

Commission of the  
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Directorate-General  
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## Economic prospects - business survey results

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**Continued weakening of the business outlook.** — The business climate indicator for Community industry fell by a further half percentage point in February, according to the most recent survey results. Judgements on order-book and stock levels were stable in February by comparison with January but the chief executives covered by the survey reported a slight weakening in the industrial production outlook (see Graph 1 and Table 1). There was a rise of 2 percentage points, in February, in the Community indicator of industrial selling-price expectations.

Looking at the trend of the survey results for the Community as a whole (Graph 1), it is clear that the recovery in business confidence which started in the final months of 1977, reached a peak early in the third quarter of 1979 and has been on the decline since then. Community industrial production entered its current expansionary phase at the beginning of 1978 and was still rising at the end of 1979 (see Graph 1), but the survey results suggest that the trend of industrial production will soon weaken.

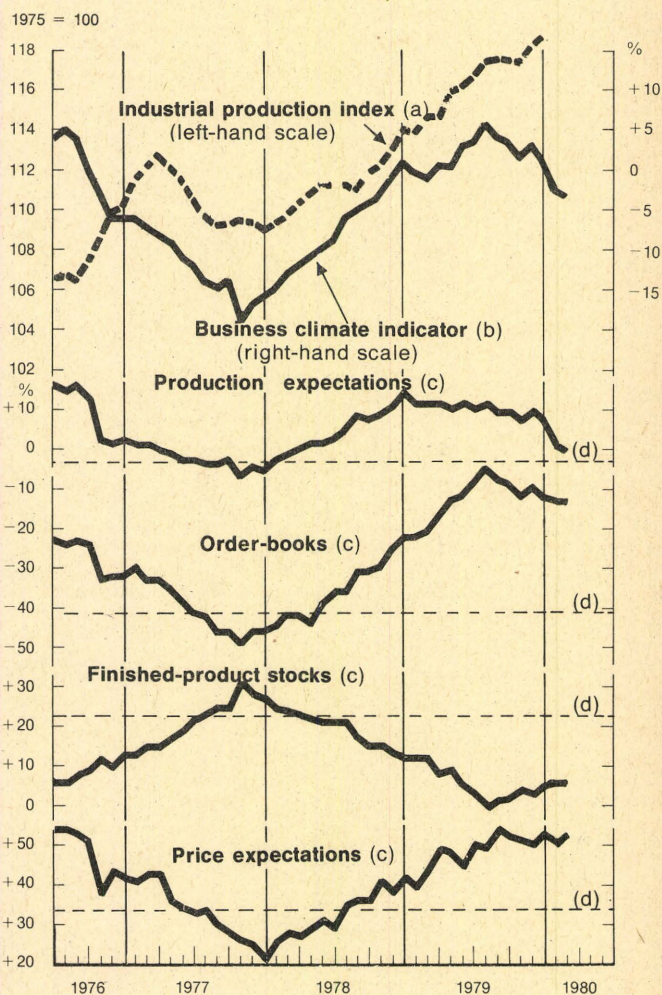
The clear deterioration in the outlook for production in the Community's consumer-goods industries (–10 percentage points since November 1979 — see Table 2 and Graph 2) is further evidence that a peak and subsequent weakening in industrial production as a whole may be near. In addition the production outlook in the investment goods industries is now also deteriorating (a decline of 6 percentage points since December), even though the capital-goods industries are normally the last to be affected by cyclical turning-points (see Graph 3 and Table 2).

As regards individual branches of industry, the production outlook improved in February in the textile, metallurgical, ceramics and mechanical engineering industries but deteriorated in mineral-oil refining, chemicals, electrical engineering and, rather sharply, in the motor vehicle industry (see Table 3). Order-books fell significantly in the mineral-oil refining sector and weakened also in the textile and metallurgical industries. Stocks are reported higher in the textile, mineral-oil refining, metallurgical, chemical and mechanical engineering sectors.

**The industrial business climate in the Member States.** — The industrial business climate stabilized in February in the Federal Republic of Germany and the United Kingdom but deteriorated somewhat in France, Ireland and the Benelux region. There was an improvement in the general business climate of Italian industry. Industrial production expectations in the Federal Republic of Germany were unchanged in February by comparison with the January survey, a net balance of –3% of German chief executives expecting that production would weaken in the next three or four

Note: The main statistical measure used to summarize the results of the European Community business surveys is the difference between the percentages of respondents giving 'positive' and 'negative' replies to questions. Increasing or upward trends in production, order-book, stocks and selling prices are all counted as 'positive' (+ in the tables) and vice versa for 'negative' responses (– in the tables). For the purpose of interpretation, an increase in stocks is considered to be a negative development, and vice versa. The differences between the percentages of 'positive' and 'negative' responses are called in the text 'majorities' or 'net balances' (of  $\pm$ ....%). The monthly and quarterly data in Tables 1, 2 and 3 and 4 are seasonally adjusted, except where otherwise stated.

GRAPH 1: Business survey indicators for manufacturing industry and the index of industrial production - EC total



For notes, see overleaf, column 1.



months. German industrialists' judgements on the level of total order-books were also unchanged in February but there was some weakening (-3 percentage points) in their assessment of the export order situation.

French industrialists reported in February a somewhat less optimistic outlook for industrial production: between January and February, there was a fall of 5 percentage points in the net balance of chief executives who expected production to rise in the near future. Total order-books in French industry were judged to be somewhat weaker in February than in January and finished stock levels were marginally higher.

By contrast with the other countries covered by the surveys, production expectations in Italian industry improved (by 6 percentage points) between January and February. It should be noted, however, that this increase of optimism still leaves the level of production expectations somewhat below that reached in the final quarter of 1979. Surprisingly, in view of the improvement in production expectations, total order-books—and export order-books—have weakened in Italy according to the February survey; there was a fall of 6 percentage points in the number of chief executives who felt that order-books were above normal and an increase of 8% in the number of industrialists who felt that export order-books were below normal. Moreover, finished-stock levels in Italian industry rose significantly between January and February.

Production expectations in UK industry declined further in February from the already low January level: a decline of 17 percentage points in January was followed by a further weakening of 3 percentage points in the February survey, probably related to industrial relations' problems in the steel industry. Order-book assessments by UK industrialists have recovered substantially by comparison with the January results but are still the most pessimistic in the Community. This applies also to export order-books, for which the net balance of replies improved by 14 percentage points between January and February.

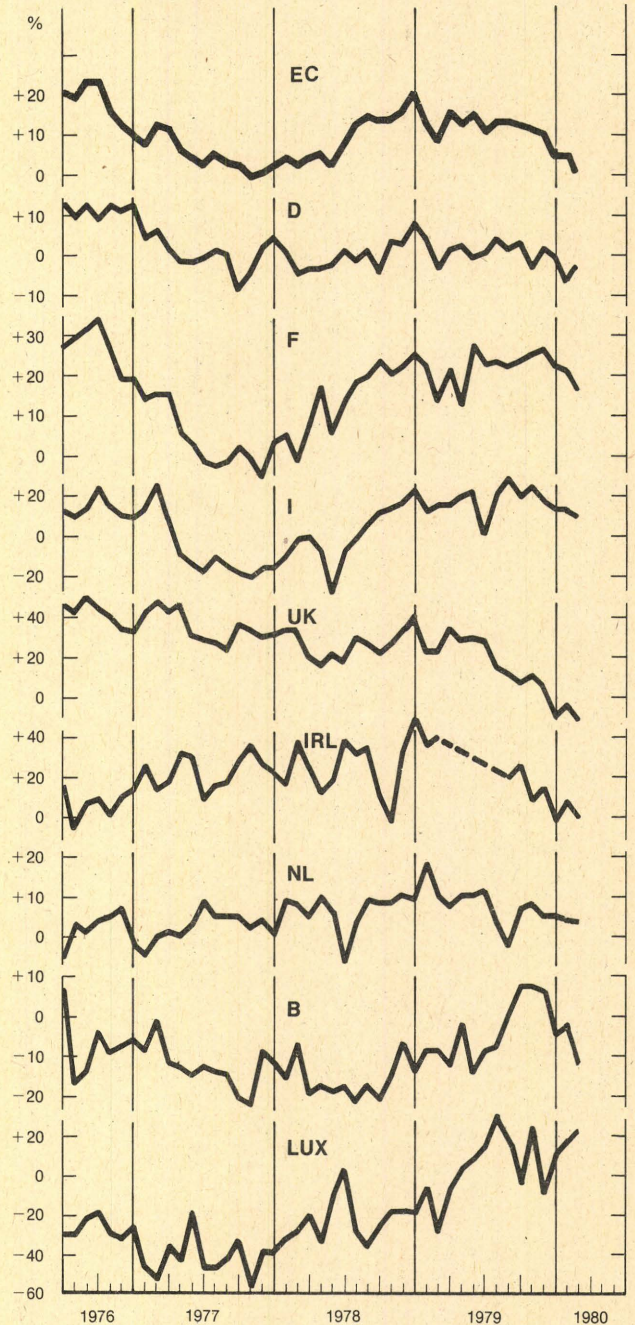
**Weaker orders in construction.** — In the construction industry, figures now available for the Community as a whole for the fourth quarter of 1979 show a weakening in order-books, but nearly unchanged employment prospects. The trend of opinion on order-books was common to all countries surveyed except Luxembourg. Order-books in the Federal Republic of Germany were judged, in February, to be unchanged in relation to the preceding month. Although somewhat weaker than in 1979, they remain, nevertheless, at a relatively high level by comparison with earlier years (see Table 5). There was a significant deterioration (-5 percentage points) in opinion on order-books in Belgium in February. By contrast with the other countries surveyed, chief executives of Italian building firms report significant improvement in their order-book levels in February.

**Industrial capacity utilization.** — The level of capacity utilization in Community industry (excluding the UK and Denmark for which internationally comparable data are not available) in January of this year was 83% (see Table 4). Capacity utilization was highest in France and the Federal Republic of Germany (85% and 84.5%, respectively) whereas Italy, Belgium and Luxembourg were at a significant lower level, in the 76%-78% range. In the United Kingdom, 63% of manufacturing industry was reported in January to be working below 'a satisfactory full rate of operation', but this measure of capacity utilization is not comparable with the other capacity utilization data presented on Table 4.

The industries working closest to maximum capacity, at the Community level, are paper manufacturing (91.4%) and clothing and footwear (87.4%); while those in the most depressed condition are shipbuilding (72.4%), electrical appliances and plastics (79.4%). Within individual Member States, the lowest capacity utilization levels prevail in the shipbuilding industry (especially in the Federal Republic of Germany and Italy), electrical appliances (including lighting) in Ireland, oil-refining and man-made fibres in Italy, knitting mills in Belgium, clothing and footwear in Ireland, the metallurgical industry in Luxembourg and the basic chemicals industries in Ireland and Italy. In the United Kingdom, the industries with the lowest rate of capacity utilization appear to be shipbuilding, metals (affected by the steel strike), and man-made fibres. Industries which appear to be working close to maximum capacity include motor-vehicle bodies, and the wool, cotton and paper industries in the Federal Republic of Germany, the motor vehicle and paper industries in France.

13 March 1980.

GRAPH 2: Consumer goods industries - Production expectations (a)



(a) Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on page 6).

Source: European Community business surveys.

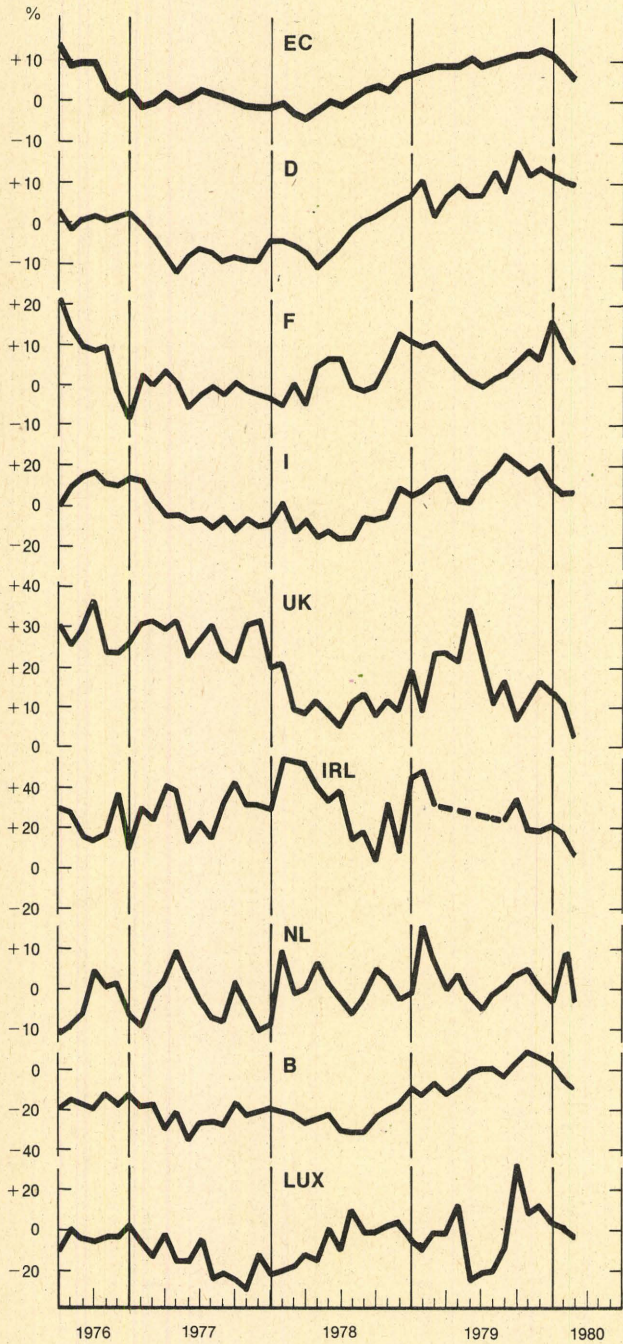
Notes on Graph 1.

- (a) Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average.
- (b) Composite indicator based on the replies to the questions on production expectations and stocks of finished products. The indicator is an average of the net balances, i.e. differences between the percentages of respondents giving positive and negative replies. Derived from data as shown in Table 1, with the sign inverted for stocks.
- (c) Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on final page).
- (d) Dotted line shows average for 1968-1977.

Source: European Community business surveys.

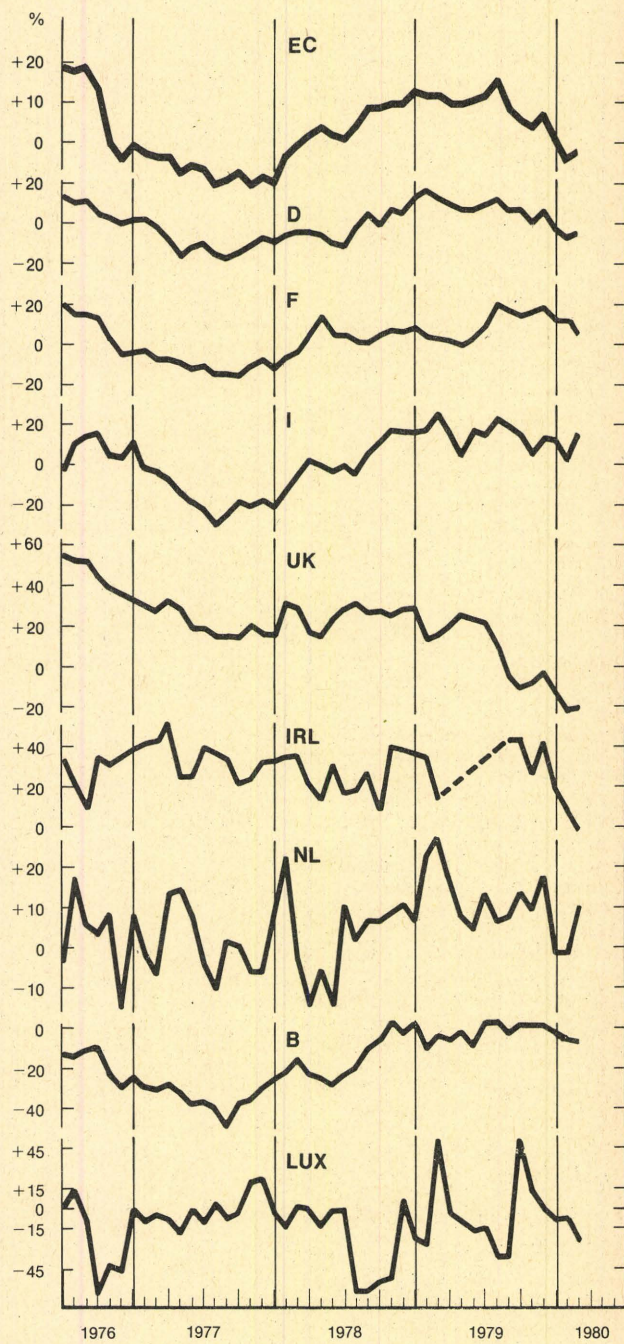


GRAPH 3: Investment goods industries - Production expectations



For notes see Graph 2.

GRAPH 4: Intermediate goods industries - Production expectations



For notes see Graph 2.



TABLE 3: Business survey in certain manufacturing sectors: EC total (a)

Net balances: i.e. differences between the percentage of respondents giving positive and negative replies (s.a.) (b)

Industrial groups	1977	1978	1979	1979				1979				1980	
				I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>Production expectations</b>													
Textile Industry	- 10	+ 1	+ 6	+ 8	+ 5	+ 5	- 5	0	0	- 4	- 10	- 10	- 9
Mineral oil refining	- 3	+ 10	+ 2	+ 11	- 3	- 1	- 1	- 12	- 7	- 1	+ 6	+ 26	+ 3
Production and preliminary processing of metals	- 21	- 2	+ 8	+ 7	+ 4	+ 11	+ 9	+ 8	+ 5	+ 17	+ 5	- 12	- 1
Non-metallic mineral products (ceramics, etc.)	- 9	- 2	+ 6	+ 5	+ 9	+ 2	+ 7	+ 4	+ 4	+ 11	+ 6	- 1	+ 3
Chemical industry	+ 5	+ 12	+ 12	+ 19	+ 15	+ 15	0	+ 15	0	+ 6	- 7	- 3	- 5
Manufacture of metal articles	- 6	+ 1	+ 5	+ 2	+ 6	+ 3	+ 7	+ 4	+ 5	+ 6	+ 10	0	- 1
Mechanical engineering	- 4	0	+ 8	+ 6	+ 7	+ 8	+ 12	+ 8	+ 13	+ 11	+ 12	+ 5	+ 7
Electrical engineering	+ 3	+ 13	+ 10	+ 10	+ 13	+ 10	+ 8	+ 10	+ 5	+ 10	+ 9	+ 5	+ 1
Manufacture of motor vehicles and accessories	+ 15	+ 15	+ 18	+ 17	+ 23	+ 22	+ 10	+ 12	+ 16	+ 17	- 2	+ 6	- 6
<b>Order-books</b>													
Textile industry	- 52	- 36	- 14	- 17	- 12	- 11	- 13	- 12	- 15	- 18	- 22	- 24	- 29
Mineral oil refining	- 32	- 34	+ 10	- 3	+ 14	+ 13	+ 16	+ 10	+ 14	+ 11	+ 22	+ 2	- 11
Production and preliminary processing of metals	- 72	- 65	- 32	- 41	- 30	- 26	- 32	- 32	- 34	- 31	- 31	- 26	- 32
Non-metallic mineral products (ceramics, etc.)	- 48	- 41	- 18	- 30	- 19	- 11	- 12	- 4	- 15	- 10	- 11	- 9	- 10
Chemical industry	- 38	- 25	+ 6	- 5	+ 4	+ 15	+ 10	+ 10	+ 9	+ 10	+ 11	+ 5	+ 2
Manufacture of metal articles	- 44	- 31	- 16	- 20	- 20	- 8	- 17	- 9	- 17	- 17	- 16	- 14	- 14
Mechanical engineering	- 42	- 42	- 28	- 38	- 29	- 23	- 20	- 23	- 22	- 18	- 19	- 19	- 19
Electrical engineering	- 29	- 17	- 20	- 19	- 23	- 17	- 21	- 18	- 19	- 26	- 17	- 11	- 14
Manufacture of motor vehicles and accessories	+ 8	+ 10	+ 14	+ 12	+ 17	+ 17	+ 10	+ 15	+ 17	+ 9	+ 3	+ 7	+ 15
<b>Export order-books</b>													
Textile industry	- 45	- 33	- 31	- 24	- 31	- 32	- 35	- 31	- 37	- 34	- 34	- 36	- 41
Mineral oil refining	- 8	- 26	- 5	- 21	+ 8	- 10	+ 3	- 10	+ 15	- 6	0	+ 27	+ 18
Production and preliminary processing of metals	- 16	- 12	- 8	+ 11	- 16	- 8	- 20	- 10	- 11	- 20	- 30	- 34	- 39
Non-metallic mineral products (ceramics, etc.)	- 18	- 12	- 7	- 6	- 9	- 7	- 7	- 5	- 5	- 5	- 8	- 11	- 8
Chemical industry	- 13	- 7	+ 13	+ 9	+ 14	+ 15	+ 12	+ 16	+ 13	+ 13	+ 9	+ 1	- 1
Manufacture of metal articles	- 15	- 17	- 27	- 16	- 30	- 30	- 30	- 25	- 34	- 25	- 30	- 29	- 37
Mechanical engineering	- 15	- 21	- 25	- 19	- 28	- 26	- 27	- 30	- 27	- 24	- 29	- 31	- 32
Electrical engineering	- 23	- 23	- 30	- 26	- 31	- 31	- 32	- 36	- 36	- 32	- 28	- 29	- 28
Manufacture of motor vehicles and accessories	- 5	0	+ 7	+ 7	+ 13	+ 8	- 2	- 7	+ 9	+ 2	- 16	- 9	+ 2
<b>Stocks of finished products</b>													
Textile industry	+ 40	+ 34	+ 20	+ 24	+ 19	+ 15	+ 23	+ 15	+ 21	+ 20	+ 27	+ 25	+ 29
Mineral oil refining	+ 23	+ 5	- 29	- 21	- 16	- 44	- 33	- 45	- 39	- 35	- 24	- 16	- 13
Production and preliminary processing of metals	+ 16	+ 9	0	+ 4	+ 3	- 4	- 4	- 3	- 4	- 5	- 2	- 7	- 3
Non-metallic mineral products (ceramics, etc.)	+ 29	+ 29	+ 14	+ 24	+ 18	+ 8	+ 6	+ 7	+ 8	+ 8	+ 2	+ 4	- 5
Chemical industry	+ 25	- 15	- 8	+ 3	- 11	- 16	- 6	- 12	- 10	- 5	- 2	- 1	+ 4
Manufacture of metal articles	+ 28	+ 11	0	+ 10	+ 2	- 8	- 5	- 12	- 7	- 6	- 1	+ 1	+ 1
Mechanical engineering	+ 21	+ 22	+ 8	+ 14	+ 11	0	+ 7	+ 8	+ 8	+ 8	+ 7	+ 7	+ 11
Electrical engineering	+ 25	+ 20	+ 20	+ 28	+ 22	+ 15	+ 16	+ 12	+ 13	+ 18	+ 17	+ 16	+ 15
Manufacture of motor vehicles and accessories	+ 3	- 4	- 14	- 9	- 19	- 21	- 7	- 20	- 7	- 7	- 6	+ 5	+ 1
<b>Selling-price expectations</b>													
Textile industry	+ 19	+ 35	+ 58	+ 47	+ 62	+ 63	+ 58	+ 61	+ 57	+ 58	+ 59	+ 57	+ 54
Mineral oil refining	+ 41	+ 29	+ 70	+ 62	+ 100	+ 81	+ 35	+ 57	+ 36	+ 18	+ 51	+ 46	+ 51
Production and preliminary processing of metals	+ 20	+ 37	+ 46	+ 43	+ 41	+ 46	+ 53	+ 54	+ 48	+ 53	+ 57	+ 54	+ 50
Non-metallic mineral products (ceramics, etc.)	+ 36	+ 30	+ 47	+ 31	+ 46	+ 54	+ 55	+ 57	+ 58	+ 52	+ 54	+ 57	+ 61
Chemical industry	+ 27	+ 32	+ 57	+ 49	+ 61	+ 65	+ 52	+ 64	+ 56	+ 51	+ 50	+ 59	+ 56
Manufacture of metal articles	+ 31	+ 30	+ 51	+ 44	+ 49	+ 57	+ 52	+ 54	+ 57	+ 49	+ 51	+ 43	+ 41
Mechanical engineering	+ 34	+ 38	+ 44	+ 38	+ 41	+ 44	+ 48	+ 44	+ 47	+ 45	+ 51	+ 47	+ 43
Electrical engineering	+ 35	+ 27	+ 40	+ 27	+ 37	+ 47	+ 47	+ 48	+ 41	+ 47	+ 53	+ 43	+ 46
Manufacture of motor vehicles and accessories	+ 44	+ 39	+ 46	+ 43	+ 45	+ 49	+ 47	+ 38	+ 50	+ 51	+ 41	+ 38	+ 43

(a) Denmark excluded.

(b) For the exact formulation of the questions, see the notes on page 6.

The annual and quarterly figures are averages of the corresponding monthly data. The seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.

Source: European Community business surveys.

TABLE 4: Survey of manufacturing industry — Level (%) of capacity utilization (a)

January 1980

	D	F	IRL	I	NL	B	L	UK (b)	EC (c)
<b>Total industry</b>	84,5	85,0	67,4	76,9	83,0	78,0	76,0	63,0	83,0
<b>Consumer goods</b>	87,7	86,9	59,7	77,6	78,0	78,0	82,0	54,0	84,2
knitting mills	84,6	:	83,4	80,1	:	66,0	:	63,0	:
clothing and footwear	92,7	85,0	58,0	85,9	86,0	74,0	90,0	:	87,4
furniture	87,2	82,2	82,6	78,0	78,0	86,0	:	65,0	84,0
printing and publishing	86,7	83,3	68,3	75,6	89,0	:	82,0	55,0	84,0
leather and leather goods	89,8	:	:	79,0	:	68,0	:	41,0	:
ceramics and glass	90,7	:	98,9	82,0	:	83,0	80,0	:	:
chemicals	:	:	74,6	70,0	76,0	76,0	76,0	43,0	:
electrical appliances	78,1	81,3	66,1	81,4	:	75,0	:	71,0	79,4
motor vehicles	:	93,4	:	74,5	86,0	83,0	:	:	:
cycles and motor cycles	83,3	:	:	72,6	:	72,0	:	:	:
<b>Investment goods</b>	86,1	80,6	73,1	78,1	80,0	76,0	88,0	73,0	82,7
metal articles	83,7	:	73,4	75,9	74,0	74,0	87,0	71,0	:
mechanical engineering	86,6	81,5	73,0	82,4	78,0	76,0	91,0	63,0	84,1
computers and office machines	88,7	:	80,0	78,6	:	:	:	:	:
electrical machinery	82,3	:	65,1	79,8	:	77,0	:	:	:
electric lighting	77,9	:	:	88,0	:	:	:	:	:
motor vehicle bodies	91,8	:	:	78,9	:	:	:	:	:
shipbuilding	71,0	75,1	75,0	64,4	76,0	73,0	:	94,0	72,4
instrument engineering	85,0	80,8	61,0	73,8	75,0	:	:	56,0	82,3
<b>Intermediate goods</b>	82,9	86,4	64,7	76,1	87,0	79,0	73,0	43,0	82,8
wool	94,3	:	78,6	81,2	75,0	86,0	:	68,0	:
cotton	93,0	:	75,0	81,3	85,0	86,0	:	79,0	:
wood	85,6	87,1	75,0	76,4	86,0	85,0	:	37,0	85,0
paper manufacture	95,2	90,1	70,0	84,6	:	95,0	:	:	91,4
paper processing	87,5	90,1	:	74,5	89,0	80,0	:	:	86,6
plastics	80,9	80,6	73,0	72,1	:	84,0	93,0	56,0	79,4
oil-refining	76,0	83,5	80,0	65,0	:	:	:	78,0	81,5
metals	88,2	86,0	82,7	74,0	83,0	74,0	66,0	90,0	83,4
industrial ceramics	77,3	:	78,2	77,0	:	81,0	60,0	:	:
basic chemicals	:	:	30,0	63,3	86,0	83,0	83,0	:	:
industrial chemicals	:	:	67,9	83,5	88,0	82,0	86,0	:	:
man-made fibres	90,0	:	85,0	68,0	:	94,0	76,0	99,0	:
motor-vehicle parts	77,2	:	:	83,7	:	:	100,0	:	:
rubber	82,3	92,3	64,4	82,5	:	:	95,0	82,0	85,8

(a) See technical notes on page 6.

(b) The data for the United Kingdom are the percentages of firms reporting, in the Confederation of British Industry survey, that they are working below a satisfactory full rate of operation. Thus, contrary to the percentage capacity figures for other countries, the UK data give higher numbers for industries working at low capacity, and vice-versa.

(c) Excluding Denmark, for which no data are available, and the United Kingdom.

: data not available, either for confidentiality reasons, in which case they are contained in the industry totals, or because the branch is not represented.

Source: European Community business surveys.



**TABLE 1: Monthly survey of manufacturing industry — Monthly questions and the composite business climate indicator**  
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1977	1978	1979	1979				1979				1980	
		Peak Trough					I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
		72/73	74/75													
D	production expectations	+17	-32	-8	-2	+6	+7	+6	+8	+2	+9	0	+5	0	-3	-3
	order-books	+5	-73	-42	-41	-15	-27	-17	-7	-9	-7	-10	-9	-9	-7	-7
	export order-books	+23	-33	-6	-8	+4	0	+8	+4	+2	+2	+2	+1	+3	+5	+2
	stocks of finished products	-7	+43	+18	+17	+4	+10	+3	-1	+2	-1	+2	+1	+2	+4	+4
	selling-price expectations	+55	+4	+14	+19	+32	+26	+32	+37	+33	+37	+32	+31	+35	+38	+37
	business climate indicator	+5	-37,5	-13	-9,5	+1	-1,5	+1	+4,5	0	+5	-1	+2	-1	-3,5	-3,5
F	production expectations	+33	-29	-5	+5	+12	+8	+8	+14	+17	+13	+17	+18	+16	+14	+9
	order-books	+26	-69	-38	-31	-9	-16	-10	-7	-4	-9	-4	-6	-1	-5	-7
	export order-books	+24	-66	-34	-21	-1	-8	-3	+3	+4	+4	+10	+3	-1	-5	-5
	stocks of finished products	-14	+50	+28	+25	+10	+16	+11	+5	+6	+8	+8	+5	+4	+3	+4
	selling-price expectations	+76	+15	+42	+52	+55	+49	+54	+57	+59	+56	+63	+54	+61	+59	+62
	business climate indicator	+23,5	-39,5	-16,5	-10	+1	-4	-1,5	+4,5	+5,5	+2,5	+4,5	+6,5	+6	+5,5	+2,5
IRL	production expectations	:	-21	+29	+26	:	:	:	:	:	+36	+17	+25	+14	+11	-1
	order-books	:	-68	-13	-5	:	:	:	:	:	+13	-12	-14	-14	-23	-18
	export order-books	:	-22	+27	+19	:	:	:	:	:	+7	+7	-5	+24	-19	+7
	stocks of finished products	:	+35	+4	+4	:	:	:	:	:	-3	0	-5	+12	+17	+19
	selling-price expectations	:	+64	+44	+35	:	:	:	:	:	+65	+65	+55	+56	+57	+57
	business climate indicator	:	-28	+12,5	+11	:	:	:	:	:	+19,5	+8,5	+15	+1	-3	-10,5
I	production expectations	+40	-43	-15	0	+13	+15	+8	+20	+12	+17	+13	+13	+11	+4	+10
	order-books	+30	-82	-46	-40	-5	-9	-5	-2	-2	-5	-7	+2	-2	+7	+1
	export order-books	+13	-67	-32	-29	-14	-11	-13	-16	-14	-18	-16	-14	-13	-10	-18
	stocks of finished products	-24	+53	+31	+25	-1	+4	+3	-6	-5	-5	-7	-8	-1	-3	+1
	selling-price expectations	+76	+10	+38	+41	+73	+63	+68	+83	+79	+77	+77	+77	+82	+76	+73
	business climate indicator	+32	-48	-23	-12,5	+5	-5,5	+2,5	+13	+8,5	+11	+10	+10,5	+6	+3,5	+4,5
NL	production expectations	+26	-23	+1	+2	+7	+15	+5	+5	+4	+9	+7	+8	-2	+4	+3
	order-books	+7	-48	-29	-24	-13	-17	-15	-10	-10	-12	-11	-11	-7	-5	-10
	stocks of finished products	-1	+57	+22	+16	+8	+12	+10	+5	+5	+4	+4	+3	+8	+4	+6
	business climate indicator	+13,5	-40	-10,5	-7	-0,5	+1,5	-3	0	-0,5	+3,5	+1,5	+2,5	-5	0	-1,5
B	production expectations	+31	-56	-24	-18	-3	-10	-5	0	+2	+3	+4	+3	-2	-5	-11
	order-books	+13	-14	-54	-49	-30	-39	-34	-28	-18	-26	-24	-15	-16	-19	-19
	export order-books	+15	-82	-58	-51	-28	-33	-31	-28	-21	-28	-23	-19	-20	-22	-20
	stocks of finished products	-14	+37	+18	+22	+12	+20	+17	+7	+3	+2	+2	+5	+3	+8	+7
	selling-price expectations	+64	+10	+10	+14	+27	+20	+22	+30	+36	+31	+33	+39	+36	+39	+31
	business climate indicator	+22,5	-46,5	-21	-20	-7,5	-15	-11	-3,5	-1	+0,5	+1	-1	-2,5	-6,5	-9
L	production expectations	+90	+98	-8	-22	:	+8	-15	-4	:	+47	+13	0	-8	-7	-22
	order-books	:	:	-73	-68	:	-70	-45	-39	:	-37	-36	-28	-4	-32	-34
	export order-books	:	:	-78	-76	:	-73	-24	-2	:	0	+6	-37	+13	-42	-43
	stocks of finished products	-23	+69	+13	+6	:	+24	+56	+51	:	+41	+52	+63	+62	+69	+72
	selling-price expectations	:	-46	+55	+59	:	+19	-2	+8	:	+9	+37	+29	+31	+25	+22
	business climate indicator	+56,5	+14,5	-10,5	-14	:	-8	-36,5	-27,5	:	+3	-19,5	-31,5	-35	-38	-49,5
UK	production expectations	:	:	+25	+20	+16	+23	+28	+6	+7	+1	+5	+6	+11	-6	-9
	order-books	:	:	-14	-20	-13	-16	0	-7	-29	-13	-26	-25	-37	-47	-39
	export order-books	:	:	-1	-24	-20	-27	-12	-16	-26	-20	-24	-17	-36	-40	-26
	stocks of finished products	:	:	+10	+12	+7	+10	+4	+3	+12	+7	+10	+9	+16	+19	+16
	selling-price expectations	:	:	+61	+50	+65	+64	+69	+61	+64	+63	+62	+65	+64	+54	+61
	business climate indicator	:	:	+7,5	+4	+4,5	+6,5	+12	+1,5	-2,5	-3	-2,5	-1,5	-2,5	-12,5	-12,5
EC	production expectations	+26	-30	-3	+4	+10	+11	+10	+10	+8	+9	+7	+9	+7	+1	0
	order-books	+15	-64	-40	-37	-12	-20	-11	-7	-11	-9	-12	-10	-12	-13	-13
	export order-books	+20	-42	-23	-21	-5	-9	-3	-4	-4	-5	-3	-4	-4	-4	(-6)
	stocks of finished products	-12	+43	+22	+20	+6	+11	+6	+1	+4	+2	+4	+3	+5	+6	+6
	selling-price expectations	+61	+12	+33	+33	+49	+44	+48	+52	+51	+52	+51	+50	+53	+51	+53
	business climate indicator	+15,5	-36,5	-12,5	-8	+2	0	+2	+4,5	+2	+3,5	+1,5	+3	+1	-2,5	-3

**TABLE 2: Monthly survey of manufacturing industry — Production expectations in the major sectors of manufacturing industry**  
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

Industrial sector		Range (b)		1977	1978	1979	1979				1979				1980	
		Peak Trough					I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
		72/73	74/75													
D	consumer goods	+18	-30	0	-3	+1	0	0	+3	-1	+3	-4	+1	-1	-7	-4
	investment goods	+17	-28	-8	-3	+9	+6	+7	+12	+12	+17	+11	+13	+11	+10	+9
	intermediate goods	+26	-41	-12	-2	+6	+11	+7	+7	-3	+6	-1	+5	-4	-8	-6
F	consumer goods	+42	-22	+3	+14	+21	+18	+20	+23	+24	+23	+25	+26	+22	+21	+16
	investment goods	+35	-31	-2	+2	+6	+9	+1	+3	+10	+5	+8	+6	+16	+9	+5
	intermediate goods	+33	-39	-12	+3	+9	+2	+3	+16	+15	+13	+15	+18	+12	+11	+5
IRL	consumer goods	:	-28	+22	+24	:	:	:	:	:	+25	+7	+14	-3	+6	-2
	investment goods	:	-65	+30	+32	:	:	:	:	:	+33	+18	+17	+20	+16	+4
	intermediate goods	:	-22	+32	+25	:	:	:	:	:	+42	+24	+41	+17	+7	-3
I	consumer goods	+36	-55	-10	0	+17	+14	+13	+22	+18	+19	+24	+17	+13	+13	+9
	investment goods	+41	-34	-8	-8	+12	+10	+4	+19	+15	+19	+17	+19	+9	+4	+6
	intermediate goods	+49	-39	-19	+2	+14	+19	+10	+18	+9	+14	+4	+12	+11	+1	+15
NL	consumer goods	+33	-26	+4	+7	+8	+12	+10	+2	+6	+7	+8	+5	+5	+4	+3
	investment goods	+42	-53	-2	0	+1	+7	-2	0	0	+3	+4	0	-4	+8	-4
	intermediate goods	+43	-22	+2	+2	+12	+22	+8	+9	+8	+13	+9	+17	-2	-2	+10
B	consumer goods	+34	-43	-14	-16	-4	-10	-9	0	+3	+7	+7	+6	-5	-3	-13
	investment goods	+27	-58	-25	-25	-3	-12	-5	-1	+5	+2	+8	+5	+2	-6	-1
	intermediate goods	+26	-63	-35	-15	-4	-8	-4	-1	-1	0	0	0	-3	-6	-8
L	consumer goods	+43	-73	-41	-23	:	-14	+8	+13	:	-6	+24	-10	+11	+17	+22
	investment goods	+33	-41	-18	-7	:	-6	-13	0	:	+31	+6	+10	+2	0	-6
	intermediate goods	:	:	-4	-23	:	+10	-16	-9	:	+50	+12	-2	-11	-10	-27
UK	consumer goods	:	:	+33	+26	+18	+26	+28	+10	+9	+6	+10	+5	-11	-5	-13
	investment goods	:	:	+26	+11	+16	+13	+25	+11	+13	+6	+11	+16	+13	+10	+2
	intermediate goods	:	:	+20	+25	+7	+18	+22	-3	-9	-12	-10	-4	-14	-23	-21
EC	consumer goods	+29	-26	+4	+9	+11	+12	+12	+12	+8	+11	+11	+10	+4	+4	0
	investment goods	+28	-29	-1	0	+9	+7	+8	+10	+11	+11	+11	+12	+11	+8	+5
	intermediate goods	+32	-37	-8	+5	+8	+11	+9	+8	+3	+5	+2	+7	0	-5	-3

(a) Details of the questions are given on page 6. For a description of the climate indicator, please see the notes to Graph 1.

(b) These are the extreme recent (high and low) values of the net balances of the different questions, reached in the course of 1972/1973 and 1974/1975, respectively.

Note: (s.a.) = seasonally adjusted.

: = not available.

The annual and quarterly figures are averages of the corresponding monthly data. The seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.

Source: European Community business surveys.



TABLE 5: Survey of the construction industry.  
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1977	1978	1979	1979				1979				1980	
		Peak	Trough				I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
		72/73	74/75													
D	order-books	-17	-84	-59	-32	-7	-11	0	-6	-10	-8	-5	-11	-13	-14	-14
	employment expectations	+10	-60	-16	+5	+9	+17	+11	+1	+7	0	+4	+8	+9	+10	+6
	price expectations	+48	-37	+15	+28	+30	+38	+37	+27	+16	+23	+17	+19	+13	+18	+21
F	order-books	:	:	-61	-48	:	-43	-28	-27	-29	:	:	:	:	:	:
	(c) employment expectations	:	:	-27	-19	:	-13	-11	-10	-13	:	:	:	:	:	:
I	order-books	-25	-68	-40	-40	-29	-30	-30	-24	-33	-8	-32	-36	-32	-41	-28
	employment expectations	+10	-44	-16	-16	-12	-9	-13	-12	-13	-9	-20	-9	-9	-15	-10
	price expectations	+85	+30	+61	+62	+71	+63	+71	+76	+73	+76	+76	+69	+73	+70	+74
NL	order-books	-8	-81	-25	-19	-19	-15	-17	-19	-23	-22	-20	-22	-26	-26	-25
	employment expectations	+14	-13	+8	+12	+11	+11	+12	+7	+12	+12	+15	+10	+11	+8	+12
	price expectations															
B	order-books	-13	-47	-35	-39	-28	-36	-26	-22	-27	-22	-24	-29	-29	-27	-32
	employment expectations	+31	-24	-12	-9	0	-5	0	+2	+2	+1	+7	+3	-3	-9	-5
	price expectations	+75	+25	+44	+31	+43	+36	+37	+54	+44	+61	+49	+45	+37	+37	+53
L	order-books	+21	-50	-36	-11	-7	-8	-14	-14	+9	+1	+15	+9	+4	+2	-12
	employment expectations	+31	-39	-8	+14	+16	+23	+9	+7	+26	+22	+23	+27	+27	+20	-3
	price expectations	+82	+11	+23	+27	+46	+28	+45	+60	+50	+60	+58	+43	+48	+63	+51
UK	order-books	:	:	-25	-8	:	+2	+1	-15	-21	:	:	:	:	:	:
	(c) employment expectations	:	:	-20	-2	:	+26	+10	-11	-11	:	:	:	:	:	:
	price expectations	:	:	+45	+53	:	+72	+74	+70	+67	:	:	:	:	:	:
CE	order-books	:	:	-46	-32	:	-21	-14	-17	-22	:	:	:	:	:	:
	(d) employment expectations	:	:	-18	-9	:	+6	+1	-6	-5	:	:	:	:	:	:

(a) Details of the questions are given below.  
(b) These are the extreme recent (high and low) values of the net balances of the different questions, reached in the course of 1972/1973 and 1974/1975, respectively.  
(c) Not seasonally adjusted.  
(d) Owing to lack of data for certain Member States, Community totals are incomplete.  
Note: The annual and quarterly figures are averages of the corresponding monthly data, except for France and the United Kingdom, where the survey is carried out on a quarterly basis. The monthly and related quarterly data are seasonally adjusted; the seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.  
Source: European Community business surveys.

European Community business surveys

The Community's business surveys, of industry and the construction sector, have been progressively developed since 1962. They are undertaken by national institutions on the basis of the Commission's harmonized questionnaires. The results are communicated to the Commission which processes and publishes the data for Member States and the Community as a whole. The number of enterprises surveyed in manufacturing industry is about 20 000, and in the construction sector about 10 000.  
The questions put in the business surveys have the content and periodicity set out below. In general, the questionnaires are sent out at end-month and are returned by the respondents in the course of the following two or three weeks.

QUESTIONS

Manufacturing industry, excluding food, beverages and tobacco

Monthly:  
- production expectations for the months ahead: up, unchanged, down?  
- stocks of finished products: above normal, normal, below normal?  
- order-books: above normal, normal, below normal?  
- export order-books: above-normal, normal, below normal?  
- selling price expectations in the months ahead: up, unchanged, down?  
- production trends in recent past: up, unchanged, down?  
Quarterly (January, April, July and October):  
- capacity utilization: in %?  
- production capacity: more than sufficient, sufficient, not sufficient?  
- duration of assured production: in months?  
- new orders in the recent past: up, unchanged, down?  
- export volume expectations for the months ahead up, unchanged, down?  
- stocks of raw materials: high, normal, low?  
Three times a year (carried out in January/February, June/July and October/November):  
- limits to production: none, insufficient demand, shortage of labour, lack of equipment?  
Half-yearly (carried out in June/July and October/November):  
- Employment expectations for the months ahead: up, unchanged, down?  
All industries, including manufacturing, extractive and food  
Half-yearly (undertaken in February/March and October/November):  
- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Construction industry

Monthly (except for France and the United Kingdom, where the survey is carried out quarterly):  
- current production compared with the preceding month: up, unchanged, down?  
- factors holding up production: bad weather, shortage of manpower, shortage of equipment, none?  
- order-books or production schedules: above normal, normal, below normal?  
- employment expectations for the months ahead: up, unchanged, down?  
- price expectations in the months ahead: up, unchanged, down?  
Quarterly (undertaken in March, June, September and December):  
- duration of assured production: in months?  
The surveys are undertaken by:  
D - Federal Republic of Germany: IFO (Institut für Wirtschaftsforschung)  
F - France: INSEE (Institut National de la Statistique et des Etudes Economiques)  
IRL - Ireland: CII (Confederation of Irish Industries) and ESRI (Economic and Social Research Institute)  
I - Italy: ISCO (Istituto Nazionale per lo Studio della Congiuntura)  
NL - Netherlands: CBS (Centraal Bureau voor de Statistiek)  
B - Belgium: Banque Nationale de Belgique  
L - Luxembourg: STATEC (Service Central de la Statistique et des Etudes Economiques)  
UK - United Kingdom: CBI (Confederation of British Industry), for the manufacturing industry survey.  
- DI (Department of Industry), for the investment survey.  
- DE (Department of Environment), for the construction survey.  
Supplement B to 'European Economy', gives a monthly selection of the most recent results. Articles containing more detailed analyses and longer time-series of data appear periodically in the main editions of 'European Economy'. The surveys of manufacturing industry are broken down by twenty industrial sectors, and also by consumer, intermediate and capital goods branches; the results in this detail are published each month by the Office for Official Publications of the European Communities in 'Business surveys' (ISSN 0378-4479). The results of consumer surveys appear three times a year in Supplement C to 'European Economy'.

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