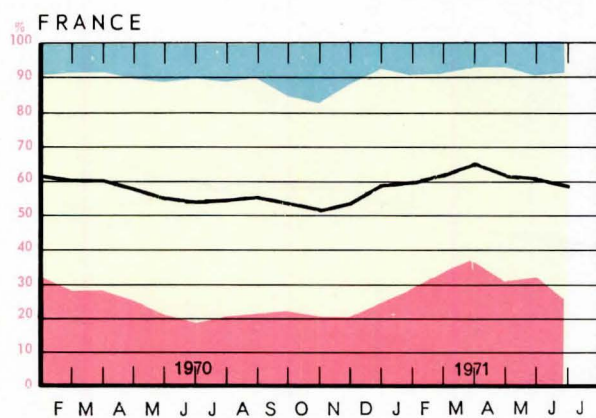
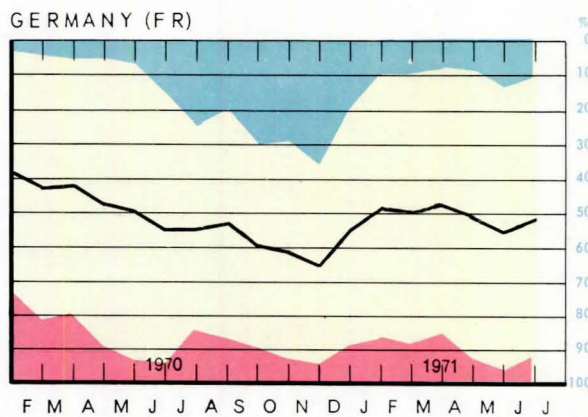
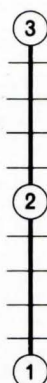
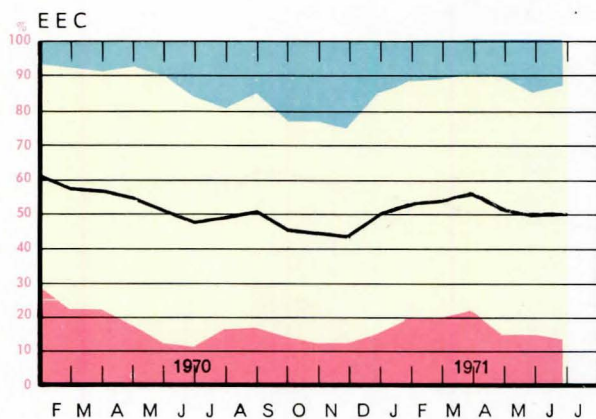
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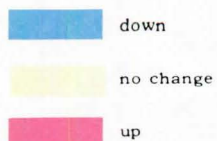
INTERMEDIATE GOODS

Trend in production



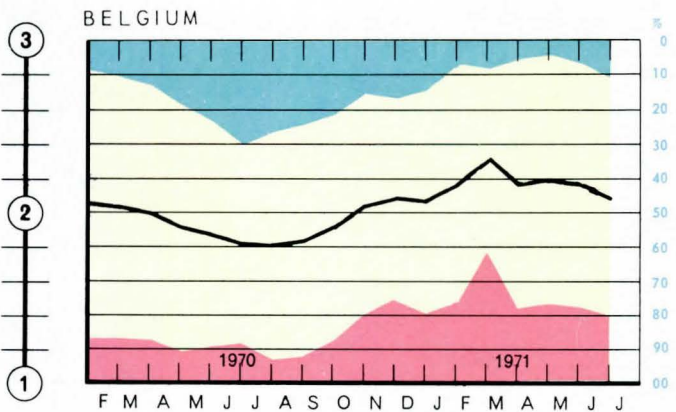
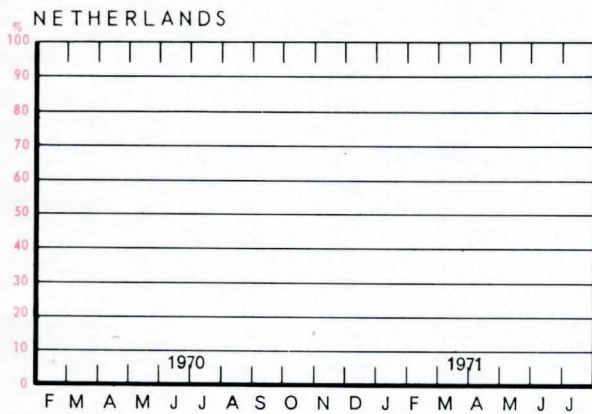
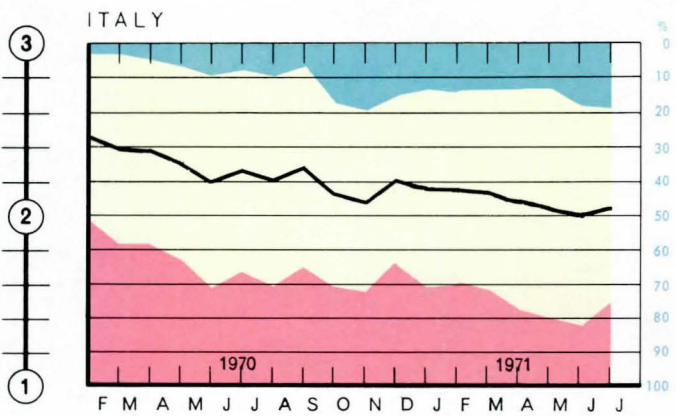
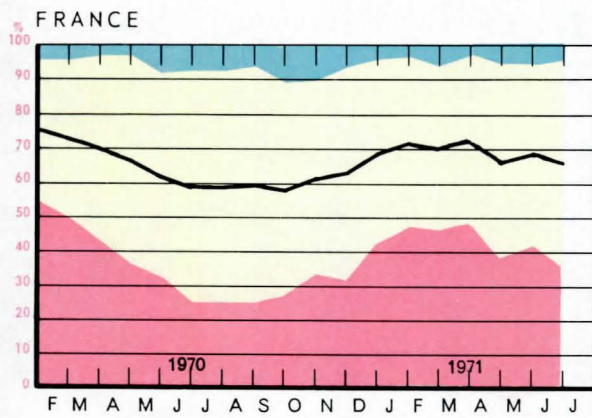
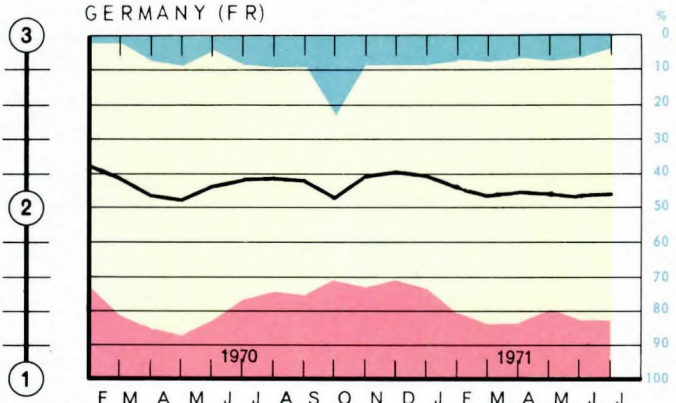
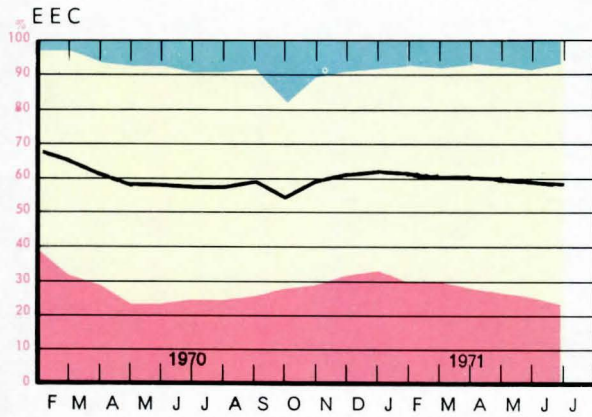
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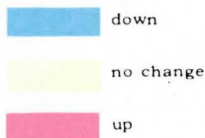
INTERMEDIATE GOODS

Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

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 by 0.01 for the answer "down"



The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The document provides a detailed list of items that should be tracked, such as inventory levels, accounts payable, and accounts receivable. It also outlines the procedures for recording these transactions, including the use of double-entry bookkeeping to ensure that the books balance.

The second part of the document focuses on the analysis of the financial data. It explains how to calculate key financial ratios and metrics, such as the gross profit margin, operating profit margin, and return on investment. These calculations are essential for understanding the company's financial performance and identifying areas for improvement. The document also discusses the importance of comparing the company's performance to industry benchmarks and providing a clear explanation of the reasons for any variances.

The final part of the document covers the preparation of financial statements. It provides a step-by-step guide to creating the income statement, balance sheet, and cash flow statement. It also discusses the importance of auditing the financial statements to ensure their accuracy and reliability. The document concludes by emphasizing the role of financial reporting in decision-making and the overall success of the business.

RESULTS BY BRANCH OF INDUSTRY AT COMMUNITY LEVEL

The figures are percentages of replies received

Questions Sector	1971	Assessments															Expectations									
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
1. Textiles	+	16	16	14	15	12	12	12	12	10	10	41	36	32	33	35	13	12	13	17	19	45	47	43	41	42
	=	46	47	52	51	48	51	50	52	53	49	55	56	62	62	59	70	69	72	68	64	50	47	53	54	52
	-	38	37	34	34	40	37	38	36	37	41	4	8	6	5	6	17	19	15	15	17	5	6	4	5	6
2. Garments and knitted and crocheted goods	+	23	24	21	20	21	15	10	15	12	12	32	33	32	30	29	17	12	15	16	17	36	39	40	44	44
	=	56	52	56	56	53	39	47	41	48	44	61	63	61	65	63	68	76	76	75	72	63	58	59	55	56
	-	21	24	23	24	26	46	43	44	40	44	7	4	7	5	8	15	12	9	9	11	1	3	1	1	0
3. Leather and footwear	+	13	15	18	12	11	9	9	12	10	5	20	24	24	23	21	23	17	24	24	26	36	37	38	36	40
	=	58	58	60	60	57	45	40	42	48	51	74	71	68	69	69	64	73	64	62	59	64	62	61	63	60
	-	29	27	22	28	32	46	51	46	42	44	6	5	8	8	10	13	10	12	14	15	0	1	1	1	0
4. Wood and cork	+	8	5	11	11	10	6	4	5	5	4	31	31	28	29	27	16	14	12	17	21	32	31	25	24	25
	=	54	58	55	55	50	59	63	58	62	59	63	65	68	64	65	72	72	75	73	68	63	60	70	69	67
	-	38	37	34	34	40	35	33	37	33	37	6	4	4	7	8	12	14	13	10	11	5	9	5	7	8
5. Furniture	+	20	19	18	20	21	7	22	15	24	23	20	19	19	24	21	19	20	19	38	31	17	17	23	25	30
	=	56	55	55	51	51	79	61	73	56	53	70	76	75	69	72	70	73	72	57	64	82	83	77	75	70
	-	24	26	27	29	28	14	17	12	20	24	10	5	6	7	7	11	7	9	5	5	1	0	0	0	0
6. Paper	+	6	7	7	7	5	15	12	8	9	4	41	39	35	37	39	17	15	16	21	26	26	27	29	32	30
	=	40	35	40	43	42	43	41	50	56	59	54	57	60	59	57	65	66	63	66	60	66	64	62	63	66
	-	54	58	53	50	53	42	47	42	35	37	5	4	5	4	4	18	19	21	13	14	8	9	9	5	4
7. Printing	+	6	4	7	8	10	1	0	0	0	0	15	4	15	15	14	9	11	13	14	17	21	21	20	22	26
	=	58	62	58	60	57	70	71	77	72	69	79	95	80	77	75	81	69	69	71	71	77	76	77	77	72
	-	36	34	35	32	33	29	29	23	28	31	6	1	5	8	11	10	20	18	15	12	2	3	3	1	2
8. Processing of plastics	+	13	12	11	15	13	15	7	6	8	5	16	14	20	16	16	23	21	22	26	24	30	25	22	25	26
	=	57	57	58	56	56	68	71	68	74	65	73	78	68	70	69	70	65	60	62	62	69	73	76	71	71
	-	30	31	31	29	31	17	22	26	18	30	11	8	12	14	15	7	14	18	12	14	1	2	2	4	3
9. Chemicals	+	6	9	8	7	6	15	8	15	15	14	22	21	22	19	24	15	17	14	27	28	28	16	18	18	13
	=	64	63	65	72	67	58	63	66	61	55	72	70	67	74	71	80	67	81	67	67	54	76	74	78	85
	-	30	28	27	21	27	27	29	19	24	31	6	9	11	7	5	5	16	5	6	5	18	8	8	4	2
10. Petroleum	+	6	5	3	4	4	4	0	7	7	7	17	14	36	46	47	16	21	27	25	32	47	36	26	17	31
	=	81	73	63	58	65	90	74	65	80	78	79	86	64	43	41	68	69	65	74	60	51	37	53	79	69
	-	13	22	34	38	31	6	26	28	13	15	4	0	0	11	12	16	10	8	1	8	2	27	21	4	0
11. Building materials, pottery, glassware	+	7	12	11	10	9	9	9	15	18	7	30	30	32	32	35	18	11	14	11	11	29	26	19	20	22
	=	53	49	50	49	46	66	74	66	64	61	62	59	56	56	54	71	75	72	73	68	67	69	76	74	74
	-	40	39	39	41	45	25	17	19	18	32	8	11	12	12	11	11	14	14	16	21	4	5	5	6	4
12. + 13. Iron and steel Primary processing of iron and steel	+	8	7	8	8	5	11	36	35	11	9	15	14	11	12	20	11	15	7	7	7	9	14	12	11	9
	=	45	36	39	39	39	82	55	53	77	51	84	86	87	86	80	80	76	81	83	56	87	81	81	79	81
	-	47	57	53	53	56	7	9	12	12	40	1	0	2	2	0	9	9	12	10	37	4	5	7	10	10

RESULTS BY BRANCH OF INDUSTRY AT COMMUNITY LEVEL (cont'd)

The figures are percentages of replies received

Questions Sector	1971	Assessments															Expectations									
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A	A	M	J	J	A
14. Metal consumer articles	+ = -	12 9 11 12 14 55 56 54 60 53 33 35 35 28 33	12 9 11 21 17 66 64 65 49 45 22 27 24 30 38	25 37 26 21 21 66 54 65 66 64 9 9 9 13 15	13 17 17 19 18 71 69 75 68 67 16 14 8 13 15	17 18 24 29 38 80 80 75 70 61 3 2 1 1 1																				
15. General equipment	+ = -	16 17 17 16 17 56 52 56 58 54 28 31 27 26 29	9 7 8 6 6 59 61 67 66 60 32 32 25 28 34	19 21 19 17 19 75 72 73 75 73 6 7 8 8 8	16 11 11 14 13 71 73 75 74 71 13 16 14 12 16	24 24 24 28 34 73 71 73 69 61 3 5 3 3 5																				
16. Mechanical equipm. (other than electrical)	+ = -	15 15 11 11 11 52 43 48 46 44 33 42 41 43 45	8 8 12 7 8 60 53 53 58 47 32 39 35 35 45	26 31 29 28 28 67 61 63 66 67 7 8 8 6 5	10 8 8 9 9 73 73 72 71 66 17 19 20 20 25	26 26 25 32 40 73 72 74 67 59 1 2 1 1 1																				
17. Domestic electric appliances, radio, television	+ = -	5 3 6 8 10 52 52 52 53 57 43 45 42 39 33	4 7 12 10 55 61 65 66 64 41 38 28 22 26	40 44 42 36 32 56 52 53 57 61 4 4 5 7 7	11 11 4 13 17 65 58 77 69 69 24 31 19 18 14	21 26 28 39 42 74 69 68 58 56 5 5 4 3 2																				
18. Electrical equipment	+ = -	23 23 24 16 16 55 51 55 62 60 22 26 21 22 24	10 10 8 8 6 73 75 76 77 75 17 15 16 15 19	22 21 19 19 21 71 76 77 75 75 7 3 4 6 4	22 21 19 22 21 70 65 67 67 61 8 14 14 11 18	24 24 21 22 30 73 71 76 74 69 3 5 3 4 1																				
19. Motor vehicle industry	+ = -	24 20 16 9 16 63 63 76 76 72 13 17 8 15 12	21 16 23 11 9 53 56 48 57 57 26 28 29 32 34	8 9 9 10 10 63 60 67 73 47 29 31 24 17 43	29 19 30 19 25 67 72 53 68 62 4 9 17 13 13	18 22 39 25 27 82 77 61 75 73 0 1 0 0 0																				
20. Shipbuilding, aircraft manufacturing, railway and tramway rolling stock	+ = -	22 20 17 15 16 69 69 65 58 51 9 11 18 27 33	18 19 11 16 10 65 49 50 44 37 17 32 39 40 53	10 10 6 7 5 90 90 94 93 95 0 0 0 0 0	7 9 10 13 19 85 85 84 84 77 8 6 6 3 4	48 51 56 53 55 46 44 42 38 45 6 5 2 9 0																				
21. Precision and optical instruments, watches and clocks	+ = -	13 13 16 13 11 50 49 45 51 50 37 38 39 36 39	16 14 16 16 10 60 60 55 59 46 24 26 29 25 44	33 30 29 28 27 57 61 62 62 63 10 9 9 10 10	17 18 18 20 15 72 69 67 70 69 11 13 15 10 16	14 20 15 19 23 85 79 85 81 77 1 1 0 0 0																				
B. Rubber	+ = -	13 2 6 6 6 78 86 73 72 71 9 12 21 22 23	14 18 28 21 13 78 74 64 65 50 8 8 8 14 37	27 31 21 22 22 67 66 75 64 63 6 3 4 14 15	25 10 20 17 23 70 88 65 63 61 5 2 15 20 16	44 70 53 34 31 56 30 46 66 69 0 0 1 0 0																				
C. Non-ferrous metals industry	+ = -	4 4 3 3 2 42 36 30 30 27 54 60 67 67 71	3 3 1 2 0 52 47 46 44 44 45 50 53 54 56	22 29 31 30 30 77 70 67 65 66 1 1 2 5 4	16 11 9 12 14 64 67 66 69 63 20 22 25 19 23	13 15 16 19 19 65 66 62 61 67 22 19 22 20 14																				
Total of industry	+ = -	13 12 12 11 11 55 53 54 55 53 32 35 34 34 36	12 13 16 11 9 62 58 57 61 54 26 29 27 28 37	24 24 23 23 25 69 69 70 70 66 7 7 7 7 9	16 14 15 17 18 72 72 71 71 65 12 14 14 12 17	26 27 27 26 29 69 68 68 70 68 5 5 5 4 3																				