

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

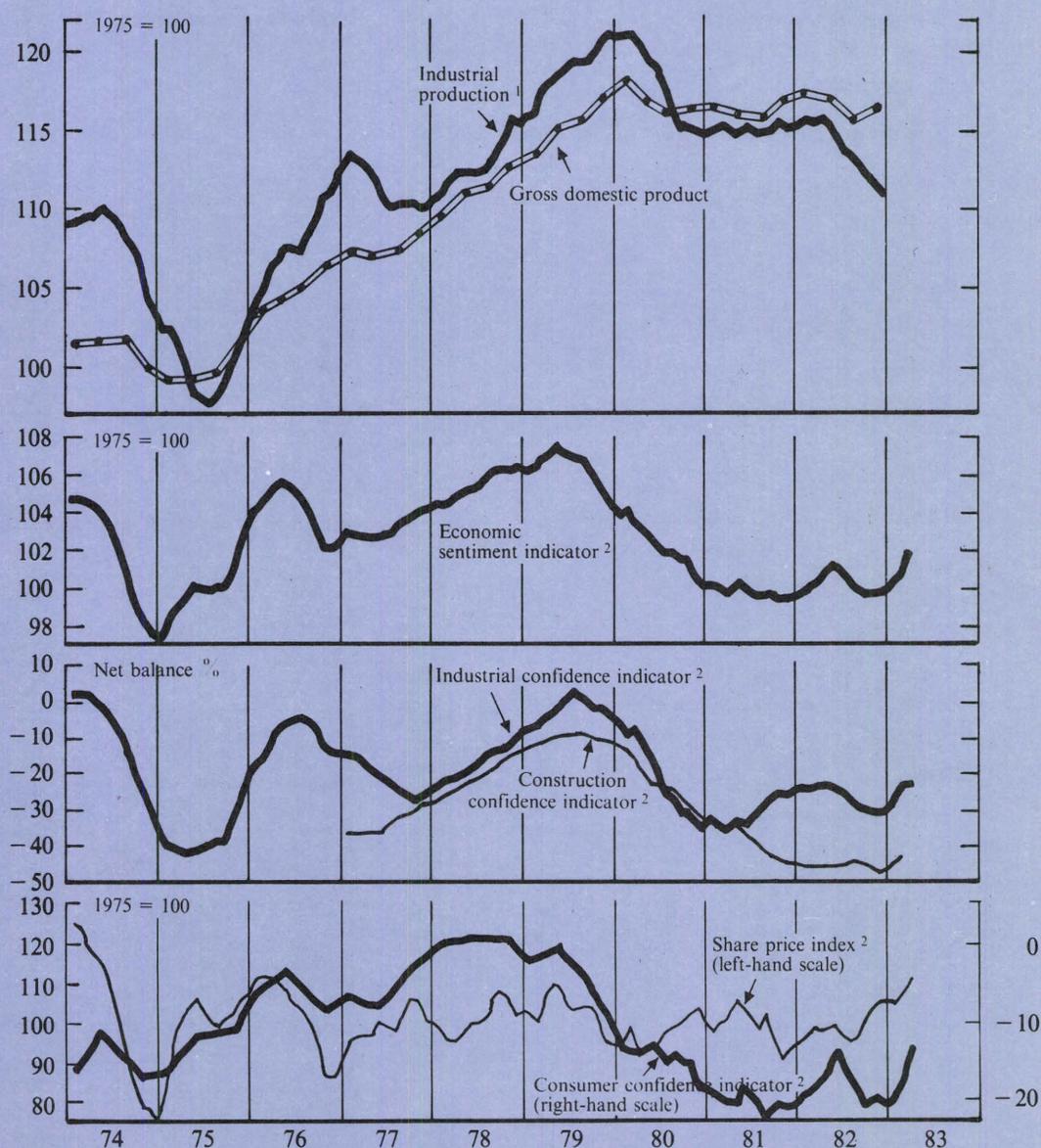
Supplement B — No 4 — April 1983

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Business survey results

This month: employment expectations

GRAPH 1: Indicators of output and economic sentiment — European Community



Stronger indications of economic recovery. — Leading indicator data for March reinforce the evidence that the process of recovery from recession in Europe is beginning. Since the start of this year, the economic sentiment indicator, which combines business survey data and stock exchange price indices, has advanced by 2,7 percentage points (Graph 1 and Table 5). This is a substantial improvement in terms of the historical behaviour of the indicator, raising it to a level last observed in (May) 1980, and the probability is high that it will be followed by an increase in the level of economic activity in the course of the year. Whether the recovery will be sustained depends on a number of factors other than the opinions and expectations of consumers, investors and entrepreneurs, notably the stance of monetary and fiscal policy, real interest rate levels and the reaction of primary commodity prices to a revival of demand in the industrialized countries. The survey indicators do, however, show that economic sentiment in the private sector is shifting towards optimism, a development which, *ceteris paribus*, will lead to positive consumption, investment and production decisions.

The rise in the economic sentiment indicator in March is attributable to a marked improvement in consumer sentiment (by 4 percentage points), to more positive employment expectations and order-book judgments in the construction industry and to a further rise (of approximately 8 points) in the share price index. However, industrialists' views were little changed in March by comparison with February, with respect to order-books, but improved sharply as regards production expectations.

The economic sentiment indicator for the Federal Republic of Germany improved in March 1983, by 1,6 percentage points, with the confidence indicator for industry and construction reporting rises of 1 and 9 percentage points, respectively. There was also a sharp advance in German consumer confidence (by 9 percentage points). German share prices have continued to

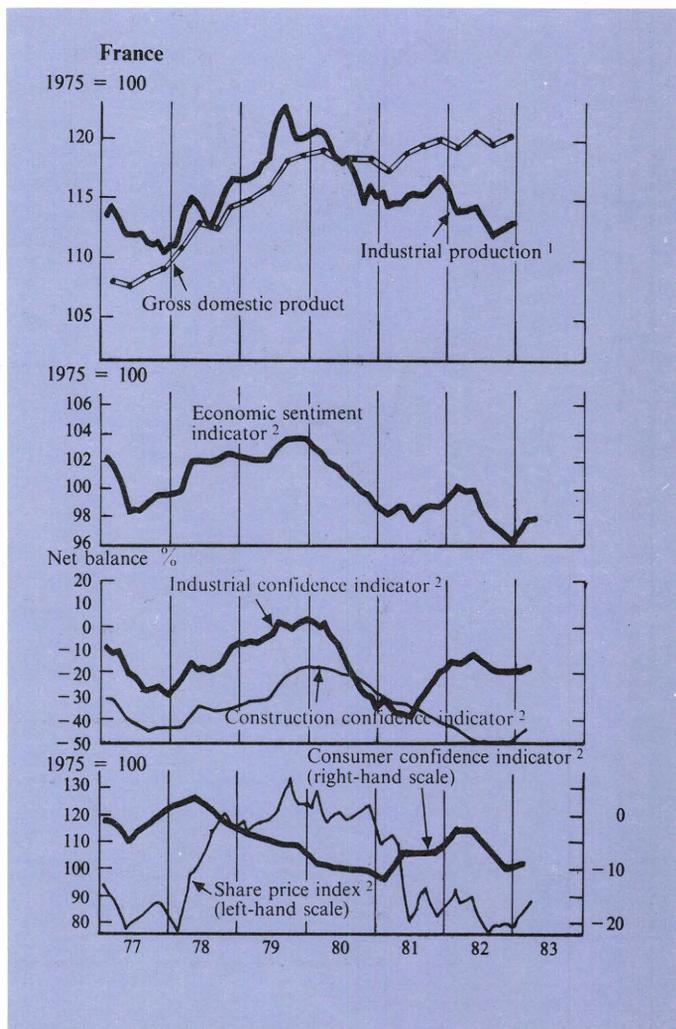
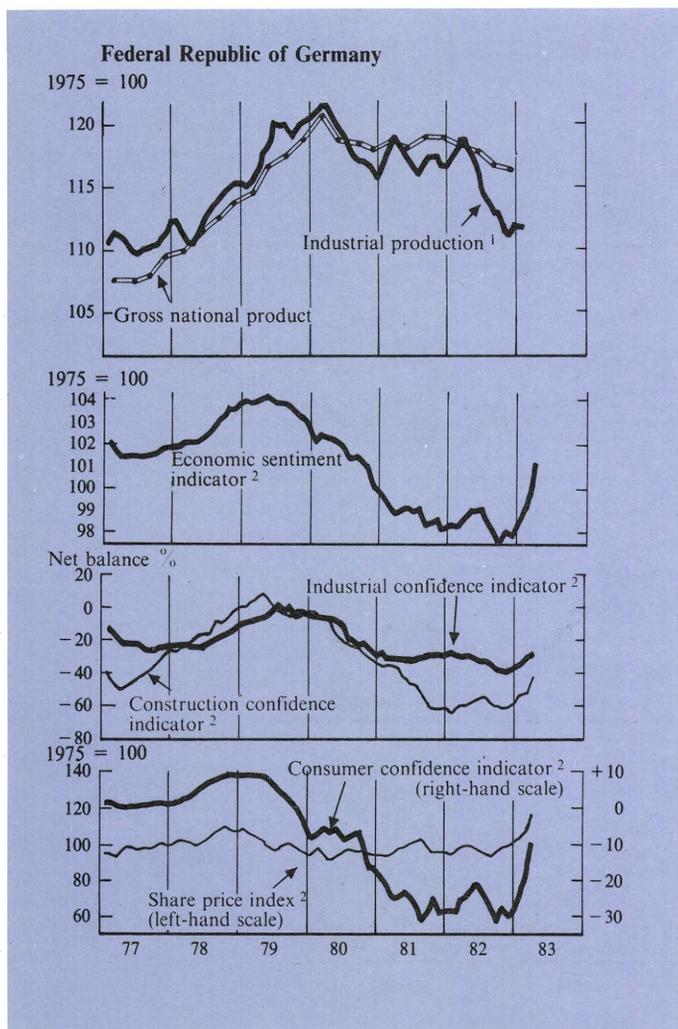
improve, rising in March 1983 by 4% (see Table 5). In both, the United Kingdom and Italy, the economic sentiment indicator advanced in March 1983, by 0,5 and 0,3 percentage points respectively, mainly because of improvements in the consumer confidence indicator and the share-price index. In Italy the confidence indicators for industry and construction fell. In the United Kingdom, a further increase of confidence in industry was reported. The economic sentiment indicator, based on incomplete data¹, for France improved marginally (by 0,1 percentage point) in March, owing to an increase of 6,4% in the share-price index. French industrial confidence was slightly weaker in March than in the preceding month.

In the Netherlands, Belgium and Ireland, the economic sentiment indicator increased in March by 0,5, 0,3 and 0,2 percentage points respectively. While for Belgium and Ireland the improvement in the sentiment indicator represents a compensation of declines in recent months, in the Netherlands signs of a continuing improvement in the economic climate have been reinforced.

Continuing improvement of industrial production outlook. — Although industrial production expectations in the Community increased significantly in March by comparison with February 1983 (by 5 percentage points), the Community industrial confidence indicator, based on assessment of order-books and finished stocks, together with production expectations, has remained unchanged. In the United Kingdom the net balance² of industrial chief executives expecting a rise in industrial production in the months ahead increased by 6 percentage points to a level of +11%. In the other Member States the net balance remained negative but improved markedly in the

¹ The harmonized monthly surveys of consumers and those for the construction industry have not yet been extended to that country.
² The percentage of positive minus negative responses to the relevant survey-question.

GRAPH 2: Indicators of output and economic sentiment in four Member States



Federal Republic of Germany (by 6 percentage points), in France (by 4 percentage points) and in Luxembourg (by 22 percentage points); by contrast, the net balance of production expectations deteriorated in Denmark (by 3 percentage points), Italy and Ireland (both by 2 percentage points) and in the Netherlands (by 1 percentage point). In Belgium, industrial production expectations in March 1983 were unchanged (at a relatively pessimistic level), by comparison with February.

At the Community level, there was little change in assessments of order-books between February and March. There has, however, been a marked improvement in order-book judgments in the United Kingdom (+ 5 percentage points for total order-books and + 11 percentage points for export order-books). In the Federal Republic of Germany judgments on export order-books improved in March 1983 by 4 percentage points and in Belgium those on total order-books by 3 percentage points. By contrast, judgments both on export and on total order-books were more pessimistic in France (by 9 and 7 percentage points respectively), in Italy (by 8 and 9 percentage points respectively), in Ireland (by 3 and 2 percentage points respectively) and in Luxembourg by 6 percentage points.

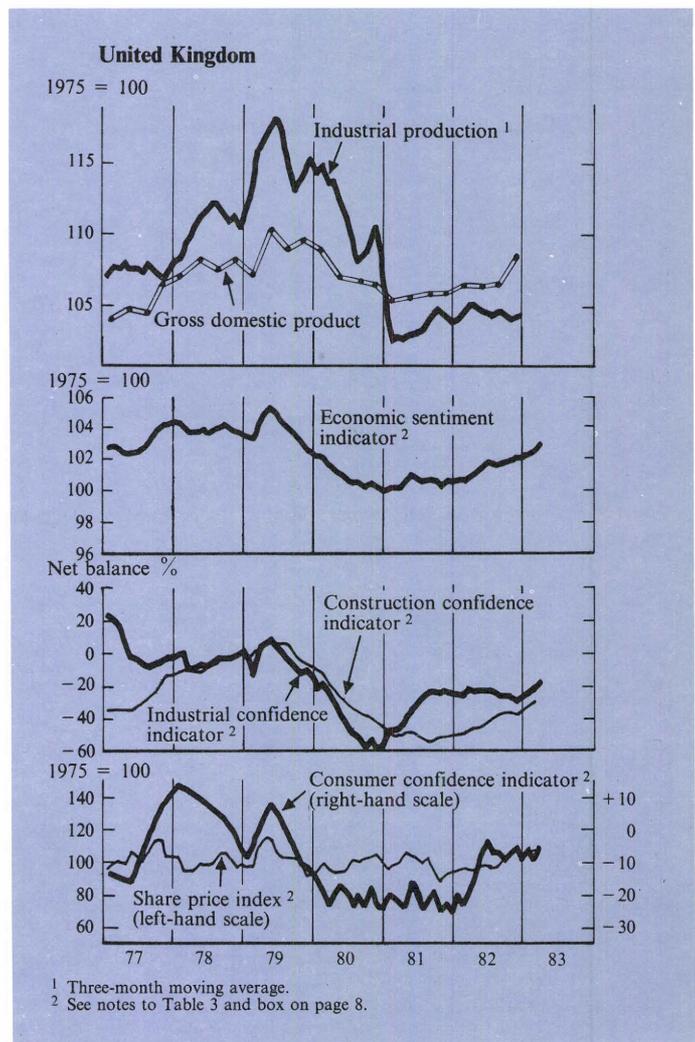
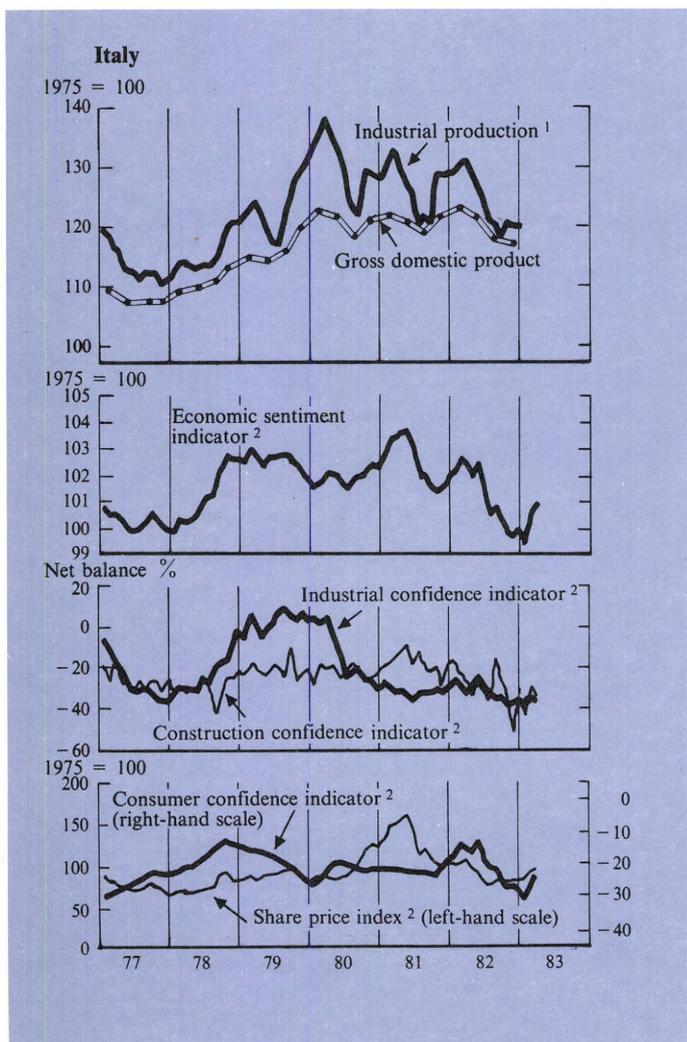
Views on the level of stocks of finished products in industry have deteriorated in March by comparison with February 1983, by 2 percentage points. Only in Ireland, Belgium and Denmark did the majority of industrialists reporting excess stocks of finished goods decline between February and March 1983 (by 1 and 8 percentage points respectively).

Construction industry. — In the construction industry, judgments on order-books were unchanged at the Community level between February and March 1983. This result conceals, however, markedly less pessimistic order-book judgments in the Federal Republic of Germany (+6 points), Belgium (+4 points) and Luxembourg (+ 11 points), offset by a negative

development of order-book assessments in Italy (- 13 points). Employment expectations in the construction industry improved in March in the Federal Republic of Germany (by 13 percentage points), in Italy (by 3 percentage points), in the Netherlands (by 2 percentage points) and in Luxembourg (by 8 percentage points). Only in Belgium did chief executives in the construction industry expect, in March, an accelerated decline of employment in the month ahead (see Table 7).

Employment expectations in manufacturing industry. — Employment expectations in manufacturing industry in the Community were less pessimistic in the first quarter of 1983 than in the last quarter of 1982. Judgments on the industrial employment outlook improved in the Federal Republic of Germany (+ 13 percentage points), in Ireland (+ 14 percentage points) and in Belgium (+3 percentage points). No change was reported in the United Kingdom while in France, the Netherlands, Denmark and Luxembourg employment expectations in industry deteriorated by 3, 4, 7 and 11 percentage points respectively.

Estimated number of months' production assured by orders on hand. — The answers of European industrialists as a whole to the question on the number of months' production assured by orders between the last quarter of 1982 and the first quarter of 1983 were unchanged. However, there were some changes between the two quarterly surveys in the assessments of industrial chief executives in the individual Member States. Industrialists in Italy and in the Federal Republic of Germany estimated the number of months' production assured by orders to have increased by 0,1 months and 0,7 months respectively; in the United Kingdom, in Ireland and in Luxembourg, no change has been reported; whilst the survey results in France (- 0,3 months), in the Netherlands (-0,2 months) and in Belgium (- 0,2 months) indicated a decline.



¹ Three-month moving average.
² See notes to Table 3 and box on page 8.

Expected capacity constraints. — The net balance of respondents expecting capacity to be insufficient in relation to production expectations was, at the Community level, the same in the survey carried out in the first quarter of 1983 as in that carried out in the last quarter of 1982 (see Table 2). The evidence of relatively weak industrial demand at the beginning of 1983 is consistent with data indicating widespread excess capacity in the industrial sector. Thus, a net balance of 50% of chief executives reported in January (for the first quarter of 1983), that the production capacity of their firms was in excess of that required, taking into account order-book levels and production plans. An increase in excess capacity, compared with the situation at the end of 1982, was reported in January 1983 by industrialists in Germany (+2 points), in the United Kingdom (+1 point), Belgium (+1 point) and Luxembourg (+2 points).

Factors limiting production in manufacturing industry. — In all Member States for which data are available, insufficient demand continues to be the major factor reported as limiting industrial output (see Table 4). Results for the first quarter of 1983, by comparison with the fourth quarter of 1982, indicate, however, a weak improvement in demand for industrial output in the Federal Republic of Germany (4 percentage points), in Italy (2 percentage points), in Ireland (4 percentage points), in Denmark (5 percentage points) and in Luxembourg (2 percentage points). However, industrialists were more pessimistic concerning the demand situation in the United Kingdom and Belgium (by 3 percentage points in both countries), while in the Netherlands no change was reported. For the Community as a whole, insufficient demand was judged a factor limiting production in manufacturing industry by a declining majority of industrialists (1 percentage point).

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TABLE 1: Estimated number of months' production assured by orders on hand (a)

	Range (b)		1979	1980	1981	1982	1981			1982				1983
	Peak 1973	Trough 1975					II	III	IV	I	II	III	IV	
B	4,5	2,8	3,3	3,5	3,4	3,4	3,3	3,4	3,4	3,3	3,5	3,4	3,4	3,2
D	3,3	2,8	3,2	3,2	2,9	2,7	2,9	2,9	2,9	2,8	2,7	2,7	2,5	2,6
F	3,5	2,7	3,8	4,0	3,6	3,5	3,7	3,5	3,5	3,2	3,7	3,7	3,5	3,2
IRL	2,2	1,8	2,2	1,8	2,0	2,0	1,9	2,4	2,4	2,0	2,1	2,0	1,8	1,8
I	4,7	3,7	4,5	4,8	4,0	4,2	3,9	4,3	3,9	4,0	4,5	4,2	4,0	4,7
L	3,5	1,4	2,8	2,2	2,3	1,9	2,4	2,7	2,0	2,2	1,8	1,9	1,7	1,7
NL	4,7	2,6	4,2	4,0	3,7	3,7	3,7	3,8	3,4	4,0	4,1	4,0	2,8	2,6
UK	:	:	3,4	2,5	2,8	3,0	2,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0
EC (d)	3,7	3,0	3,6	3,5	3,2	3,2	3,1	3,3	3,2	3,1	3,3	3,3	3,1	3,1

TABLE 2: Expected capacity constraints: i.e. net balance of respondents expecting capacity to be insufficient in relation to production expectations (a)(c)

	Range (b)		1979	1980	1981	1982	1981			1982				1983
	Peak 1973	Trough 1975					II	III	IV	I	II	III	IV	
B	-12	+58	+45	+41	+49	+39	+44	+53	+45	+42	+41	+35	+39	+40
DK	:	:	:	+20	+32	+35	+34	+27	+27	+36	+33	+34	+37	+35
D	-3	+56	+21	+17	+34	+42	+33	+35	+36	+38	+40	+42	+49	+51
F	-24	+45	+18	+18	+42	+37	+37	+43	+45	+35	+39	+33	+39	+38
IRL	:	+34	+1	+23	+29	+34	+31	+24	+26	+31	+31	+30	+42	+39
I	+1	+63	+23	+30	+45	+47	+48	+50	+37	+36	+45	+51	+55	+54
L	-72	+73	+40	+48	+59	+60	+57	+58	+54	+61	+60	+59	+61	+63
NL	-3	+60	+22	+23	+35	+47	+33	+36	+42	+48	+49	+50	+41	+39
UK	:	:	:	+50	+63	+60	+67	+62	+57	+58	+60	+59	+63	+64
EC (d)	-7	+54	+20	+27	+44	+46	+43	+45	+43	+42	+45	+45	+50	+50

(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 3: Employment expectations in manufacturing industry (a)
Net balance of respondents expecting employment up, unchanged or down (b)

	Range (c)		1980	1981	1982	1979	1980		1981		1982				1983
	Peak 1972/73	Trough 1974/75					Oct./ Nov.	June/ July	Oct./ Nov.	June/ July	Oct./ Nov.	I	II	III	
B	+12	-26	-21	-18	-14	-2	-12	-29	-19	-16	-12	-11	-14	-20	-17
DK	:	:	-14	-10	-9	:	-3	-25	-9	-10	-17	+3	-10	-10	-17
D	+13	-34	-6	-20	-32	+2	+1	-12	-14	-26	-28	-27	-29	-42	-29
F	+17	-35	-29	-39	-23	-23	-24	-33	-41	-37	-23	-22	-18	-29	-32
IRL	+15	-34	-33	-25	-30	-2	-36	-29	-19	-30	-23	-37	-26	-34	-20
I	+13	-26	-22	-38	-36	-1	-15	-28	-34	-42	:	-29	:	-43	:
L	+75	-67	-13	-44	-49	-1	-12	-13	-49	-38	-51	-51	-50	-43	-54
NL	+4	-32	-10	-17	-22	-6	-10	-9	-17	-17	-15	-18	-21	-33	-37
UK	:	:	-52	-48	-39	-24	-40	-64	-52	-44	-34	-37	-39	-44	-44
EC (d)	+12	-31	-24	-32	-31	-10	-16	-30	-30	-33	-26	-26	-33	-39	-33

TABLE 4: Factors limiting production in manufacturing industry (a) (b)

		%															
		1978		1979			1980			1981			1982				1983
		June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	Jan./ Feb.	June/ July	Oct./ Nov.	I	II	III	IV	I
B	insufficient demand	91	86	83	78	78	78	75	83	81	85	83	83	84	82	82	85
	shortage of labour	0	2	2	3	3	3	5	3	3	2	2	2	2	1	2	2
	lack of equipment	2	5	4	6	7	7	8	6	4	5	4	5	4	4	5	4
DK	insufficient demand	:	:	:	:	:	15	18	28	31	29	23	24	24	20	21	16
	shortage of labour	:	:	:	:	:	12	11	6	3	3	2	2	1	2	0	1
	lack of equipment	:	:	:	:	:	8	8	4	3	2	5	3	4	5	3	3
D	insufficient demand	36	32	28	16	16	16	13	28	38	35	34	36	42	45	55	51
	shortage of labour	4	4	6	7	14	10	13	6	5	4	3	1	1	1	0	0
	lack of equipment	2	1	2	1	3	3	3	1	1	1	2	1	1	1	1	1
F	insufficient demand	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	shortage of labour	3	3	3	3	6	5	4	6	3	2	1	2	2	3	3	4
	lack of equipment	12	11	11	12	16	18	17	16	6	6	5	4	5	9	8	5
IRL	insufficient demand	:	15	18	:	8	27	38	53	56	57	50	49	43	50	42	38
	shortage of labour	:	8	9	:	3	24	4	2	2	0	3	3	1	1	1	2
	lack of equipment	:	4	1	:	12	7	3	1	0	1	1	1	6	2	2	0
I	insufficient demand	40	32	34	25	25	17	33	39	46	59	57	:	51	61	64	62
	shortage of labour	2	1	1	3	4	3	4	3	3	3	1	:	1	1	0	0
	lack of equipment	1	3	3	2	4	4	3	3	4	4	3	:	1	1	1	1
L	insufficient demand	72	62	65	48	47	46	64	69	68	64	68	71	60	64	67	64
	shortage of labour	0	0	4	1	1	0	1	1	1	10	0	0	1	0	0	0
	lack of equipment	2	0	2	7	1	1	4	1	0	2	4	2	2	3	0	3
NL	insufficient demand	29	28	15	10	9	18	17	26	29	34	38	39	42	45	42	42
	shortage of labour	11	10	13	16	21	15	17	10	6	5	3	2	1	1	1	0
	lack of equipment	2	0	5	2	5	2	2	1	1	1	2	1	0	0	1	0
UK	insufficient demand	71	64	74	70	73	82	85	94	96	94	83	86	85	83	84	87
	shortage of labour	26	30	31	27	25	17	12	5	2	1	4	3	4	4	4	4
	lack of equipment	9	12	13	17	11	8	7	3	2	7	6	3	4	3	5	3
EC (d)	insufficient demand	49	43	44	35	36	37	29	50	57	57	54	:	57	59	64	63
	shortage of labour	8	10	10	10	13	9	9	5	4	3	3	2	2	2	2	2
	lack of equipment	6	6	7	7	8	8	7	5	3	4	3	2	3	3	4	2

(a) Since the beginning of 1982, these questions have been put on a quarterly basis; previously they were put on either a twice-yearly (employment expectations) or thrice-yearly (factors limiting production) basis. Details 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 7: Survey of the construction industry

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

	Range (c)		1980	1981	1982	1982			1983			1982			1983		
	Peak 72/73	Trough 74/75				II	III	IV	I	Oct.	Nov.	Dec.	Jan.	Feb.	March		
B order-books	-13	-47	-32	-53	-61	-55	-65	-68	-71	-66	-68	-70	-72	-72	-68		
employment expectations	+31	-24	-23	-41	-36	-35	-37	-37	-41	-35	-37	-38	-31	-40	-53		
price expectations	+75	+25	+31	+8	-1	+1	-1	-4	-8	-2	-2	-7	-3	-6	-16		
construction confidence indicator (a)	+9	-36	-28	-47	-49	-45	-51	-53	-56	-51	-53	-54	-52	-56	-61		
D order-books	-17	-84	-30	-61	-73	-73	-74	-73	-69	-75	-73	-71	-68	-72	-66		
employment expectations	+10	-60	-7	-35	-44	-39	-40	-45	-28	-46	-47	-41	-36	-30	-17		
price expectations	+48	-37	-5	-41	-28	-39	-23	-12	-7	-16	-10	-9	-9	-12	0		
construction confidence indicator	-4	-72	-18	-48	-59	-56	-57	-59	-48	-61	-60	-56	-52	-51	-42		
F order-books	:	:	-31	-48	-62	-63	-66	-64	-58	-64	:	:	-58	:	:		
employment expectations	:	:	-12	-24	-35	-36	-34	-35	-29	-35	:	:	-29	:	:		
construction confidence indicator	:	:	-21	-36	-49	-49	-50	-50	-44	-50	:	:	-44	:	:		
I order-books	-25	-68	-33	-29	-44	-46	-42	-51	-49	-45	-62	-46	-55	-39	-52		
employment expectations	+10	-44	-11	-7	-13	-12	-9	-27	-21	-39	-20	-31	-18	-15			
price expectations	+85	+30	+71	+71	+54	+56	+56	+30	+20	+45	+15	+31	+20	+21	+19		
construction confidence indicator	-8	-56	-22	-18	-29	-29	-26	-26	-35	-33	-51	-33	-43	-29	-34		
L order-books	+21	-50	-12	-21	-46	-44	-52	-51	-48	-56	-52	-44	-51	-52	-41		
employment expectations	+31	-39	+6	-6	-25	-29	-23	-17	-32	-13	-19	-17	-32	-36	-28		
price expectations	+82	+11	+45	+30	+17	+9	+20	+12	+3	+10	+10	+15	+14	+7	-13		
construction confidence indicator	+26	-45	-5	-14	-36	-37	-38	-34	-40	-35	-36	-31	-42	-44	-35		
NL order-books	-8	-81	-39	-50	-57	-58	-59	-59	-59	-61	-60	-57	-61	-58	-57		
employment expectations	+14	-13	-8	-14	-25	-27	-25	-21	-24	-22	-19	-22	-23	-26	-24		
construction confidence indicator	+3	-47	-24	-32	-41	-43	-42	-40	-42	-42	-40	-40	-42	-42	-41		
UK order-books	:	:	-33	-60	-59	-60	-55	-58	-47	-58	:	:	-47	:	:		
employment expectations	:	:	-27	-42	-25	-30	-19	-18	-14	-18	:	:	-14	:	:		
price expectations	:	:	+53	-16	0	+1	+9	-3	+11	-3	:	:	+11	:	:		
construction confidence indicator	:	:	-30	-51	-42	-45	-38	-38	-31	-38	:	:	-31	:	:		
EC order-books	:	:	-32	-51	-61	-62	-61	-63	-58	-62	(-65X)	(-61)	-59	(-57X)	(-57)		
(d) employment expectations	:	:	-14	-28	-24	-31	-28	-32	-25	-31	(-35X)	(-30)	-28	(-25X)	(-21)		
construction confidence indicator	:	:	-23	-39	-43	-47	-45	-48	-41	-47	(-50X)	(-46)	-44	(-41X)	(-39)		

(a) The indicator is an average of the responses (net balances) to the questions on order-books and employment expectations.

(b) Details of the questions are given below.

(c) 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.

(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 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?
- order-books: above normal, normal, below normal?
- export order-books: above normal, normal, below normal?
- stocks of finished products: above normal, normal, below normal?
- production expectations for the months ahead: up, unchanged, down?
- selling price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- employment expectations for the months ahead: up, unchanged, down?
- limits to production: none, insufficient demand, shortage of labour, lack of equipment?
- 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?
- capacity utilization: in %?
- stocks of raw materials: high, normal, low?

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 (January, April, July and October):

- 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 Trades Employers, for the construction survey.

The surveys of manufacturing industry are broken down by 20 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'.

ECONOMIC SENTIMENT INDICATOR

The economic sentiment indicator is a composite measure in which the industrial confidence indicator, the consumer confidence index and the share price index are given equal weight, while the construction confidence indicator (an average of two series of the EC survey of the construction industry, namely employment expectations and judgements on the level of order-books) is attributed half the weight of each of the other three. The share price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the real and nominal value of stocks and shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

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