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Supplement B

Economic prospects - business survey results

Signs of recovery in business confidence. — The industrial business climate indicator based on the European Community business survey improved in January 1981 by 3,5 percentage points. While judgments on order-books and stock levels recovered by 2 and 1 percentage points respectively, the chief executives covered by the survey in the Community as a whole reported considerably less pessimism on the industrial production outlook, by 6 percentage points (see Graph 1 and Table 1). This change in business sentiment could be a first leading indicator of an end to the current recession in some months' time. This is not yet certain, however, since one month's data is too narrow a base on which to forecast a turning point in economic activity. Moreover industrialists may just be registering an end to a worsening trend, rather than an improvement. Industrial selling-price expectations for the Community as a whole were stable in January by comparison with the preceding month, a majority of 33% of chief executives in industry expecting their selling-prices to rise in the months ahead.

The business climate in the Member States. — The industrial business climate was less negative in January 1981 in all Member States, except Ireland and the Netherlands, where the climate was virtually unchanged by comparison with the preceding month, and Luxembourg, where the business climate indicator fell in January by 6,5 percentage points. The improvements ranged from 1 percentage point in the Federal Republic of Germany, through 1,5 percentage points in Belgium, 2,5 percentage points in Italy, and 3,5 percentage points in France to a marked rise of 12,5 percentage points in the United Kingdom.

Industrial production expectations, order-book assessments and judgments on the level of stocks of finished products in the Federal Republic of Germany all recovered in January 1981 by 1 percentage point while the net balance of industrialists expecting selling-prices to rise during the coming months continued to increase.

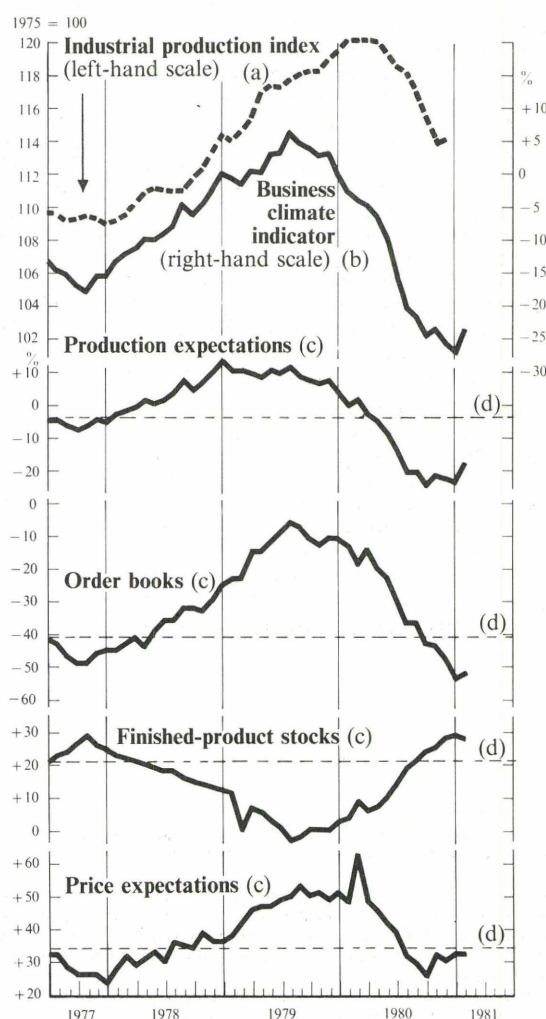
In France production expectations were less pessimistic in January by 3 percentage points, and assessments of order-book levels by 5 percentage points. The net balance of industrialists in France judging stocks of finished products to be above normal declined by 4 percentage points, while the majority of chief executives expecting selling-prices to rise fell by 3 percentage points in January by comparison with the December results.

Italian industrialists, too, consider the production outlook to be less depressed than in earlier months, according to the January survey: the net balance on the production expectations question rose by 2 percentage points. Judgments on Italian industrial order-books including export order-books recovered markedly, by 7 and 8 percentage points respectively, between December 1980 and January 1981. With respect to the level of stocks of finished products chief executives were less pessimistic (by 3 percentage points) in January than in December 1980.

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 upwards trends in production, order-books, 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 $\pm \dots\%$). The monthly and quarterly data in the tables are seasonally adjusted, except where otherwise stated.

Production expectations in the United Kingdom were notably less pessimistic in January, by comparison with the rather poor December level: a swing of 25 percentage points brought the net balance of chief

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



For notes, see overleaf, column 1.

executives expecting production to decline in the months ahead from 43% down to 18%. Assessments of order-books by UK chief executives remain pessimistic, although the January survey indicates some improvement in order-book judgment (5 percentage points) by comparison with December 1980. Stocks of finished products in UK industry were reported to be above normal by a majority of 42% of chief executives in January, exactly the same as in the previous month. Selling-price expectations rose markedly in January, by 9 percentage points.

In the Benelux, a slight recovery in production expectation was reported for Belgium (3 percentage points) and the Netherlands (1 percentage point), while the pessimistic majority of Luxembourg industrial chief executives increased markedly (by 9 percentage points).

Weak investment forecasts for 1981. — Industrial investment in 1981 will be substantially below the levels reached last year, according to the October/November survey of chief executives (see Table 2). Spending on industrial plant and machinery is estimated to grow in nominal terms by amounts ranging from 2% in Ireland, 3% in Belgium, and 4% in the Federal Republic of Germany to 6% in France. When account is taken of price increases, these spending plans represent declines in real terms in industrial investment in 1981 in most countries. In the Netherlands and the United Kingdom, investment spending is forecast to decline in 1981 which, especially in the United Kingdom, represents a very sharp fall in real terms by comparison with last year.

Production outlook at the industrial branch level. — At the Community level the change in production expectations in January was most pronounced in the manufacture of motor-vehicles and accessories sector, (a reduction of 23 percentage points in the net balance of respondents expecting production to decrease in the months ahead; however responses from this branch have been most unstable in the last months — see Table 3). Favourable changes in production expectations were also reported in the electrical engineering industry (9 percentage points), in the production and preliminary processing of metals (8 percentage points), in the mechanical engineering industry (6 percentage points), in the manufacture of metal articles (6 percentage points) and of non-metallic mineral products (ceramics, etc.) (5 percentage points) and, finally, in the textile industry (2 percentage points). Opinion on levels of order-books and of stocks of finished goods has also taken a somewhat less pessimistic turn while selling-price expectations were reported higher in January in five of the nine industrial sectors included in Table 3.

Duration of production assured by orders on hand, and the adequacy of production capacity. — Orders on hand in Community industry represented 3.3 months of normal production according to the January survey (see Table 4). This is virtually identical with the level of October 1980. The duration in months of assured production appears to have increased markedly in the United Kingdom, by 1 month. In the other Member States, except for the Federal Republic of Germany and Ireland where no change was reported and Luxembourg with a marginal increase of 0.1 months, the duration in months of assured production declined — by 0.1 months in the Netherlands and Belgium and 0.4 months in France. The net balance of chief executives reporting that production capacity was more than sufficient to meet current requirements increased by 7 percentage points at the Community level. The corresponding national increases amounted to 11 percentage points in France and Luxembourg, 8 percentage points in the Federal Republic of Germany and 1 percentage point in Belgium. In the other Member States a lower percentage (by between 1 and 2 percentage points) of chief executives considered that capacity was excessive in January 1981.

Recent results of the construction survey. — The percentage of chief executives of building firms who considered orders to be below normal increased in January in the Federal Republic of Germany and in Belgium by 2 and 1 percentage points, respectively, and in the United Kingdom by 15 percentage points (see Table 5). In Italy, the Netherlands and Luxembourg, however, judgments on order-books for construction activity improved in January.

Employment expectations in the building sector improved somewhat, in January, in Italy (7 percentage points), the Netherlands and the United Kingdom (2 percentage points) and Luxembourg (10 percentage points).

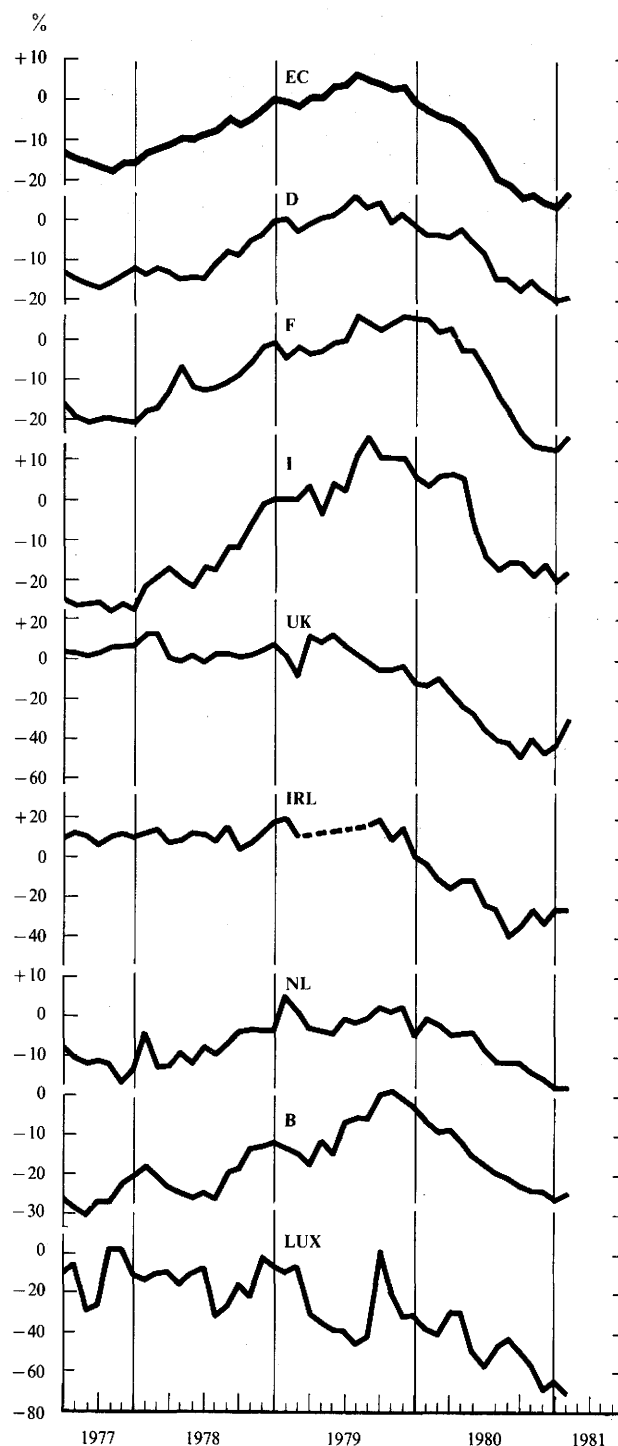
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Notes on Graph 1.

- Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average.
- 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.
- Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on final page).
- Dotted line shows average for 1968-1977.

Source: European Community business surveys and Eurostat.

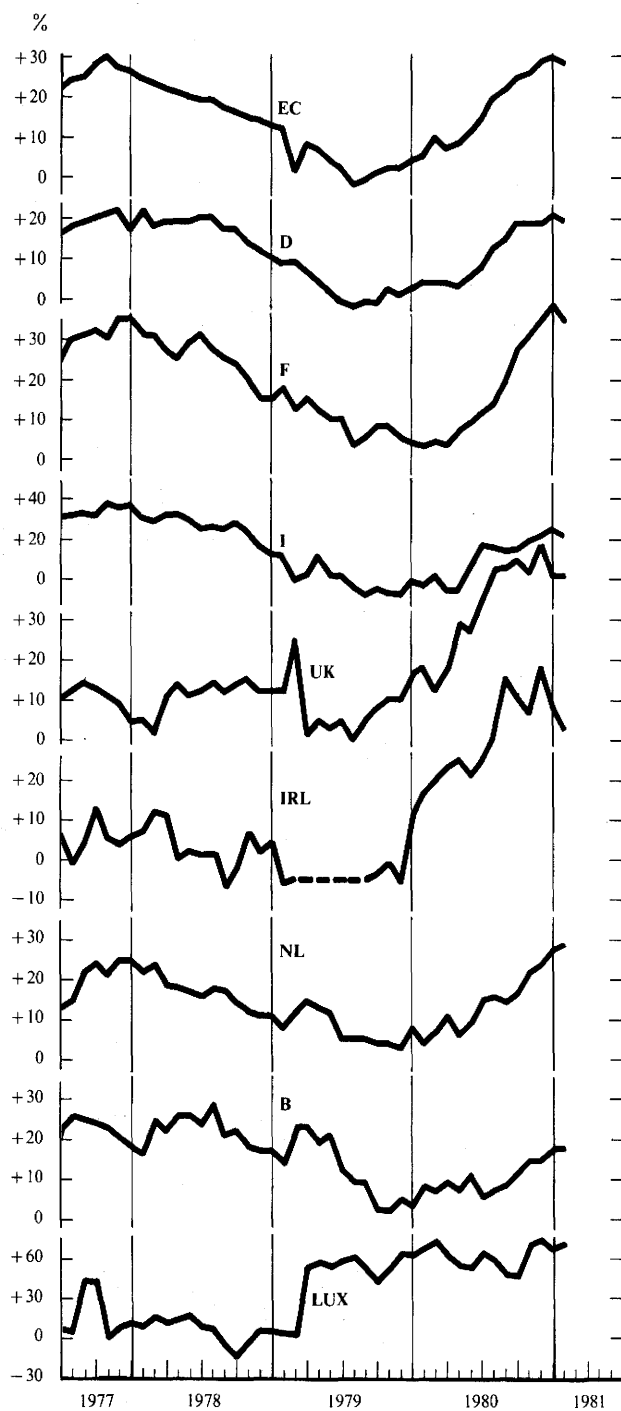
GRAPH 2: Business climate of manufacturing industry - EC and Member States



Note: 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.

Source: European Community business surveys.

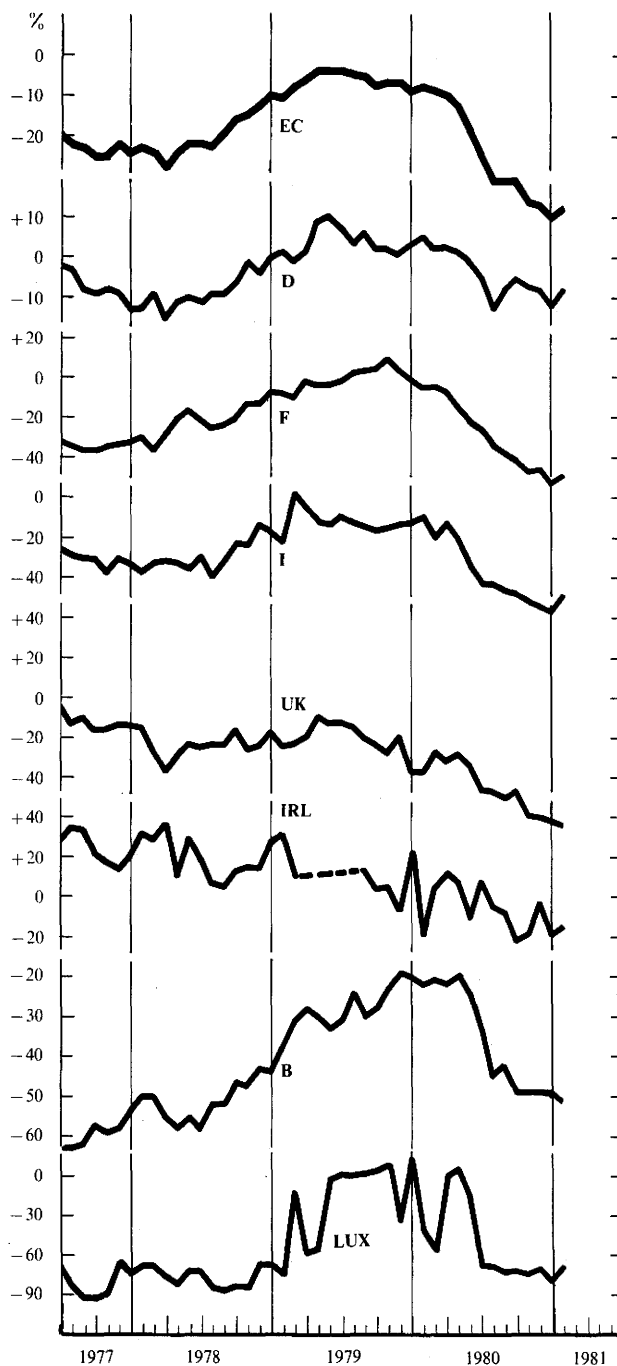
GRAPH 3: Stocks of finished products in manufacturing industry - EC and Member States (a)



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

Source: European Community business surveys.

GRAPH 4: Export order-books in manufacturing industry - EC and Member States (a)



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

Source: European Community business surveys.

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 | 1978 | 1979 | 1980 | 1980 | | | | 1980 | | | | | 1981 |
|---|------|------|------|------|-----|-----|-----|------|-------|------------------|------|------|------|
| | | | | I | II | III | IV | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. |
| Production expectations | | | | | | | | | | | | | |
| Textile industry | 0 | + 1 | -21 | -10 | -18 | -27 | -29 | -29 | -26 | -31 | -28 | -29 | -27 |
| Mineral oil refining | + 8 | - 1 | -11 | + 8 | 0 | -19 | -31 | -17 | -18 | -46 | -24 | -22 | -29 |
| Production and preliminary processing of metals | - 4 | + 5 | -26 | -12 | -16 | -39 | -37 | -37 | -44 | -21 | -48 | -42 | -34 |
| Non-metallic mineral products (ceramics, etc.) | - 2 | + 4 | -15 | + 1 | - 8 | -23 | -30 | -19 | -28 | -30 | -31 | -30 | -25 |
| Chemical industry | +11 | + 7 | -13 | - 4 | -19 | -25 | - 3 | -26 | -16 | - 4 | - 4 | - 1 | - 2 |
| Manufacture of metal articles | 0 | + 3 | -11 | - 1 | - 4 | -19 | -21 | -21 | -21 | -16 | -24 | -23 | -17 |
| Mechanical engineering | - 1 | + 7 | - 8 | + 7 | - 2 | -16 | -22 | -16 | -19 | -19 | -23 | -24 | -18 |
| Electrical engineering | +13 | + 8 | - 6 | + 6 | + 1 | -15 | -16 | -14 | -18 | -12 | -16 | -19 | -10 |
| Manufacture of motor vehicles and accessories | +16 | +14 | -19 | + 1 | - 6 | -36 | -34 | -28 | -44 | -35 | -25 | -42 | -19 |
| Order-books | | | | | | | | | | | | | |
| Textile industry | -38 | -15 | -44 | -28 | -38 | -51 | -60 | -51 | -51 | -55 | -64 | -62 | -64 |
| Mineral oil refining | -33 | + 7 | -29 | - 6 | -27 | -34 | -48 | -35 | -46 | -44 | -48 | -52 | -55 |
| Production and preliminary processing of metals | -65 | -31 | -48 | -31 | -34 | -57 | -68 | -53 | -61 | -64 | -67 | -73 | -68 |
| Non-metallic mineral products (ceramics, etc.) | -40 | -15 | -23 | - 8 | -12 | -27 | -45 | -28 | -28 | -39 | -41 | -54 | -50 |
| Chemical industry | -28 | + 6 | -26 | + 2 | -21 | -44 | -39 | -39 | -43 | -36 | -40 | -41 | -39 |
| Manufacture of metal articles | -32 | -17 | -27 | -15 | -13 | -29 | -49 | -27 | -35 | -41 | -51 | -56 | -50 |
| Mechanical engineering | -43 | -24 | -28 | -20 | -18 | -30 | -44 | -29 | -33 | -38 | -44 | -49 | -49 |
| Electrical engineering | -18 | -17 | -21 | -12 | -17 | -21 | -32 | -20 | -25 | -28 | -34 | -35 | -28 |
| Manufacture of motor vehicles and accessories | + 9 | +12 | -22 | +10 | -14 | -36 | -47 | -31 | -43 | -45 | -37 | -59 | -55 |
| Export order-books | | | | | | | | | | | | | |
| Textile industry | -34 | -30 | -51 | -40 | -45 | -57 | -61 | -59 | -60 | -57 ^R | -59 | -66 | -62 |
| Mineral oil refining | -21 | - 2 | -10 | +14 | - 6 | -24 | -24 | -33 | -26 | -29 | -34 | - 9 | -30 |
| Production and preliminary processing of metals | -13 | -17 | -49 | -31 | -31 | -59 | -73 | -57 | -68 | -73 | -65 | -80 | -79 |
| Non-metallic mineral products (ceramics, etc.) | -12 | - 9 | -23 | - 8 | -14 | -29 | -39 | -25 | -36 | -35 | -37 | -46 | -48 |
| Chemical industry | - 9 | + 8 | -21 | + 1 | -12 | -35 | -37 | -34 | -35 | -34 | -36 | -42 | -39 |
| Manufacture of metal articles | -17 | -29 | -34 | -33 | -25 | -35 | -41 | -35 | -37 | -38 | -41 | -44 | -48 |
| Mechanical engineering | -21 | -26 | -34 | -30 | -26 | -35 | -45 | -32 | -38 | -40 ^R | -45 | -51 | -51 |
| Electrical engineering | -23 | -26 | -28 | -26 | -23 | -28 | -35 | -30 | -29 | -31 ^R | -35 | -38 | -30 |
| Manufacture of motor vehicles and accessories | - 1 | + 3 | -23 | - 3 | -15 | -29 | -44 | -27 | -37 | -36 | -48 | -49 | -51 |
| Stocks of finished products | | | | | | | | | | | | | |
| Textile industry | +34 | +19 | +33 | +29 | +30 | +32 | +41 | +37 | +31 | +37 | +42 | +44 | +44 |
| Mineral oil refining | + 7 | -25 | +11 | -14 | 0 | +20 | -35 | +20 | +33 | +25 | +31 | +48 | +34 |
| Production and preliminary processing of metals | +11 | 0 | + 4 | - 5 | - 2 | + 8 | +15 | + 7 | +10 | +14 | +16 | +16 | +15 |
| Non-metallic mineral products (ceramics, etc.) | +28 | +12 | +10 | + 1 | - 1 | +11 | +27 | + 9 | +17 | +22 | +27 | +31 | +35 |
| Chemical industry | +16 | - 5 | +20 | + 6 | +17 | +32 | +24 | +30 | +27 | +29 | +23 | +19 | +14 |
| Manufacture of metal articles | +13 | + 1 | +10 | + 1 | + 3 | +12 | +23 | +12 | +13 | +18 | +25 | +27 | +27 |
| Mechanical engineering | +23 | +10 | +16 | + 9 | +10 | +19 | +24 | +19 | +19 | +22 | +25 | +26 | +24 |
| Electrical engineering | +20 | +16 | +23 | +17 | +22 | +25 | +26 | +26 | +25 | +27 | +25 | +27 | +33 |
| Manufacture of motor vehicles and accessories | - 4 | -13 | +21 | - 1 | +13 | +29 | +44 | +20 | +41 | +36 | +41 | +54 | +45 |
| Selling-price expectations | | | | | | | | | | | | | |
| Textile industry | +34 | +50 | +40 | +59 | +43 | +32 | +25 | +32 | +30 | +25 ^R | +26 | +24 | +31 |
| Mineral oil refining | +29 | +60 | +59 | +51 | +77 | +43 | +66 | +40 | +23 | +68 | +64 | +65 | +36 |
| Production and preliminary processing of metals | +36 | +41 | +19 | +51 | +25 | -12 | +12 | -12 | -14 | + 2 | +15 | +19 | +22 |
| Non-metallic mineral products (ceramics, etc.) | +32 | +44 | +46 | +60 | +47 | +39 | +38 | +39 | +34 | +36 | +35 | +43 | +41 |
| Chemical industry | +30 | +48 | +28 | +55 | +22 | + 8 | +26 | + 9 | + 8 | +22 | +24 | +32 | +35 |
| Manufacture of metal articles | +32 | +43 | +42 | +47 | +49 | +40 | +31 | +41 | +40 | +37 | +30 | +25 | +22 |
| Mechanical engineering | +38 | +38 | +40 | +48 | +41 | +35 | +35 | +35 | +35 | +39 | +36 | +30 | +33 |
| Electrical engineering | +28 | +33 | +41 | +43 | +42 | +37 | +41 | +36 | +35 | +41 | +43 | +40 | +41 |
| Manufacture of motor vehicles and accessories | +40 | +40 | +41 | +49 | +42 | +36 | +37 | +42 | +39 | +40 | +36 | +36 | +31 |

(a) Denmark and Greece excluded. See note (d) to Table 1.

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

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.

R = Revised.

Source: European Community business surveys.

TABLE 4: Survey of manufacturing industry — Questions asked each quarter (a):

Estimated number of months' production assured by orders on hand

Expected capacity constraints: i.e. net balance of respondents expecting capacity to be insufficient in relation to production expectations

| | | Range (b) | | 1978 | 1979 | 1980 | 1980 | | | | 1981 |
|---|--------|--------------|----------------|------|------|------|------|-------|------|------|------|
| | | Peak 1973 | Trough 1975 | | | | Jan. | April | July | Oct. | Jan. |
| duration in months of assured production | D | 3,3 | 2,8 | 2,9 | 3,2 | 3,2 | 3,4 | 3,4 | 3,2 | 2,8 | 2,8 |
| | F | 3,5 | 2,7 | 3,5 | 3,8 | 4,0 | 4,1 | 3,9 | 3,9 | 4,1 | 3,7 |
| | IRL | 2,2 | 1,8 | 2,1 | 2,2 | 1,8 | 1,9 | 2,2 | 1,6 | 1,5 | 1,5 |
| | I | 4,7 | 3,7 | 4,2 | 4,5 | 4,8 | 4,5 | 5,5 | 5,0 | 4,3 | 4,1 |
| | NL | 4,7 | 2,6 | 3,9 | 4,2 | 4,0 | 4,1 | 4,1 | 4,0 | 3,9 | 3,8 |
| | B | 4,5 | 2,8 | 3,0 | 3,3 | 3,5 | 3,5 | 3,7 | 3,6 | 3,4 | 3,3 |
| | L | 3,5 | 1,4 | 1,5 | 2,8 | 2,2 | 2,1 | 2,4 | 2,2 | 2,1 | 2,2 |
| | UK | : | : | 3,6 | 3,4 | 2,5 | 3,0 | 3,0 | 2,0 | 2,0 | 3,0 |
| EC (d) | | 3,7 | 3,0 | 3,4 | 3,6 | 3,5 | 3,7 | 3,7 | 3,4 | 3,2 | 3,3 |
| adequacy (+) or inadequacy (-) of existing production capacity (c) | D | - 3 | +56 | +33 | +21 | +17 | +14 | +11 | +18 | +25 | +33 |
| | F | -24 | +45 | +28 | +18 | +18 | + 8 | +12 | +20 | +32 | +43 |
| | IRL | : | +34 | - 1 | + 1 | +23 | +10 | +12 | +33 | +35 | +34 |
| | I | + 1 | +63 | +46 | +23 | +30 | +18 | +22 | +33 | +45 | +43 |
| | NL | - 3 | +60 | +40 | +22 | +23 | +19 | +13 | +27 | +31 | +30 |
| | B | -12 | +58 | +57 | +45 | +41 | +36 | +35 | +40 | +51 | +52 |
| | L | -72 | +73 | +69 | +40 | +48 | +44 | +35 | +56 | +57 | +68 |
| | EC (d) | | - 7 | +54 | +35 | +20 | +21 | +14 | +15 | +23 | +32 |

* Peak, 1974.

(a) Details of the questions are given on the last page. The data are not adjusted for seasonality.

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

(c) Answers to the question whether, taking into account the level of order-books or production plans, existing production capacity is more than sufficient (+), sufficient (=) or less than sufficient (-). Thus, negative net balances (capacity less than sufficient) indicate high levels of capacity utilization and positive net balances (capacity more than sufficient) are associated with low levels of capacity utilization.

(d) Weighted total of available country data.

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) | | 1978 | 1979 | 1980 | 1980 | | | | 1980 | | | | | 1981 |
|--------------|-----------------------------|---------------|-----------------|-------|------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Peak 72/73 | Trough 74/75 | | | | I | II | III | IV | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. |
| D | production expectations | +17 | -32 | -2 | +6 | -10 | -3 | -5 | -16 | -16 | -15 | -16 | -11 | -17 | -19 | -18 |
| | order-books | +5 | -73 | -41 | -15 | -21 | -7 | -13 | -27 | -37 | -26 | -32 | -33 | -36 | -43 | -42 |
| | export order-books (c) | +23 | -33 | -8 | +4 | -4 | +3 | -2 | -9 | -9 | -8 | -5 | -7 | -8 | -12 | -8 |
| | stocks of finished products | -7 | +43 | +17 | +4 | +11 | +4 | +5 | +16 | +20 | +15 | +19 | +19 | +19 | +21 | +20 |
| | selling-price expectations | +55 | +4 | +19 | +32 | +26 | +36 | +28 | +17 | +23 | +18 | +15 | +18 | +26 | +25 | +28 |
| | business climate indicator | +5 | -37,5 | +9,5 | +1 | -10,5 | +3,5 | -5 | -16 | -18 | -15 | -17,5 | -15 | -18 | -20 | -19 |
| F | production expectations | +33 | -29 | +5 | +12 | -6 | +11 | +1 | -15 | -19 | -15 | -18 | -21 | -19 | -16 | -13 |
| | order-books | +26 | -69 | -31 | -9 | -22 | -4 | -13 | -27 | -42 | -27 | -33 | -38 | -38 | -50 | -45 |
| | export order-books | +24 | -66 | -21 | -1 | -29 | -6 | -21 | -39 | -49 | -38 | -42 | -47 | -46 | -53 | -49 |
| | stocks of finished products | -14 | +50 | +25 | +10 | +17 | +3 | +9 | +21 | +35 | +20 | +28 | +31 | +35 | +39 | +35 |
| | selling-price expectations | +76 | +15 | +52 | +55 | +50 | +60 | +54 | +39 | +49 | +39 | +37 | +52 | +43 | +51 | +48 |
| | business climate indicator | +23,5 | -39,5 | -10 | +1 | -11,5 | +3,5 | -4 | -18 | -27 | -17,5 | -23 | -26 | -27 | -27,5 | -24 |
| IRL | production expectations | : | -21 | +26 | : | -12 | +1 | -7 | -27 | -14 | -33 | -28 | -14 | -16 | -11 | -18 |
| | order-books | : | -68 | -5 | : | -50 | -22 | -44 | -64 | -67 | -60 | -66 | -66 | -71 | -65 | -56 |
| | export order-books | : | -22 | +19 | : | -6 | -1 | +2 | -11 | -13 | -7 | -22 | -19 | -2 | -19 | -15 |
| | stocks of finished products | : | +35 | +4 | : | +31 | +20 | +24 | +39 | +42 | +46 | +41 | +37 | +49 | +39 | +33 |
| | selling-price expectations | : | +64 | +35 | : | +43 | +58 | +48 | +39 | +27 | +47 | +31 | +30 | +29 | +21 | +28 |
| | business climate indicator | : | -28 | +11 | : | -21,5 | -9,5 | -15 | -33 | -28 | -39,5 | -34,5 | -25,5 | -32,5 | -25 | -25,5 |
| I | production expectations | +40 | -43 | 0 | +13 | -7 | +7 | -4 | -16 | -14 | -15 | -15 | -18 | -10 | -15 | -13 |
| | order-books | +30 | -82 | -40 | -5 | -22 | +4 | -13 | -34 | -45 | -30 | -37 | -39 | -44 | -52 | -45 |
| | export order-books | +13 | -67 | -29 | -14 | -37 | -15 | -33 | -46 | -54 | -46 | -48 | -52 | -54 | -57 | -49 |
| | stocks of finished products | -24 | +53 | +25 | -1 | +11 | -2 | +6 | +15 | +23 | +15 | +16 | +20 | +22 | +26 | +23 |
| | selling-price expectations | +76 | +10 | +41 | +66 | +63 | +74 | +58 | +59 | +60 | +62 | +60 | +63 | +58 | +58 | +55 |
| | business climate indicator | +32 | -48 | -12,5 | +5 | -9 | +4,5 | -5 | -15,5 | -18,5 | -15 | -15,5 | -19 | -16 | -20,5 | -18 |
| NL | production expectations | +26 | -23 | +2 | +7 | -3 | +3 | -1 | -7 | -7 | -8 | -6 | -6 | -7 | -8 | -7 |
| | order-books | +7 | -48 | -24 | -13 | -20 | -8 | -14 | -25 | -33 | -24 | -28 | -31 | -32 | -36 | -38 |
| | stocks of finished products | -1 | +57 | +16 | +8 | +15 | +7 | +10 | +16 | +25 | +15 | +17 | +22 | +24 | +28 | +29 |
| | selling-price expectations | +13,5 | -40 | -7 | +0,5 | -9 | -2 | -5,5 | -11,5 | -16 | -11,5 | -11,5 | -14 | -15,5 | -18 | -18 |
| | business climate indicator | : | : | : | : | : | : | : | : | : | : | : | : | : | : | : |
| B | production expectations | +31 | -56 | -18 | -3 | -24 | -8 | -21 | -32 | -33 | -32 | -33 | -33 | -33 | -34 | -31 |
| | order-books | +13 | -14 | -49 | -30 | -31 | -18 | -23 | -38 | -44 | -36 | -42 | -44 | -44 | -45 | -44 |
| | export order-books | +15 | -82 | -51 | -28 | -36 | -22 | -26 | -45 | -49 | -42 | -49 | -49 | -49 | -49 | -51 |
| | stocks of finished products | -14 | +37 | +22 | +12 | +11 | +8 | +8 | +10 | +16 | +9 | +12 | +15 | +15 | +18 | +18 |
| | selling-price expectations | +64 | -10 | +14 | +27 | +20 | +34 | +19 | +9 | +18 | +10 | +7 | +10 | +21 | +24 | +22 |
| | business climate indicator | +22,5 | -46,5 | -20 | -7,5 | -17,5 | -8 | -14,5 | -21 | -25 | -20,5 | -22,5 | -24 | -24 | -26 | -24,5 |
| L | production expectations | +90 | +98 | -22 | -2 | -33 | -5 | -32 | -41 | -54 | -36 | -52 | -40 | -64 | -59 | -68 |
| | order-books | : | : | -68 | -44 | -42 | -31 | -25 | -51 | -62 | -52 | -50 | -52 | -63 | -72 | -58 |
| | export order-books | : | : | -76 | -26 | -52 | -33 | -27 | -72 | -75 | -73 | -72 | -74 | -70 | -81 | -69 |
| | stocks of finished products | -23 | +69 | +6 | +48 | +63 | +67 | +59 | +53 | +72 | +49 | +48 | +72 | +75 | +69 | +73 |
| | selling-price expectations | : | -46 | +59 | +14 | +8 | +22 | +5 | -20 | +23 | -12 | -6 | +1 | +10 | +58 | +60 |
| | business climate indicator | +56,5 | +14,5 | -14 | -25 | -48 | -36 | -46 | -47 | -63 | -42,5 | -50 | -56 | -69,5 | -64 | -70,5 |
| UK | production expectations | : | : | +20 | +12 | -30 | -8 | -27 | -43 | -41 | -40 | -52 | -37 | -44 | -43 | -18 |
| | order-books | : | : | -22 | -18 | -65 | -45 | -57 | -74 | -84 | -74 | -79 | -79 | -85 | -87 | -82 |
| | export order-books | : | : | -24 | -20 | -45 | -32 | -37 | -48 | -60 | -50 | -47 | -59 | -60 | -62 | -64 |
| | stocks of finished products | : | : | +12 | +7 | +34 | +16 | +30 | +44 | +44 | +43 | +45 | +42 | +49 | +42 | +42 |
| | selling-price expectations | : | : | +50 | +65 | +36 | +59 | +48 | +26 | +11 | +20 | +18 | +16 | +10 | +8 | +17 |
| | business climate indicator | : | : | +4 | +2,5 | -32 | -12 | -28,5 | -43,5 | -42,5 | -41,5 | -48,5 | -39,5 | -46,5 | -42,5 | -30 |
| EC(d) | production expectations | +24 | -30 | +4 | +7 | -13 | 0 | -9 | -21 | -22 | -20 | -24 | -21 | -22 | -23 | -17 |
| | order-books | +15 | -70 | -37 | -12 | -31 | -13 | -23 | -38 | -48 | -36 | -42 | -44 | -47 | -53 | -51 |
| | export order-books | +14 | -48 | -20 | -6 | -24 | -9 | -19 | -31 | -38 | -31 | -31 | -36 | -37 | -40 | -37 |
| | stocks of finished products | -10 | +48 | +20 | +5 | +17 | +7 | +11 | +22 | +28 | +22 | +25 | +26 | +29 | +30 | +29 |
| | selling-price expectations | +19 | +63 | +33 | +45 | +38 | +51 | +42 | +29 | +32 | +30 | +26 | +33 | +31 | +33 | +33 |
| | business climate indicator | +16,5 | -38,5 | -8 | +1 | -15 | -3,5 | -10 | -22 | -25 | -21 | -24,5 | -23,5 | -25,5 | -26,5 | -23 |

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

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

(c) The series for the Federal Republic of Germany concerns the export outlook, rather than orders as such.

(d) Not including Denmark and Greece, where the survey time series are too short to permit an analysis of trends. (The Community survey was extended to Denmark at the beginning of 1980 and to Greece at the beginning of 1981.)

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 2 (I): Half-yearly industrial investment survey: estimates for 1980 and prospects for 1981.

Results of the October-November 1980 investment survey, % change in value, over the preceding year.

| | Basic materials industries (a) | | Metallurgical industries | | Mechanical industries | | Processing industries (b) | | Extractive industries | | Food industries | | Total all industry | |
|---------------|--------------------------------|------|--------------------------|------|-----------------------|------|---------------------------|------|-----------------------|------|-----------------|------|--------------------|------|
| | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 |
| D | +15 | +3 | +11 | +1 | +18 | +6 | +9 | -5 | +16 | +27 | +12 | +3 | +15 | +4 |
| F | +26 | +3 | +8 | +14 | +15 | +10 | +11 | +3 | -2 | +14 | +11 | -3 | +16 | +6 |
| IRL | -40 | +20 | -55 | +29 | -2 | +29 | +16 | -9 | : | : | +6 | -17 | -3,5 | +2 |
| I | : | : | : | : | : | : | : | : | : | : | : | : | : | : |
| NL | +42 | -11 | +12 | -10 | +12 | +1 | -12 | 0 | +16 | 0 | +13 | -19 | +15 | -7 |
| B | +6 | -4 | +53 | -66 | +50 | +9 | +11 | -37 | : | : | +21 | -52 | +30 | +3 |
| L | -18 | +26 | -13 | -3 | +27 | 0 | -58 | -42 | : | : | : | : | -12,5 | 0 |
| UK | +17 | -6 | -14 | +4 | -1 | -4 | +2 | -27 | : | : | +12 | -6 | +6 | -7 |
| EC (e) | : | : | : | : | : | : | : | : | : | : | : | : | : | : |

TABLE 2 (II): Survey estimates and forecasts for total industrial investment.

Total industry, % change in value in relation to preceding year.

| Year to which data relate: | 1977 | | | | 1978 | | | | 1979 | | | | 1980 | | | | 1981 |
|----------------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-----------------|-----------------|
| | Oct./ Nov. 1976 | March/ April 1977 | Oct./ Nov. 1977 | March/ April 1978 | Oct./ Nov. 1977 | March/ April 1978 | Oct./ Nov. 1978 | March/ April 1979 | Oct./ Nov. 1978 | March/ April 1979 | Oct./ Nov. 1979 | March/ April 1980 | Oct./ Nov. 1979 | March/ April 1980 | Oct./ Nov. 1980 | Oct./ Nov. 1980 | Oct./ Nov. 1980 |
| D | +6 | +8 | +7 | +3 | +7 | +8 | +10 | +9 | +9 | +11 | +13 | +14 | +12 | +15 | +15 | +4 | +4 |
| F | +6 | +12 | +11 | +10 | +12 | +12 | +9 | +8 | +15 | +16 | +10 | +10 | +15 | +16 | +16 | +6 | +6 |
| IRL (c) | : | : | +5 | +11 | +21 | +41 | +36 | +43 | +26 | +29 | +19 | +19 | +12 | +6,5 | -3,5 | +2 | +2 |
| I | +24 | +12 | +3 | +5 | +10 | +2 | +0,5 | +6 | +24 | +19 | +5 | +10 | +26 | +31 | : | : | : |
| NL | : | : | +16 | +17 | +3 | +6 | +4 | +3 | -5 | +4 | +1 | 0 | +13 | +18 | +15 | -7 | -7 |
| B (d) | -5 | -10 | -1 | : | -1 | -6 | -4 | -4 | : | +15 | +12 | +16 | +30 | +41 | +30 | +3 | +3 |
| L (d) | +61 | +64 | +50 | +13 | +6 | +48 | +23 | +22 | +27 | -1 | +22 | -5 | -5 | +7 | -12,5 | 0 | 0 |
| UK (c) | +28 | +25 | +24 | +23 | +26 | +26 | +19 | +19 | +18 | +15 | +9 | +12 | +4 | +2 | +6 | -7 | -7 |
| EC (e) | : | +12 | +11 | +10 | +12 | +11 | +9 | +9 | +13 | +14 | +10 | +11 | +14 | +16 | : | : | : |

(a) Chemicals, man-made fibres, petroleum refining, rubber processing, etc.

(b) Manufacture of textiles, footwear, wood, paper, together with the printing and processing of plastics industries.

(c) Excluding the extractive industries.

(d) Excluding the extractive and food industries.

(e) Weighted total of the above (not given when data are substantially incomplete).

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) | | 1978 | 1979 | 1980 | 1980 | | | 1981 | 1980 | | | | | 1981 |
|-----|-------------------------|---------------|-----------------|------|------|------|------|-----|-----|------|------|-------|------|------|------|------|
| | | Peak 72/73 | Trough 74/75 | | | | II | III | IV | I | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. |
| D | order-books | -17 | -84 | -32 | -7 | -30 | -24 | -35 | -45 | : | -37 | -37 | -41 | -47 | -48 | -50 |
| | employment expectations | +10 | -60 | +5 | +9 | -7 | -5 | -12 | -17 | : | -12 | -11 | -16 | -15 | -19 | -24 |
| | price expectations | +48 | -37 | +28 | +30 | -5 | +3 | -21 | -23 | : | -23 | -19 | -16 | -25 | -27 | -33 |
| F | order-books | : | : | -48 | : | -30 | -28 | -28 | -35 | : | : | : | : | : | : | : |
| (c) | employment expectations | : | : | -19 | : | -11 | -5 | -5 | -19 | : | : | : | : | : | : | : |
| I | order-books | -25 | -68 | -40 | -29 | -33 | -30 | -31 | -34 | : | -31 | -36 | -35 | -35 | -31 | -29 |
| | employment expectations | +10 | -44 | -16 | -12 | -11 | -13 | -7 | -15 | : | -2 | -9 | -17 | -15 | -14 | -7 |
| | price expectations | +85 | +30 | +62 | +71 | +71 | +74 | +67 | +72 | : | +66 | +69 | +70 | +75 | +70 | +66 |
| NL | order-books | -8 | -81 | -19 | -19 | -39 | -39 | -45 | -47 | : | -45 | -45 | -43 | -47 | -50 | -48 |
| | employment expectations | +14 | -13 | +12 | +11 | -8 | -9 | -13 | -17 | : | -13 | -17 | -18 | -16 | -16 | -14 |
| | price expectations | -13 | -47 | -39 | -28 | -32 | -37 | -26 | -35 | : | -38 | -35 | -34 | -32 | -40 | -41 |
| B | order-books | +31 | -24 | -9 | 0 | -23 | -26 | -31 | -28 | : | -29 | -34 | -28 | -22 | -30 | -30 |
| | employment expectations | +75 | +25 | +31 | +43 | +31 | +36 | +27 | +20 | : | +22 | +32 | +19 | +22 | +19 | +18 |
| | price expectations | +21 | -50 | -11 | -7 | -12 | -2 | -13 | -28 | : | -10 | -16 | -15 | -21 | -48 | -17 |
| L | order-books | +31 | -39 | +14 | +16 | +6 | +11 | +9 | -3 | : | -5 | +10 | +23 | +2 | -35 | -25 |
| | employment expectations | +82 | +11 | +27 | +46 | +45 | +65 | +23 | +31 | : | +11 | +18 | +38 | +33 | +22 | +36 |
| | price expectations | : | : | -8 | : | -33 | -31 | -36 | -45 | -60 | : | : | : | : | : | : |
| UK | order-books | : | : | -2 | : | -27 | -12 | -34 | -49 | -47 | : | : | : | : | : | : |
| | employment expectations | : | : | +53 | : | +50 | +63 | +40 | +31 | -23 | : | : | : | : | : | : |
| | price expectations | : | : | : | : | : | : | : | : | : | : | : | : | : | : | : |
| EC | order-books | : | : | -32 | : | -32 | -29 | -33 | -40 | : | : | : | : | : | : | : |
| | employment expectations | : | : | -9 | : | -14 | -9 | -15 | -24 | : | : | : | : | : | : | : |
| | price expectations | : | : | : | : | : | : | : | : | : | : | : | : | : | : | : |

(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 unless otherwise indicated: 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?

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 will 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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