

EUROPEAN ECONOMY

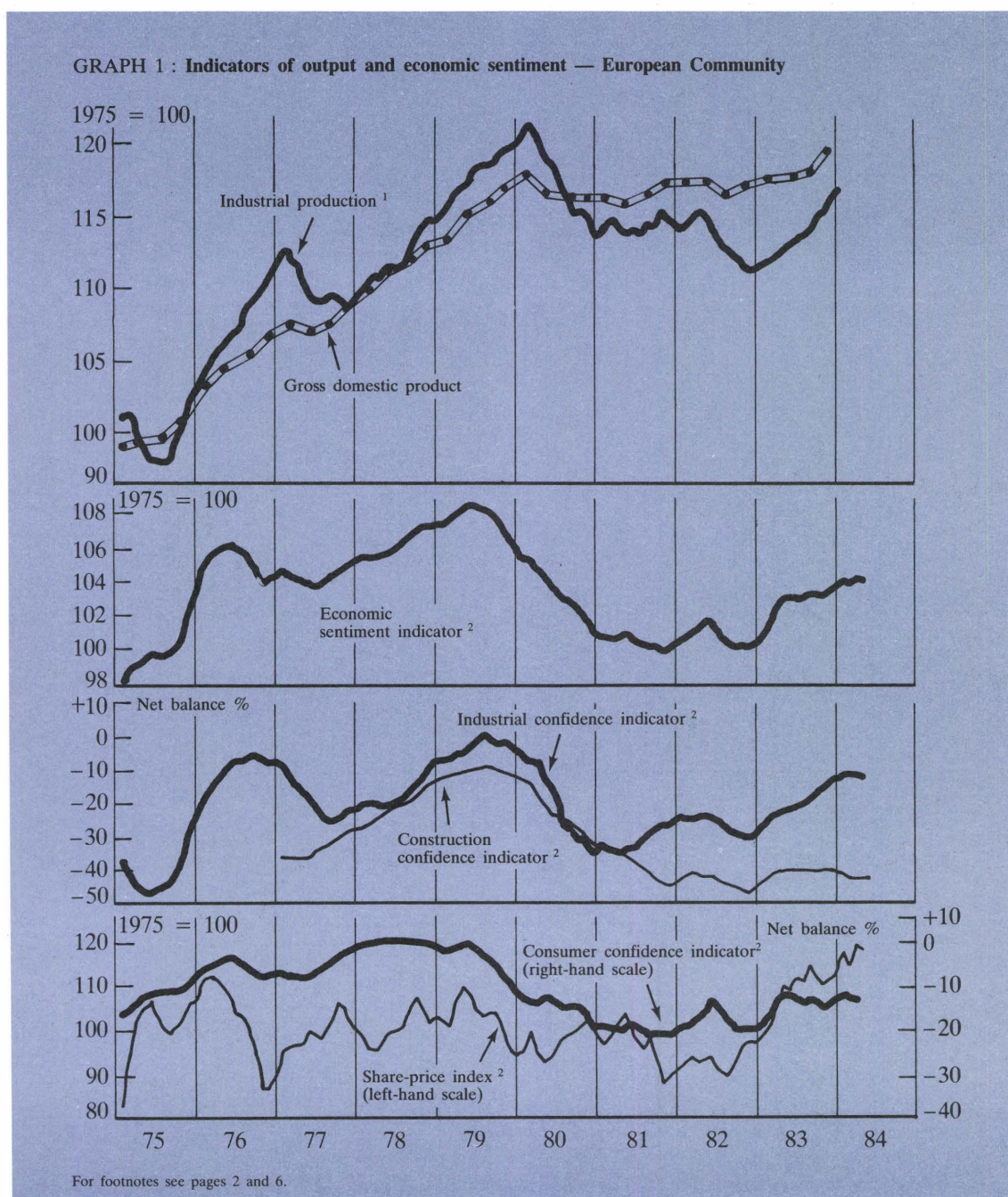
COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 5 — May 1984

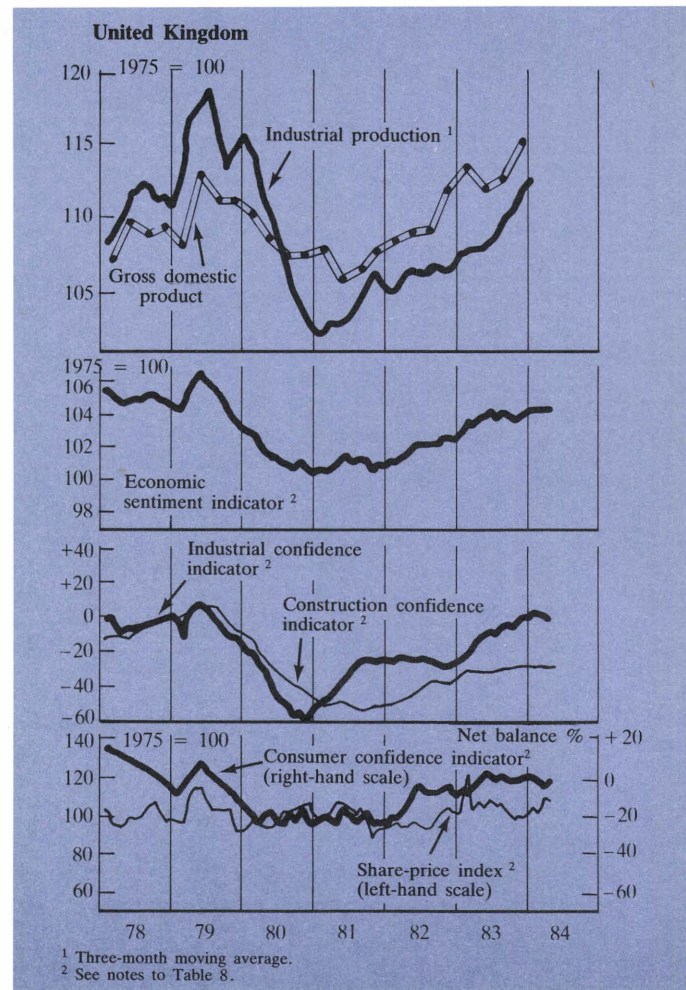
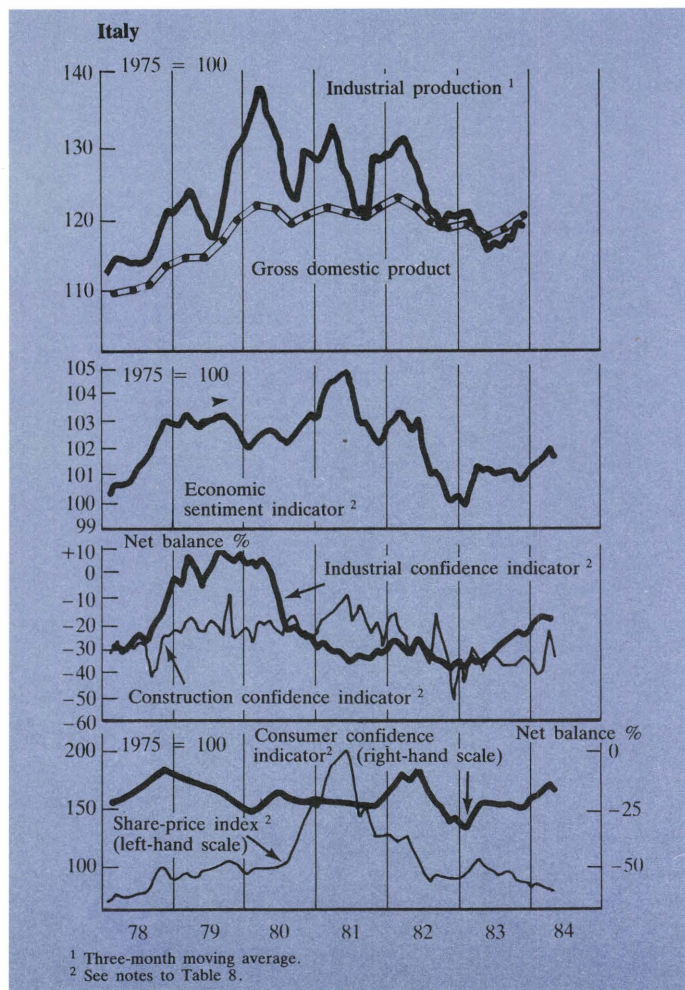
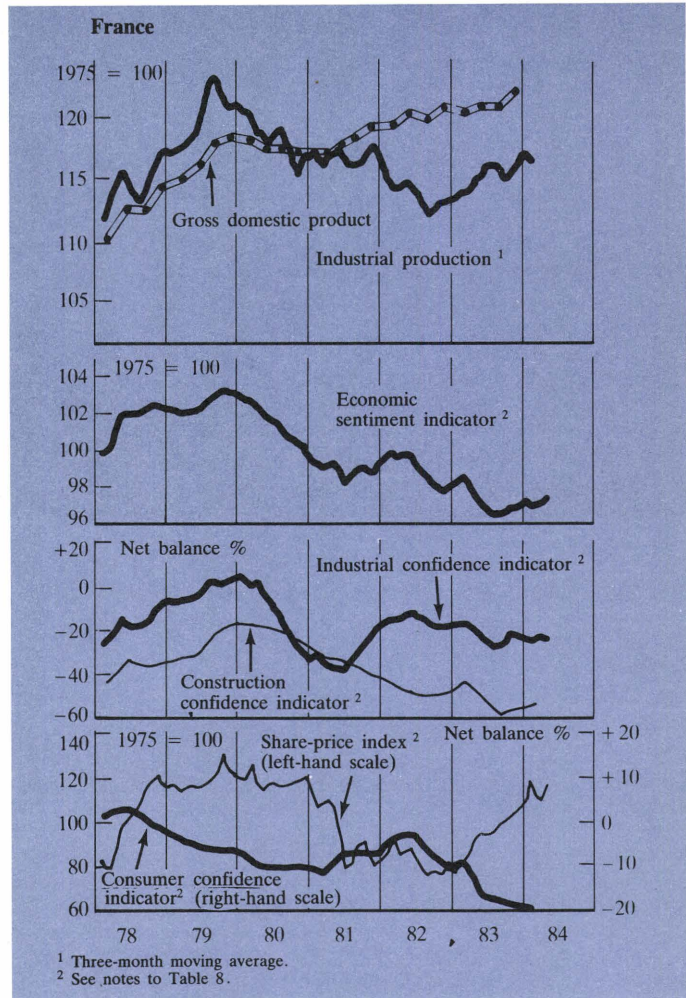
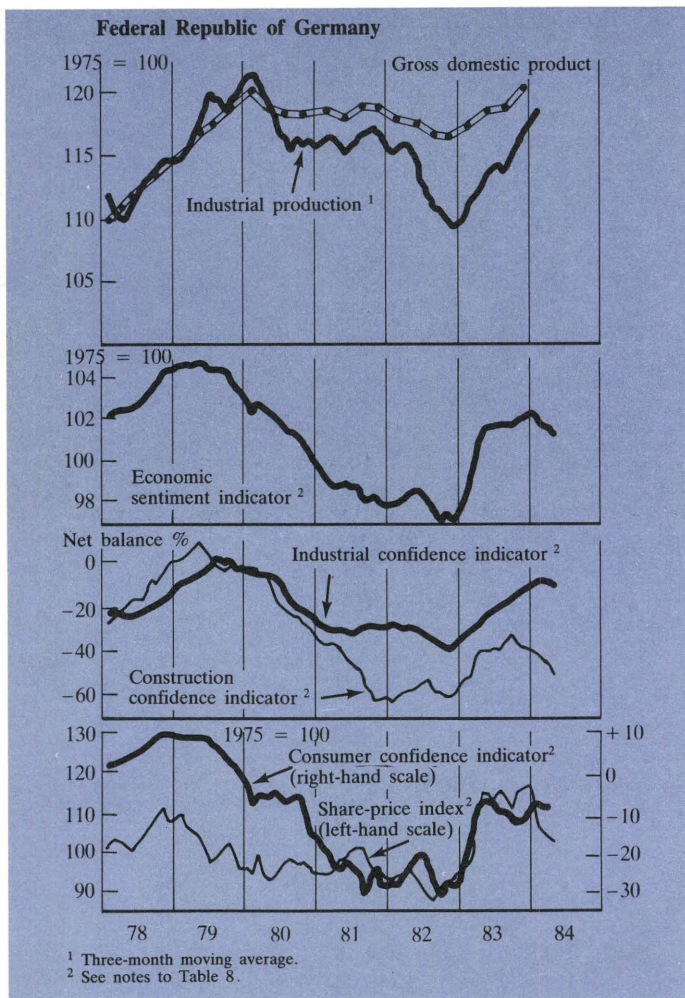
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Business survey results

*This month :
Quarterly survey data*



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

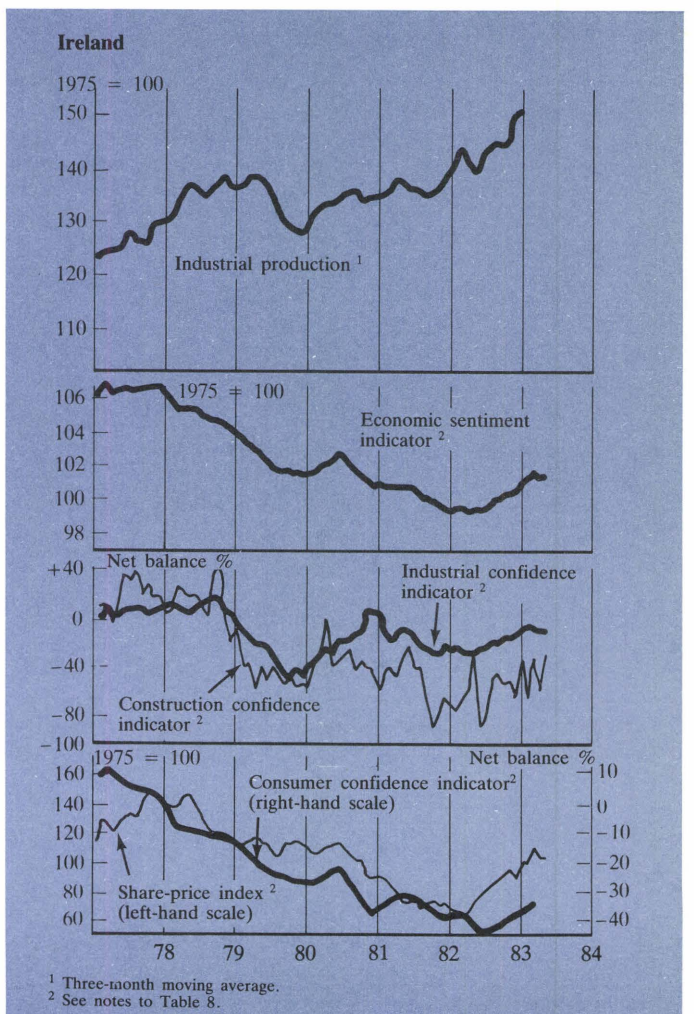
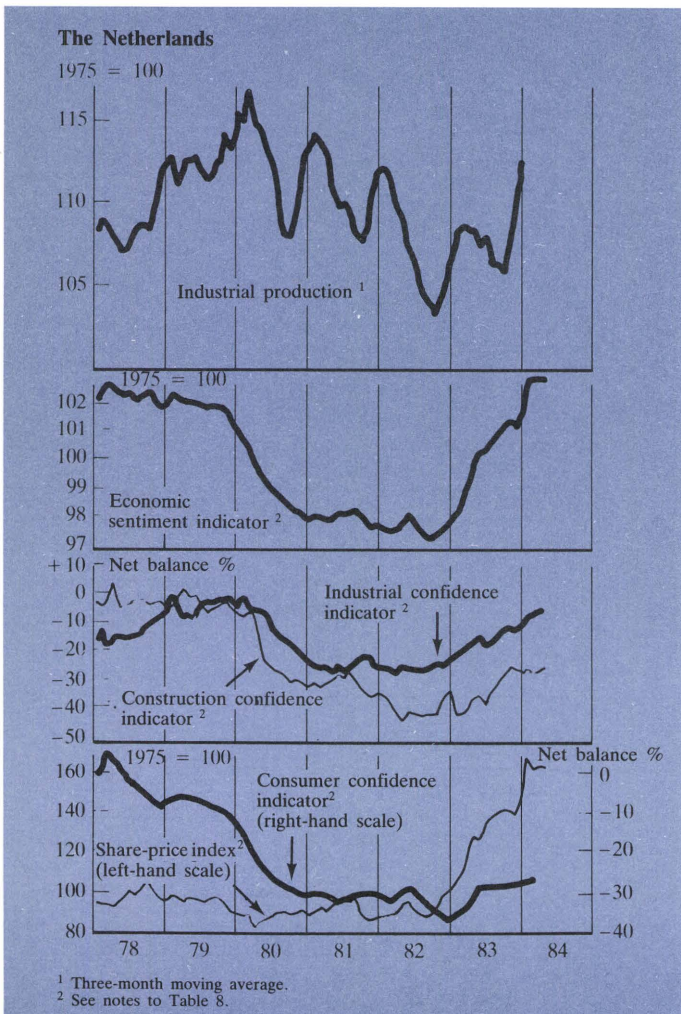
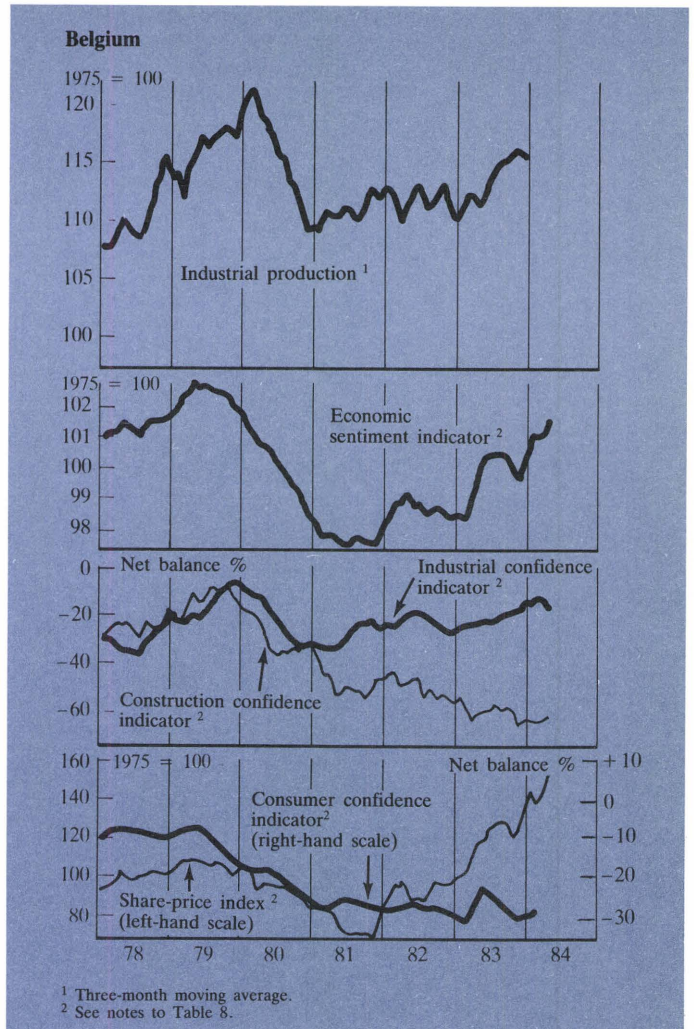


Economic sentiment stable. — The economic sentiment indicator for the Community in April remained at the same high level it first reached in January (Table 8), suggesting some hesitation in the recovery.

The stability of the indicator has been strongly influenced by a sharp deterioration in the FR of Germany whereas, it has been stable or rising in the six other countries covered. The unfavourable results in the Federal Republic seem to reflect a major negative impact of the threatened strikes in that country. It remains to be seen whether this will remain a short-term influence, only interrupting temporarily the cyclical recovery. The final results of the labour dispute in Germany will thus be of major importance for the European recovery.

Slight deterioration in confidence in manufacturing. — The industrial confidence indicator for the Community lost one point in April over March, but it has remained more or less unchanged since December (Table 9). The problems of industrial unrest in Germany (where the indicator fell 1 point) and in the United Kingdom (- 3) and the announcement of a new restrictive fiscal package in Belgium (- 3) appear to have been the main negative influences, while the indicator clearly improved in Italy (+ 3) and the Netherlands (+ 2). Production expectations in the Community fell two points; here the decline was more accentuated in Belgium (- 7), Ireland (- 10) and the United Kingdom (- 12). In France (+ 3) and Italy (+ 4) on the other hand, production expectations rose. The assessment of order-book remains unchanged from last month. Selling price expectations fell again suggesting that inflationary pressures may be rated slightly less seriously now than three months ago.

Mixed impression from quarterly survey results. — The quarterly manufacturing survey results suggest different interpretations (Tables 1 to 6). Whereas production is still on an upward trend and capacity utilization is rising, new orders and exports volumes are assessed somewhat more cautiously. The trend of industrial production, as assessed by industrialists, remained positive in the first quarter of 1984. The balance of replies rose 1 point. This improvement was due



largely to strong rises in Denmark (+ 13 points), Italy (+ 7) and the Netherlands (+ 5). In Germany the assessment remained at the same level as in the last quarter of 1983, and in the United Kingdom there was a small fall (- 3). This suggests that actual production is more positively assessed than expected production.

The assessment of new orders in the Community deteriorated in the second quarter of 1984 relative to the previous two quarters, though it remains far above the level of the first half of last year (Table 2). The new orders situation has deteriorated most clearly in Germany (- 7), and in the Benelux countries, where it is, however, a somewhat erratic indicator. The last monthly result on total order-books, however, shows some improvement over the previous month (Table 9). The answer to the question on the estimated number of months' production assured by orders on hand also suggests a more optimistic assessment of order-books, with this period increasing slightly from 3 to 3.1 months (Table 4).

Expectations on Community exports became slightly less optimistic in the second quarter of 1984 (Table 3), though in the monthly survey export order-books are judged to be unchanged. Some improvement in the export outlook was registered in Ireland and Italy but elsewhere a more cautious attitude prevailed, with a sharp fall in Germany. The deterioration in export expectations in France in the quarterly survey is somewhat at odds with the improvement in export order-books recorded in the monthly survey.

Capacity utilization in manufacturing industry in the Community rose again in the second quarter of this year and

exceeded 80 % for the first time since the third quarter of 1980 (Table 6). This is a rise of 4 points since the trough in the fourth quarter of 1982. A rise in capacity utilization was recorded across all Member States with the exception of Belgium and Ireland, where there were only very slight falls. In accordance with their evaluation of capacity utilization, fewer industrialists considered existing capacity to be more than sufficient in relation to production expectations in the second quarter than at any time since early 1981 (Table 5). Although the level of utilization is still comparatively low, in some sectors, capacity constraints could increasingly become a stimulus to investment.

Construction remained depressed. — The Community confidence indicator in construction fell again in April (Table 7). In relation to the first quarter results, the indicator fell by 9 points in Germany; it was also somewhat lower in France and the United Kingdom. There was however a slight improvement in Belgium though from a level which was the lowest since the survey began in 1966.

Consumer confidence stable. — Consumer confidence in April, compared with the previous month, was unchanged in Germany improved slightly in the United Kingdom and fell marginally in Italy (Table 10). After sharp improvements in consumer confidence in late 1982 and early 1983, there has been relatively little change since the second quarter of 1983.

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TABLE 1 : Production trend in recent months (a) (s.a.)

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

	1981			1982				1983				1984		
	IV	I	II	III	IV	I	II	III	IV	I	II			
B	- 7	- 2	- 3	- 5	- 4	+ 3	- 2	- 5	- 3	- 4	- 3	- 1	0	..
DK	- 4	+ 3	+ 11	+ 2	- 1	+ 10	- 1	+ 3	+ 4	+ 9	+ 16	+ 19	+ 32	..
D	- 13	- 17	- 2	- 10	- 12	- 16	- 22	- 19	- 10	- 1	0	+ 4	+ 4	..
F	- 16	- 4	- 7	- 5	- 2	0	- 9	- 6	- 11	- 8	- 8	- 1	- 2	..
IRL	+ 1	- 6	- 4	+ 3	- 1	- 5	- 9	- 9	- 5	- 14	- 3	+ 5	+ 5	..
I	- 31	- 37	- 39	- 37	- 35	- 35	- 35	- 42	- 44	- 44	- 34	- 33	- 26	..
L	- 14	- 15	+ 10	- 6	+ 5	- 19	- 17	- 30	+ 20	0	- 8	+ 29	+ 21	..
NL	- 6	- 4	+ 1	- 4	- 2	- 5	- 3	- 6	- 3	0	+ 3	+ 4	+ 9	..
UK	- 12	- 11	+ 17	- 2	0	- 15	- 11	- 16	+ 9	+ 15	+ 20	+ 24	+ 21	..
EC (c)	- 15	- 14	- 4	- 10	- 9	- 13	- 16	- 17	- 10	- 5	- 2	+ 2	+ 3	..

TABLE 2 : New orders in manufacturing industry (a) (s.a.)

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

	1981			1982				1983				1984		
	IV	I	II	III	IV	I	II	III	IV	I	II			
B	- 13	- 6	- 2	- 9	- 3	- 6	- 1	- 10	- 8	+ 2	- 3	- 1	- 5	- 8
DK	- 4	- 1	+ 13	- 3	- 9	+ 3	+ 5	- 1	+ 21	- 10	+ 15	+ 24	+ 29	+ 29
D	- 14	- 17	+ 9	- 4	- 20	- 10	- 12	- 26	- 8	+ 11	+ 14	+ 17	+ 10	+ 3
F	- 29	- 13	- 19	- 18	- 9	- 12	- 7	- 20	- 21	- 19	- 23	- 16	- 22	- 15
IRL	- 16	- 31	- 26	- 5	- 20	- 17	- 39	- 47	- 45	- 37	- 9	- 16	- 2	- 5
I	- 14	- 16	- 11	- 17	- 25	- 15	- 10	- 14	- 18	- 16	- 9	- 1	+ 2	- 1
L	- 33	- 33	- 4	+ 7	+ 1	- 10	- 40	- 68	- 51	+ 15	+ 19	+ 3	+ 4	- 9
NL	- 2	+ 1	+ 4	+ 3	- 6	0	+ 8	0	+ 0	+ 1	+ 14	+ 1	+ 19	+ 5
UK	:	- 15	+ 7	0	- 1	- 13	- 21	- 24	- 13	+ 10	+ 12	+ 16	+ 20	+ 21
EC (c)	- 18	- 14	- 2	- 8	- 13	- 11	- 10	- 20	- 13	- 1	+ 1	+ 5	+ 4	+ 2

TABLE 3 : Export volume expectations in manufacturing industry (a) (s.a.)

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

	1981			1982				1983				1984		
	IV	I	II	III	IV	I	II	III	IV	I	II			
D	- 3	- 6	- 7	+ 1	- 2	- 0	- 6	- 15	- 14	- 10	- 4	+ 1	+ 8	+ 2
F	- 17	- 15	- 14	- 9	- 7	- 16	- 13	- 21	- 19	- 13	- 14	- 8	- 7	- 11
IRL	0	+ 3	- 1	+ 5	- 3	0	+ 11	+ 2	- 8	- 7	+ 10	0	+ 9	+ 17
I	+ 4	- 2	- 2	+ 11	+ 5	0	0	- 10	- 10	- 6	0	+ 8	+ 11	+ 12
L	- 35	- 32	- 18	0	+ 2	- 3	- 62	- 64	- 69	- 16	+ 3	+ 11	+ 7	0
NL	+ 2	+ 3	+ 9	- 12	- 1	+ 8	+ 1	+ 4	- 3	+ 12	+ 11	+ 14	+ 20	+ 16
UK	:	0	+ 7	+ 12	+ 5	+ 2	- 2	- 5	+ 1	+ 9	+ 8	+ 9	+ 17	+ 14
EC (c)	- 4	- 5	- 3	+ 1	- 1	- 2	- 5	- 11	- 10	- 4	- 1	+ 3	+ 9	+ 5

For footnotes see page 5.

TABLE 4: Estimated number of months' production assured by orders on hand in manufacturing industry (a) (s.a.)

	Range (b)		1981	1982	1983	1982				1983				1984	
	Peak 1973	Trough 1975				I	II	III	IV	I	II	III	IV	I	II
B	4,5	2,8	3,4	3,4	3,1	3,4	3,5	3,4	3,4	3,3	3,2	3,1	3,0	3,3	3,4
D	3,3	2,8	2,9	2,7	2,6	2,8	2,7	2,7	2,6	2,6	2,6	2,6	2,7	2,6	2,8
F	3,5	2,7	3,6	3,5	3,2	3,3	3,7	3,7	3,4	3,3	3,2	3,2	3,0	3,2	3,1
IRL	2,2	1,8	2,0	2,0	1,7	2,2	2,0	1,9	1,7	1,9	1,6	1,6	1,6	1,9	1,7
I	4,7	3,7	4,0	4,2	4,1	4,1	4,3	4,1	4,2	4,8	4,0	3,8	4,0	3,9	4,2
L	3,5	1,4	2,3	1,9	1,9	2,3	1,7	1,8	1,8	1,7	2,1	1,7	2,0	1,9	1,8
NL	4,7	2,6	3,7	3,7	2,6	3,8	3,8	3,7	3,8	2,4	2,4	2,3	3,4	2,5	2,6
UK	·	·	2,8	3,0	3,0	2,9	3,1	3,1	3,1	2,9	3,1	3,0	3,0	2,9	3,1
EC (c)	3,7	3,0	3,2	3,3	3,1	3,2	3,3	3,3	3,2	3,1	3,0	3,0	3,0	3,0	3,1

TABLE 5: Expected capacity constraints in manufacturing industry: i.e. net balance of respondents expecting capacity to be more than sufficient in relation to production expectations (a)(d)(s.a.)

	Range (b)		1981	1982	1983	1982				1983				1984	
	Peak 1973	Trough 1975				I	II	III	IV	I	II	III	IV	I	II
B	-12	+58	+49	+39	+38	+42	+41	+36	+38	+40	+40	+35	+36	+31	+34
DK	·	·	+32	+35	+34	+33	+32	+38	+36	+33	+32	+34	+36	+21	+16
D	-3	+56	+34	+42	+42	+36	+41	+43	+48	+49	+47	+40	+35	+28	+24
F	-24	+45	+42	+37	+42	+35	+38	+35	+37	+38	+39	+42	+48	+42	+44
IRL	·	+34	+29	+34	+34	+29	+34	+30	+40	+38	+34	+38	+30	+27	+32
I	+1	+63	+45	+47	+54	+39	+43	+46	+54	+58	+54	+54	+55	+46	+40
L	-72	+73	+59	+60	+59	+57	+63	+58	+62	+59	+60	+57	+58	+51	+51
NL	-3	+60	+35	+48	+30	+47	+53	+49	+41	+38	+31	+27	+24	+20	+13
UK	·	·	+63	+60	+51	+56	+61	+61	+63	+62	+51	+47	+43	+34	+31
EC (c)	-7	+54	+44	+46	+45	+41	+45	+45	+48	+49	+46	+43	+42	+35	+32

TABLE 6: Capacity utilization in manufacturing industry (%) (a) (s.a.)

	Range (b)		1981	1982	1983	1982				1983				1984	
	Peak 1973	Trough 1975				I	II	III	IV	I	II	III	IV	I	II
B	85,4	70,4	74,5	75,8	75,7	75,0	75,8	76,2	76,9	76,0	75,9	75,4	76,4	75,4	75,2
D	88,1	74,8	79,2	77,2	76,8	78,9	78,2	77,2	75,1	75,3	76,0	77,6	79,1	80,5	81,4
F	87,8	76,6	81,7	81,5	81,5	81,6	81,5	81,9	81,6	82,1	81,5	81,0	82,2	81,5	82,1
IRL	·	·	60,9	59,1	57,8	61,3	58,5	58,9	57,8	56,8	59,5	57,8	57,6	59,9	59,7
I	78,8	68,0	73,0	71,9	69,9	71,9	71,9	72,2	72,1	70,4	70,0	69,1	70,4	70,7	71,1
L	·	·	73,5	78,0	70,6	75,3	81,0	79,5	77,5	73,4	70,5	66,5	72,0	74,3	75,7
NL	86,0	76,0	78,5	76,7	79,4	77,2	76,3	75,9	77,7	78,2	79,3	79,9	80,9	80,5	82,2
UK (e)	90,6	75,5	72,8	74,2	76,5	73,9	73,9	74,6	74,5	74,7	75,7	76,9	78,7	80,2	81,6
EC (f)	86,4	75,0	77,4	76,9	77,2	77,5	77,0	76,9	76,3	76,3	76,6	77,2	78,6	79,2	80,0

(a) Details of the questions are given on the last page.
 (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) Weighted total of available country data.
 (d) Answered to the questions whether, taking into account the level of order-books or 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.
 (e) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity operation.
 (f) Column totals, with country data weighted by volume of industrial production in 1975.
 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.)

	Range		1981	1982	1983	1983			1984		1983				1984			
	Peak 72/73	Trough 74/75				II	III	IV	I	Nov.	Dec.	Jan.	Feb.	March	April			
B	-13	-47	-53	-61	-73	-72	-73	-74	-72	-76	-73	-71	-73	-73	-72			
order-books	+31	-24	-41	-36	-41	-42	-37	-45	-50	-49	-46	-51	-49	-50	-46			
employment expectations	+75	+25	+8	-1	-11	-14	-8	-13	-13	-12	-14	-11	-17	-11	-16			
price expectations	+9	-36	-47	-49	-57	-57	-55	-60	-61	-63	-60	-61	-61	-61	-59			
construction confidence indicator (a)	-17	-84	-61	-73	-60	-62	-56	-54	-59	-53	-53	-56	-59	-61	-70			
D	+10	-60	-35	-44	-20	-16	-14	-20	-27	-22	-23	-25	-27	-29	-33			
order-books	+48	-37	-41	-28	+3	-2	+8	+11	3	+11	+10	+6	-3	-11	-17			
employment expectations	-4	-72	-48	-59	-40	-39	-35	-37	-43	-38	-38	-41	-43	-45	-52			
price expectations	·	·	-48	-62	-66	-63	-70	-72	-69	·	·	-69	·	·	-73			
construction confidence indicator (a)	·	·	-24	-35	-37	-37	-47	-41	-47	·	·	-47	·	·	-47			
F	·	·	-36	-49	-52	-50	-59	-57	-58	·	·	-58	·	·	-60			
order-books	-25	-68	-29	-44	-48	-49	-50	-42	-45	-43	-41	-49	-53	-32	-44			
employment expectations	+10	-44	-7	-13	-23	-19	-24	-27	-23	-22	-30	-31	-24	-13	-23			
price expectations	+85	+30	+71	+54	+14	+13	+10	+12	+13	+13	+15	+14	+7	+18	+9			
construction confidence indicator (a)	-8	-56	-18	-29	-36	-34	-37	-35	-34	-33	-36	-40	-39	-23	-34			
L	+21	-50	-21	-46	-53	-57	-49	-58	-75	-63	-59	-74	-74	-78	-79			
order-books	+31	-39	-6	-25	-36	-32	-39	-40	-67	-38	-41	-59	-75	-66	-43			
employment expectations	+82	+11	+30	+17	-16	-18	-22	-25	-33	-29	-19	-31	-30	-39	-49			
price expectations	+26	-45	-14	-36	-45	-45	-44	-49	-71	-51	-50	-67	-75	-72	-61			
construction confidence indicator (a)	-8	-81	-50	-57	-55	-57	-54	-48	-47	-48	-47	-47	-49	-45	-45			
NL	+14	-13	-14	-25	-14	-16	-9	-5	-7	-4	-8	-5	-6	-8	-6			
order-books	+3	-47	-32	-41	-35	-37	-32	-27	-27	-26	-28	-26	-28	-27	-26			
employment expectations	·	·	-60	-59	-48	-52	-46	-47	-43	·	·	-43	·	·	-49			
price expectations	·	·	-42	-25	-12	-11	-13	-9	-12	·	·	-12	·	·	-12			
construction confidence indicator (a)	·	·	-16	0	+11	+6	+15	+12	+14	·	·	+14	·	·	+7			
UK	·	·	-51	-42	-30	-32	-30	-28	-28	·	·	-28	·	·	-31			
order-books	·	·	-51	-61	-57	-58	-57	-55	-56	(-55)	(-55)	-56	(-57)	(-52)	-61			
employment expectations	·	·	-28	-24	-24	-22	-24	-24	-28	(-24)	(-26)	-29	(-28)	(-27)	-30			
price expectations	·	·	-39	-43	-41	-40	-41	-40	-42	(-40)	(-41)	-43	(-43)	(-40)	-46			
construction confidence indicator (a)	·	·	·	·	·	·	·	·	·	·	·	·	·	·	·			

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

TABLE 8: Indicators of output and economic sentiment

	Trough 1974/75	1981	1982	1983	1983			1984	1983		1984					
					II	III	IV	I	Nov.	Dec.	Jan.	Feb.	March	April		
B gross domestic product	1975=	113,9	112,8	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	100	88,2	111,6	111,6	114,1	112,5	115,2	116,3	:	118,0	114,2	115,4	:	:	:	:
1. industrial confidence indicator		-56	-27	-22	-20	-21	-19	-14	-12	-16	-12	-14	-11	-12	-15	
2. construction confidence indicator		-36	-47	-48	-57	-57	-55	-60	-61	-63	-60	-61	-61	-61	-59	
3. consumer confidence indicator ^{1, 4}		-18	-27	-27	-27	-22	-26	-30	-28	:	:	-28	:	:	-28	
4. share-price index ^{4, 5}		84,9	70,7	86,8	111,7	111,9	119,5	118,4	133,2	115,6	126	135,5	130,1	134,1	142,6	
= 5. economic sentiment indicator		99,3	97,8	99,0	100,1	100,5	100,7	100,3	101,2	100,0	100,6	101,2	101,1	101,3	101,7	
D gross domestic product	1975=	99,0	118,6	117,2	118,7	118,5	118,7	120,2	:	:	:	:	:	:	:	:
index of industrial production ³	100	97,9	115,9	112,5	113,9	113,8	113,3	116,8	:	117,2	117,8	117,8	118,8	:	:	
1. industrial confidence indicator		-49	-30	-33	-21	-23	-17	-19	-8	-11	-10	-8	-8	-9	-10	
2. construction confidence indicator		-72	-48	-59	-40	-39	-35	-37	-43	-38	-38	-41	-43	-45	-52	
3. consumer confidence indicator ^{1, 4}		-22	-22	-26	-12	-7	-11	-11	-8	-12	-10	-7	-9	-9	-9	
4. share-price index ^{4, 5}		80,0	108,7	108,3	136,9	139,4	139,2	145,7	134,3	145,6	147,7	136,7	133,6	132,7	133,5	
= 5. economic sentiment indicator		98,8	98,9	98,2	101,3	101,7	101,7	102,3	101,5	102,1	102,5	101,9	101,4	101,3	101,1	
F gross domestic product	1975=	98,5	117,8	119,9	121,0	120,9	120,8	121,6	:	:	:	:	:	:	:	:
index of industrial production	100	86,9	115,5	113,7	115,0	114,9	115,8	115,5	:	117,3	116,4	117,3	115,5	:	:	
1. industrial confidence indicator		-49	-30	-17	-23	-23	-28	-22	-25	-23	-23	-26	-25	-23	-24	
2. construction confidence indicator		:	-36	-49	-52	-50	-59	-57	-58	:	:	-58	:	:	-60	
3. consumer confidence indicator ^{1, 4}		-9	-9	-5	-16	-17	-18	-19	-20	:	:	-20	:	:	-20	
4. share-price index ^{4, 5}		79,8	131,5	131,0	172,3	166,3	179,6	198,8	220,5	197,2	207,1	227,5	216,7	217,2	231,9	
= 5. economic sentiment indicator		98,1	98,9	98,9	97,4	97,3	96,5	97,0	97,0	96,9	97,0	97,2	96,9	96,9	97,3	
IRL gross domestic product	1975=	:	123,6	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	100	96,3	134,7	135,3	144,6	139,6	144,9	149,8	:	146,0	158,2	148,0	:	:	:	
1. industrial confidence indicator		-41	-18	-19	-20	-24	-17	-12	-7	-13	-8	-4	-7	-11	-11	
2. construction confidence indicator		:	-33	-51	-60	-61	-58	-44	-61	-56	-22	-63	-46	-73	-30	
3. consumer confidence indicator ^{1, 4}		-41	-28	-34	-40	-44	-41	-38	-33	:	:	-33	:	:	-33	
4. share-price index ^{4, 5}		63,4	219,9	179,9	222,4	206,8	249,7	272,7	309,6	257,8	291,9	292,0	326,4	310,4	311,0	
= 5. economic sentiment indicator		97,7	102,0	101,4	101,3	101,3	101,1	101,8	101,4	101,7	102,0	101,3	101,7	101,3	101,4	
I gross domestic product	1975=	93,1	120,9	120,5	119,0	117,6	118,9	120,1	:	:	:	:	:	:	:	:
index of industrial production	100	94,7	125,0	121,7	118,0	115,2	117,1	118,9	:	124,3	115,9	:	:	:	:	
1. industrial confidence indicator		-59	-31	-31	-29	-33	-27	-23	-17	-25	-21	-18	-17	-17	-14	
2. construction confidence indicator		-56	-18	-29	-36	-34	-37	-35	-34	-33	-36	-40	-39	-23	-34	
3. consumer confidence indicator ^{1, 4}		-39	-22	-18	-23	-21	-22	-22	-18	-23	-20	-20	-18	-16	-18	
4. share-price index ^{4, 5}		84,6	160,0	129,9	159,9	161,6	161,9	161,3	177,9	161,8	161,8	180,0	176,0	177,8	173,7	
= 5. economic sentiment indicator		99,1	102,1	101,8	101,7	101,2	101,4	101,2	101,7	101,1	101,5	101,4	101,6	102,0	101,6	
NL gross domestic product	1975=	:	112,1	111,1	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	100	98,0	111,0	107,0	108,1	107,3	106,3	110,0	:	110,0	113,0	115,0	:	:	:	
1. industrial confidence indicator		-44	-25	-26	-16	-17	-15	-12	-7	-13	-10	-9	-6	-6	-4	
2. construction confidence indicator		-47	-32	-41	-35	-37	-32	-27	-27	-26	-28	-26	-28	-27	-26	
3. consumer confidence indicator ^{1, 4}		-19	-31	-32	-30	-28	-28	-28	-26	:	:	-26	:	:	-23	
4. share-price index ^{4, 5}		80,5	98,9	100,0	144,4	142,2	154,1	158,8	181,0	154,5	164,4	185,7	180,2	177,2	176,9	
= 5. economic sentiment indicator		99,6	98,3	98,1	100,2	100,2	100,7	101,1	103,0	100,7	101,3	103,0	102,9	102,9	103,0	
UK gross domestic product	1975=	98,1	106,9	109,5	113,5	112,2	112,7	114,9	:	:	:	:	:	:	:	:
index of industrial production	100	97,0	104,2	106,0	109,1	107,6	109,8	111,3	:	110,9	112,5	113,0	111,2	:	:	
1. industrial confidence indicator		:	-33	-25	-10	-10	-6	-3	+2	-1	+1	+1	+3	+1	-2	
2. construction confidence indicator		:	-51	-42	-30	-32	-30	-28	-28	:	:	-28	:	:	-31	
3. consumer confidence indicator ^{1, 4}		-33	-21	-12	-2	+1	0	-1	-1	-1	0	+2	-1	-4	-2	
4. share-price index ^{4, 5}		49,2	237,0	274,6	346,1	346,9	358,6	357,0	395,4	358,3	365,3	386,3	386,1	413,9	414,8	
= 5. economic sentiment indicator		95,0	100,9	101,8	103,7	103,7	104,1	104,1	104,3	104,2	104,3	104,4	104,2	104,2	104,2	
EC gross domestic product ^{2, 3}	1975=	99,0	116,4	117,0	118,4	117,8	118,1	119,6	:	:	:	:	:	:	:	:
index of industrial production	100	96,8	114,4	112,8	113,4	112,5	114,0	115,6	:	116,0	116,9	117,0	116,1	:	:	
1. industrial confidence indicator		-49	-31	-27	-20	-21	-18	-14	-11	-14	-12	-12	-11	-11	-12	
2. construction confidence indicator		:	-39	-43	-41	-40	-41	-40	-42	(-40)	(-41)	-43	(-43)	(-40)	-46	
3. consumer confidence indicator ^{1, 4}		-17	-19	-17	-14	-12	-14	-15	-13	-15	-13	-12	-13	-13	-13	
4. share-price index ^{4, 5}		81,8	170,2	187,2	244,3	242,7	255,7	260,8	282,1	260,2	267,2	280,6	275,8	290,6	293,1	
= 5. economic sentiment indicator		97,4	99,9	100,1	102,2	102,1	102,8	103,1	104,0	103,1	103,5	104,2	103,8	104,1	104,0	

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 method 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.

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

⁴ Not seasonally adjusted.

⁵ Revised by Eurostat.

Source: European Community business surveys and Eurostat.

TABLE 9: 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			1984	1983		1984							
	Peak	Trough				II	III	IV		I	Nov.	Dec.	Jan.	Feb.	March	April			
	1972/73	1974/75																	
B																			
production expectations	+31	-56	-26	-18	-16	-19	-15	-6	-2	-7	-2	-4	-3	0	-7				
order-books	+13	-74	-45	-40	-34	-36	-33	-28	-23	-31	-25	-26	-21	-23	-24				
export order-books	+15	-82	-47	-40	+4	-35	-31	-30	-26	-30	-30	-28	-24	-25	-26				
stocks of finished products	-14	+37	+11	+8	+9	+10	+9	+9	+11	+10	+8	+11	+10	+12	+14				
selling-price expectations	+64	-10	+29	+28	+24	+24	+25	+24	+30	+22	+27	+28	+31	+30	+25				
industrial confidence indicator	+19	-56	-27	-22	-20	-21	-19	-14	-12	-16	-12	-14	-11	-12	-15				
DK																			
production expectations	:	:	-3	+3	+8	+1	+8	+18	+30	:	:	:	:	:	:				
order-books	:	:	-24	-17	-3	-13	0	+10	+24	:	:	:	:	:	:				
export order-books	:	:	-8	-4	-3	-4	-4	+3	+18	:	:	:	:	:	:				
stocks of finished products	:	:	+19	+16	+9	+10	+8	+3	+2	:	:	:	:	:	:				
industrial confidence indicator	:	:	-13	-10	-2	-7	0	+8	+17	:	:	:	:	:	:				
D																			
production expectations	+17	-32	-17	-20	-2	-2	+1	+6	+7	+7	+7	+10	+7	+4	+2				
order-books	-5	-73	-46	-53	-43	-46	-40	-31	-24	-32	-27	-25	-24	-22	-22				
export order-books (d)	+23	+33	-1	-7	-4	-8	-2	+5	+8	+6	+7	+9	+9	+6	+3				
stocks of finished products	-7	+43	+26	+26	+17	+20	+13	+9	+8	+9	+9	+8	+8	+8	+9				
selling-price expectations	+55	+4	+32	+18	+16	+15	+21	+23	+25	+23	+22	+25	+27	+24	+24				
industrial confidence indicator	+10	-49	-30	-33	-21	-23	-17	-11	-8	-11	-10	-8	-8	-9	-10				
F																			
production expectations	+33	-29	-11	-4	-13	-13	-18	-12	-17	-14	-15	-17	-18	-15	-12				
order-books	+26	-69	-46	-30	-38	-37	-42	-39	-37	-42	-37	-39	-38	-35	-37				
export order-books	+24	-66	-47	-36	-38	-44	-39	-26	-22	-25	-22	-24	-21	-21	-14				
stocks of finished products	-14	+50	+34	+16	+18	+18	+23	+16	+20	+12	+17	+21	+18	+20	+24				
selling-price expectations	+76	+15	+54	+49	+45	+47	+46	+43	+51	+46	+46	+52	+52	+49	+40				
industrial confidence indicator	+29	-49	-30	-17	-23	-23	-28	-22	-25	-23	-23	-26	-25	-23	-24				
IRL																			
production expectations	:	-21	-1	-4	-8	-12	-6	-6	+7	-6	-2	+2	+6	+12	+2				
order-books	:	-68	-36	-39	-44	-50	-41	-32	-27	-37	-22	-19	-22	-39	-24				
export order-books	:	-22	+2	-7	0	-9	+4	+14	+11	+18	+18	+22	+2	+9	+9				
stocks of finished products	:	+35	+16	+14	+8	+10	+4	-1	+2	-3	-1	-6	+4	+7	+11				
selling-price expectations	:	+64	+41	+35	+31	+31	+30	+33	+39	+34	+37	+32	+42	+43	+30				
industrial confidence indicator	:	-41	-18	-19	-20	-24	-17	-12	-7	-13	-8	-4	-7	-11	-11				
I																			
production expectations	+40	-43	-16	-15	-11	-13	-7	-6	+5	-9	-9	+5	+5	+4	+8				
order-books	+30	-82	-49	-53	-54	-59	-50	-45	-37	-47	-39	-42	-35	-35	-31				
export order-books	+14	-67	-45	-49	-49	-54	-47	-40	-35	-40	-37	-37	-34	-34	-29				
stocks of finished products	-23	+53	+28	+25	+22	+25	+23	+17	+19	+19	+14	+17	+20	+20	+19				
selling-price expectations	+76	+10	+59	+50	+45	+46	+43	+49	+52	+46	+50	+48	+56	+52	+52				
industrial confidence indicator	+31	-59	-31	-31	-29	-33	-27	-23	-17	-25	-21	-18	-17	-17	-14				
L																			
production expectations	+84	-80	-39	-40	-7	-7	+5	-1	-20	+9	-2	+4	-17	-47	-38				
order-books	:	:	-62	-60	-49	-59	-45	-28	+4	-37	-6	0	+7	+5	+6				
export order-books	:	:	-81	:	-57	-68	-58	-38	+7	-48	-6	+2	+9	+10	+8				
stocks of finished products	-14	+74	+28	+14	+23	+22	+20	0	+7	+2	-7	-2	-18	-5	+9				
selling-price expectations	:	-46	+60	+10	+24	+42	+34	-6	+24	-19	+2	+38	+35	0	-3				
industrial confidence indicator	:	:	-43	-38	-26	-29	-20	-9	-3	-10	0	+2	-1	-12	-13				
NL																			
production expectations	+26	-26	-6	-5	0	-1	+1	+5	+6	+2	+6	+8	+6	+4	+7				
order-books	+7	-48	-37	-39	-32	-33	-31	-27	-18	-28	-26	-22	-17	-14	-12				
stocks of finished products	-3	+57	+32	+33	+15	+16	+15	+13	+9	+14	+11	+13	+7	+8	+8				
industrial confidence indicator	+12	-44	-25	-26	-16	-17	-15	-12	-7	-13	-10	-9	-6	-6	-4				
UK																			
production expectations	:	:	-4	+1	+17	+15	+22	+25	+27	+27	+31	+24	+29	+28	+16				
order-books	:	:	-69	-54	-34	-33	-29	-24	-12	-23	-20	-13	-11	-13	-10				
export order-books	:	:	-55	-48	-34	-34	-32	-21	-17	-22	-15	-17	-17	-16	-19				
stocks of finished products	:	:	+27	+23	+13	+13	+11	+9	+9	+6	+8	+9	+8	+11	+11				
selling-price expectations	:	:	+25	+27	+26	+25	+26	+30	+34	+32	+30	+38	+34	-31	+35				
industrial confidence indicator	:	:	-33	-25	-10	-10	-6	-3	+2	-1	+1	+1	+3	+1	-2				
EC																			
production expectations	+24	-30	-13	-11	-3	-4	-1	+3	+5	+3	+5	+6	+5	+4	+2				
order-books	+15	-70	-51	-47	-40	-42	-39	-33	-26	-33	-30	-28	-25	-24	-24				
export order-books	+14	-48	-31	-30	-25	-28	-24	-16	-12	-15	-13	-12	-11	-12	-12				
stocks of finished products	-10	+48	+28	+22	+16	+18	+16	+12	+13	+11	+11	+13	+12	+13	+14				
selling-price expectations	+64	+9	+40	+32	+30	+29	+32	+33	+38	+34	+33	+38	+39	+36	+34				
industrial confidence indicator	+16	-49	-31	-27	-20	-21	-18	-14	-11	-14	-12	-12	-11	-11	-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.

: = not available.

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.

