

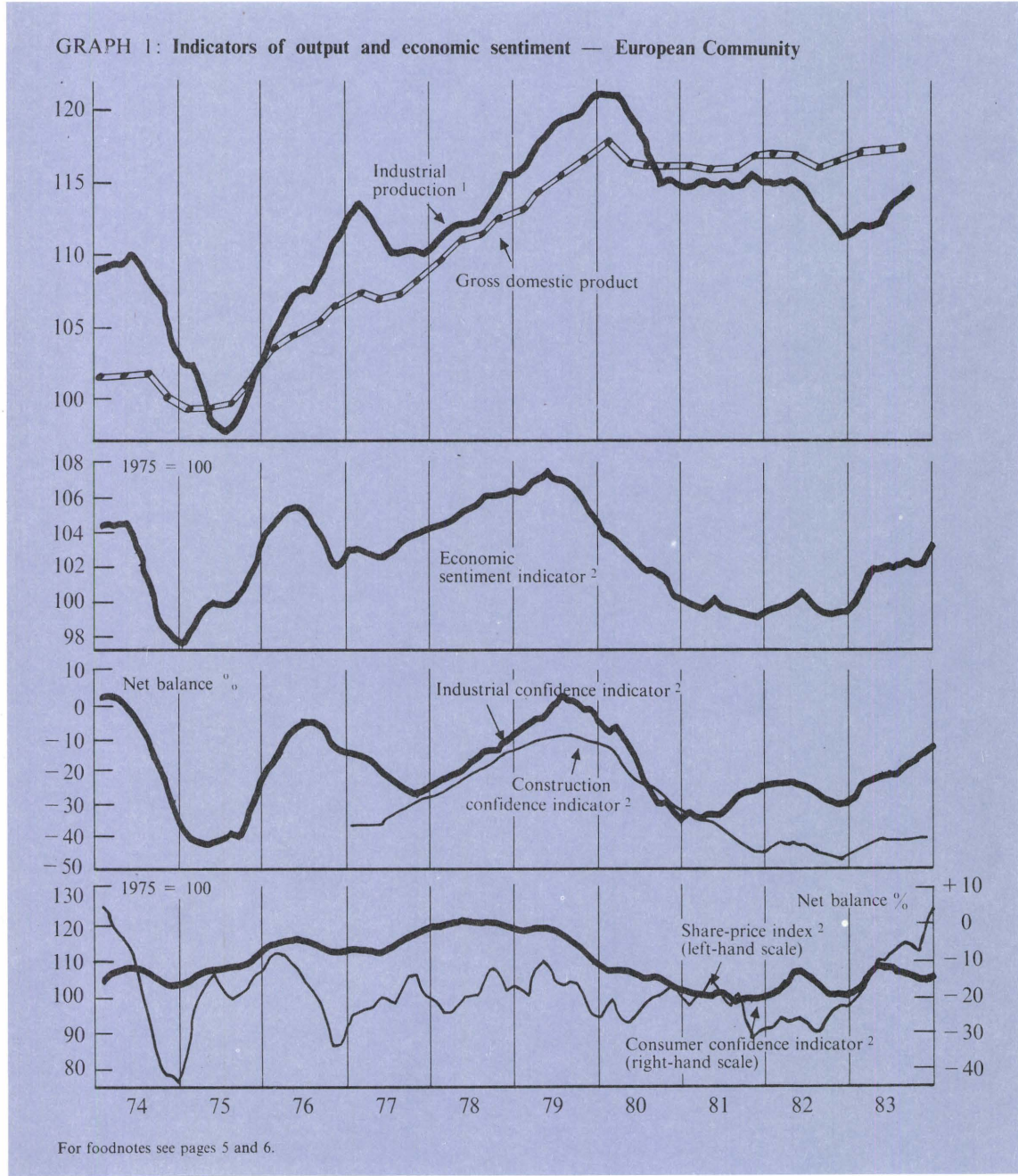
EUROPEAN ECONOMY

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

Supplement B — No 1 — January 1984

Business survey results

*This month:
Industrial investment in 1983
and prospects for 1984*



Upswing in industrial investment. — The investment survey carried out in October/November 1983 suggests a significant investment recovery in 1984, thus underpinning the forecast that the recovery will be durable and more broadly based.

At the EC level, the surveys suggest that an increase of 4,7% in real terms is likely for 1984 (10% in current prices). This would be the highest rate of growth in industrial investment observed in the Community since 1973, and appears to reflect both a better outlook for total demand and improving profitability of companies. For 1983 the survey suggests that investment in industry fell—the third year in succession—by 2,5% in volume in 1983 (reflecting a value increase of 3% and a capital goods deflator of 5,7%). However, the 1984 improvement should be put in perspective. If the reported intentions of industrialists are fully realised, the level of investment in manufacturing industry would still be lower than in 1981. Past evidence also shows some tendency for the outturn to be somewhat lower than the growth initially suggested by the surveys (Table 1).

Investment in the Member States. — According to preliminary estimates¹ real investment growth in industry, for 1983, would have been weakest in Italy, Belgium, Greece and Ireland with large falls in each country. They suggest, on the other hand, that it has been surprisingly strong in Denmark and the Netherlands. France, Germany and the United Kingdom are each reported to have experienced small declines in real terms.

In 1984, high rates of growth in real industrial investment are suggested in some countries. The growth rate in Denmark and in

the Netherlands would be unprecedented while France, the United Kingdom and Ireland would also experience significant increases.

By contrast, industrial investment would fall slightly in Germany and more markedly in Italy. The German results, not quite in line with the relatively strong upswing there, may be partly explained by the fact that companies brought investment forward to benefit from the investment subsidy scheme in 1983.

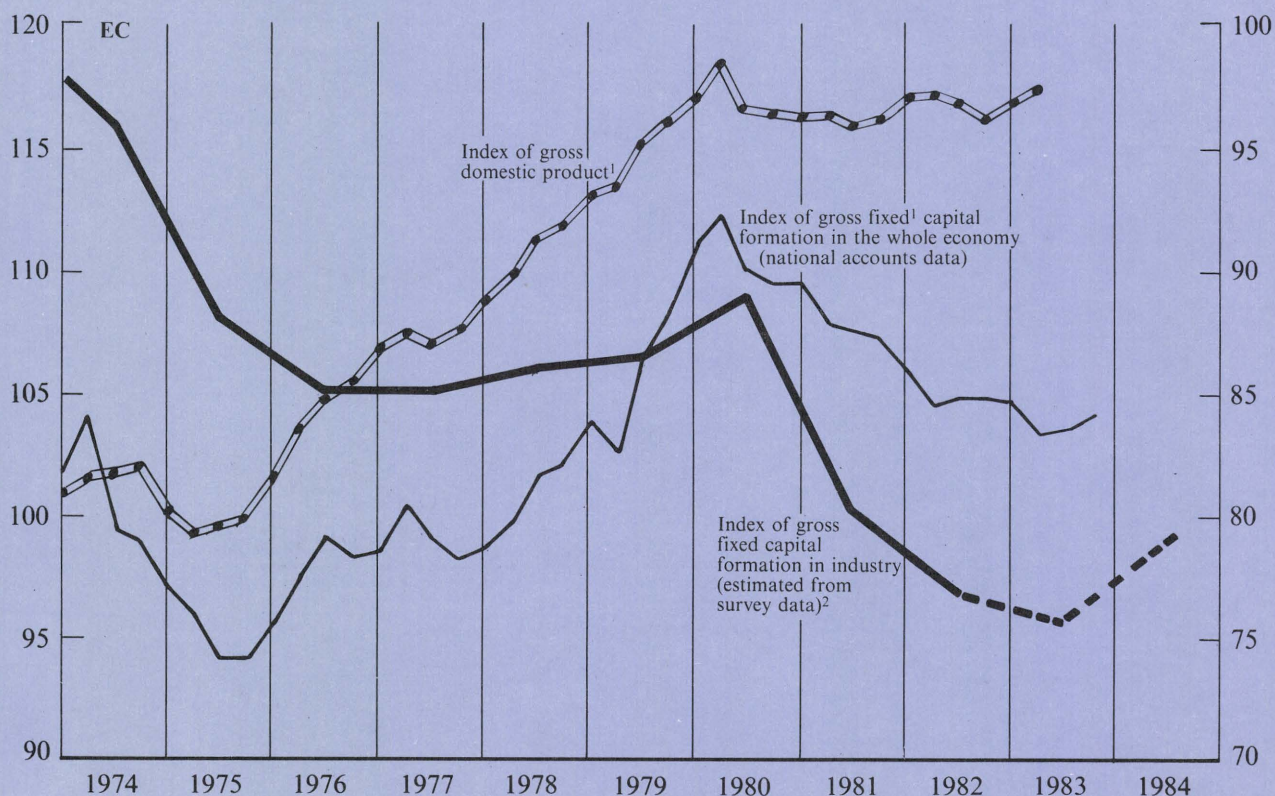
Investment intentions by industry. — At the Community level, it is investment in the metallurgical industries which is expected to grow fastest, rising by 23% in value terms in 1984 after a steep fall last year. This reflects new investment in the steel industry in several Member States, notably France (+60% in value for the whole metallurgical branch) and Germany (+13%).

In the mechanical industries (essentially engineering) a significant rise in real investment is also suggested for 1984. Increases are expected to be especially significant in the United Kingdom, the Netherlands, Belgium and Denmark, with smaller rises in France, Germany and Italy. The engineering branch could be expected to benefit itself from a growth in investment demand in the whole economy both at home and abroad. Nevertheless, the investment intentions for this branch are not uniform, with the car industry, office machinery and electrical engineering doing rather better than shipbuilding and aircraft construction.

Investment in the process and basic materials industries is expected to be only slightly positive in real terms. However, there will be important regional differences. Investment in the process industries (mainly current consumption products) is expected to be strong in those Member States which experienced consumer-led economic growth last year (UK +17% and

¹ These estimates were obtained by applying to the figures in Tables 2 and 3 the EC forecasts for the implicit deflator of gross capital formation in the Community and its Member States.

GRAPH 2: Trend of industrial investment in the Community (business survey indicator)



¹ Left-hand scale. Weighted average of national quarterly data provided by Germany, France, Italy and the United Kingdom.

² Right-hand scale. For the construction of this index, see Supplement B, No 8/9, September 1983. For 1983 and 1984, the values are calculated by dividing the last survey results available (see Table 1) by the forecasted deflator for gross capital formation.

TABLE 1: Industrial investment in the EC manufacturing industry

Dates of survey	A. % change in value in relation to preceding year								B. % change in volume relation to preceding year ¹							
	Years to which data relate								Years to which data relate							
	1977	1978	1979	1980	1981	1982	1983	1984	1977	1978	1979	1980	1981	1982	1983	1984
March/April 1977	12								3							
Oct./Nov. 1977	11	12							1	4						
March/April 1978	10	11							0	3						
Oct./Nov. 1978		9	13							1	2					
March/April 1979		9	14							1	3					
Oct./Nov. 1979			10	14							0	2				
March/April 1980			11	16							0	4				
Oct./Nov. 1980				13	6							1	-3			
March/April 1981				14	3							2	-1			
Oct./Nov. 1981					-1	3							-9	-3		
March/April 1982					-1	3							-9	-3		
Oct./Nov. 1982						1	5							-5	-1	
March/April 1983						2	4							-4	-2	
Oct./Nov. 1983							3	10							-3	5

¹ The changes in volume are calculated by dividing the changes in value by the corresponding deflators for gross capital formation in the EC. For 1983 and 1984 forecast deflators are used.

TABLE 2: Industrial investment survey by branch
Results of the Oct./Nov. 1983 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	
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984
B	+ 3	+10	-14	- 4	- 9	+20	+ 4	+ 8	:	:	+24	-38	- 2	+ 5
DK (c)	+ 6	+13	+13	+21	+15	+17	+35	+ 9	:	:	+23	+40	+18	+20
D	0	- 4	-22	+13	+ 4	+ 4	+ 7	+ 7	+ 3	- 5	+ 6	0	+ 2	+ 2
GR	-64	+99	-27	-53	-36	+ 4	-26	+51	:	:	-21	+49	-49	+41
F	+ 6	+18	+ 9	+60	+ 6	+ 9	0	+ 5	-21	+18	+14	+27	+ 6	+15
IRL	+ 6	- 3	+30	-10	-19	+ 2	-40	+44	:	:	-38	+28	-24	+19
I	+ 1	- 6	-23	+17	+ 8	+21	- 1	+ 6	-32	+27	0	+18	+ 3	+ 8
L	-14	+ 7	-13	- 1	+40	-13	+ 83	- 2	:	:	:	:	+13	- 6
NL	+21	+51	+13	+10	-12	+24	- 5	+ 3	+ 6	+28	+15	- 1	+ 6	+25
UK	+12	+ 7	-11	+10	- 1	+15	- 2	+17	:	:	- 3	+27	+ 2	+15
EC (e)	+ 5	+ 6	-11	+23	+ 3	+10	+ 3	+ 8	:	:	+ 6	+13	+ 3	+10

TABLE 3: Industrial investment survey — all branches
% change in value in relation to preceding year

Date of survey:	1979		1980		1981		1982		1983		1984									
	Oct./ Nov. 1979	March/ April 1980	Oct./ Nov. 1979	March/ April 1980	Oct./ Nov. 1980	March/ April 1981	Oct./ Nov. 1981	March/ April 1982	Oct./ Nov. 1982	March/ April 1983	Oct./ Nov. 1983	Oct./ Nov. 1984								
B (c)	+12	+16	+30	+41	+30	+36	+ 3	+ 8	+ 4	+ 4	- 9	- 3	+10	+18	- 7	- 9	- 2	+ 5		
DK (c)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	+11	+ 4	+ 4	+11	+18	+20
D	+13	+14	+12	+15	+15	+16	+ 4	+ 2	0	- 1	0	0	- 2	- 2	+ 3	+ 2	+ 2	+ 2	+ 2	
GR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	+38	+42	- 2	- 6	-19	+ 6
F	+10	+10	+15	+16	+16	+16	+ 6	+ 5	- 1	+ 3	+ 6	+ 5	+ 4	+ 6	+ 7	+ 6	+ 6	+ 6	+15	
IRL (c)	+19	+19	+12	+6,5	- 3,5	+ 8	+ 2	-22	-16	-26	+33	+54	0	+27	+ 5	-18	-24	+19		
I	+ 5	+10	+26	+31	+ 7	+10	+47	+17	+14	+10	:	+ 6	+ 8	+13	+13	+ 7	+ 3	+ 8		
L (d)	+22	- 5	- 5	+ 7	-12,5	+17	0	- 8	+17	-10	-20	+24	+ 1	+34	+17	-39	+13	- 6		
NL	+ 1	0	+13	+18	+15	+17	- 7	- 2	- 6	- 8	- 2	+ 6	- 1	0	+11	+11	+ 6	+25		
UK (c)	+ 9	+12	+ 4	+ 2	+ 6	+ 5	- 7	- 6	-11	-11	+ 7	+ 5	- 4	- 3	+ 5	+ 2	+ 2	+15		
EC (e)	+10	+11	+14	+16	+13	+14	+ 6	+ 3	- 1	- 1	+ 3	+ 3	+ 1	+ 2	+ 5	+ 4	+ 3	+10		

(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.

Germany +7% in value terms), but is likely to be weak in France, Italy and the Netherlands. The investment intentions in basic industries are, however, stronger in these countries where domestic demand is depressed (France +18%, Netherlands +51% in value). The fall in investment in basic industries in Germany is largely due to the oil refining branch where capacity utilization was only 66.5% in November.

Finally, investment in the food and drink industries is expected to be strong in 1984 after a relatively good performance last year (1983: +6%; 1984: +13% in value). High investment in this sector in both years is indicated by the surveys for Denmark and France.

Marked improvement of economic sentiment. — The economic sentiment indicator for the EC has gained 0,8 point in December following an increase of 0,5 point in November. After a stagnation which has lasted since May, the index might thus be pointing towards a new phase of the recovery. The improvement is particularly clear for the share price index but the industrial confidence indicator continued to rise also, while the consumer confidence index gained 1 point, after having shown some weakness since May.

All Member States are affected by this improvement. The share price index rose everywhere and so did the industrial confidence indicator, except in France, where it stayed at its November level. An increase in consumer confidence can also be observed in the three countries for which new information is available: Germany, Italy and the United Kingdom.

Generalized optimism in the manufacturing industry. — The overall improvement noticed in December is mainly due to the appreciation of order-books for which significant gains are recorded in all Member States. For export orders, the improvement is particularly noticeable in the United Kingdom

(+7) where the selling price expectations are downwards (-2), which might indicate that businessmen expect gains in market shares, due to enhanced price competitiveness. At the EC level, production expectations remained on an upward trend, although they fell by 1 point in France. The opinion of industrialists on their stocks of finished products improved in Italy (5 points), in the Benelux (between 2 and 9 points) and in Denmark (5 points, on a quarterly basis) as companies reduced their stocks nearer to normal levels, but deteriorated in France (5 points), in the United Kingdom (2 points) and in Ireland (2 points).

Contrasts in the construction sector. — There is still no general improvement of confidence in the building industry where the results of the last four quarters are almost identical for the EC, slightly above the average of 1982 (+2). Comparing 1983 to 1982, the situation has very clearly improved, however, in Germany (+19) and in the United Kingdom (+12). It has, on the other hand, deteriorated further in France (-3), in Italy (-7), in Belgium (-8) and in Luxembourg (-9).

Rising consumer confidence. — Consumer confidence is also moving upwards. The improvement was particularly noticeable in Italy, where the index reached in December its highest level of the year, with more favourable balances than in November for its 5 components (see Table 7). In addition, inflationary expectations went down by 6 points during the last two months in Italy, while saving intentions have risen by 8 points over the same period.

In Germany, the increase of the confidence index (+2) is the first improvement to be observed since April. The consumer confidence index rose also by 1 point in the United Kingdom.

19 January 1984

TABLE 4: 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)		1981	1982	1983	1983				1983					
	Peak 72/73	Trough 74/75				I	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.
B order-books	-13	-47	-53	-61	-73	-71	-72	-73	-74	-73	-73	-74	-73	-76	-73
employment expectations	+31	-24	-41	-36	-41	-41	-42	-37	-45	-35	-40	-37	-41	-49	-46
price expectations	+75	+25	+8	-1	-11	-8	-14	-8	-13	-6	-11	-6	-12	-12	-14
construction confidence indicator (a)	+9	-36	-47	-49	-57	-56	-57	-55	-60	-54	-57	-56	-57	-63	-60
D order-books	-17	-84	-61	-73	-60	-69	-62	-56	-54	-59	-57	-53	-55	-53	-53
employment expectations	+10	-60	-35	-44	-20	-28	-16	-14	-20	-19	-14	-10	-16	-22	-23
price expectations	+48	-37	-41	-28	+3	-7	-2	+8	+11	+5	+9	+11	+12	+11	+10
construction confidence indicator	-4	-72	-48	-59	-40	-48	-39	-35	-37	-39	-36	-32	-36	-38	-38
F order-books	:	:	-48	-62	-66	-58	-63	-70	-72	-70	:	:	-72	:	:
employment expectations	:	:	-24	-35	-37	-29	-37	-47	-41	-47	:	:	-41	:	:
construction confidence indicator	:	:	-36	-49	-52	-44	-50	-59	-57	-59	:	:	-57	:	:
I order-books	-25	-68	-29	-44	-48	-49	-49	-50	-42	-48	-51	-50	-43	-43	-41
employment expectations	+10	-44	-7	-13	-23	-21	-19	-24	-27	-26	-23	-24	-28	-22	-30
price expectations	+85	+30	+71	+54	+14	+20	+13	+10	+12	+15	+2	+12	+8	+13	+15
construction confidence indicator	-8	-56	-18	-29	-36	-35	-34	-37	-35	-37	-37	-37	-36	-33	-36
L order-books	+21	-50	-21	-46	-53	-48	-57	-49	-58	-44	-50	-54	-52	-63	-59
employment expectations	+31	-39	-6	-25	-36	-32	-32	-39	-40	-27	-38	-51	-42	-38	-41
price expectations	+82	+11	+30	+17	+16	+3	-18	-22	-25	-24	-27	-15	-28	-29	-19
construction confidence indicator	+26	-45	-14	-36	-45	-40	-45	-44	-49	-36	-44	-53	-47	-51	-50
NL order-books	-8	-81	-50	-57	-55	-59	-57	-54	-48	-55	-54	-54	-48	-48	-47
employment expectations	+14	-13	-14	-25	-14	-24	-16	-9	-5	-14	-9	-4	-3	-4	-8
construction confidence indicator	+3	-47	-32	-41	-35	-42	-37	-32	-27	-35	-32	-29	-26	-26	-28
UK order-books	:	:	-60	-59	-48	-47	-52	-46	-47	-46	:	:	-47	:	:
employment expectations	:	:	-42	-25	-12	-14	-11	-13	-9	-13	:	:	-9	:	:
price expectations	:	:	-16	0	+11	+11	+6	+15	+12	+15	:	:	+12	:	:
construction confidence indicator	:	:	-51	-42	-30	-31	-32	-30	-28	-30	:	:	-28	:	:
EC order-books	:	:	-51	-61	-57	-58	-58	-57	-55	-57	(-57)	(-56)	-56	(-55)	(-55)
(d) employment expectations	:	:	-28	-24	-24	-25	-22	-24	-24	-26	(-24)	(-23)	-23	(-24)	(-26)
construction confidence indicator	:	:	-39	-43	-41	-41	-40	-41	-40	-42	(-41)	(-40)	-40	(-40)	(-41)

(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.

GRAPH 3: Indicators of output and economic sentiment in four Member States

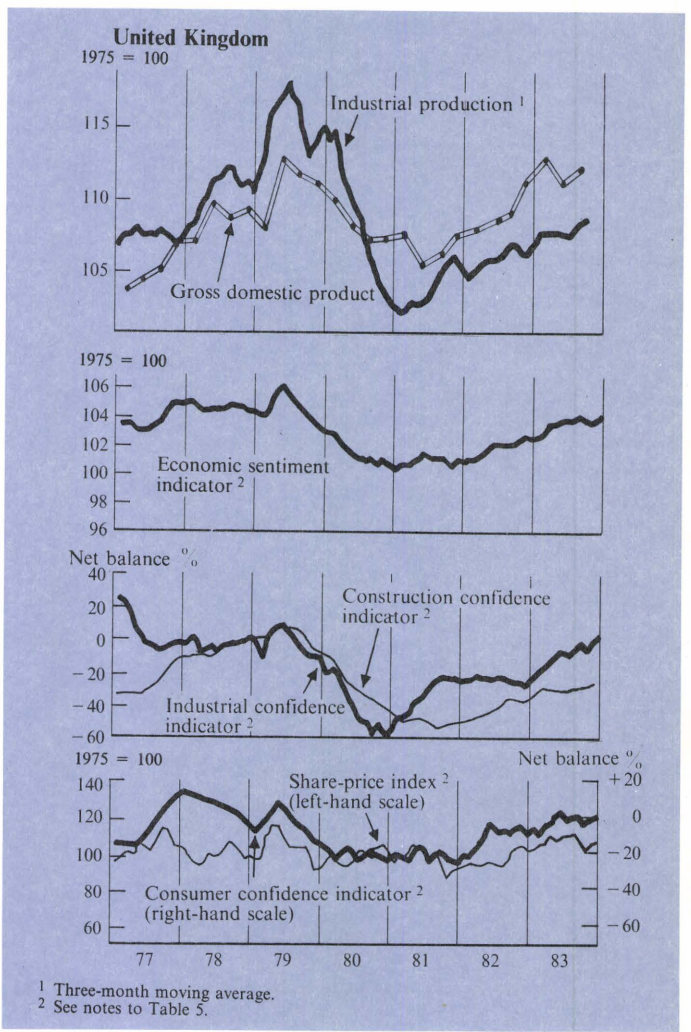
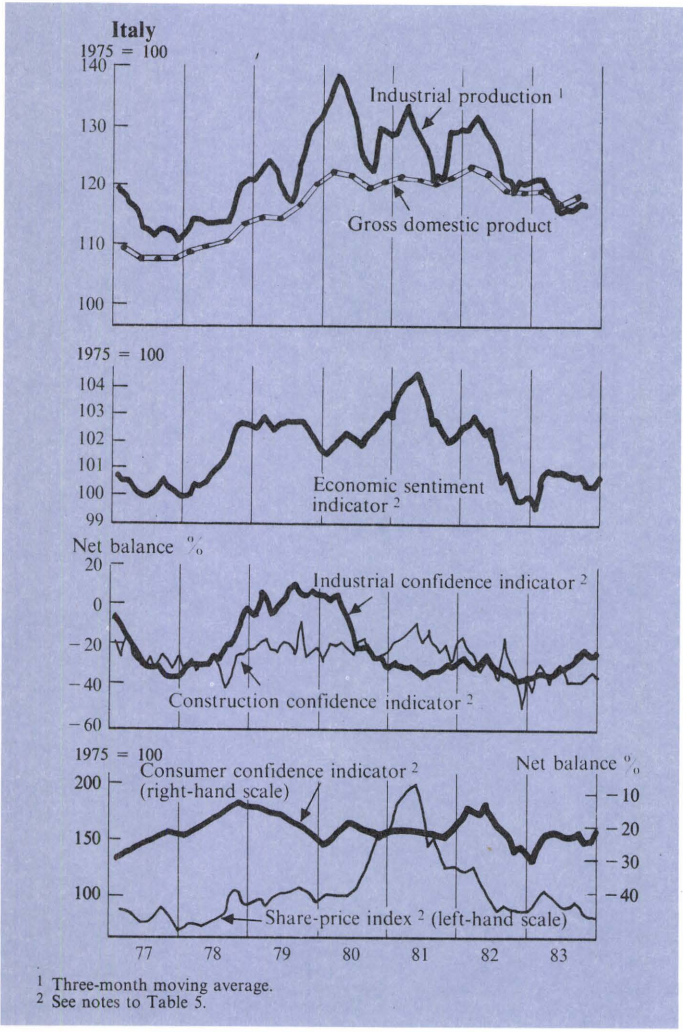
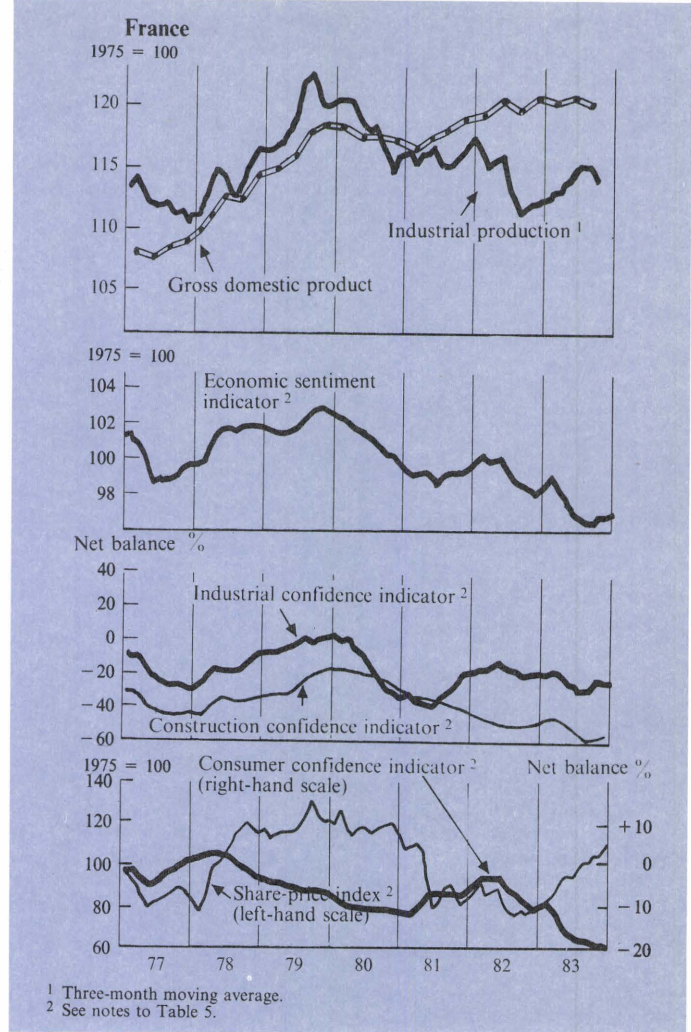
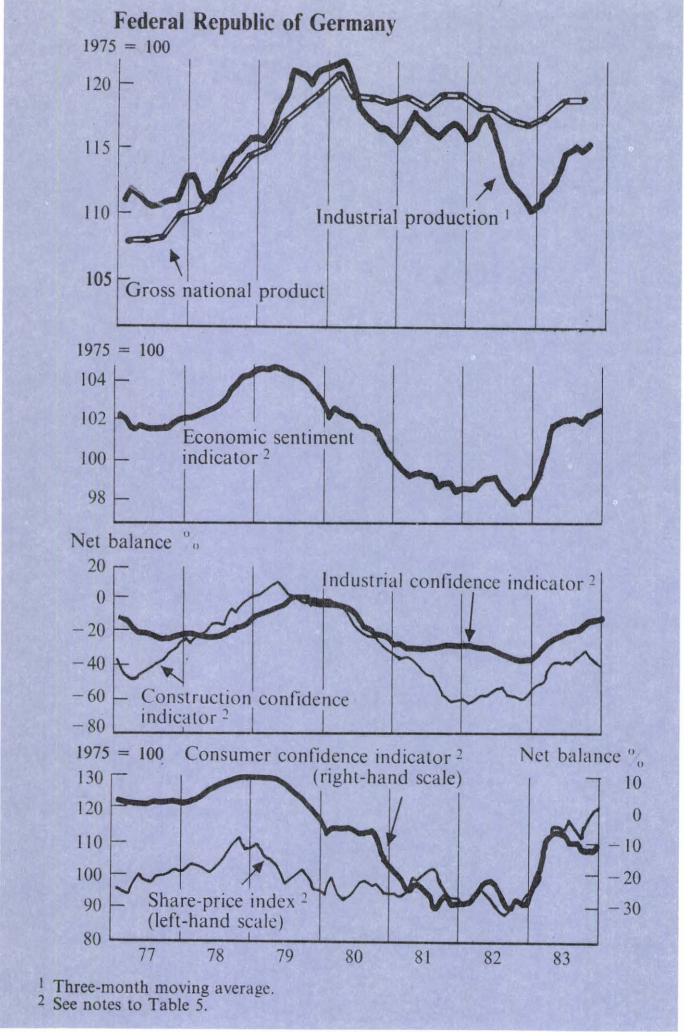


TABLE 5: Indicators of output and economic sentiment

	Trough 1974/75	1981	1982	1983	1983				1983						
					I	II	III	IV	July	August	Sept.	Oct.	Nov.	Dec.	
B <i>gross domestic product</i>	1975=	113,9	112,8	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	88,2	111,6	111,6	:	112,4	113,3	116,5	:	117,5	116,5	115,5	:	:	:
1. industrial confidence indicator		-56	-27	-22	-20	-23	-21	-19	-14	-21	-18	-18	-16	-16	-12
2. construction confidence indicator		-36	-47	-48	-57	-56	-57	-55	-60	-54	-57	-56	-57	-63	-60
3. consumer confidence indicator ^{1,4}		-18	-27	-27	-27	-31	-22	-26	-30	:	:	:	:	:	:
4. share-price index ^{4,5}		84,9	70,7	86,8	111,4	96,9	111,9	119,5	117,2	117,8	120,5	120,7	113,5	116,6	122,4
= 5. economic sentiment indicator		99,3	97,8	99,0	100,0	98,8	100,5	100,7	100,1	100,7	100,8	100,6	100,0	99,8	100,6
D <i>gross national product</i>	1975=	99,0	118,6	117,2	:	117,3	118,5	118,7	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	97,9	115,9	112,5	:	111,1	113,5	113,3	:	113,0	113,2	114,5	114,8	:	:
1. industrial confidence indicator		-49	-30	-33	-21	-30	-23	-17	-11	-19	-19	-15	-13	-11	-10
2. construction confidence indicator		-72	-48	-59	-40	-48	-39	-35	-37	-39	-36	-32	-36	-38	-38
3. consumer confidence indicator ^{1,4}		-22	-22	-26	-12	-17	-7	-11	-11	-10	-10	-12	-12	-12	-10
4. share-price index ^{4,5}		80,0	108,7	108,3	136,9	121,3	139,4	139,2	147,6	142,9	140,8	137,8	143,8	147,6	151,3
= 5. economic sentiment indicator		98,8	98,9	98,2	101,3	99,5	101,7	101,7	102,1	101,7	101,7	101,6	101,8	102,1	102,5
F <i>gross domestic product</i>	1975=	98,5	117,8	119,9	:	120,2	120,7	120,2	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	86,9	115,5	113,7	:	113,7	114,9	115,8	:	116,4	116,4	114,6	112,8	:	:
1. industrial confidence indicator		-49	-30	-17	-23	-18	-23	-28	-22	-29	-28	-27	-21	-23	-23
2. construction confidence indicator		:	-36	-49	-52	-44	-50	-59	-57	-59	:	:	-57	:	:
3. consumer confidence indicator ^{1,4}		-9	-9	-5	-16	-9	-17	-18	-19	:	:	:	:	:	:
4. share-price index ^{4,5}		79,8	131,5	131,0	173,5	144,3	166,3	183,0	200,3	176,9	185,5	186,6	194,8	197,4	208,6
= 5. economic sentiment indicator		98,1	98,9	98,9	97,4	98,6	97,3	96,6	97,0	96,6	96,5	96,5	96,9	96,9	97,1
IRL <i>gross domestic product</i>	1975=	:	123,6	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	96,3	134,7	135,3	:	142,3	139,1	142,1	:	145,4	139,6	141,4	:	:	:
1. industrial confidence indicator		-41	-18	-19	-20	-26	-24	-17	-12	-18	-20	-13	-16	-13	-8
2. construction confidence indicator		:	-33	-51	-60	-77	-61	-58	-44	-50	-58	-66	-53	-56	-22
3. consumer confidence indicator ^{1,4}		-41	-28	-34	-40	-36	-44	-41	-38	:	:	:	:	:	:
4. share-price index ^{4,5}		63,4	219,9	179,9	222,4	171,6	206,8	249,7	261,4	237,6	250,6	261,0	268,3	257,8	258,0
= 5. economic sentiment indicator		97,7	102,0	101,4	101,5	100,8	101,3	101,5	102,3	101,4	101,2	101,7	102,1	102,3	102,6
I <i>gross domestic product</i>	1975=	93,1	120,9	120,5	:	119,3	117,3	118,3	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	94,7	125,0	121,7	:	120,8	115,2	117,1	:	118,1	115,3	117,9	116,2	:	:
1. industrial confidence indicator		-59	-31	-31	-29	-35	-33	-27	-23	-29	-27	-24	-22	-25	-21
2. construction confidence indicator		-56	-18	-29	-36	-35	-34	-37	-35	-37	-37	-37	-36	-33	-36
3. consumer confidence indicator ^{1,4}		-39	-22	-18	-23	-25	-21	-22	-22	-22	-22	-21	-24	-23	-20
4. share-price index ^{4,5}		84,6	160,0	129,9	160,0	154,7	161,6	161,9	161,7	162,1	172,9	170,0	160,0	163,0	163,0
= 5. economic sentiment indicator		99,1	102,1	101,8	100,9	100,5	101,2	101,1	100,7	100,8	101,0	101,1	100,6	100,6	101,0
NL <i>gross domestic product</i>	1975=	:	112,1	111,1	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	98,0	111,0	107,0	:	108,7	107,3	106,0	:	109,0	105,0	104,0	107,0	:	:
1. industrial confidence indicator		-44	-25	-26	-16	-20	-17	-15	-12	-17	-15	-12	-12	-13	-10
2. construction confidence indicator		-47	-32	-41	-35	-42	-37	-32	-27	-35	-32	-29	-26	-26	-28
3. consumer confidence indicator ^{1,4}		-19	-31	-32	-30	-34	-28	-28	-28	:	:	:	:	:	:
4. share-price index ^{4,5}		80,5	98,9	100,0	144,5	122,7	142,2	154,1	158,8	151,9	154,9	155,5	156,5	154,5	165,5
= 5. economic sentiment indicator		99,6	98,3	98,1	100,3	98,8	100,2	100,9	101,2	100,7	100,9	101,0	101,1	101,0	101,6
UK <i>gross domestic product</i>	1975=	98,1	106,9	109,5	:	113,3	111,6	112,4	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	97,0	104,2	106,0	:	107,8	107,5	108,5	:	108,0	108,4	109,1	108,6	:	:
1. industrial confidence indicator		:	-33	-25	-10	-21	-10	-6	-3	-9	-5	-4	-8	-1	+1
2. construction confidence indicator		:	-51	-42	-30	-31	-32	-30	-28	-30	:	:	-28	:	:
3. consumer confidence indicator ^{1,4}		-33	-21	-12	-2	-6	+1	0	-1	-1	+1	-1	-2	-1	0
4. share-price index ^{4,5}		49,2	237,0	274,6	347,4	321,8	346,9	360,4	360,6	359,6	366,4	355,2	347,7	363,7	370,3
= 5. economic sentiment indicator		95,0	100,9	101,8	103,6	102,9	103,7	103,8	103,8	103,7	104,0	103,8	103,5	103,9	104,1
EC <i>gross domestic product</i> ^{2,3}	1975=	99,0	116,4	117,0	:	117,6	117,6	117,8	:	:	:	:	:	:	:
<i>index of industrial production</i>	100	96,8	114,4	112,8	:	111,4	111,5	113,4	:	112,3	113,9	114,2	113,4	:	:
1. industrial confidence indicator		-49	-31	-27	-20	-25	-21	-18	-14	-20	-19	-16	-16	-14	-12
2. construction confidence indicator		:	-39	-43	-41	-41	-40	-41	-40	-42	(-41)	(-40)	-40	(-40)	(-41)
3. consumer confidence indicator ^{1,4}		-17	-19	-17	-14	-16	-12	-14	-15	-14	-13	-14	-15	-15	-14
4. share-price index ^{4,5}		81,8	170,2	187,2	248,7	217,8	242,7	257,1	277,0	254,1	259,6	261,0	259,0	278,6	293,0
= 5. economic sentiment indicator		97,4	99,9	100,1	101,9	100,7	102,1	102,2	102,7	102,0	102,3	102,3	102,1	102,6	103,4

¹ Quarterly series are constructed by attributing results of the January, May and October surveys to the first, second and fourth quarters respectively. Third quarter data are interpolated between second and fourth quarter values. For the message of construction of the indicator, see: *European Economy - Supplement C*.

² Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK. For the annual figures, source Eurostat.

³ For the Federal Republic of Germany, gross national product.

⁴ Not seasonally adjusted.

⁵ Revised by Eurostat.

Source: European Community business surveys and Eurostat.

TABLE 6: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (b)

	Range (c)		1981	1982	1983	1983				1983											
	Peak 1972/73	Trough 1974/75				I	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.						
B																					
production expectations	+31	-56	-27	-22	-20	-23	-24	-19	-14	-21	-18	-18	-16	-16	-7	-12	-2				
order-books	+13	-74	-45	-40	-34	-39	-36	-33	-28	-35	-32	-32	-29	-31	-30	-25					
export order-books	+15	-82	-47	-40	-34	-39	-35	-31	-30	-31	-30	-31	-30	-30	-30	-25					
stocks of finished products	-14	+37	+11	+8	+9	+8	+10	+9	+9	+12	+8	+7	+10	+10	+10	+8					
selling-price expectations	+64	+10	+29	+28	+24	+23	+24	+25	+24	+23	+25	+27	+20	+22	+22	+27					
industrial confidence indicator	+19	-56	-27	-22	-20	-23	-24	-19	-14	-21	-18	-18	-16	-16	-7	-12					
DK																					
production expectations	:	:	-3	+4	+7	+5	0	+6	+17	:	:	:	:	:	:	:					
order-books	:	:	-7	-17	-4	-8	-14	-2	+7	:	:	:	:	:	:	:					
export order-books	:	:	-7	-4	-3	-2	-4	-5	+1	:	:	:	:	:	:	:					
stocks of finished products	:	:	+17	+16	+12	+14	+10	+9	+4	:	:	:	:	:	:	:					
industrial confidence indicator	:	:	-15	-10	-3	-6	-8	-2	+7	:	:	:	:	:	:	:					
D																					
production expectations	+17	-32	-17	-20	-2	-12	-2	+1	+6	-1	0	+3	+3	+7	+7	+7					
order-books	-5	-73	-46	-53	-43	-54	-46	-40	-31	-41	-42	-37	-35	-32	-27						
export order-books (d)	+23	+33	-1	-7	-4	-9	-8	-2	+5	-4	-3	0	+1	+6	+7						
stocks of finished products	-7	+43	+26	+26	+17	+25	+20	+13	+9	+15	+14	+11	+8	+9	+9						
selling-price expectations	+55	+4	+32	+18	+16	+6	+15	+21	+23	+16	+22	+26	+25	+23	+22						
industrial confidence indicator	+10	-49	-30	-33	-21	-30	-23	-17	-11	-19	-19	-15	-13	-11	-10						
F																					
production expectations	+33	-29	-11	-4	-13	-9	-13	-18	-12	-20	-18	-16	-8	-14	-15						
order-books	+26	-69	-46	-30	-38	-32	-37	-42	-39	-42	-42	-42	-37	-42	-37						
export order-books	+24	-66	-47	-36	-38	-42	-44	-39	-26	-39	-39	-40	-30	-25	-22						
stocks of finished products	-14	+50	+34	+16	+18	+13	+18	+23	+16	+24	+23	+23	+18	+12	+17						
selling-price expectations	+76	+15	+54	+49	+45	+44	+47	+46	+43	+51	+46	+42	+36	+46	+46						
industrial confidence indicator	+29	-49	-30	-17	-23	-18	-23	-28	-22	-29	-28	-27	-21	-23	-23						
IRL																					
production expectations	:	-21	-1	-4	-8	-8	-12	-6	-6	-7	-11	+1	-9	-6	-2						
order-books	:	-68	-36	-39	-44	-53	-50	-41	-32	-42	-45	-37	-37	-37	-22						
export order-books	:	-22	+2	-7	0	-10	-9	+4	+14	-2	+5	+10	+6	+18	+1						
stocks of finished products	:	+35	+16	+14	+8	+17	+10	+4	-1	+5	+4	+2	+1	-3	-1						
selling-price expectations	:	+64	+41	+35	+31	+28	+31	+30	+33	+34	+27	+28	+27	+34	+37						
industrial confidence indicator	:	-41	-18	-19	-20	-26	-24	-17	-12	-18	-20	-13	-16	-13	-8						
I																					
production expectations	+40	-43	-16	-15	-11	-19	-13	-7	-6	-13	-9	+2	+1	-9	-9						
order-books	+30	-82	-49	-53	-54	-62	-59	-50	-45	-51	-49	-51	-48	-47	-39						
export order-books	+13	-67	-45	-49	-49	-55	-54	-47	-40	-46	-47	-47	-43	-40	-37						
stocks of finished products	-24	+53	+28	+25	+22	+24	+25	+23	+17	+22	+24	+22	+19	+19	+14						
selling-price expectations	+76	+10	+59	+50	+45	+43	+46	+43	+49	+46	+37	+45	+50	+46	+50						
industrial confidence indicator	+31	-59	-31	-31	-29	-35	-33	-27	-23	-29	-27	-24	-22	-25	-21						
L																					
production expectations	+84	-80	-39	-40	-7	-27	-7	+5	-1	+7	+4	+3	-3	+9	-2						
order-books	:	:	-62	-60	-49	-62	-59	-45	-28	-49	-48	-39	-41	-37	-6						
export order-books	:	:	-81	:	-57	-63	-68	-58	-38	-59	-58	-56	-59	-48	-6						
stocks of finished products	-14	+74	+28	+14	+23	+51	+22	+30	0	+20	+17	+22	+6	+2	-7						
selling-price expectations	:	-46	+60	+10	+24	+25	+42	+34	6	+38	+27	+38	+2	+1	+2						
industrial confidence indicator	:	:	-43	-38	-26	-47	-29	-20	-9	-21	-20	-19	-17	-10	0						
NL																					
production expectations	+26	-26	-6	-5	0	-4	-1	+1	+5	-2	0	+5	+7	+2	+6						
order-books	+7	-48	-37	-39	-32	-38	-33	-31	-27	-32	-31	-29	-27	-28	-26						
stocks of finished products	-3	+57	+32	+33	+15	+17	+16	+15	+13	+17	+15	+12	+15	+14	+11						
industrial confidence indicator	+12	-44	-25	-26	-16	-20	-17	-15	-12	-17	-15	-12	-12	-13	-10						
UK																					
production expectations	:	:	-4	+1	+17	+4	+15	+22	+25	+19	+23	+25	+18	+27	+31						
order-books	:	:	-69	-54	-34	-48	-33	-29	-24	-32	-26	-28	-29	-23	-20						
export order-books	:	:	-55	-48	-34	-47	-34	-32	-21	-34	-34	-29	-27	-22	-15						
stocks of finished products	:	:	+27	+23	+13	+18	+13	+11	+9	+15	+11	+8	+12	+6	+8						
selling-price expectations	:	:	+25	+27	+26	+21	+25	+26	+30	+22	+29	+26	+28	+32	+30						
industrial confidence indicator	:	:	-33	-25	-10	-21	-10	-6	-3	-9	-5	-4	-8	-1	+1						
EC																					
production expectations	+24	-30	-13	-11	-3	-9	-4	-1	+3	-4	-2	+2	+2	+3	+5						
order-books	+15	-70	-51	-47	-40	-47	-42	-39	-33	-39	-40	-37	-36	-33	-30						
export order-books	+14	-48	-31	-30	-25	-32	-28	-24	-16	-25	-25	-23	-19	-15	-13						
stocks of finished products	-10	+48	+28	+22	+16	+19	+18	+16	+12	+18	+16	+14	+13	+11	+11						
selling-price expectations	+64	+9	+40	+32	+30	+24	+29	+32	+33	+32	+32	+32	+32	+34	+33						
industrial confidence indicator	+16	-49	-31	-27	-20	-25	-21	-18	-14	-20	-19	-16	-16	-14	-12						

(a) The indicator is an average of the responses (net balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

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

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

(e) 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.

:

The annual and quarterly figures are averages of the corresponding monthly data. 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.

TABLE 7: Consumer opinion on economic and financial conditions

	1980	1981	1982	1983	1983											
					Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Federal Republic of Germany																
Consumer Confidence index	-5	-22	-26	-15	-24	-18	-9	-7	-7	-8	-10	-10	-12	-12	-12	-10
Financial situation of households over last 12 months	-4	-16	-18	-14	-19	-17	-13	-12	-13	-11	-12	-11	-11	-12	-12	-11
over next 12 months	-3	-12	-14	-9	-15	-10	-4	-4	-6	-6	-8	-6	-7	-6	-7	-6
General economic situation over last 12 months	-18	-46	-51	-29	-51	-45	-28	-14	-14	-14	-18	-16	-20	-18	-19	-17
over next 12 months	-19	-33	-32	-14	-26	-13	4	-4	0	-4	-10	-10	-13	-12	-13	-10
Price trend over last 12 months	44	52	46	23	34	28	19	15	14	11	15	15	19	17	17	16
over next 12 months	51	50	43	30	34	27	18	19	23	25	28	28	31	30	28	26
Unemployment over next 12 months	20	43	43	30	46	31	8	1	10	13	23	28	32	26	33	29
Major purchases at present	18	-1	-17	-8	-8	-4	-4	-3	-4	-8	-5	-5	-8	-10	-7	-4
over next 12 months	-19	-25	-28	-29	-32	-30	-25	-25	-29	-28	-30	-30	-30	-25	-26	-28
Saving at present	43	32	27	33	27	31	34	34	35	35	29	36	36	36	37	33
over next 12 months	44	23	-2	1	-2	0	4	5	3	1	1	3	5	1	3	4
Financial situation of households net acquisition of financial assets	21	16	12	11	10	11	14	14	15	12	13	15	10	12	11	12
Italy																
Consumer Confidence index	-22	-22	-18	-24	-30	-25	-22	-21	-21	-22	-22	-22	-21	-24	-23	-20
Financial situation of households over last 12 months	-14	-14	-13	-15	-17	-16	-15	-15	-13	-14	-15	-15	-13	-17	-15	-13
over next 12 months	-10	-8	-6	-8	-13	-7	-7	-6	-6	-5	-8	-8	-7	-10	-8	-6
General economic situation over last 12 months	-57	-60	-51	-57	-64	-61	-55	-51	-55	-55	-55	-55	-51	-57	-54	-50
over next 12 months	-30	-30	-24	-25	-34	-23	-20	-19	-24	-22	-24	-24	-23	-24	-24	-20
Price trend over last 12 months	80	78	72	69	74	73	70	67	66	69	67	65	66	66	66	60
over next 12 months	60	58	56	54	62	52	51	48	54	52	54	54	54	55	52	49
Unemployment over next 12 months	51	52	56	57	61	55	55	54	54	54	55	55	57	61	59	55
Major purchases at present	2	4	1	-13	-20	-17	-14	-16	-9	-13	-9	-9	-11	-13	-14	-11
over next 12 months	-17	-18	-22	-22	-20	-23	-20	-24	-17	-24	-21	-21	-21	-22	-25	-22
Saving at present	-6	-7	10	21	14	22	19	23	20	26	19	19	24	17	22	25
over next 12 months	-32	-30	-22	-27	-28	-29	-28	-26	-27	-24	-24	-24	-24	-29	-20	-21
Financial situation of households net acquisition of financial assets	8	8	13	9	8	7	9	8	11	10	11	11	11	9	9	11
United Kingdom																
Consumer Confidence index	-18	-21	-12	-3	-5	-9	-4	-2	3	2	-1	1	-1	-2	-1	0
Financial situation of households over last 12 months	-24	-30	-27	-15	-16	-17	-17	-17	-17	-12	-13	-14	-11	-14	-15	-15
over next 12 months	-13	-15	-9	-2	-3	-3	-1	0	2	1	-5	-1	-3	-4	-3	
General economic situation over last 12 months	-55	-62	-40	-23	-34	-39	-29	-23	-8	-12	-16	-13	-17	-21	-16	-14
over next 12 months	-24	-23	-10	-5	-13	-16	-2	0	14	2	-5	-3	-8	-11	-5	
Price trend over last 12 months	59	41	31	15	17	17	18	14	10	12	9	13	13	15	14	13
over next 12 months	43	31	29	27	24	26	25	27	18	22	34	29	36	37	34	35
Unemployment over next 12 months	58	50	34	37	48	51	40	36	24	30	40	43	37	37	23	21
Major purchases at present	28	26	25	32	39	30	29	29	22	29	37	37	35	39	35	38
over next 12 months	-14	-19	-18	-15	-20	-16	-13	-16	-12	-13	-16	-13	-12	-13	-13	-11
Saving at present	6	5	5	10	7	5	8	4	12	18	15	19	14	19	14	16
over next 12 months	-16	-20	-17	-13	-12	-19	-14	-15	-8	-9	-14	-13	-12	-12	-12	-13
Financial situation of households net acquisition of financial assets	8	9	9	12	12	11	13	9	14	13	13	12	13	13	11	11

The questions for which results are published in this Supplement are listed below. The numbers in parentheses are the weights given to each percentage response to obtain the average answer to each question.

- Financial situation of your household now compared to 12 months ago?
- Financial situation of your household, prospects over the next 12 months?
- General economic situation in the country now compared to 12 months ago?
- General economic situation in the country, prospects over the next 12 months?

For the above four questions the possible responses are: a lot better (+1), a little better (+ 1/2), the same (0), a little worse (- 1/2), a lot worse (-1), don't know.

- Price levels now compared to 12 months ago? Much higher (+1), moderately higher (+ 1/2), a little higher (0), about the same (- 1/2), lower (-1), don't know.
- Price trends over the next 12 months? More rapid increase (+1), same increase (+ 1/2), slower increase (0), stability (- 1/2), fall slightly (-1), don't know.
- Unemployment level in the country over the next 12 months? Increase sharply (+1), increase slightly (+ 1/2), remain the same (0), fall slightly (- 1/2), fall sharply (-1), don't know.

- Major purchases (furniture, washing machine, TV, etc.) at present? Yes, right time (+1), neither right nor wrong time (0), wrong time, should postpone (-1), don't know.
- Major purchases next 12 months compared to last 12 months? Much more (+1), a little more (+ 1/2), the same (0), a little less (-1), don't know.
- Savings at present, a reasonable time to save?
- Savings by you or your household over the next 12 months?

For the above two questions the possible answers are: yes, certainly (+1), Yes, perhaps (+ 1/2), probably not (- 1/2), certainly not (-1), don't know.

- Financial situation of households at present—financial asset accumulation? Borrowing (+1), drawing on savings (+ 1/2), just making ends meet (0), saving a little (+ 1/2), saving a substantial amount (+1), don't know.

The consumer confidence index is an arithmetic average of the answers to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases.

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