

EUROPEAN ECONOMY

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Supplement B

Economic prospects - business survey results

Stronger orders and export expectations. — The rate of inflow of new orders to Community industry improved substantially between January and April, according to the most recent survey results. This substantial improvement in opinion on new orders (see Table 5) was most evident in Italy (+28 percentage points), the Netherlands (+24 percentage points), the Federal Republic of Germany (+23 percentage points) and Denmark (+21 percentage points). By contrast, the proportion of French and Luxembourg industrialists reporting fewer new orders in April increased by 8 percentage points.

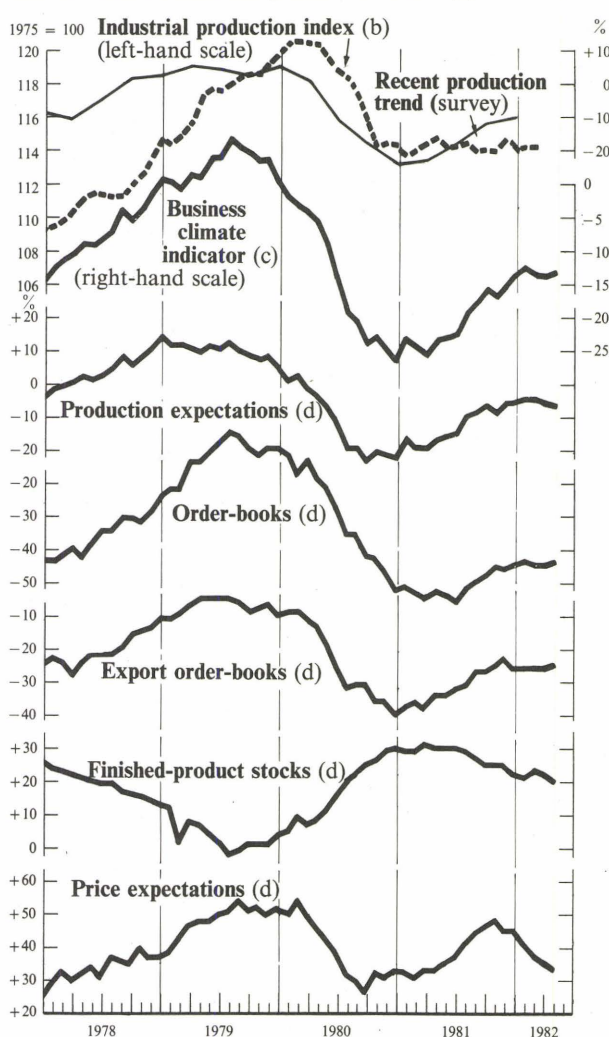
Consistently with the survey results for industrial orders in the Community at large, the export outlook is also showing signs of improvement. The majority of chief executives in the April 1982 survey who expected a larger export volume in the months ahead rose by 3 percentage points. This is mainly due to an improvement in export prospects in the Federal Republic of Germany (+5 percentage points) and the Netherlands (+14 percentage points). However, other Member States reported a weaker export outlook, notably Italy (−5 percentage points), France (−4 percentage points) and Luxembourg (−14 percentage points).

Improved outlook in the Federal Republic of Germany but some weaker results elsewhere. — In the Federal Republic of Germany, the survey results for April show an improvement of 1.5 percentage points in the industrial business climate indicator (see Table 1 and Graph 2). Of the two components of the business climate indicator, production expectations improved markedly (by 4 percentage points) while the majority of chief executives considering stocks of finished products to be above normal, rose slightly (by 1 percentage point). Judgments on the level of total order-books in April were unchanged by comparison with March, although the export outlook continued to improve.

In France, the business climate improved slightly in April, by 0.5 percentage points, confirming the improving trend of earlier months. Although production expectations were less optimistic in April (by 3 percentage points) assessments of order-book levels improved by 5 percentage points and the net balance of industrialists in France judging stocks of finished products to be above normal declined by 4 percentage points. The net balance of French industrialists expecting selling-prices of industrial finished products to rise during the coming months was virtually unchanged.

The business climate in Italy improved by 1.5 percentage points in April, owing to a decline in the net balance of industrialists judging the level of stocks of finished products to be above normal (−3 percentage points). Production expectations for the months ahead were unchanged as between March and April but judgments on order-book levels including

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



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-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 ±...%). The monthly and quarterly data in the tables are seasonally adjusted, except where otherwise stated.

export order-books, were significantly improved (by 9 and 4 percentage points, respectively).

In the United Kingdom, the business climate indicator declined in April, by 0.5 percentage points, with industrial production expectations for the months ahead deteriorating by 4 percentage points. By contrast, the percentage of British chief executives judging the level of stocks of finished products to be above normal in April declined by 3 percentage points. Opinion on order-book levels deteriorated in April, though not sufficiently to offset the improvement noted in February and March.

Significant improvements in the business climate were reported in the April survey for Belgium (+5 percentage points) and the Netherlands (+3 percentage points). Production expectations in Ireland were also more optimistic in April, by some 4 percentage points.

Slightly improved business climate in the Community. — The business climate indicator for Community industry as a whole improved in April by 0.5 percentage points. Judgments on stocks of finished products in manufacturing industry, a component of the climate indicator, improved between March and April, by 2 percentage points, accounting for the improvement of the business climate index. The chief executives covered by the survey, however, reported, for the second consecutive time, a deterioration in the industrial production outlook by 1 percentage point (see Graph 1 and Table 1).

Consumption, investment and intermediate-goods sectors. — The improvement in the production outlook for the investment goods sector noted in recent months was interrupted in April (see Table 2), when the net balance of chief executives expecting production to fall in the months ahead increased by 5 percentage points. However, the production outlook for the consumer and intermediate-goods sectors improved somewhat, by 3 and 2 percentage points, respectively.

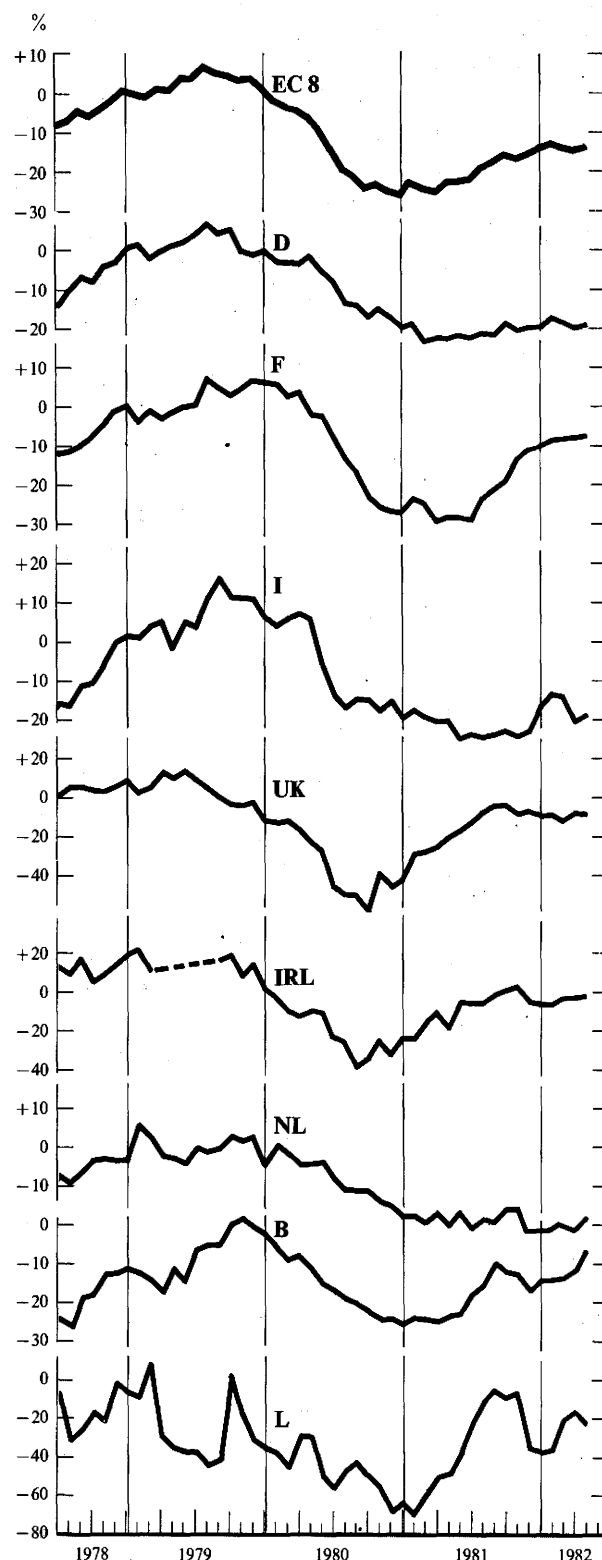
Better production outlook in oil refining and chemicals. — At the Community level, the oil refining industry reported a sharp improvement in its production outlook (a reduction of 29 percentage points in the net balance of respondents expecting production to decrease in the months ahead) in April (see Table 3). Favourable changes in production expectations were also reported in the chemical industry (+10 percentage points), non-metallic mineral products (+4 percentage points) and electrical engineering (+3 percentage points). By contrast, production expectations were more pessimistic in the production and preliminary processing of metals and the manufacture of metal articles (-6 percentage points) and in the textile industry (-4 percentage points). Opinion on stocks of finished goods took a somewhat less pessimistic turn while selling-price expectations were reported to be higher in April in four of 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 April survey (see Table 4). This is an improvement on the situation reported in October 1981 and January 1982, though still below the averages of 3.6 and 3.5 months reported in 1979 and 1980, respectively. The duration of production assured by orders on hand has increased in Italy (+0.5 months), France (+0.5 months), Belgium (+0.2 months), the Netherlands (+0.1 months) and Ireland (+0.1 months) but has fallen in the Federal Republic of Germany (-0.1 months) and in Luxembourg (-0.4 months), by comparison with the levels reported in January.

The net balance of chief executives reporting that capacity was more than sufficient to meet requirements (an indicator of the degree of underutilization of capacity in industry) increased by 3 percentage points at the Community level between January and April (see Table 4). Strongest evidence of unused industrial capacity is provided by the results for Italy, where the net balance of respondents reporting excess capacity increased by 9 percentage points. The proportion of industrialists reporting excess capacity rose also in France (by 4 percentage points), in the Federal Republic of Germany and the United Kingdom (by 2 percentage points in each case) and in the Netherlands (by 1 percentage point).

Brussels, 13 May 1982.

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.

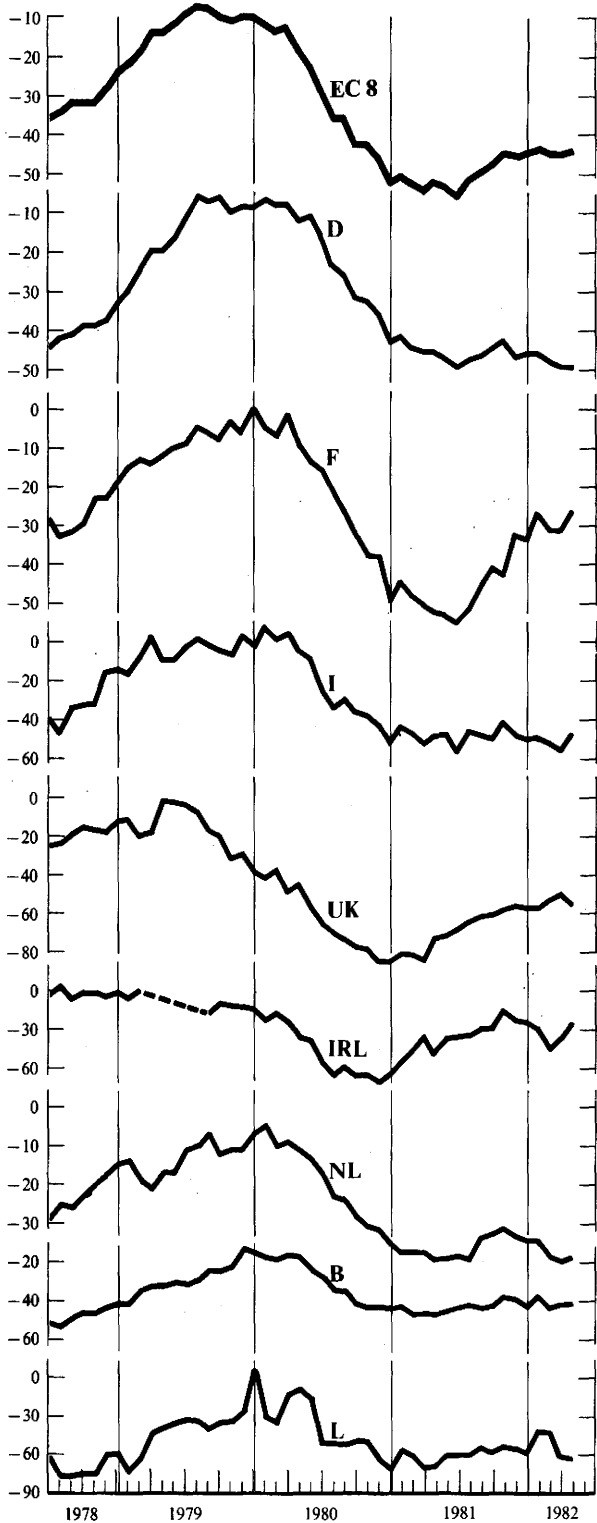
Source: European Community business surveys.

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).

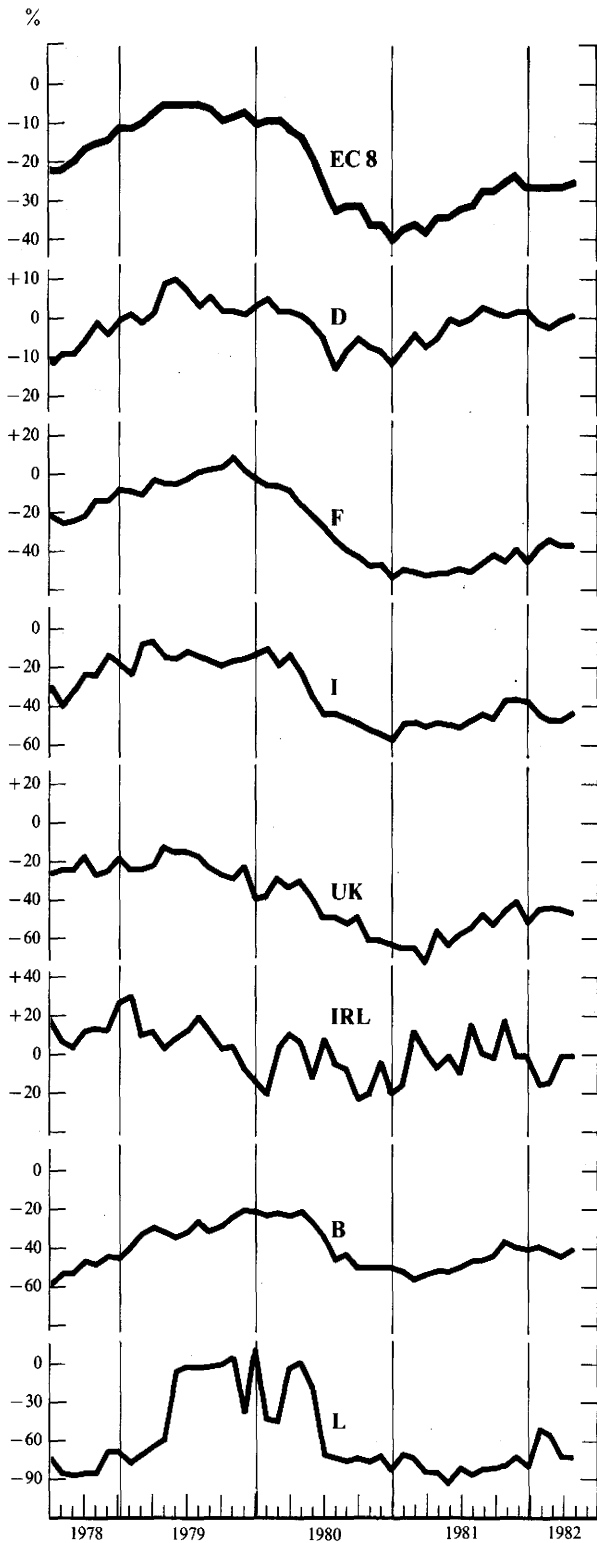
Source: European Community business surveys and Eurostat.

GRAPH 3: 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.

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	1979	1980	1981	1981			1982	1981			1982			
				II	III	IV		I	Nov.	Dec.	Jan.	Feb.	March	April
Production expectations														
Textile industry	+ 1	-21	-17	-18	-12	-10	- 6	- 9	- 8	- 4	- 7	- 6	-10	-15
Mineral oil refining	- 2	-11	-24	-40	- 8	-16	-21	-13	-27	-22	-11	-29	0	-15
Production and preliminary processing of metals	+ 7	-27	-23	-32	-12	- 8	- 8	- 2	- 7	- 9	- 6	- 9	-15	-15
Non-metallic mineral products (ceramics, etc.)	+ 5	-16	-26	-27	-24	-25	-26	-22	-25	-27	-25	-27	-23	-23
Chemical industry	+10	-12	+ 2	+ 2	+ 3	+ 5	+ 1	+ 1	+ 4	+ 1	+ 4	- 1	+ 9	+ 9
Manufacture of metal articles	+ 3	-12	-16	-19	-14	-11	- 6	-13	- 7	- 5	- 6	- 6	-12	-12
Mechanical engineering	+ 8	-10	-15	-14	-13	-15	-14	-15	-14	-16	-13	-12	-15	-15
Electrical engineering	+ 8	- 6	-10	-12	- 9	- 9	- 2	-10	- 9	- 2	- 2	- 1	+ 2	+ 2
Manufacture of motor vehicles and accessories	+15	-20	-14	-22	-10	+ 3	+ 2	+ 5	+12	+ 7	0	+ 2	- 3	- 3
Order-books														
Textile industry	-16	-45	-58	-64	-54	-50	-44	-51	-49	-44	-44	-43	-40	-40
Mineral oil refining	+ 9	-30	-63	-70	-56	-54	-59	-52	-50	-57	-58	-62	-64	-64
Production and preliminary processing of metals	-33	-49	-68	-75	-69	-57	-64	-57	-63	-63	-61	-68	-74	-74
Non-metallic mineral products (ceramics, etc.)	-18	-25	-60	-63	-64	-59	-61	-60	-61	-60	-60	-63	-61	-61
Chemical industry	+ 5	-27	-37	-43	-36	-27	-33	-31	-26	-32	-34	-32	-26	-26
Manufacture of metal articles	-20	-29	-52	-53	-53	-52	-48	-51	-51	-49	-48	-46	-45	-45
Mechanical engineering	-27	-29	-52	-53	-52	-53	-53	-54	-53	-53	-53	-54	-55	-55
Electrical engineering	-20	-21	-37	-38	-36	-41	-41	-41	-47	-45	-42	-36	-41	-41
Manufacture of motor vehicles and accessories	+13	-24	-45	-52	-42	-29	-17	-25	-20	-14	-18	-20	-13	-13
Export order-books														
Textile industry	-33	-51	-50	-57	-45	-38	-41	-39	-37	-38	-39	-45	-38	-38
Mineral oil refining	- 6	-12	-41	-55	-38	-33	-38	-35	-22	-44	-29	-40	-54	-54
Production and preliminary processing of metals	-19	-49	-65	-65	-65	-58	-65	-51	-66	-71	-62	-62	-66	-66
Non-metallic mineral products (ceramics, etc.)	-10	-24	-44	-45	-42	-45	-45	-46	-43	-46	-47	-41	-43	-43
Chemical industry	+ 8	-23	-28	-32	-23	-19	-18	-20	-24	-19	-19	-15	-17	-17
Manufacture of metal articles	-32	-33	-44	-45	-42	-41	-42	-39	-40	-43	-42	-42	-41	-41
Mechanical engineering	-29	-35	-46	-45	-46	-45	-46	-43	-46	-46	-45	-47	-43	-43
Electrical engineering	-29	-28	-41	-41	-41	-42	-35	-41	-50	-42	-32	-31	-38	-38
Manufacture of motor vehicles and accessories	+ 2	-24	-41	-45	-36	-31	-16	-25	-30	-21	-18	- 9	-15	-15
Stocks of finished products														
Textile industry	+21	+34	+38	+41	+37	+31	+31	+33	+30	+32	+30	+31	+27	+27
Mineral oil refining	-27	+13	+25	+34	+12	+18	+21	+13	+15	+11	+29	+22	+23	+23
Production and preliminary processing of metals	+ 1	+ 5	+12	+13	+12	+ 4	+11	+ 2	+ 4	+10	+15	+ 9	+10	+10
Non-metallic mineral products (ceramics, etc.)	+12	+12	+37	+38	+40	+37	+41	+37	+34	+36	+44	+42	+41	+41
Chemical industry	- 5	+20	+13	+14	+12	+10	+10	+11	+11	+ 6	+11	+14	+ 8	+ 8
Manufacture of metal articles	+ 2	+11	+23	+25	+20	+19	+17	+19	+19	+20	+16	+15	+15	+15
Mechanical engineering	+11	+17	+25	+24	+25	+24	+25	+24	+22	+26	+23	+25	+24	+24
Electrical engineering	+18	+23	+29	+31	+26	+28	+24	+28	+25	+23	+24	+24	+29	+29
Manufacture of motor vehicles and accessories	-13	+23	+47	+54	+56	+30	+28	+35	+21	+24	+32	+28	+19	+19
Selling-price expectations														
Textile industry	+54	+37	+43	+38	+55	+49	+45	+51	+47	+48	+46	+40	+42	+42
Mineral oil refining	+65	+59	+55	+40	+73	+53	+15	+61	+17	-22	+22	+44	+27	+27
Production and preliminary processing of metals	+45	+18	+44	+32	+58	+67	+48	+65	+66	+54	+44	+46	+38	+38
Non-metallic mineral products (ceramics, etc.)	+47	+44	+30	+24	+24	+34	+20	+34	+40	+29	+15	+15	+20	+20
Chemical industry	+53	+26	+49	+44	+54	+54	+30	+50	+51	+37	+27	+27	+27	+27
Manufacture of metal articles	+47	+40	+35	+34	+37	+45	+40	+46	+45	+39	+42	+38	+40	+40
Mechanical engineering	+42	+39	+33	+32	+32	+36	+37	+37	+37	+40	+37	+34	+33	+33
Electrical engineering	+36	+39	+35	+33	+33	+36	+35	+37	+40	+39	+32	+34	+44	+44
Manufacture of motor vehicles and accessories	+44	+40	+35	+35	+42	+35	+41	+33	+28	+46	+40	+38	+38	+38

(a) 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.

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)		1979	1980	1981	1981			1982	
		Peak 1973	Trough 1975				April	July	Oct.	Jan.	April
Duration in months of assured production	B	4,5	2,8	3,3	3,5	3,4	3,3	3,4	3,4	3,3	3,5
	D	3,3	2,8	3,2	3,2	2,9	2,9	2,9	2,9	2,8	2,7
	F	3,5	2,7	3,8	4,0	3,6	3,7	3,5	3,5	3,2	3,7
	IRL	2,2	1,8	2,2	1,8	2,0	1,9	2,4	2,4	2,0	2,1
	I	4,7	3,7	4,5	4,8	4,0	3,9	4,3	3,9	4,0	4,5
	L	3,5	1,4	2,8	2,2	2,3	2,4	2,7	2,0	2,2	1,8
	NL	4,7	2,6	4,2	4,0	3,7	3,7	3,8	3,4	4,0	4,1
	UK	:	:	3,4	2,5	2,8	2,0	3,0	3,0	3,0	3,0
	EC (d)	3,7	3,0	3,6	3,5	3,2	3,1	3,3	3,2	3,1	3,3
Adequacy (+) or inadequacy (-) of existing production capacity (c)	B	- 12	+ 58	+ 45	+ 41	+ 49	+ 44	+ 53	+ 45	+ 42	+ 41
	DK	:	:	:	+ 20	+ 32	+ 34	+ 27	+ 27	+ 36	+ 33
	D	- 3	+ 56	+ 21	+ 17	+ 34	+ 33	+ 35	+ 36	+ 38	+ 40
	F	- 24	+ 45	+ 18	+ 18	+ 42	+ 37	+ 43	+ 45	+ 35	+ 39
	IRL	:	+ 34	+ 1	+ 23	+ 29	+ 31	+ 24	+ 26	+ 31	+ 31
	I	+ 1	+ 63	+ 23	+ 30	+ 45	+ 48	+ 50	+ 37	+ 36	+ 45
	L	- 72	+ 73	+ 40	+ 48	+ 59	+ 57	+ 58	+ 54	+ 61	+ 60
	NL	- 3	+ 60	+ 22	+ 23	+ 35	+ 33	+ 36	+ 42	+ 48	+ 49
	UK	:	:	:	+ 50	+ 63	+ 67	+ 62	+ 57	+ 58	+ 60
EC (d)	- 7	+ 54	+ 20	+ 27	+ 44	+ 43	+ 45	+ 43	+ 42	+ 45	

(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)		1979	1980	1981	1981			1982	1981		1982			
		Peak 1972/73	Trough 1974/75				II	III	IV		Nov.	Dec.	Jan.	Feb.	March	April
B	production expectations	+31	-56	-3	-24	-26	-30	-20	-21	-18	-23	-22	-17	-21	-16	-11
	order-books	+13	-66	-30	-31	-45	-48	-44	-41	-42	-40	-44	-39	-44	-42	-41
	export order-books	+15	-82	-28	-36	-47	-51	-46	-38	-41	-39	-40	-39	-41	-44	-40
	stocks of finished products	-14	+37	+12	+11	+11	+14	+6	+9	+8	+11	+7	+11	+6	+7	+2
	business climate indicator	+22,5	-46,5	-7,5	-17,5	-18,5	-22	-13	-15	-13	-17	-14,5	-14	-13,5	-11,5	-6,5
DK	production expectations	..	..	..	-4	-3	+2	-2	+7	-14	..	..	..	..	..	..
	order-books	..	..	..	-6	-24	-26	-18	-18	-15	..	..	..	..	..	..
	export order-books	..	..	..	+9	-8	-8	-8	-3	-1	..	..	..	..	..	..
	stocks of finished products	..	..	..	+16	+17	+22	+12	+13	+11	..	..	..	..	..	..
	business climate indicator	..	..	..	-10	-10	-10	-7	-3	-12,5	..	..	..	..	..	..
D	production expectations	+17	-32	+6	-10	-17	-19	-15	-12	-14	-12	-13	-14	-13	-16	-12
	order-books	+5	-73	-15	-21	-46	-48	-47	-45	-48	-47	-46	-46	-48	-49	-49
	export order-books (c)	+23	-33	+4	-1	-1	-2	+2	+2	-1	+2	+2	-1	-2	0	+1
	stocks of finished products	-7	+43	+4	+11	+26	+26	+27	+27	+23	+27	+26	+24	+24	+23	+24
	business climate indicator	+5	-37,5	+1	-10,5	-21,5	-22,5	-21	-20	-18,5	-19,5	-19,5	-17,5	-18,5	-19,5	-18
F	production expectations	+33	-29	+12	-6	-11	-19	-8	-1	+2	0	+1	+1	+1	+4	+1
	order-books	+26	-69	-9	-22	-46	-54R	-46	-37	-30	-33	-34	-27	-31	-31	-26
	export order-books	+24	-66	-1	-29	-47	-50	-45	-43	-35	-38	-45	-37	-33	-36	-36
	stocks of finished products	-14	+50	+10	+17	+34	+40	+35	+23	+19	+23	+21	+18	+18	+20	+16
	business climate indicator	+23,5	-39,5	+1	-11,5	-22,5	-29,5	-21,5	-12	-8,5	-11,5	-10	-8,5	-8,5	-8	-7,5
IRL	production expectations	..	-21	..	-12	-1	-5	+4	+6	+1	+1	+2	-4	+5	+2	+6
	order-books	..	-68	..	-50	-36	-42	-33	-22	-38	-24	-26	-31	-45	-37	-25
	export order-books	..	-22	..	-6	-2	-5	+5	+6	-10	0	0	-15	-14	0	0
	stocks of finished products	..	+35	..	+31	+16	+16	+10	+12	+9	+11	+14	+9	+11	+7	+10
	business climate indicator	..	-28	..	-21,5	-8,5	-10,5	-3	-3	-4	+5	+6	-6,5	-3	-2,5	-2
I	production expectations	+40	-43	+13	-7	-16	-17	-18	-16	-8	-18	-9	-2	-8	-14	-14
	order-books	+30	-82	-5	-22	-49	-52	-49	-47	-53	-49	-51	-50	-52	-56	-47
	export order-books	+13	-67	-14	-37	-45	-49	-46	-37	-46	-36	-37	-44	-47	-47	-43
	stocks of finished products	-24	+53	-1	+11	+28	+30	+31	+27	+24	+28	+24	+25	+20	+27	+24
	business climate indicator	+76	+10	+66	+63	+59	+60	+63	+57	+50	+57	+57	+58	+47	+46	+46
L	production expectations	+84	-80	-2	-33	-39	-50	-1	-40	-37	-54	-61	-61	-27	-23	-48
	order-books	..	..	-44	-42	-62	-65	-60	-58	-49	-57	-60	-41	-43	-62	-64
	export order-books	..	..	-26	-52	-81	-86	-84	-77	-59	-72	-80	-50	-55	-73	-73
	stocks of finished products	-14	+74	+48	+63	+28	+24	+18	+14	+11	+17	+14	+12	+13	+9	-3
	business climate indicator	+48	-77	-25	-48	-33,5	-37	-9,5	-27	-24	-35,5	-37,5	-36,5	-20	-16	-22,5
NL	production expectations	+26	-23	+7	-3	-6	-7	-2	-7	-3	-9	-10	-7	0	-3	0
	order-books	+7	-48	-13	-20	-37	-40	-36	-34	-38	-34	-35	-35	-39	-40	-39
	stocks of finished products	-1	+57	+8	+5	+32	+32	+34	+32	+38	+34	+33	+36	+39	+39	+36
	business climate indicator	+13,5	-40	-0,5	-9	-19	-19,5	-18	-19,5	-20,5	-21,5	-21,5	-21,5	-19,5	-21	-18
UK	production expectations	..	..	+12	-30	-4	-7	+7	+4	+5	+7	+2	+5	+5	+6	+2
	order-books	..	..	-18	-65	-69	-72	-64	-58	-54	-57	-58	-58	-53	-50	-55
	export order-books	..	..	-20	-45	-55	-58	-51	-45	-44	-40	-51	-44	-43	-44	-46
	stocks of finished products	..	..	+7	+34	+27	+29	+20	+21	+24	+21	+20	+22	+29	+22	+19
	business climate indicator	..	..	+2,5	-32	-15,5	-18	-6,5	-8,5	9,5	-7	-9	-8,5	-12	-8	-8,5
EC(d)	production expectations	+24	-30	+9	-13	-13	-16	-9	-7	-5	-6	-6	-5	-5	-6	-7
	order-books	+15	-70	-12	-31	-51	-54	-50	-45	-45	-46	-45	-44	-45	-45	-44
	export order-books	+14	-48	-6	-24	-31	-33	-28	-25	-26	-23	-26	-26	-26	-26	-25
	stocks of finished products	-10	+48	+5	+17	+28	+30	+27	+24	+22	+25	+22	+21	+23	+22	+20
	business climate indicator	+69	+9	+49	+38	+40	+35	+44	+46	+38	+45	+45	+41	+33	+35	+33,5

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			1982	1981		1982			
		Peak 1972/73	Trough 1974/75				II	III	IV		I	Nov.	Dec.	Jan.	Feb.	March	April
B	consumer goods	+34	-43	-4	-17	-28	-29	-27	-22	-17	-23	-21	-22	-18	-11	-2
	investment goods	+27	-58	-3	-23	-31	-31	-28	-33	-28	-34	-35	-33	-29	-23	-21
	intermediate goods	+26	-63	-4	-31	-23	-33	-8	-14	-18	-18	-15	-16	-22R	-17	-14
DK	consumer goods	:	:	:	+5	+1	-3	+17	+15	-19	:	:	:	:	:	:
	investment goods	:	:	:	-4	0	+16	-14	+14	-5	:	:	:	:	:	:
	intermediate goods	:	:	:	-9	-10	+2	-11	-12	-23	:	:	:	:	:	:
D	consumer goods	+18	-30	-1	-5	-16	-17	-15	-12	-13	-9	-14	-11	-14	-14	-13
	investment goods	+17	-28	+9	-1	-11	-12	-12	-10	-13	-10	-9	-15	-11	-13	-15
	intermediate goods	+26	-41	+6	-15	-20	-21	-16	-15	-15	-13	-15	-14	-14	-17	-12
F	consumer goods	+42	-22	+21	-0	-8	-15	-11	+11	+10	+17	+12	+9	+11	+9	+17
	investment goods	+35	-31	+6	-1	-6	-9	-7	-5	0	-6	-1	+5	-6	+2	-7
	intermediate goods	+33	-39	+9	-15	-18	-29	-6	-8	-2	-12	-6	-7	+1	+1	-6
IRL	consumer goods	:	-28	:	-12	-9	+2	-18	-7	-7	-18	+5	-10	-3	-7	+9
	investment goods	:	-65	:	-15	-7	-13	-12	+12	+28	+27	+7	+26	+34	+24	+9
	intermediate goods	:	-22	:	-18	-6	-10	-4	+1	-3	-8	-3	-12	+2	+1	+9
I	consumer goods	+36	-55	+14	-5	-18	-21	-21	-16	-8	-20	+1	-2	-8	-15	-18
	investment goods	+41	-34	+9	+3	-11	-8	-17	-12	-10	-16	-7	-10	-8	-13	-17
	intermediate goods	+49	-39	+14	-8	-14	-13	-12	-17	-7	-16	-22	-1	-9	-12	-6
L	consumer goods	+43	-73	+15	+23	+19	+3	+16	+29	+1	+19	+39	+19	-1	-16	+25
	investment goods	+33	-41	-7	-13	-38	-27	-39	-30	-13	-32	-15	-14	-32	+8	-4
	intermediate goods	:	:	-8	-42	-43	-60	+5	-47	-44	-64	-75	-75	-28	-29	-62
NL	consumer goods	+33	-26	+11	-1	-3	-2	-2	-9	-1	-10	-15	-2	+1	-1	-7
	investment goods	+42	-53	+1	-6	-8	-10	-6	-8	-10	-10	-10	-10	-11	-9	0
	intermediate goods	+43	-22	+12	-1	-4	-6	+2	-5	0	-9	-8	-8	+11	-2	0
UK	consumer goods	:	:	+15	-29	-5	-5	+5	+4	+3	+7	+2	+5	+1	+2	+7
	investment goods	:	:	+16	-18	-8	-11	+3	-5	+6	-6	-1	+1	+6	+11	-2
	intermediate goods	:	:	+7	-40	-4	-6	+9	+4	+1	+11	-2	+4	+3	-3	-2
EC(d)	consumer goods	+29	-26	+9	-9	-13	-15	-12	-5	-3	-2	-4	-2	-3	-4	-1
	investment goods	+28	-29	+9	-5	-10	-10	-8	-9	-6	-9	-6	-7	-6	-5	-10
	intermediate goods	+32	-37	+8	-19	-15	-19	-8	-9	-8	-8	-11	-7	-6	-10	-8

(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 1972/73 and 1974/75, respectively.

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

(d) Not including Greece, where the survey time series are too short to permit an analysis of trends. (The Community survey was extended 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 5: New orders and export orders expectations (a)

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

	1979		1980				1981				1982	
	July	Oct.	Jan.	April	July	Oct.	Jan.	April	July	Oct.	Jan.	April
New orders (c)												
B	+ 4	+ 8	- 9	- 6	-23	-21	-20	-15	-11	- 7	- 5	- 6
DK	:	:	- 1	+ 6	-15	- 3	-16	+ 3	+ 3	- 7	-10	+11
D	- 8	- 2	+13	+ 7	-30	-14	-22	- 9	-21	- 4	-20	+ 3
F	+19	+10	+12	+11	- 3	-24	-34	-37	-27	-19	- 8	-16
IRL	:	- 8	-30	-38	-55	-40	-29	-26	-15	+ 5	-22	-17
I	- 3	+13	- 3	+ 9	-31	-13	-21	- 8	-16	-11	-33	- 5
L	+38	+ 7	-15	- 7	-59	-45	-55	-50	-43	+18	- 2	-10
NL	+ 1	+16	-15	+13	-17	0	- 7	+ 1	-14	+14	-16	+ 8
UK	:	:	:	:	:	:	:	:	:	- 8	- 3	- 3
EC-9	+ 2	+ 5	+ 7	+ 8	-21	-17	-25	-17	-21	- 9	-14	- 4
Export volume expectations (c)												
D	+ 3	- 2	+ 5	+ 2	-16	-10	- 6	0	- 2	- 2	0	+ 5
F	+ 7	- 1	- 9	+ 3	-25	-31	-23	-17	-15	-12	- 7	-11
IRL	:	+11	+ 6	+ 9	-31	-15	+11	- 4	-13	+ 5	+ 3	+ 3
I	+ 3	+ 4	- 1	+ 5	-19	-17	+ 1	- 1	+ 5	+ 9	+ 8	+ 3
L	+63	+ 8	- 7	- 1	-75	-83	-65	-69	- 3	- 4	+ 4	-10
NL	+12	+29	+ 5	-11	-15	+18	0	+10	- 1	0	- 5	+ 9
UK	:	:	:	:	:	:	:	:	:	+12	+ 5	+ 5
EC-7	+ 5	+ 4	+ 1	+ 1	-18	-12	- 8	- 3	- 4	0	- 1	+ 2

(a) Since these questions have been included in the Community business survey only since 1979, the time series available is relatively short.

(b) Not adjusted for seasonality.

(c) Details of the questions are given below.

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)
- GR - Greece: Institute of Economic and Industrial Research
- 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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