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Supplement B

Economic prospects - business survey results

Industrial business climate improves. — A strong improvement in Italian business sentiment, accompanied by moderate advances in France and Belgium, raised the Community business climate indicator for the industrial sector by 1,5 percentage points in December (see Graphs 1 and 2 and Table 1). Although at the Community level, production expectations were unchanged as between November and December, total order-book judgements improved by 1 percentage point and judgements on finished stock levels by 3 percentage points. Looking at the average fourth quarter, 1981, results by comparison with the third, the same gradually improving tendencies can be seen (Table 1). The recorded opinions of chief executives in industry continue, therefore, to indicate that recovery from the 1980/1981 recession is under way. This impression is strengthened by the replies of industrialists concerning recent production trends: for the original six Member States there was an improvement of 2 percentage points in the assessment of recent production trends as between the November and December surveys and similar advances were noted, on average, in the third and fourth quarters of the year (data are not available for Denmark, Greece and Ireland, while the fourth quarter 1981 result for the UK is not yet to hand). In the case of the UK the available, quarterly results show a corresponding but more pronounced development during the first three quarters of 1981.

There are as yet, however, no signs of recovery in labour demand, which appears to be at a record low level (Table 3).

The business climate in the Member States. — In the *Federal Republic of Germany*, the December survey results show an unchanged business climate indicator by comparison with November: the production outlook for the next 3 months declined by 1 percentage point and finished-stock judgements improved by the same amount (see Table 1, Graph 2 and Graph 3). Between the third and the fourth quarter 1981 the survey results for Germany indicate a marginal improvement in the business climate indicator, of 1 percentage point. Judgements of German chief executives on order-books, including export order-books, showed, also, only a very slight improvement during the last quarter of 1981 and in general the recovery of German business confidence in the course of 1981 has been extremely modest.

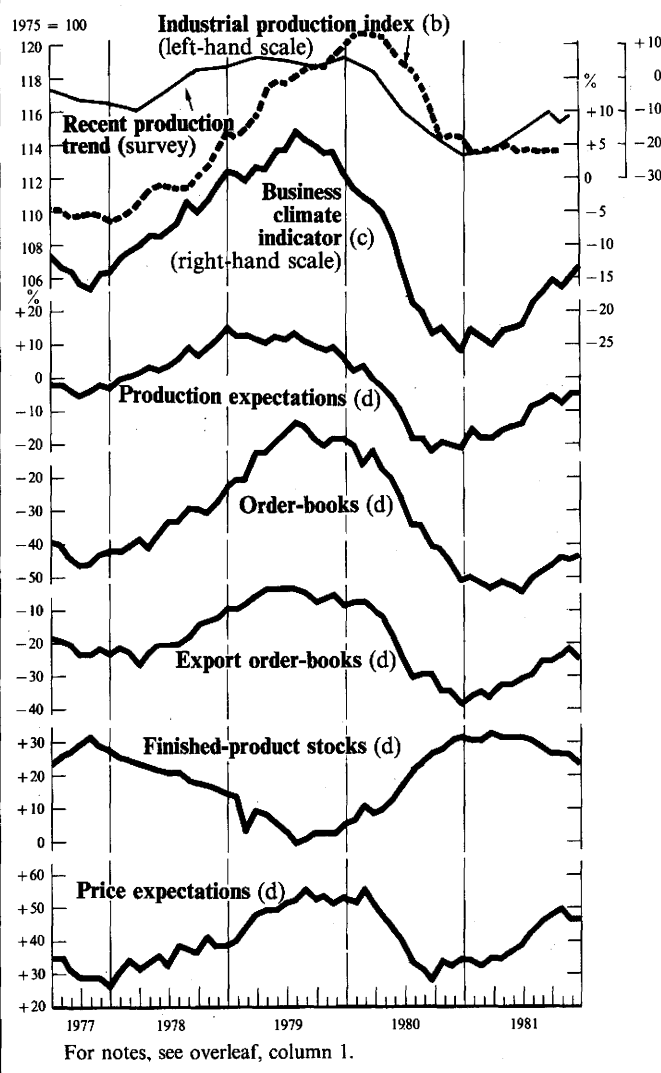
The business climate in *France* continued to improve in December, according to the most recent survey of chief executives. Production expectations advanced by 1 percentage point over November and there is now a slight majority of chief executives expecting production to rise during the next quarter. Assessments on finished-stock levels improved, also (by 2 percentage points). By contrast, total order-book judgements and, more markedly, export order-book judgements deteriorated (by 1 and 7 percentage points, respectively).

The most striking result of the December survey is the improvement in the *Italian industrial business climate*: this indicator of business confidence improved by 6,5 percentage points between November and December. As in France, however, order-book judgements deteriorated slightly. The dominating characteristic of the Italian December survey is the improvement in production expectations (by 9 percentage points) and finished stock-judgements (by 4 percentage points).

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-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.

After a strong improvement of 11,5% in the third quarter of 1981, the business climate indicator in the *United Kingdom* fell back by 2 percentage points in the final three months of the year. The December results show a distinct weakening in production expectations (-5 percentage points) but slightly more optimistic opinions on finished-

GRAPH 1: Business survey indicators for manufacturing industry and the index of industrial production - EC 9 (a)



stock levels (an improvement of 1 percentage point by comparison with November). Judgements on total order-book levels, as well as on export order-books, in December also deteriorated; however, on a quarterly basis both order-book questions indicated an improvement of 6 percentage points in the last quarter of 1981, by comparison with the third quarter.

In *Ireland* the business climate indicator deteriorated by 1 percentage point in December, suggesting that, as in the UK, the recovery in business confidence may be losing momentum. Order-book levels in Irish industry also weakened in December (by 2 percentage points) and finished-stock levels were reported to be excessive by an additional 3% of respondents. Selling price expectations fell sharply, an indication, perhaps, of weaker demand expected by chief executives.

In *Belgium*, the December survey produced an improvement in the business climate indicator of 2.5 percentage points, reflecting principally a decline of 4 percentage points in the majority of industrialists considering finished-stock levels to the above normal. Order-book judgements, however, deteriorated by 4 percentage points.

The *Netherlands* reported an unchanged business climate in December by comparison with November. The business climate indicator for the last quarter as a whole declined, however, by 1.5 percentage points, due to a sharp deterioration of industrial production expectations (5 percentage points). Business confidence among Dutch chief executives is now weaker than that reported from any of the other Member States, except Luxembourg.

Consumption, investment and intermediate-goods sectors. — The survey results for the Community's investment and intermediate-goods sectors, for the last quarter of 1981 by comparison with the third quarter, indicate an identical but slight deterioration (of 1 percentage point) in production expectations. Looking at the results for 1981 as a whole, however, one observes a positive tendency in the intermediate-goods sector and a rather flat trend for investment-goods (see Table 2). In the consumer-goods industries the optimistic trend of production expectations observed earlier in 1981 was continued in the last quarter (an advance of 7 percentage points over the third quarter).

Employment in Industry. — Recent survey results on the employment outlook continue to indicate widespread pessimism on the part of industrial chief executives (see Table 3). Between June/July and October/November, 1981, the net balance of Community industrialists considering that employment in industry would decline in the months ahead advanced by 3 percentage points, to reach a more pessimistic level than in the recession of 1974/75. However, the United Kingdom, France and the Benelux report an improvement in the industrial employment outlook, with advances of between 3 and 11 percentage points in the net balance of industrialists' opinion on this subject. In the Federal Republic of Germany, however, there was a particularly marked deterioration in employment expectations in this latest survey.

Factors limiting industrial production. — In all Member States for which data are available, insufficient demand continues to be major factor reported to be limiting industrial output (see Table 4). Nevertheless, the survey results indicate, both at the Community and Member-State levels (with the exception of the Netherlands and Luxembourg), that a slight improvement in demand conditions has taken place by comparison with the June/July surveys. Shortages of labour and equipment are still reported by only a very small percentage (3%) of industrial chief executives.

Construction. — Between the third and the fourth quarters of 1981, the net percentage of chief executives of building firms who considered orders to be below normal increased, at the Community level, by 3 percentage points (see Table 5). The fourth-quarter results show a weakening in order-book judgements in the Federal Republic of Germany, France, Italy and Luxembourg (all by 5 percentage points), and by 3 points in the Netherlands. By contrast, the United Kingdom and Belgium reported an improvement by 2 percentage points in construction order-books in the final quarter. However, the most recently available monthly data indicate, for December by comparison with November, an improvement in the orders situation of the construction industry in the Federal Republic of Germany, where a marked interruption of the pessimistic tendency (an advance of 6 percentage points) of order-book judgements was reported.

Employment expectations in the construction sector were more pessimistic in the last quarter of 1981, by comparison with the third quarter, in Luxembourg (-23 percentage points), in France (-3 percentage points), the Netherlands (-8 percentage points) and in Italy (-2 percentage points). The United Kingdom and Belgium reported, however, an improvement, between the third and the fourth quarters of 1981, in employment expectations (of 6 and 5 percentage points, respectively). The results for December 1981 also show an improvement of employment expectations, by comparison with November, in Italy (+20 percentage points), in Luxembourg (+8 percentage points) and the Netherlands (+3 percentage points).

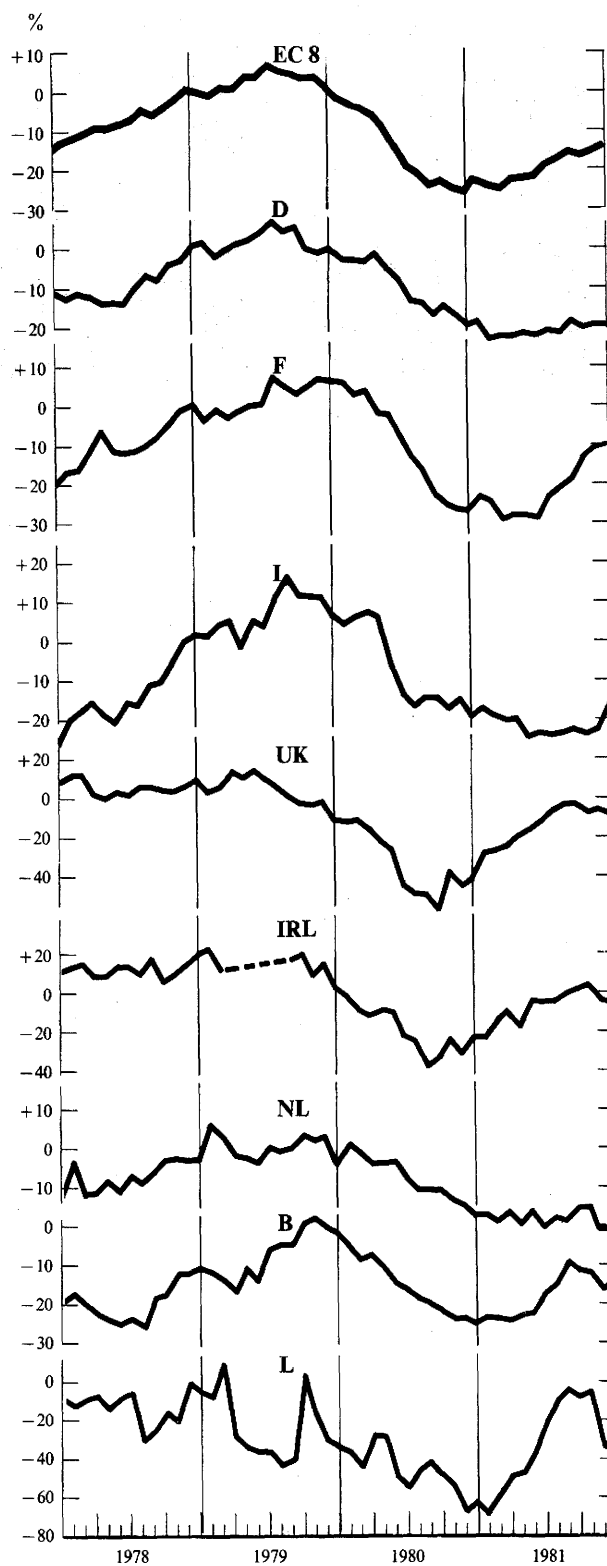
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Notes on Graph 1.

- Weighted total of available country data — see Table 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 of earlier issues).

Source: European Community business surveys and Eurostat.

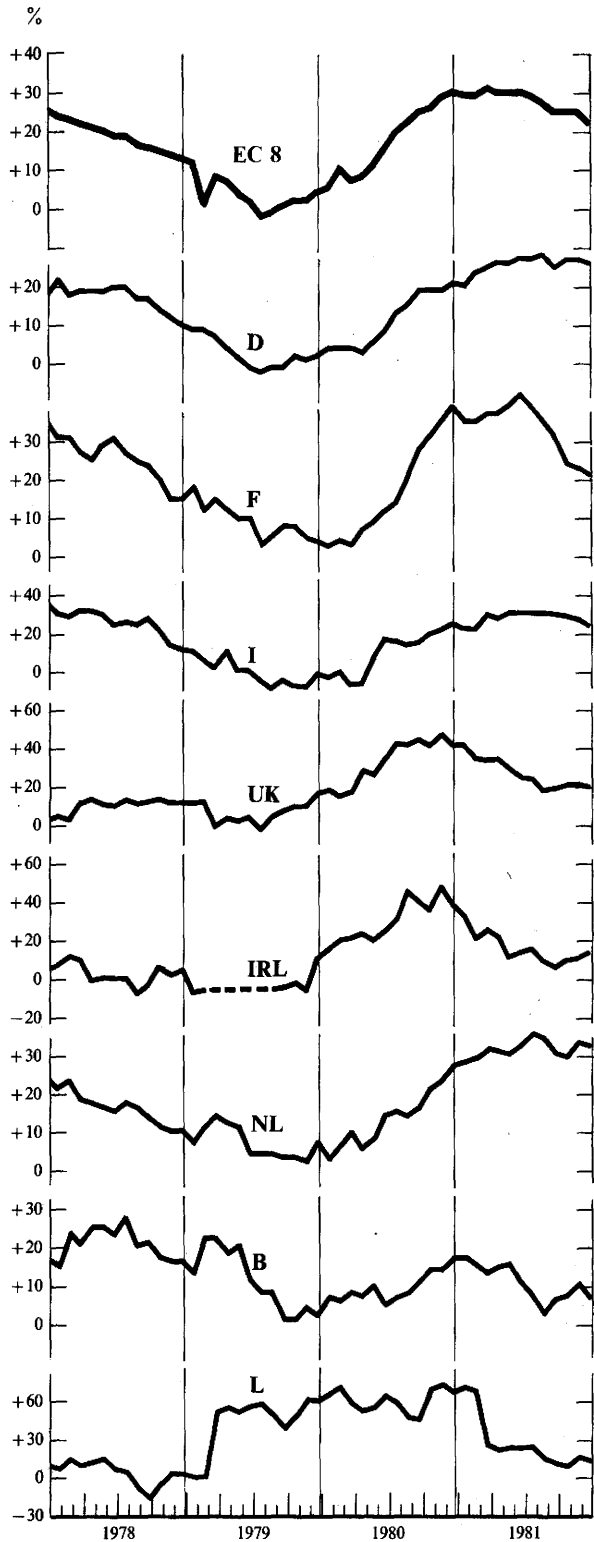
GRAPH 2: Business climate of manufacturing industry - EC and Member States



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.

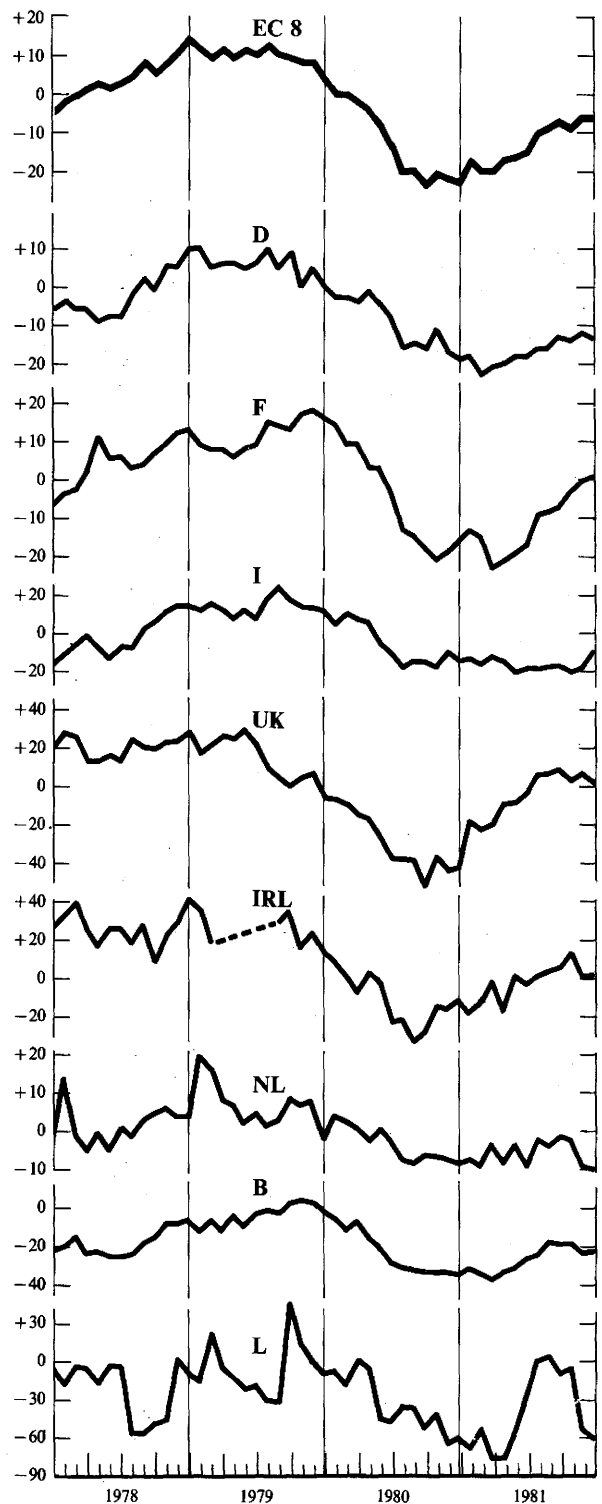
Source: European Community business surveys.

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: Production outlook for 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: Survey of manufacturing industry — Question asked half-yearly (a)

Employment expectations for the months ahead: net balance of respondents expecting employment up, unchanged or down (b)

	Range (c)		1978	1979	1980	1981	1979		1980		1981	
	Peak 1972/73	Trough 1974/75					June/ July	Oct./ Nov.	June/ July	Oct./ Nov.	June/ July	Oct./ Nov.
B	+12	-26	-17	-6	-21	-18	-9	-2	-12	-29	-19	-16
DK	:	:	:	:	-14	-10	:	:	-3	-25	-9	-10
D	+13	-34	-8	+1	-6	-20	-1	+2	+1	-12	-14	-26
F	+17	-35	-24	-23	-29	-39	-22	-23	-24	-33	-41	-37
IRL	+15	-34	:	:	-33	-25	:	-2	-36	-29	-19	-30
I	+13	-26	-6	+1	-22	-38	+3	-1	-15	-28	-34	-42
L	+75	-67	-34	-10	-13	-44	-19	-1	-12	-13	-49	-38
NL	+4	-32	-22	-10	-10	-17	-13	-6	-10	-9	-17	-17
UK	:	:	-6	-19	-52	-48	-14	-24	-40	-64	-52	-44
EC (d)	+12	-31	-12	-10	-24	-32	-9	-10	-16	-30	-30	-33

TABLE 4: Survey of manufacturing industry — Question asked three times a year (a)(b)

Limits to production: insufficient demand, shortage of labour, lack of equipment

		1978			1979			1980			1981			
		Jan./ Feb.	June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	
B	insufficient demand		90	91	86	83	78	78	78	75	83	81	85	83
	shortage of labour		0	0	2	2	3	3	3	5	3	3	2	2
	lack of equipment		1	2	5	4	6	7	7	8	6	4	5	4
DK	insufficient demand		:	:	:	:	:	:	15	18	28	31	29	23
	shortage of labour		:	:	:	:	:	:	12	11	6	3	3	2
	lack of equipment		:	:	:	:	:	:	8	8	4	3	2	5
D	insufficient demand		42	36	32	28	16	16	16	13	28	38	35	34
	shortage of labour		4	4	4	6	7	14	10	13	6	5	4	3
	lack of equipment		1	2	1	2	1	3	3	3	1	1	1	2
F	insufficient demand		:	:	:	:	:	:	:	:	:	:	:	:
	shortage of labour		2	3	3	3	3	6	5	4	6	3	2	1
	lack of equipment		11	12	11	11	12	16	18	17	16	6	6	5
IRL	insufficient demand		5	:	15	18	:	8	27	38	53	56	57	50
	shortage of labour		3	:	8	9	:	3	24	4	2	2	0	2
	lack of equipment		0	:	4	1	:	12	7	3	1	0	1	1
I	insufficient demand		50	40	32	34	25	25	17	33	39	46	59	57
	shortage of labour		0	2	1	1	3	4	3	4	3	3	3	3
	lack of equipment		1	1	3	3	2	4	4	3	3	4	4	4
L	insufficient demand		70	72	62	65	48	47	46	64	69	68	64	66
	shortage of labour		0	0	0	4	1	1	0	1	1	1	10	10
	lack of equipment		1	2	0	2	7	1	1	4	1	0	2	2
NL	insufficient demand		50	29	28	15	10	9	18	17	26	29	34	33
	shortage of labour		4	11	10	13	16	21	15	17	10	6	5	3
	lack of equipment		1	2	0	5	2	5	2	2	1	1	1	1
UK	insufficient demand		78	71	64	74	70	73	82	85	94	96	94	88
	shortage of labour		24	26	30	31	27	25	17	12	5	2	1	1
	lack of equipment		11	9	12	13	17	11	8	7	3	2	7	7
EC(d)	insufficient demand		56	49	43	44	35	36	37	29	50	57	57	55
	shortage of labour		7	8	10	10	10	13	9	9	5	4	3	3
	lack of equipment		5	6	6	7	7	8	8	7	5	3	4	4

(a) Details of the questions are given on the last page.

(b) Not seasonally adjusted.

(c) These are the extreme (high and low) values of the net balance of the responses, reached in the course of 1972/73 and 1974/75, respectively.

(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)		1979	1980	1981	1981				1981					
		Peak 1972/73	Trough 1974/75				I	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.
B	production expectations	+31	-56	-3	-24	-26	-34	-30	-20	-21	-24	-17	-18	-18	-23	-22
	order-books	+13	-66	-30	-31	-45	-47	-48	-44	-41	-44	-45	-44	-39	-40	-44
	export order-books	+15	-82	-28	-36	-47	-53	-51	-46	-38	-47	-46	-44	-36	-39	-40
	stocks of finished products	-14	+37	+12	+11	+11	+16	+14	+6	+9	+8	+3	+7	+8	+11	+7
	selling-price expectations	+64	-10	+27	+20	+29	+18	+24	+37	+38	+34	+40	+37	+38	+39	+38
	business climate indicator	+22,5	-46,5	-7,5	-17,5	-18,5	-25	-22	-13	-15	-16	-10	-12,5	-13	-17	-14,5
DK	production expectations	..	..	..	-6	-24	-34	-26	-18	+7	..	..	..	..	..	..
	order-books	..	..	..	+9	-8	-11	-8	-8	-3	..	..	..	..	..	..
	export order-books	..	..	..	+16	+17	+20	+22	+12	+13	..	..	..	..	..	..
	stocks of finished products	..	..	..	-10	-10	-20	-10	-7	-3	..	..	..	..	..	..
	business climate indicator	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
D	production expectations	+17	-32	+6	-10	-17	-21	-19	-15	-12	-16	-16	-13	-14	-12	-13
	order-books	+5	-73	-15	-21	-46	-44	-48	-47	-45	-48	-47	-45	-43	-47	-46
	export order-books (c)	+23	-33	+4	-4	-1	-6	-2	+2	+2	0	+3	+2	+1	+2	+2
	stocks of finished products	-7	+43	+4	+11	+26	+23	+26	+27	+27	+27	+28	+25	+27	+27	+26
	selling-price expectations	+55	+4	+32	+26	+32	+30	+30	+34	+33	+32	+34	+37	+38	+33	+29
	business climate indicator	+5	-37,5	+1	-10,5	-21,5	-22	-22,5	-21	-20	-21,5	-22	-19	-20,5	-19,5	-19,5
F	production expectations	+33	-29	+12	-6	-11	-17	-19	-8	-1	-9	-8	-7	-3	0	+1
	order-books	+26	-69	-9	-22	-46	-48	-54R	-46	-37	-52	-46	-41	-43	-33	-34
	export order-books	+24	-66	-1	-29	-47	-50	-50	-45	-43	-50	-45	-41	-45	-38	-45
	stocks of finished products	-14	+50	+10	+17	+34	+36	+40	+35	+23	+39	+35	+31	+24	+23	+21
	selling-price expectations	+76	+15	+55	+50	+54	+47	+47	+59	+64	+57	+59	+62	+69	+63	+59
	business climate indicator	+23,5	-39,5	+1	-11,5	-22,5	-26,5	-29,5	-21,5	-12	-24	-21,5	-19	-13,5	-11,5	-10
IRL	production expectations	..	-21	..	-12	-1	-9	-5	+4	+6	+1	+4	+6	+14	+1	+2
	order-books	..	-68	..	-50	-36	-47	-42	-33	-22	-37	-31	-31	-17	-24	-26
	export order-books	..	-22	..	-6	+2	0	-5	+5	+6	+17	+1	-2	+18	0	0
	stocks of finished products	..	+35	..	+31	+16	+27	+16	+10	+12	+16	+9	+6	+10	+11	+14
	selling-price expectations	..	+64	..	+43	+41	+33	+36	+47	+46	+34	+53	+53	+47	+51	+40
	business climate indicator	..	-28	..	-21,5	-8,5	-18	-10,5	-3	-3	-7,5	-2,5	0	+2	-5	-6
I	production expectations	+40	-43	+13	-7	-16	-14	-17	-18	-16	-19	-18	-17	-20	-18	-9
	order-books	+30	-82	-5	-22	-49	-49	-52	-49	-47	-47	-49	-51	-42	-49	-51
	export order-books	+13	-67	-14	-37	-45	-49	-49	-46	-37	-47	-44	-46	-37	-36	-37
	stocks of finished products	-24	+53	-1	+11	+28	+25	+30	+31	+27	+31	+31	+30	+29	+28	+24
	selling-price expectations	+76	+10	+66	+63	+59	+55	+60	+63	+57	+60	+67	+62	+58	+57	+57
	business climate indicator	+32	-48	+5	-9	-22	-19,5	-23,5	-24,5	-21,5	-25	-24,5	-23,5	-24,5	-23	-16,5
L	production expectations	+84	-80	-2	-33	-39	-65	-50	-1	-40	+1	+5	-8	-5	-54	-61
	order-books	..	..	-44	-42	-62	-64	-65	-60	-58	-63	-56	-60	-56	-57	-60
	export order-books	..	..	-26	-52	-81	-75	-86	-84	-77	-86	-83	-82	-80	-72	-80
	stocks of finished products	-14	+74	+48	+63	+28	+56	+24	+18	+14	+25	+16	+12	+10	+17	+14
	selling-price expectations	..	-64	+14	+8	+60	+45	+57	+64	+72	+64	+65	+63	+74	+74	+67
	business climate indicator	+48	-77	-25	-48	-33,5	-60,5	-37	-9,5	-27	-12	-5,5	-10	-7,5	-35,5	-37,5
NL	production expectations	+26	-23	+7	-3	-6	-6	-7	-2	-7	-2	-4	-1	-2	-9	-10
	order-books	+7	-48	+13	-20	-37	-38	-40	-36	-34	-40	-34	-33	-32	-34	-35
	stocks of finished products	-1	+57	+8	+15	+32	+30	+32	+34	+32	+36	+35	+31	+30	+34	+33
	business climate indicator	+13,5	-40	+0,5	-9	-19	-18	-19,5	-18	-19,5	-19	-19,5	-16	-16	-21,5	-21,5
UK	production expectations	..	..	+12	-30	-4	-20	-7	+4	+4	+6	+7	+9	+3	+7	+2
	order-books	..	..	-18	-65	-69	-83	-72	-64	-58	-66	-63	-62	-59	-57	-58
	export order-books	..	..	-20	-45	-55	-67	-58	-51	-45	-54	-47	-53	-45	-40	-51
	stocks of finished products	..	..	+7	+34	+27	+37	+29	+20	+21	+24	+18	+19	+21	+21	+20
	selling-price expectations	..	..	+65	+36	+25	+12	+17	+29	+40	+25	+29	+33	+37	+38	+44
	business climate indicator	..	..	+2,5	-32	-15,5	-28,5	-18	-6,5	-8,5	-9	-5,5	-5	-9	-7	-9
EC(d)	production expectations	+24	-30	+9	-13	-13	-19	-16	-9	-7	-10	-9	-7	-9	-6	-6
	order-books	+15	-70	-12	-31	-51	-53	-54	-50	-45	-52	-50	-48	-45	-46	-45
	export order-books	+14	-48	-6	-24	-31	-37	-33	-28	-25	-31	-27	-27	-25	-23	-26
	stocks of finished products	-10	+48	+5	+17	+28	+30	+30	+27	+24	+29	+27	+25	+25	+25	+22
	selling-price expectations	+69	+9	+49	+38	+40	+32	+35	+44	+46	+41	+44	+46	+49	+45	+45
	business climate indicator	+16,5	-38,5	+2	-15	-20,5	-24,5	-23	-18	-15,5	-19,5	-18	-16	-17	-15,5	-14

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)		1979	1980	1981	1981				1981						
	Peak 1972/73	Trough 1974/75				I	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.	
B	consumer goods	+34	-43	-4	-17	-28	-33	-29	-27	-22	-32	-25	-24	-22	-23	-21
	investment goods	+27	-58	-3	-23	-31	-32	-31	-28	-33	-32	-26	-27	-31	-34	-35
	intermediate goods	+26	-63	-4	-31	-23	-38	-33	-8	-14	-12	-6	-6	-8	-18	-15
D	consumer goods	+18	-30	-1	-5	-16	-18	-17	-15	-12	-15	-20	-12	-14	-9	-14
	investment goods	+17	-28	+9	-1	-11	-11	-12	-12	-10	-13	-11	-11	-11	-10	-9
	intermediate goods	+26	-41	+6	-15	-20	-26	-21	-16	-15	-19	-16	-14	-17	-13	-15
F	consumer goods	+42	-22	+21	-0	-8	-16	-15	-11	+11	-12	-11	-11	+5	+17	+12
	investment goods	+35	-31	+6	-1	-6	-2	-9	-7	-5	-8	-8	-6	+9	+6	+1
	intermediate goods	+33	-39	+9	-15	-18	-29	-29	-6	-8	-7	-6	-5	-7	-12	-6
IRL	consumer goods	..	-28	..	-12	-9	-12	+2	-18	-7	-22	-5	-18	-8	-18	+5
	investment goods	..	-65	..	-15	-7	-16	-13	-12	+12	-16	-14	-6	+3	+27	+7
	intermediate goods	..	-22	..	-18	-6	-9	-10	-4	+1	+1	-1	+6	+13	-8	-3
I	consumer goods	+36	-55	+14	-5	-18	-14	-21	-21	-16	-22	-21	-21	-30	-20	+1
	investment goods	+41	-34	+9	+3	-11	-5	-8	-17	-12	-15	-18	-19	-13	-16	-7
	intermediate goods	+49	-39	+14	-8	-14	-14	-13	-12	-17	-11	-13	-11	-12	-16	-22
L	consumer goods	+43	-73	+15	+23	+19	+27	+3	+16	+29	-2	+23	+27	+28	+19	+39
	investment goods	+33	-41	-7	-13	-38	-57	-27	-39	-30	-42	-40	-36	-44	-32	-15
	intermediate goods	..	..	-8	-42	-43	-71	-60	+5	-47	+9	+13	-6	-1	-64	-75
NL	consumer goods	+33	-26	+11	-1	-3	0	-2	-2	-9	0	-7	+1	-3	-10	-15
	investment goods	+42	-53	+1	-6	-8	-6	-10	-6	-8	-5	-5	-8	-4	-10	-10
	intermediate goods	+43	-22	+12	-1	-4	-6	-6	+2	-5	0	+1	+4	+2	-9	-8
UK	consumer goods	..	..	+15	-29	-5	-24	-5	+5	+4	+3	+7	+4	+3	+7	+2
	investment goods	..	..	+16	-18	-8	-20	-11	+3	-5	0	+1	+9	+7	+6	+1
	intermediate goods	..	..	+7	-40	-4	-23	-6	+9	+4	+10	+10	+7	+3	+11	+2
EC(d)	consumer goods	+29	-26	+9	-9	-13	-19	-15	-12	-5	-11	-13	-11	-9	-2	-4
	investment goods	+28	-29	+9	-5	-10	-11	-10	-8	-9	-10	-9	-6	-11	-9	-6
	intermediate goods	+32														

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)		1979	1980	1981	1981				1981					
		Peak 72/73	Trough 74/75				I	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.
B	order-books	-13	-47	-28	-32	-53	-47	-54	-56	-54	-56	-57	-56	-56	-53	-52
	employment expectations	+31	-24	0	-23	-41	-33	-46	-44	-39	-42	-42	-49	-44	-36	-38
	price expectations	+75	+25	+43	+31	+8	+15	+8	+6	+4	+7	+9	0	-1	+4	+10
D	order-books	-17	-84	-7	-30	-61	-50	-56	-67	-72	-63	-67	-71	-73	-75	-69
	employment expectations	+10	-60	+9	-7	-35	-23	-28	-38	-50	-31	-37	-47	-51	-48	-51
	price expectations	+48	-37	+30	-5	-41	-38	-42	-45	-38	-40	-49	-48	-45	-39	-29
F	order-books	:	:	-37	-31	-48	-44	-47	-48	-53	:	:	:	:	:	:
	employment expectations	:	:	-15	-12	-24	-20	-20	-27	-30	:	:	:	:	:	:
I	order-books	-25	-68	-29	-33	-29	-28	-23	-29	-34	-21	-28	-36	-31	-37	-34
	employment expectations	+10	-44	-12	-11	-7	-5	-3	-8	-10	-3	-8	-11	-7	-21	-1
	price expectations	+85	+30	+71	+71	+71	+70	+70	+74	+69	+75	+73	+74	+74	+71	+63
L	order-books	+21	-50	-7	-12	-21	-19	-15	-23	-28	-13	-24	-32	-34	-25	-24
	employment expectations	+31	-39	+16	+6	-6	-3	+6	-2	-25	+3	+1	-8	-25	-29	-21
	price expectations	+82	+11	+46	+45	+30	+35	+36	+22	+27	+17	+41	+7	+29	+30	+22
NL	order-books	-8	-81	-19	-39	-50	-49	-50	-49	-52	-48	-49	-52	-50	-53	-53
	employment expectations	+14	-13	+11	-8	-14	-15	-9	-11	-19	-8	-11	-14	-21	-19	-29
UK	order-books	:	:	-6	-33	-60	-56	-45	-71	-69	:	:	:	:	:	:
	employment expectations	:	:	+7	-27	-42	-46	-50	-39	-33	:	:	:	:	:	:
	price expectations	:	:	+69	+53	-16	-16	-11	-11	-24	:	:	:	:	:	:
EC	order-books	:	:	-20	-32	-51	-46	-45	-55	-58	:	:	:	:	:	:
	employment expectations	:	:	-12	-14	-28	-24	-26	-29	-32	:	:	:	:	:	:

(a) Details of the questions are given below.

(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) Owing to lack of data for certain Member States, Community totals are incomplete. As from issue No 8/1981 of Supplement B, the figures given in this table for France and the United Kingdom are seasonally adjusted.

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:

- estimate of production trend in recent months: up, unchanged, down?
- 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.

Building 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:

- B** - Belgium: Banque Nationale de Belgique
- DK** - Denmark: Danmarks Statistik
- 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)
- L** - Luxembourg: STATEC (Service Central de la Statistique et des Etudes Economiques)
- NL** - Netherlands: CBS (Centraal Bureau voor de Statistiek)
- UK** - United Kingdom: CBI (Confederation of British Industry), for the manufacturing industry survey.
DI (Department of Industry), for the investment survey.
National Federation of Building Trade Employers, for the construction survey.

Supplement B to 'European Economy', gives a monthly selection of the most recent results. 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'.

Prices (excluding VAT) in Luxembourg

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