

Commission of the  
European Communities



Directorate-General  
for Economic  
and Financial Affairs

# EUROPEAN ECONOMY

LIBRARY

Supplement — Series B

No 5 — May 1980

## Economic prospects - business survey results

**Weakening in the industrial business climate.** — The business-climate indicator for Community industry — based on the replies to the questions on production expectations and stocks of finished products, in the European Community business survey — weakened markedly in April 1980 (see Graph 1 and Table 1). The pessimistic majority of chief executives, expecting production to decline in the coming months, advanced by 3 percentage points in April, while those considering stocks of finished products to be above normal increased by 2 percentage points. A significant deterioration has also been reported in the level of order-books, where the majority of chief executives considering order-books to be below normal increased by 6 points. On the positive side, industrial selling-price expectations declined again (by 3 percentage points) in April, indicating a lessening of inflationary expectations on the part of chief executives.

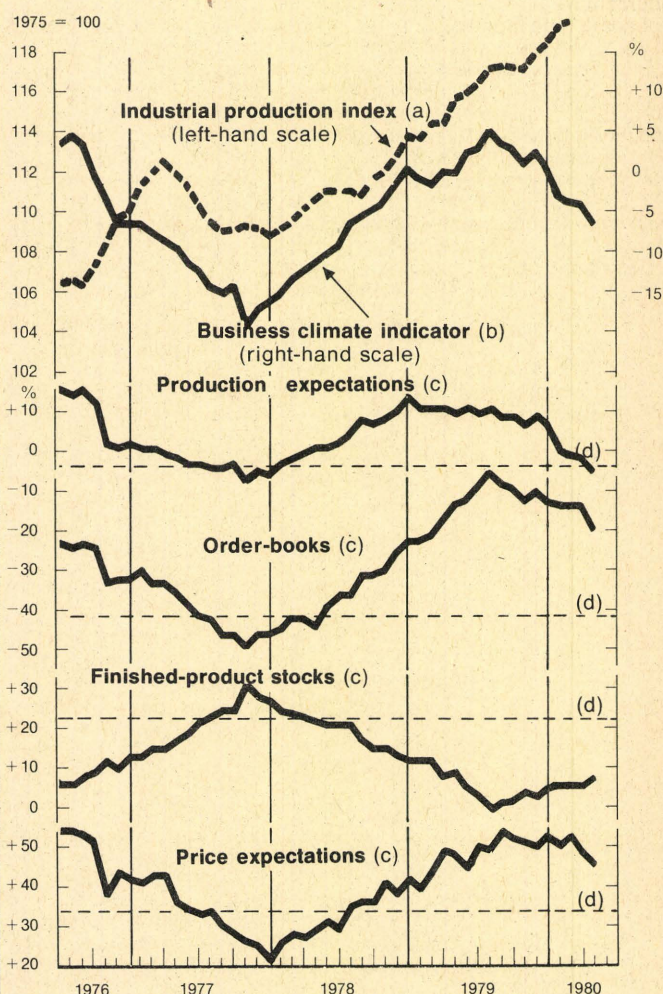
**The industrial business climate in the Member States.** — The trend in industrial business climate in April was marked by sharply contrasting results; as between, on the one hand, France, the United Kingdom, Belgium and Luxembourg where the climate indicator deteriorated substantially and, on the other hand, the Federal Republic of Germany, the Netherlands and Ireland where the climate showed signs of recovery.

Industrial production expectations and order-books judgments in the Federal Republic of Germany showed, in April, a more positive development than in the preceding months. German chief executives' judgments on the level of stocks of finished products were unchanged, while the number of industrialists who expect selling-prices to increase during the coming months continued to diminish in April.

In France, production expectations worsened in April by 6 percentage points and the assessment of order-book levels deteriorated by 2 percentage points. Stocks of finished products in French industry were judged to be above normal by an additional 4% of industrialists; selling-price expectations remained, however, at about the same level as in March.

Italian industrialists consider that the production outlook has deteriorated a little, according to the April survey: the net balance on the production expectations question has fallen by 2 percentage points. Judgments on Italian industrial order-books, including export order-books, deteriorated markedly between March and April. Chief executives, however, still considered the level of stocks of finished products in April to be below normal, as they did in

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



For notes, see overleaf, column 1.

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.



March. As for selling-prices, a majority of 62% of industrialists expected increases in the months ahead, substantially fewer than in January and February.

Production expectations in the United Kingdom worsened further in April, from the already rather poor March level: a decline of 4 percentage points in March was followed by a further weakening of 4 points in April. Assessments of order-books by UK chief executives are also pessimistic; however, the April survey indicates some improvement in order-book levels (3 percentage points) by comparison with March. Stocks of finished products in UK industry were reported to be above normal by 29% of chief executives in April, a rise of 12 percentage points in March. Selling-price expectations were slightly lower: the majority of UK chief executives expecting selling-prices to rise fell by 5 percentage points in April, to the still high total of 56%.

**Deterioration in the production outlook for investment goods.** — Heads of firms in the Community's investment-goods industries consider that the production outlook for the months ahead has deteriorated (see Table 2). This emerges from the April survey, in which the majority of respondents expecting production to increase in the investment-goods sector was 3%, as against 8% in March. The principal cause of the decline at Community level is a deterioration in the outlook for investment-goods production in France, Italy, Belgium and the United Kingdom.

Chief executives in the intermediate-goods industry were also less optimistic, in April, concerning the production outlook for the coming months: the majority expecting intermediate-goods production to decline in the course of the next three or four months increased, between March and April, by 2 percentage points. This is mainly due to a deterioration in the intermediate-goods production outlook in Italy (7 percentage points) and the Netherlands (13 percentage points).

Business sentiment in the consumer-goods sector appears to have stabilized in the course of the past three months, at a relatively low level. However, the April survey results for the Federal Republic of Germany, Italy, the United Kingdom and Ireland were somewhat more optimistic with respect to the outlook for consumer goods-production than in the preceding month. This was offset, in the Community average, by a deterioration in the consumer-goods production outlook in France, Belgium and Luxembourg.

**The weaker business outlook in a longer-term perspective.** — The decline in the Community business climate indicator which began in August 1979, has been similar in profile to that which started in August 1973 and October 1976 (see Graph 2 and Table 3). The current weakening in business confidence has so far had a duration of some nine months, during which the indicator has fallen by some 15 percentage points. In the first nine months of the 1976/77 decline in business confidence, which preceded the 1977 growth recession in industrial production, the business climate indicator fell by 17,5 percentage points, while the corresponding nine-months decline following the 1973 peak (July) was 16,5 percentage points. The duration and the amplitude of the present down-turn in business confidence cannot be foreseen. It should be noted, however, that the 1976/77 decline had a duration of 11 months and that the peak-trough decline in the business climate indicator was some 21 percentage points. The 1973/74 decline in confidence was of much greater magnitude, lasting a total of 21 months, in the course of which the business climate-indicator fell by some 55 percentage points.

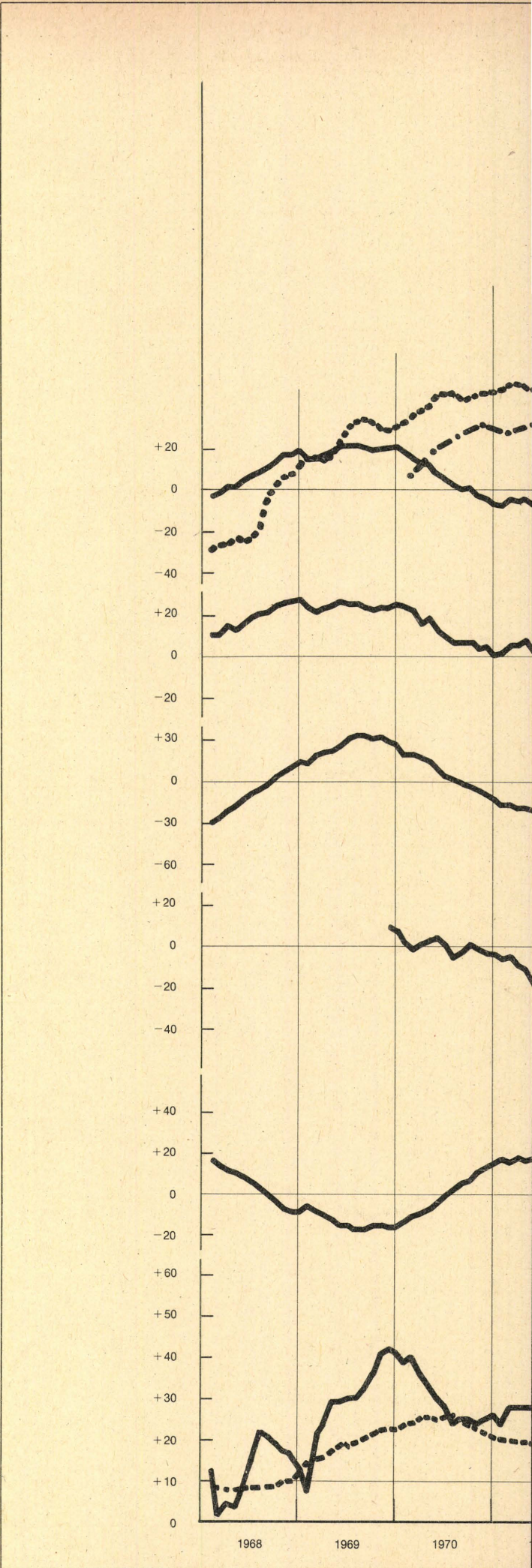
The decline in inflationary expectations, which began in September 1979, has been distinctly hesitant in the current cyclical down-turn, as can be seen from Graph 2, but this should be seen in relation to the relatively low August 1979 peak: at that time a net balance of 54% of industrialists expected selling-prices to rise in the following three or four months, which compares with peaks of 60% in September 1976 and 64% in March 1974. Industrial inflationary expectations are still, however, considerably above the pre-oil crisis peak of 42% (net balance), observed in November 1969.

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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 and Eurostat.





**GRAPH 2: Monthly survey of manufacturing industry and related economic indicators: EC total**

Historical data, 1968 to 1980 (For notes, see Table 3)

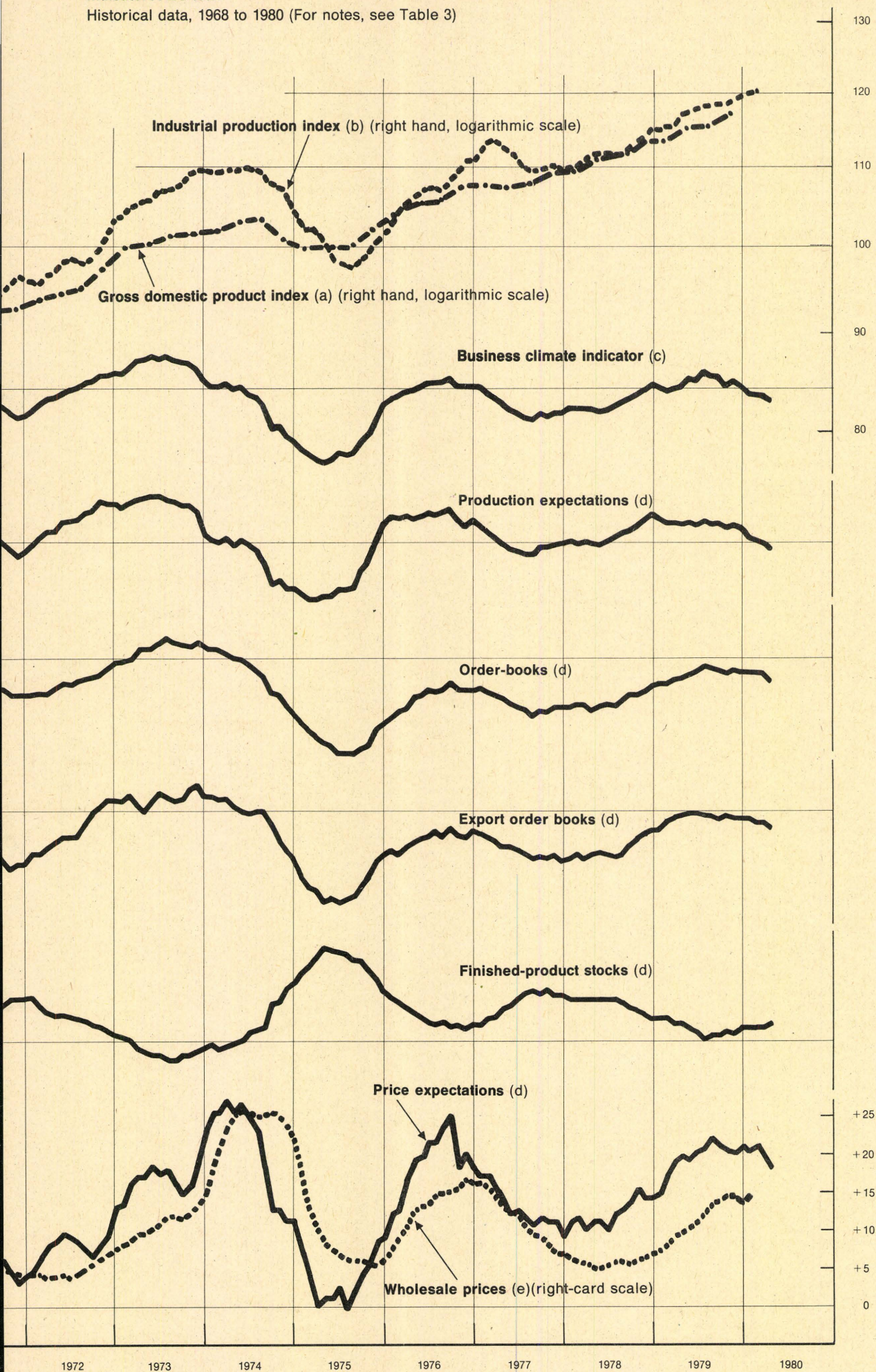




TABLE 3: Monthly survey of manufacturing industry and related economic time-series: EC total  
Historical data, 1968 to 1980.

		1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Gross domestic product at constant market prices (a)		Indices based on 1975 = 100												
year		78,6	83,2	87,4	90,4	94,1	99,8	101,5	100,0	105,0	107,4	110,8	114,2	:
quarter	1	:	:	85,1	89,5	93,1	99,3	101,5	99,3	103,3	107,3	108,8	112,9	:
	2	:	:	87,8	90,2	93,9	99,8	102,3	99,6	104,4	106,9	110,4	114,6	:
	3	:	:	89,0	92,0	94,5	100,7	102,7	99,4	105,0	107,6	111,1	115,1	:
	4	:	:	90,3	92,4	96,7	101,3	100,3	101,5	106,8	108,5	112,8	116,4	:
Industrial production (b)		Indices based on 1975 = 100												
year		81,2	88,5	92,8	94,9	99,1	106,5	107,1	100,0	107,3	109,9	112,4	117,6	:
quarter	1	79,2	86,9	91,9	94,1	95,8	104,3	108,6	102,1	104,4	112,7	110,5	114,7	:
	2	79,7	90,1	93,2	94,1	97,6	106,1	109,3	98,0	106,9	110,5	111,3	117,4	:
	3	84,5	90,4	93,0	94,2	98,1	107,5	107,5	97,3	107,5	109,3	112,1	117,8	:
	4	86,6	90,2	93,5	95,1	102,8	108,7	104,0	101,0	109,9	108,8	114,8	119,2	:
month	1	78,5	86,9	90,6	93,9	95,2	103,1	108,6	102,6	101,8	111,5	109,3	114,2	119,8
	2	79,1	87,0	91,2	94,3	95,0	104,2	108,6	101,7	103,0	112,2	109,6	114,7	119,9
	3	79,1	86,8	91,8	94,2	96,0	104,3	108,6	101,9	104,2	112,9	110,3	114,8	:
	4	79,8	87,6	92,3	93,9	96,5	105,1	109,0	100,8	105,3	112,4	110,9	116,3	:
	5	79,1	88,9	93,4	93,9	97,6	105,1	108,8	99,1	106,0	111,7	111,3	116,7	:
	6	79,7	90,1	93,2	94,2	98,0	106,2	109,5	97,6	106,8	110,8	111,2	117,3	:
	7	80,6	90,7	93,4	94,2	97,5	106,1	109,0	97,1	106,9	109,7	111,1	117,7	:
	8	83,4	90,8	92,7	93,5	97,3	106,6	108,5	96,8	106,4	109,2	111,1	117,9	:
	9	84,5	90,4	93,0	94,1	97,9	107,1	107,4	97,2	107,5	109,4	111,9	117,9	:
	10	85,2	89,9	93,4	95,0	99,5	108,2	106,8	98,1	108,6	109,6	112,5	117,8	:
	11	85,6	89,8	93,5	96,0	101,2	108,8	106,2	99,8	110,1	109,5	113,5	118,5	:
	12	86,6	90,2	93,6	95,3	102,8	108,8	104,0	100,7	110,3	109,1	114,6	119,2	:
Business climate indicator (c)		Net balances, %												
year		+ 8	+18,5	+ 5	- 8,5	- 0,5	+11	- 9	-26,5	- 0,5	-12,5	- 8	+ 2	:
quarter	1	- 1,5	15	15	- 6	- 7,5	10,5	2	-33,5	- 3	- 3,5	-10	- 1	- 3
	2	4	20	8,5	- 7	- 2	-15,5	- 1	-36,5	0,5	-11,5	-11	- 2	:
	3	11	20	0,5	- 7	- 2	14,5	-11,5	-31,5	3	-15,5	- 7,5	4,5	:
	4	18	20,5	- 5	-14	7,5	9,5	-24	-15	0,5	-13	- 0,5	2	:
month	1	- 3	14,5	18,5	- 8	-11	8	1,5	-31,5	- 4,5	0,5	-10,5	0,5	- 2,5
	2	- 1,5	15	15,5	- 5	- 7,5	10,5	1,5	-34	- 4	- 3	-10,5	- 1	- 3,5
	3	1,5	17	12,5	- 6	- 4,5	14	2,5	-36,5	- 2	- 5	-10,5	0	- 6
	4	0,5	18,5	12	- 4,5	- 4	15	0	-38,5	- 1	- 8	-10,5	1	:
	5	4,5	21	7,5	- 7,5	- 2	16,5	0,5	-37,5	0,5	-11	-12	5	:
	6	7	21	5,5	- 8	- 0,5	16	- 3,5	-35,5	3	-12,5	-11	4,5	:
	7	8,5	21,5	2	- 6	0,5	16,5	- 4,5	-35	3	-15	- 9,5	9	:
	8	11	20	0	- 6	2,5	15	- 9	-33	3	-16	- 7,5	6,5	:
	9	13,5	18,5	0,5	- 9	4	14	-20,5	-28	5	-13,5	- 5,5	3	:
	10	16,5	19,5	- 3,5	-12,5	7	13,5	-19,5	-24	1,5	-14,5	- 3	1,5	:
	11	17	20	- 4	-15	7,5	11	-25,5	-16	1	-12,5	- 0,5	3	:
	12	18,5	20,5	- 7,5	-14	8,5	4,5	-27	- 8	1	-12	2	1	:
Production expectations (d)		Net balances, %												
year		19	23	10	1	11	17	- 8	-16	11	- 3	4	10	:
quarter	1	11	22	19	4	2	20	1	-29	13	- 4	0	10	0
	2	16	25	12	3	9	23	- 1	-27	13	- 4	0	10	:
	3	22	23	6	- 3	14	20	-12	-21	15	- 6	4	10	:
	4	27	24	2	- 6	20	13	-22	0	9	- 2	12	8	:
month	1	10	23	23	1	- 2	18	1	-27	13	8	0	12	1
	2	10	21	21	5	2	12	0	-30	12	5	- 1	10	0
	3	14	23	15	5	5	22	2	-30	13	2	0	10	- 1
	4	12	24	18	7	5	23	- 2	-29	12	- 1	- 1	9	- 4
	5	16	26	12	1	10	24	1	-28	13	- 4	- 2	10	:
	6	19	25	9	1	11	24	- 2	-25	15	- 5	0	9	:
	7	20	25	6	4	12	22	- 4	-25	14	- 7	2	11	:
	8	21	23	6	4	15	21	-10	-24	15	- 7	4	9	:
	9	24	22	6	0	16	19	-22	-15	17	- 3	5	9	:
	10	25	23	3	- 4	21	19	-20	-11	11	- 3	8	7	:
	11	26	23	4	- 8	20	16	-24	0	8	- 2	11	9	:
	12	27	24	0	- 6	20	4	-24	9	11	- 1	15	7	:
Order-books (d)		Net balances, %												
year		- 8	26	4	-23	-20	5	-15	-59	-30	-40	-37	-12	:
quarter	1	-27	17	18	-18	-29	0	5	-56	-42	-29	-38	-20	-13
	2	-14	26	10	-22	-23	7	- 3	-68	-29	-37	-41	-11	:
	3	- 3	31	- 2	-24	-18	12	-18	-68	-24	-43	-34	- 7	:
	4	10	29	-10	-30	-10	9	-37	-56	-27	-41	-26	-11	:
month	1	-30	13	19	-18	-30	- 3	7	-51	-47	-25	-40	-21	-13
	2	-28	19	19	-17	-29	- 2	6	-57	-42	-28	-37	-21	-13
	3	-22	21	17	-20	-28	5	4	-61	-40	-30	-38	-18	-13
	4	-18	22	15	-20	-24	6	0	-67	-32	-32	-42	-17	-19
	5	-13	25	10	-22	-21	6	- 2	-69	-30	-36	-39	-14	:
	6	- 9	31	4	-25	-22	12	- 5	-70	-26	-39	-37	-11	:
	7	- 7	32	1	-26	-19	12	-10	-70	-27	-41	-38	- 7	:
	8	- 3	32	- 2	-25	-17	12	-14	-70	-26	-45	-35	- 9	:
	9	2	30	- 4	-25	-16	10	-28	-67	-20	-42	-30	-11	:
	10	6	31	- 6	-29	-14	9	-29	-64	-26	-43	-30	-12	:
	11	10	28	-10	-30	- 9	11	-37	-56	-27	-40	-27	-10	:
	12	14	26	-14	-30	- 4	9	-44	-52	-27	-40	-23	-12	:
Export order-books (d)		Net balances, %												
year		:	:	- 1	-18	-10	6	- 5	-36	-15	-23	-21	- 5	:
quarter	1	:	:	2	- 4	-19	6	6	-38	-20	-14	-25	- 7	- 5
	2	:	:	2	-16	-15	5	0	-46	-15	-20	-23	- 3	:
	3	:	:	- 4	-21	- 7	6	- 2	-42	-14	-24	-22	- 4	:
	4	:	:	- 4	-30	3	10	-22	-27	-13	-25	-12	- 4	:
month	1	:	:	2	- 6	-22	5	7	-34	-20	-12	-25	-10	- 4
	2	:	:	- 1	- 5	-23	8	5	-40	-23	-14	-23	- 6	- 6
	3	:	:	1	- 9	-19	2	6	-42	-19	-15	-26	- 4	- 6
	4	:	:	2	-11	-17	0	2	-47	-17	-19	-23	- 3	- 9
	5	:	:	4	-19	-14	5	0	-45	-15	-19	-22	- 2	:
	6	:	:	1	-19	-14	10	- 2	-48	-14	-21	-23	- 2	:
	7	:	:	- 6	-13	-12	7	0	-46	-11	-22	-24	- 3	:
	8	:	:	- 3	-19	- 7	5	0	-44	-14	-25	-23	- 3	:
	9	:	:	- 1	-26	- 1	6	- 7	-39	- 9	-24	-18	- 5	:
	10	:	:	- 1	-30	3	12	-16	-35	-13	-25	-14	- 3	:
	11	:	9	- 3	-28	6	14	-21	-27	-14	-24	-12	- 4	:
	12	:	7	- 4	-28	6	7	-25	-22	-11	-26	-10	- 4	:
Stocks of finished products (d)		Net balances, %												
year		3	-14	0	17	12	- 5	10	37	12	22	20	6	:
quarter	1	14	- 8	-11	16	17	- 1	- 3	39	1				



**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			1980	1979		1980				
		Peak Trough					II	III	IV		I	Nov.	Dec.	Jan.	Feb.	March	April
		72/73	74/75														
D	production expectations	+17	-32	-8	-2	+6	+6	+8	+2	-3	+5	0	-3	-3	-4	-1	
	order-books	+5	-73	-42	-41	-15	-17	-7	-9	-7	-9	-9	-7	-7	-8	-2	
	export order-books	+23	-33	-6	-8	+4	+8	+4	+2	+3	+1	+3	+5	+2	+2	+1	
	stocks of finished products	-7	+43	+18	+17	+4	+3	-1	+2	+4	+1	+2	+4	+4	+3	+3	
	selling-price expectations	+55	+4	+14	+19	+32	+32	+37	+33	+36	+31	+35	+38	+37	+34	+31	
	business climate indicator	+5	-37,5	-13	-9,5	+1	+1	+4,5	0	-3,5	+2	-1	-3,5	-3,5	-3,5	-2	
F	production expectations	+33	-29	-5	+5	+12	+8	+14	+17	+11	+18	+16	+14	+9	+9	+3	
	order-books	+26	-69	-38	-31	-9	-10	-7	-4	-4	-6	-1	-5	-7	0	-10	
	export order-books	+24	-66	-34	-21	-1	-3	+3	+4	-6	+3	-1	-5	-5	-7	-15	
	stocks of finished products	-14	+50	+28	+25	+10	+11	+5	+6	+3	+5	+4	+3	+4	+3	+7	
	selling-price expectations	+76	+15	+42	+52	+55	+54	+57	+59	+60	+54	+61	+59	+62	+58	+57	
	business climate indicator	+23,5	-39,5	-16,5	-10	+1	-1,5	+4,5	+5,5	+3,5	+6,5	+6	+5,5	+2,5	+3	-2	
IRL	production expectations	..	-21	+29	+26	..	..	..	..	+1	+25	+14	+11	-1	-8	+4	
	order-books	..	-68	-13	-5	..	..	..	..	-22	-14	-14	-23	-18	-24	-37	
	export order-books	..	-22	+27	+19	..	..	..	..	-1	-5	+24	-19	+7	+8	+7	
	stocks of finished products	..	+35	+4	+4	..	..	..	..	+19	-5	+12	+17	+19	+22	+24	
	selling-price expectations	..	+64	+44	+35	..	..	..	..	+58	+55	+56	+57	+57	+59	+41	
	business climate indicator	..	-28	+12,5	+11	..	..	..	..	-9,5	+15	+1	-3	-10	-15	-10	
I	production expectations	+40	-43	-15	0	+13	+8	+20	+12	+7	+13	+11	+4	+10	+7	+5	
	order-books	+30	-82	-46	-40	-5	-5	-2	-2	+4	+2	-2	+7	+1	+5	-5	
	export order-books	+13	-67	-32	-29	-14	-13	-16	-14	-14	-14	-13	-10	-18	-14	-21	
	stocks of finished products	-24	+53	+31	+25	-1	+3	-6	-5	-2	-8	-1	-3	+1	-5	-6	
	selling-price expectations	+76	+10	+38	+41	+73	+68	+83	+79	+71	+77	+82	+76	+73	+63	+62	
	business climate indicator	+32	-48	-23	-12,5	+5	+2,5	+13	+8,5	+4,5	+10,5	+6	+3,5	+4,5	+6	+5,5	
NL	production expectations	+26	-23	+1	+2	+7	+5	+5	+4	+3	+8	-2	+4	+3	+1	-2	
	order-books	+7	-48	-29	-24	-13	-15	-10	-10	-8	-11	-7	-5	-10	-9	-11	
	stocks of finished products	-1	+57	+22	+16	+8	+10	+5	+5	+7	+3	+8	+4	+6	+11	+6	
	business climate indicator	+13,5	-40	-10,5	-7	-0,5	-3	0	-0,5	-2	+2,5	-5	0	-1,5	-5	-4	
B	production expectations	+31	-56	-24	-18	-3	-5	0	+2	-8	+3	-2	-5	-11	-7	-15	
	order-books	+13	-14	-54	-49	-30	-34	-28	-18	-18	-15	-16	-19	-19	-16	-18	
	export order-books	+15	-82	-58	-51	-28	-31	-28	-21	-21	-19	-20	-22	-20	-21	-20	
	stocks of finished products	-14	+37	+18	+22	+12	+17	+7	+3	+8	+5	+3	+8	+7	+10	+8	
	selling-price expectations	+64	-10	+10	+14	+27	+22	+30	+36	+34	+39	+36	+39	+31	+31	+26	
	business climate indicator	+22,5	-46,5	-21	-20	-7,5	-11	-3,5	-1	-8	-1	-2,5	-6,5	-9	-8,5	-11,5	
L	production expectations	+90	+98	-8	-22	..	-15	-4	..	-9	0	-8	-7	-22	+3	-6	
	order-books	..	..	-73	-68	..	-45	-39	..	-24	-28	-4	-32	-34	-7	-9	
	export order-books	..	..	-78	-76	..	-24	-2	..	-28	-37	+13	-42	-43	0	+4	
	stocks of finished products	-23	+69	+13	+6	..	+56	+51	..	+66	+63	+62	+69	+72	+58	+54	
	selling-price expectations	..	+46	+55	+59	..	-2	+8	..	+22	+29	+31	+25	+22	+19	+26	
	business climate indicator	+56,5	+14,5	-10,5	-14	..	-36,5	-27,5	..	-38	-31,5	-35	-38	-49,5	-27,5	-30	
UK	production expectations	..	..	+25	+20	+16	+28	+6	+7	-9	+6	+11	-6	-9	-13	-17	
	order-books	..	..	-14	-20	-13	0	-7	-29	-45	-25	-37	-47	-39	-49	-46	
	export order-books	..	..	-1	-24	-20	-12	-16	-26	-32	-17	-36	-40	-26	-31	-29	
	stocks of finished products	..	..	+10	+12	+7	+4	+3	+12	+17	+9	+16	+19	+16	+17	+29	
	selling-price expectations	..	..	+61	+50	+65	+69	+61	+64	+59	+65	+64	+54	+61	+61	+56	
	business climate indicator	..	..	+7,5	+4	+4,5	+12	+1,5	-2,5	-13	-1,5	-2,5	-12,5	-12,5	-15	-23	
EC	production expectations	+24 <sup>R</sup>	-30	-3	+4	+10	+10	+10	+8	0	+9	+7	+1	0	-1	-4	
	order-books	+15	-70 <sup>R</sup>	-40	-37	-12	-11	-7	-11	-13	-10	-12	-13	-13	-13	-19	
	export order-books	+14 <sup>R</sup>	-48 <sup>R</sup>	-23	-21	-5	-3	-4	-4	-5	-4	-4	-4	-6	-6	-9	
	stocks of finished products	-10 <sup>R</sup>	+48 <sup>R</sup>	+22	+20	+6	+6	+1	+4	+6	+3	+5	+6	+6	+6	+8	
	selling-price expectations	+19 <sup>R</sup>	+63 <sup>R</sup>	+33	+33	+49	+48	+52	+51	+51	+50	+53	+51	+53	+49	+46	
	business climate indicator	+16,5 <sup>R</sup>	-38,5 <sup>R</sup>	-12,5	-8	+2	+2	+4,5	+2	-3	+3	+1	-2,5	-3	-3,5	-6	

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

(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 3 (cont.): **Monthly survey of manufacturing industry and related economic time-series: EC total**  
Historical data, 1968 to 1980.

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Selling-price expectations (d)													
year	13	30	29	24	27	44	48	20	48	33	33	49	:
quarter													
1	5	16	37	26	23	40	60	18	38	42	32	46	51
2	9	29	34	28	28	46	62	15	50	34	31	48	:
3	21	33	25	22	25	42	45	13	61	33	36	52	:
4	16	42	26	18	31	49	33	26	46	29	39	51	:
month													
1	13	7	39	24	19	37	61	25	34	44	32	39	51
2	1	21	40	28	23	42	61	18	35	44	33	44	53
3	4	24	36	28	26	44	64	10	43	42	30	48	49
4	3	29	33	28	27	44	61	12	48	37	32	49	46
5	8	29	30	28	29	47	63	12	49	34	32	48	:
6	15	30	27	26	28	45	59	15	53	35	30	50	:
7	22	30	24	23	27	46	56	9	53	33	34	51	:
8	21	34	25	21	25	42	47	14	57	31	35	54	:
9	19	36	25	22	23	39	35	17	60	33	37	52	:
10	17	41	24	19	26	43	35	21	46	32	41	51	:
11	16	42	25	16	29	48	32	27	50	32	38	50	:
12	13	41	26	18	36	56	32	28	46	28	38	53	:
Wholesale prices (e)													
year	4,5	6,9	4,6	4,9	11,0	23,7	7,7	13,2	11,0	5,7	4,4	(10,3)	:
quarter													
1	-1,1	2,5	7,2	4,8	3,9	8,7	21,1	12,7	8,8	15,5	5,7	8,0	:
2	-1,2	4,1	7,6	4,6	4,0	10,2	25,4	7,3	13,0	12,3	5,0	10,3	:
3	-0,9	5,1	7,1	4,7	4,9	11,7	25,1	5,9	14,8	9,6	5,6	13,0	:
4	0,1	6,2	5,6	4,2	6,8	13,3	23,3	5,5	16,0	7,2	6,4	:	:
month													
1	-1,0	2,4	6,8	4,9	4,1	8,0	18,4	16,1	7,4	16,1	6,1	7,1	(14,6)
2	-1,0	2,3	7,1	4,8	4,1	8,6	21,3	12,4	8,8	15,6	5,6	8,0	:
3	-1,2	2,9	7,6	4,7	3,6	9,5	23,6	9,7	10,1	14,4	5,4	9,0	:
4	-1,0	3,7	7,7	4,6	3,9	9,5	25,3	8,0	12,4	12,8	4,9	9,6	:
5	-1,0	4,3	7,4	4,4	4,3	10,1	25,5	7,1	13,2	12,4	4,9	10,2	:
6	-1,1	4,4	7,7	4,7	3,7	11,0	25,4	6,7	13,3	11,8	5,3	11,1	:
7	-1,0	4,6	7,7	4,7	4,3	11,7	24,8	6,0	14,6	10,3	5,7	12,0	:
8	-0,9	5,1	7,1	4,7	4,9	11,8	25,0	5,9	14,8	9,4	5,8	13,3	:
9	-0,9	5,6	6,6	4,8	5,4	11,5	25,5	5,8	15,0	9,1	5,4	13,9	:
10	-0,3	6,1	6,0	4,5	6,2	12,1	24,9	5,4	15,5	8,0	6,0	14,5	:
11	-0,1	6,3	5,7	4,2	6,7	13,2	23,8	5,1	16,6	6,8	6,4	(14,5)	:
12	0,8	6,2	5,2	3,9	7,5	14,6	21,3	6,0	15,9	6,7	6,8	(13,5)	:

- (a) The annual data cover the nine Community Member States, and are based on 1970 prices and exchange rates. The quarterly series cover the Federal Republic of Germany (gross national product), France, Italy and the United Kingdom, representing approximately 80 % of Community production. The latter series are based on 1975 prices and exchange rates.
- (b) Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average.
- (c) Composite indicator based on the survey questions on production expectations and stocks of finished products (see notes below). The indicator is an average of the net balances, i.e. the differences between the percentages of respondents giving positive or negative replies, with the sign inverted for stocks.
- (d) Details of the questions are given in the notes below.
- (e) Excluding Luxembourg. The component indices for member states are taken from Community sources (Eurostat), except for France and the Netherlands, where national sources are used.

Sources: Eurostat and 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 March/April 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'.

The annual subscription for this publication runs from 1 January to 31 December of each year.

Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.

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OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

Boîte postale 1003 — Luxembourg

ISSN 0379-2110

Catalogue number: CB-AT-80-005-EN-C