

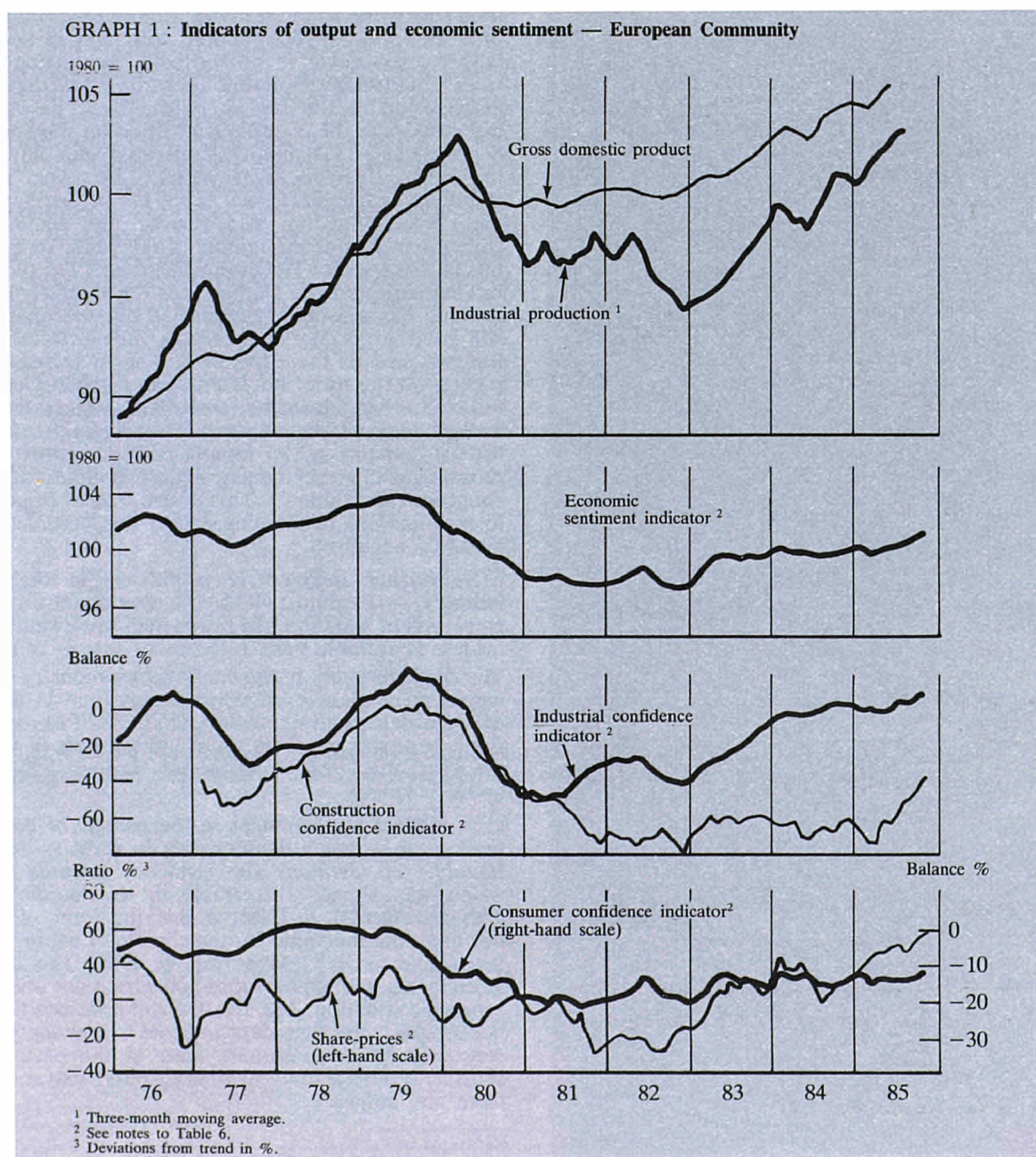
EUROPEAN ECONOMY

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

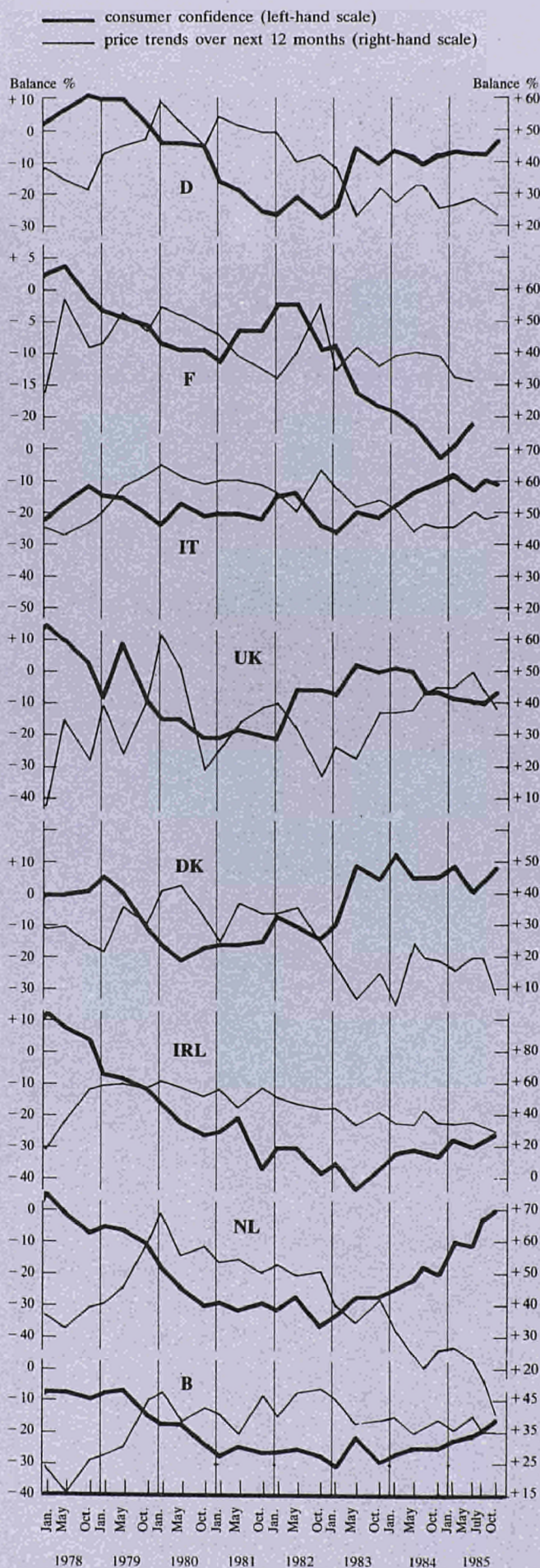
Supplement B — No 11 — November 1985

*This month :
Capacity utilization
in industry*

Business and consumer survey results



GRAPH 2 : Climate of consumer confidence and opinion on price trends over the next 12 months.



Source : European Community consumer survey.

Activity increasing as a result of domestic demand. — The upswing in activity will continue in the Community in the next few months. This is shown by the economic confidence indicator in the Community which has been rising steadily since February 1985. The value reached in October (101.6; 1980=100) is the highest for over five years; but it still falls some way short of the peak reached in the previous cycle (104.1 in May 1979)*.

Looking at the individual countries, the Federal Republic of Germany showed the greatest rise in the indicator (from 103.0 to 103.9)* as it had done the month before, this time mainly as a result of the marked improvement in the climate of consumption. The leading indicator also rose perceptibly in Belgium (from 102.1 to 102.6)*; the rise in the United Kingdom was more moderate (from 102.4 to 102.6)*. In both these member countries, the improvement in the climate of consumption was also the main factor contributing to the rise in the composite indicator. However, these positive tendencies were offset by a slight decline in the composite indicator in France (from 96.0 to 95.8)*. The deterioration in Italy (from 102.6 to 101.6)* was somewhat more marked, and solely due to the less favourable climate of consumption, while the leading indicators in industry and construction improved, as did share prices.

Components of the composite indicator

a) A further increase in industrial confidence. — The slight rise in the leading indicator for industry in October was this time solely due to the somewhat more favourable assessment of stock levels (+10 compared with +11 in September; net balance; see Table 6). Admittedly, production expectations were still plainly pointing upwards, but they suggest no acceleration in the rise in output (+9; balance); nor did assessments in the overall order situation show any change in September (-15; balance). Compared with July's last available value, demand is at present, however, moving at a distinctly higher level (see Table 1). In Germany, Italy and the United Kingdom in particular, the demand trend has strengthened since the middle of the year. To a lesser extent this is also true for Belgium and France. On the other hand, in Denmark and the Netherlands the intensity of the rise in demand has somewhat diminished but the order situation is still good, especially in Denmark. In the Netherlands in the last two months there has been a slight increase in negative reports on the order book situation (-10 in October compared with -7 in September and -3 in August; balance). Even though domestic demand will increasingly provide the stimulus for demand in the months ahead, export demand also shows signs of strengthening slightly in almost all the member countries (see Table 2). This is also true of France, where up to now answers concerning export expectations were predominantly negative.

b) A further increase in confidence in the construction industry. — In almost all the member countries the sales and employment situation has brightened somewhat, but it is still far less favourable than in the other sectors of the economy. The slight recovery in the construction industry is reflected in employment plans even more clearly than in the judgments on the order situation; while a net 20 % of European building firms were still planning to lay off workers in the middle of the year, the latest figure is only around half that amount (-12; balance).

c) A distinct improvement in the climate of consumption in most cases — but a deterioration in Italy. — In the *Federal Republic of Germany* the tendency towards improvement which was already discernible in the middle of the year gathered strength in October (moving from -6 to -3). The last time that the value for the climate of consumption was as favourable as in October was in 1980. The more positive assessments and expectations concerned not only the general economic situation, but also the financial position of private households: the new data indicate a growing propensity to consume. More consumers than in the past surveys now consider it advisable to make large purchases and not to defer them any longer.

* 1980=100

In the *United Kingdom* the climate of consumption indicator in October continued to point upwards (from -9 to -7). While personal income expectations are as optimistic as in Germany, there is still a considerable difference between the Federal Republic of Germany (balance -5) and the United Kingdom (balance -31) as regards the assessment of the general economic situation. The main reason for this is probably the labour market situation. In Germany there was a slight fall in the proportion of respondents who expect unemployment to increase further (from +16 in September to +14; balance). But in the United Kingdom there was a slight increase in this proportion (from +35 in September to +37; balance).

The October survey of *Italian consumers* was clearly heavily influenced by the government crisis prevailing when the survey was carried out. This is borne out by the fact that the assessment of the general economic situation in particular was distinctly more sceptical than it had been in the past. However the effect of these political considerations was far less marked in relation to the assessment of the personal financial position of consumers. But overall, the climate of consumption deteriorated considerably in Italy (from -9 in September to -15 in October). It remains to be seen whether Italian consumers' economic judgments and expectations will brighten up again after the settlement of the government crisis or whether they reflect a long-term decline in the propensity to consume.

Of the remaining member countries, preliminary results for October are also available for *Belgium, Denmark* and the *Netherlands*. In all three cases the climate of consumption improved perceptibly in October; the upward trend in the Netherlands is particularly striking (see Graph 2).

The new consumer survey results support the Commission's economic forecast in the belief that domestic demand (both investment and private consumption) will provide more of a push than it has in the past to the upsurge in activity in the Community in the months ahead, while the stimulus from exports will be somewhat reduced. This development is taking place in most of the member countries in a calm price environment. On average for the Community, consumers expect that price rises will show a further slight weakening in the next twelve months. In Denmark and the Netherlands in particular consumers are expecting prices to rise far more slowly (see Graph 2; a detailed analysis of the results of the

consumer surveys will appear in the December issue of this Supplement).

d) **Share prices continue to move upwards.** — Share prices are included in the composite indicator as an estimating figure for the profit expectations of private investors; for the Community as a whole, the rise in share prices slackened only slightly in October; France and the Netherlands were the only countries where they weakened temporarily; on the other hand they advanced more rapidly in the Federal Republic of Germany and Belgium.

Main subject : Capacity utilization in industry

Capital utilization almost unchanged. — Despite higher output, the utilization of European industrial capacity declined slightly between June and October 1985 (from 82.4 % to 82.2 %). Productive capacity has recently clearly grown at roughly the same rate as output, as a result of the sharp increase in investment in 1984/85¹. At any rate, companies see no danger of spare capacity increasing undesirably in the next few months. On the contrary, the proportion of industrial companies which are expecting excessive capacity in the next twelve months has again fallen (balance +24 compared with +27 in July 1985; see Table 3).

Taking the member States separately, capacity utilization has risen since the middle of the year in Belgium (from 78.2 % in July to 80.4 % in October 1985). Utilization has probably increased in Denmark as well, although this cannot be accurately measured because Denmark has no quantitative utilization data. However the probable increase in utilization is borne out by the assessments on technical capacity; for the first time, the firms which are expecting capacity bottlenecks in the near future were in a slight majority (balance -2). In the Federal Republic of Germany, utilization in October was similar to the mid-year level (84.9 %)². In the other member

¹ It can not be ruled out, however, that the slight decline in capacity utilization is partly also a statistical phenomenon. Because of the sharp rise in capacity utilization in the autumn of last year (as a reaction to the ending of the metalworkers' strike in the Federal Republic of Germany) this year's *seasonally adjusted* October value for the Federal Republic of Germany — and for the Community — could be slightly understated.

² Without the seasonal adjustment problems mentioned (effect of the metalworkers' strike) it would probably have risen further.

TABLE 1 : New orders in manufacturing industry (a) (s.a.)

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

	Range (b)		1983	1984	1984				1985			
	Peak 1979	Trough 1981/82			J	A	J	O	J	A	J	O
B	+ 8	-22	- 2	- 7	- 5	- 8	- 7	- 8	- 4	- 1	- 1	+ 2
DK	:	-14	+13	+30	+29	+28	+26	+36	+31	+15	+27	+11
D	+17	-26	+ 9	+ 8	+10	+ 3	+10	+ 7	- 9	- 4	- 1	+10
F	+14	-35	-19	-17	-22	-15	-17	-15	-17	-16	-13	- 9
IRL	:	-46	-25	- 4	- 3	- 6	+ 5	-10	- 7	-10	- 6	-10
I	+ 7	-25	-10	+ 3	+ 2	- 1	+ 4	+ 5	+ 6	- 5	+ 3	+19
L	+45	-67	- 1	+ 3	+ 4	- 9	+10	+ 6	+ 5	+31	+ 6	+ 6
NL	+ 9	- 6	+ 4	+ 7	+19	+ 5	+ 3	0	- 1	+ 5	+11	0
UK	:	-21	+ 7	+17	+19	+15	+16	+18	+13	+14	+12	+18
EUR (c)	+14	-21	- 1	+ 3	+ 4	+ 1	+ 4	+ 4	- 2	- 2	+ 1	+ 9

TABLE 2: Export volume expectations in manufacturing industry (a) (s.a.)

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

	Range (b)		1983	1984	1984				1985			
	Peak 1979	Trough 1981/82			J	A	J	O	J	A	J	O
D	+ 6	-15	- 7	+10	+ 8	+ 2	+13	+16	+ 9	+12	+ 4	+ 7
GR	:	-13	+13	+27	+16	+26	+38	+28	+27	+22	+31	+24
F	+13	-23	-14	- 6	- 7	-11	- 1	- 5	+ 3	- 2	- 5	+ 6
IRL	:	- 8	- 1	+14	+10	+16	+27	+ 6	+ 8	+ 8	+ 7	+24
I	+16	-14	- 2	+11	+11	+12	+10	+ 9	+11	+ 6	+ 6	+17
L	+62	-67	-18	+ 7	+ 7	0	+ 6	+13	+ 6	- 6	+ 1	+ 7
NL	+20	-11	+ 9	+12	+20	+16	+ 2	+10	+ 3	+ 3	+ 1	+ 8
UK	:	- 4	+ 7	+17	+16	+11	+14	+20	+22	+16	+14	+ 9
EUR (c)	+11	-11	- 3	+ 9	+ 8	+ 4	+ 9	+11	+10	+ 9	+ 4	+ 9

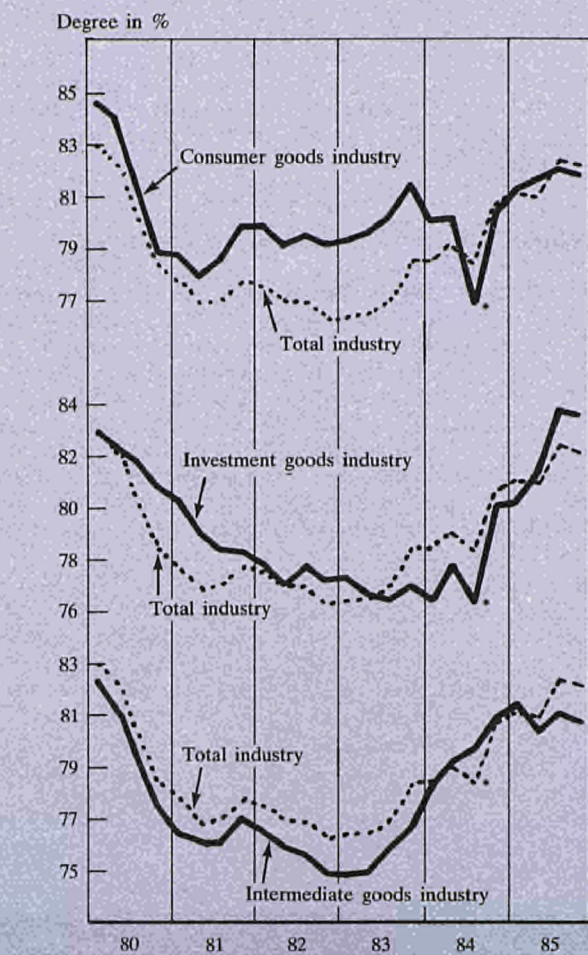
(a) Details of the questions are given on the last page.

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1979 and 1981/82, respectively.

(c) Weighted total of available country data.

Source: European Community business surveys.

GRAPH 3 : Capacity utilization by industrial sectors — European Community



* Mainly due to metal workers' strike in Germany.
Source : European Community business surveys

countries capacity utilization declined slightly. However, reports on excessive technical capacity declined further in almost all the member countries. The only exceptions were Italy and the Netherlands where the relatively high proportion of firms with utilization problems rose slightly (from +38 to +39 and from +2 to +4, respectively; balance). However, even after this slight deterioration Dutch industry has scarcely any surplus capacity.

The chief outcome of a more detailed analysis of utilization data by branches is the favourable mood as regards business activity in most capital goods industries. At Community level there was a further perceptible rise in utilization in mechanical engineering (from 82.3 to 83.8 % in October). In some mechanical engineering branches, e.g. machine tools, the increase in capacity utilization was even more marked (from 86.8 % in July to 88.0 %). Firms which considered their capacity too low predominated here (balance -10). In most other capital goods branches, i.e. in electrical engineering, office and data processing machinery and precision and optical instruments, the degree of utilization increased further. On the other hand it fell slightly in a number of consumer goods branches, e.g. footwear and clothing (from 89.9 % to 87.2 % in October). In the intermediate products sector, utilization also slackened slightly in some branches, e.g. paper manufacture and the steel and metal industries (from 79.8 % to 79.5 %). Nevertheless, in the latter branch the proportion of firms which expect excessive capacity in the next twelve months has shown a marked decline (from 47 % in July to 25 % in October; balance); this reflects the higher demand for steel resulting from the increase in activity, and the closures of capacity which have been or are about to be carried out. No data are available in the chemical industry on the degree of capacity utilization; but judging from the assessments on technical capacity, no utilization problems should occur within the foreseeable future.

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TABLE 3 : Capacity utilization in manufacturing industry (%) (a) (s.a.)

	Range (b)		Range (b)		1983	1984	1985	1984				1985			
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83				J	A	J	O	J	A	J	O
B	85.4	70.4	79.1	74.4	75.8	76.0	78.8	75.4	75.1	76.4	77.0	78.0	78.4	78.2	80.4
D	88.1	74.8	86.0	75.3	77.0	80.2	83.7	80.6	81.3	76.6	82.3	82.4	82.6	84.9	84.9
F	87.8	76.6	85.3	81.1	81.5	81.9	82.8	81.5	82.0	81.8	82.3	82.5	82.2	83.0	83.4
IRL	:	:	68.1	56.8	58.0	61.5	67.3	59.9	59.9	63.0	63.3	65.9	61.8	72.7	68.8
I	78.8	68.0	77.3	69.1	70.0	72.0	74.0	70.9	71.3	72.2	73.5	73.8	74.3	74.3	73.5
L	:	:	83.0	66.5	71.1	77.8	80.9	74.8	75.7	79.0	81.6	79.0	82.6	82.6	79.5
NL	86.0	76.0	83.0	75.8	79.5	82.3	83.8	80.6	82.0	82.8	83.6	83.5	84.0	84.0	83.6
UK (c)	90.6	75.5	87.6	73.0	76.6	82.5	85.8	80.2	81.7	83.5	84.5	84.9	84.4	87.4	86.6
EUR (c)	86.4	75.0	83.9	76.4	77.1	79.1	81.6	78.4	79.0	78.3	80.6	81.0	80.9	82.4	82.2

TABLE 4: Expected capacity constraints in manufacturing industry: i.e. balance of respondents expecting capacity to be more than sufficient in relation to production expectations (a)(d)(s.a.)

	Range (b)		Range (b)		1983	1984	1985	1984				1985			
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83				J	A	J	O	J	A	J	O
B	-12	+58	+35	+53*	+37	+31	+29	+31	+34	+29	+28	+29	+30	+32	+26
DK	:	:	+10	+38	+34	+10	+3	+20	+16	+3	0	+4	+7	+4	-2
D	-3	+56	+12	+49	+42	+24	+17	+29	+24	+22	+20	+20	+19	+16	+14
F	-24	+45	+11	+48	+42	+39	+37	+42	+44	+34	+36	+41	+31	+42	+32
IRL	:	+34	+2	+40	+34	+31	+25	+27	+32	+25	+39	+26	+37	+21	+17
I	+1	+63	+17	+58	+54	+37	+37	+46	+40	+30	+30	+35	+37	+38	+39
L	-72	+73	+37	+62	+59	+48	+12	+51	+51	+46	+45	+44	+1	+4	0
NL	-3	+60	+14	+51	+30	+12	+4	+20	+13	+10	+6	+5	+5	+2	+4
UK	:	:	:	+63	+51	+33	+23	+35	+32	+32	+33	+28	+24	+22	+19
EUR (c)	-7	+54	:	+50	+45	+31	+26	+36	+33	+28	+29	+28	+26	+27	+24

(a) The data are collected in January, April, July and October each year.

* Trough in III/1981.

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the periods 1973-1975 and 1979-83, respectively.

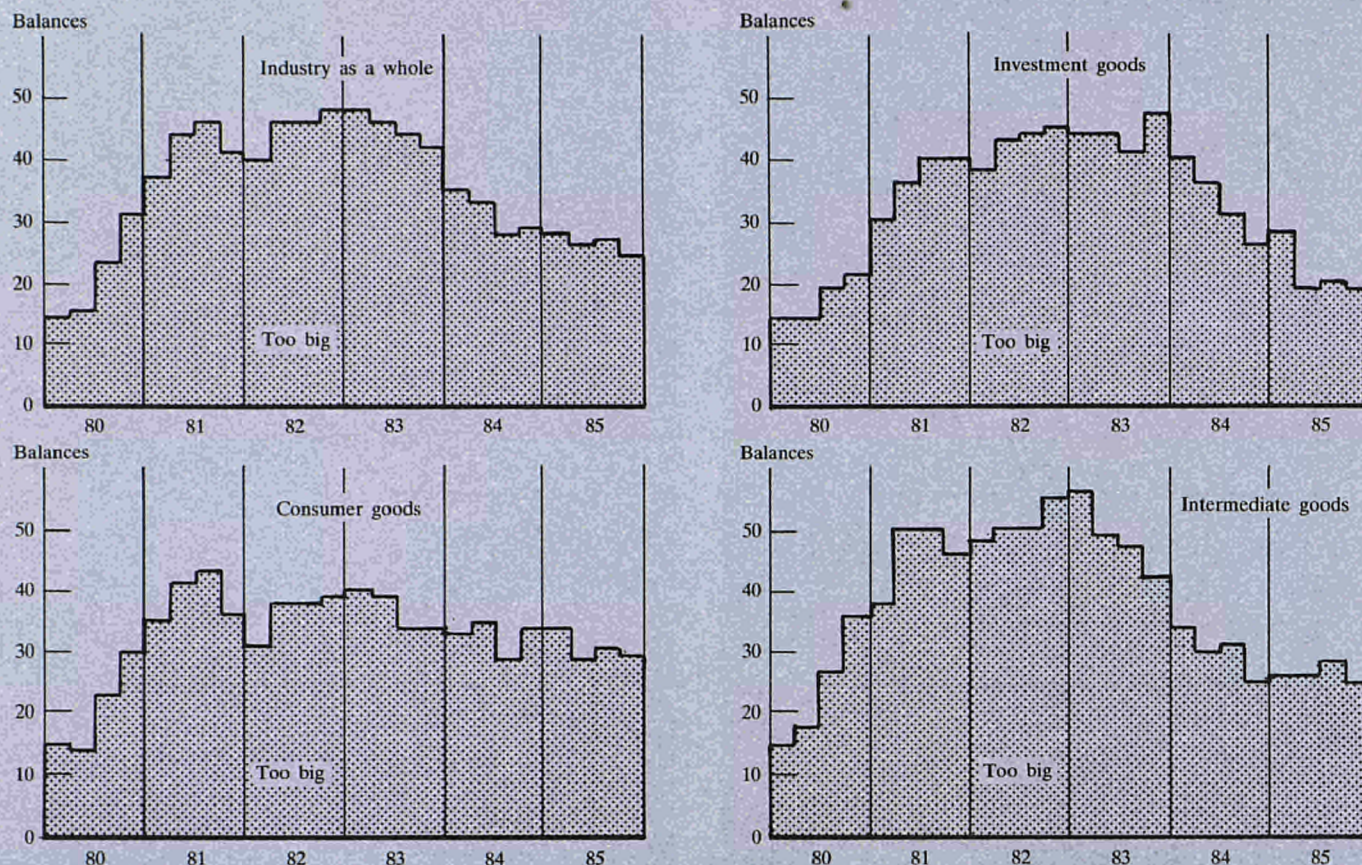
(c) Weighted total of available country data.

(d) Answers 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 balances (capacity less than sufficient) indicate high levels of capacity utilization and positive 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 working.

Source: European Community business surveys.

GRAPH 4 : Assessment of technical capacity - European Community a)



a) The data are collected in January, April, July and October each year.
Source : European Community business surveys

TABLE 5 : Degree of capacity utilization and expected capacity constraints by industrial branches — European Community (s.a.)

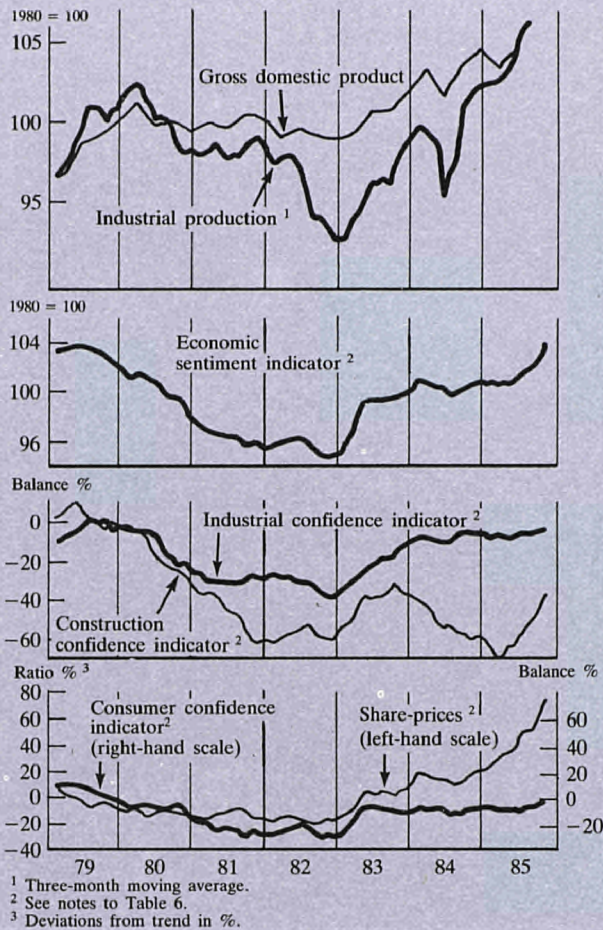
Industries	Degree of capacity utilization in %								Expected capacity constraints; balances excess capacity (+), capacity too small (-)							
	1983		1984		1985		1985		1983		1984		1985		1985	
							J	A	J	O					J	O
Industry as a whole	77.1	79.1	81.6	81.0	80.9	82.4	82.2		+45	+31	+26	+28	+26	+27	+24	
Consumer goods	80.2	79.3	81.7	81.2	81.6	82.1	81.8		+37	+33	+31	+34	+29	+31	+39	
Investment goods	76.8	77.6	82.2	80.2	81.2	83.8	83.6		+44	+33	+22	+28	+19	+20	+19	
Intermediate goods	75.9	79.5	80.9	81.4	80.4	81.1	80.8		+49	+30	+27	+26	+26	+29	+25	
Textile industry	81.5	81.8	83.3	83.8	84.0	82.8	82.8		+49	+30	+27	+26	+26	+29	+25	
Footwear and clothing	86.7	84.2	87.3	86.5	85.5	89.9	87.2		+28	+26	+18	+20	+17	+21	+15	
Timber/wooden furniture	80.9	78.2	78.3	78.2	77.8	78.6	78.7		+37	+38	+32	+33	+35	+32	+29	
Manufacture of paper, paper products, printing or which:	81.4	84.4	85.9	87.2	85.8	85.7	84.9		+37	+13	+17	+14	+16	+17	+19	
manufacture of paper ^{a)}	:	:	89.5	91.1	89.3	89.9	87.8		:	:	+10	- 5	+10	+16	+20	
Leather	79.9	79.3	82.3	82.0	82.5	82.7	82.0		+30	+11	+ 7	+ 9	+ 2	+16	+ 1	
Plastics	77.7	80.2	80.5	81.4	80.4	80.8	79.4		+34	+18	+20	+12	+23	+26	+17	
Mineral-oil refining	75.2	73.4	75.7	75.5	75.3	76.0	76.2		+82	+47	+64	+62	+64	+69	+61	
Metals	69.0	74.6	78.8	78.1	77.7	79.8	79.5		+72	+45	+36	+41	+32	+47	+25	
Non-metallic mineral products	73.8	76.7	76.8	77.9	76.1	76.7	76.7		+55	+47	+49	+45	+47	+52	+52	
Chemical industry	:	:	:	:	:	:	:		+31	+ 9	+ 9	+10	+ 8	+ 8	+ 6	
Metal articles	74.5	75.9	78.6	77.9	77.9	79.4	79.3		+44	+38	+29	+29	+34	+28	+26	
Mechanical engineering of which:	75.8	78.9	82.2	80.2	82.1	82.8	83.8		+50	+34	+24	+29	+26	+22	+18	
machines tools	73.8	78.3	85.9	83.3	85.3	86.8	88.0		+56	+35	- 1	+10	- 3	0	-10	
Office & data processing machinery ^{a)}	:	:	85.3	88.0	83.6	82.9	86.8		:	:	0	-16	+ 7	0	+ 8	
Electrical engineering	79.7	80.5	83.9	82.3	84.6	84.3	84.5		+35	+26	+24	+28	+22	+18	+28	
Motor vehicles	:	:	:	:	:	:	:		+47	+45	+42	+45	+41	+45	+38	
Shipbuilding	69.3	63.3	67.6	64.2	67.6	66.0	72.4		+46	+59	+58	+66	+27	+65	+72	
Rubber products	76.5	79.7	81.1	81.3	81.2	82.1	79.8		+48	+27	+19	+15	+23	+17	+22	
Instrument engineering	78.5	81.9	85.0	86.0	84.8	84.1	85.2		+49	+24	+10	+ 8	+12	+11	+ 8	

a) Not seasonally adjusted as time-series too short.
For further explanation, see footnotes to tables 3 and 4.

Source : European Community business surveys

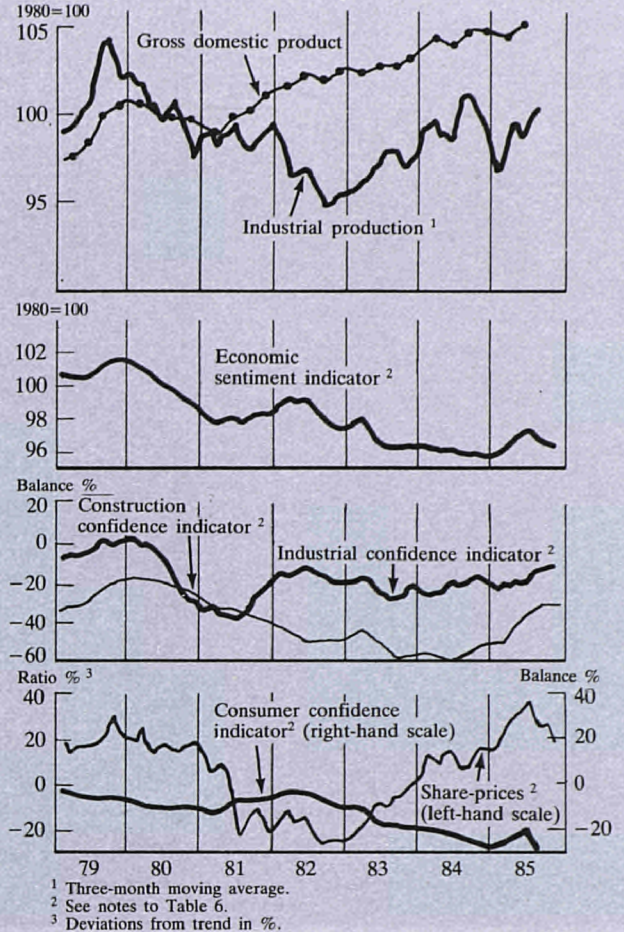
GRAPH 5 : Indicators of output and economic sentiment

Federal Republic of Germany



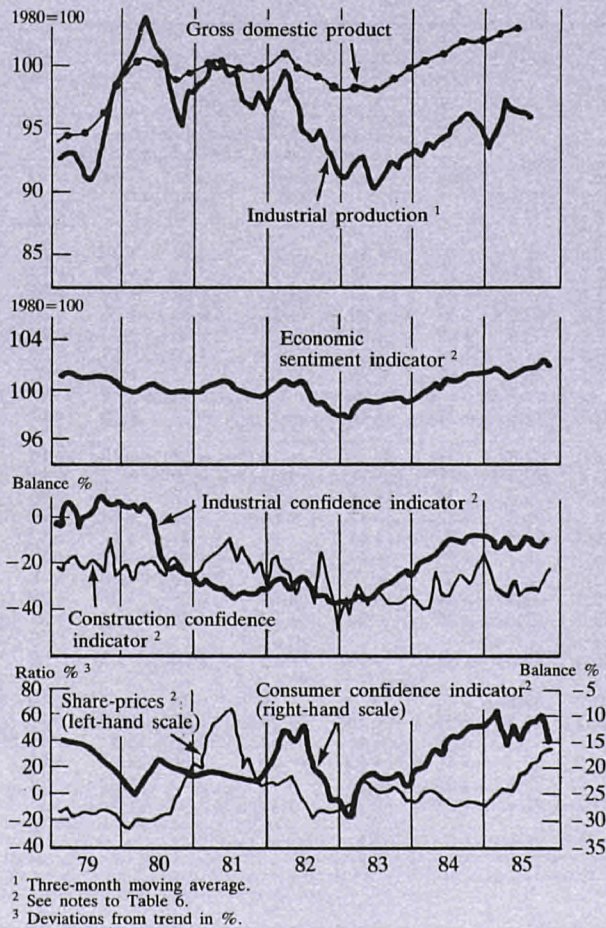
GRAPH 6 : Indicators of output and economic sentiment

France



GRAPH 7 : Indicators of output and economic sentiment

Italy



GRAPH 8 : Indicators of output and economic sentiment

United Kingdom

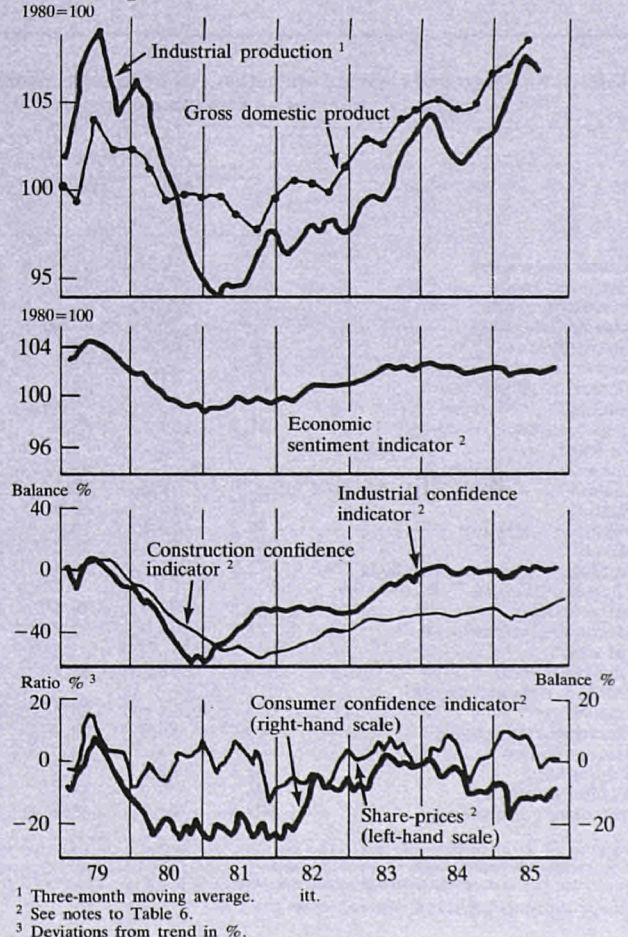


TABLE 6: Indicators of output and economic sentiment

		Range		Range		1984	1985			1985					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	May	June	July	Aug.	Sept.	Oct.
B	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	102,5	76,5	106,3	92,4	102,4	102,7	103,7	:	102,4	107,2	102,3	:	:	:
	1. industrial confidence indicator	+ 19	- 56	- 4	- 35	- 12	- 13	- 17	- 13	- 18	- 16	- 14	- 15	- 11	- 10
	2. construction confidence indicator	+ 9	- 36	- 7	- 65	- 54	- 47	- 39	- 38	- 37	- 36	- 36	- 40	- 37	- 37
	3. consumer confidence indicator ^{1, 4}	7,0	- 18,0	- 7,0	- 31,0	- 27	- 24	- 22	- 21	(- 22)	(- 22)	- 21	(- 21)	(- 21)	- 17
	4. share-price index ^{4, 5}	155,1	98,0	114,3	75,0	161,9	171,1	177,8	186,4	176,1	184,9	183,3	183,0	192,8	205,7
	= 5. economic sentiment indicator	107,9	99,4	103,0	97,5	100,0	100,7	101,0	101,6	101,0	101,3	101,5	101,3	102,1	102,6
D	<i>gross domestic product</i> ³ 1980=100	85,1	83,3	101,2	98,9	102,7	103,4	104,8	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,0	82,4	103,1	91,4	98,8	102,9	104,1	:	104,0	105,7	108,0	105,3	:	:
	1. industrial confidence indicator	+ 10	- 49	+ 2	- 40	- 8	- 7	- 8	- 6	- 8	- 6	- 7	- 6	- 4	- 4
	2. construction confidence indicator	- 4	- 72	+ 11	- 64	- 54	- 68	- 62	- 49	- 63	- 58	- 54	- 50	- 45	- 38
	3. consumer confidence indicator ⁴	:	- 22,2	:	9,0	- 9	- 8	- 9	- 7	- 8	- 10	- 8	- 7	- 6	- 3
	4. share-price index ^{4, 5}	109,0	75,2	115,6	97,6	153,6	175,2	192,3	214,8	189,6	204,7	208,3	209,3	226,8	243,6
	= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	100,6	100,8	101,1	102,3	101,1	101,5	101,8	102,1	103,0	103,9
F	<i>gross domestic product</i> 1980=100	85,4	84,2	99,8	102,4	104,7	104,7	105,3	:	:	:	:	:	:	:
	<i>index of industrial production</i>	96,7	82,2	105,2	94,8	100,0	98,2	99,0	:	100,0	98,5	101,5	101,5	:	:
	1. industrial confidence indicator	+ 29	- 49	+ 5	- 39	- 22	- 21	- 20	- 15	- 21	- 16	- 15	- 15	- 13	- 13
	2. construction confidence indicator	:	:	- 17	- 57	- 57	- 50	- 39	- 32	(- 39)	(- 39)	- 32	(- 32)	(- 32)	- 32
	3. consumer confidence indicator ^{1, 4}	:	- 9,0	:	3,0	- 23	- 25	- 21	- 30	(- 21)	(- 21)	- 30	(- 30)	(- 30)	(- 30)
	4. share-price index ^{4, 5}	86,6	53,6	101,2	82,7	158,6	184,3	205,7	203,0	204,6	212,1	204,2	201,3	203,7	195,7
	= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	95,3	95,6	96,8	96,1	96,9	96,9	96,4	95,9	96,0	95,8
IRL	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	80,4	72,3	103,8	99,6	123,3	128,9	127,1	:	129,0	124,3	121,6	:	:	:
	1. industrial confidence indicator	:	- 41	+ 20	- 40	- 10	- 10	- 13	- 2	- 12	- 16	- 7	+ 1	0	- 4
	2. construction confidence indicator	:	:	:	:	- 45	- 35	- 30	- 36	- 26	- 27	- 45	- 13	- 51	- 42
	3. consumer confidence indicator ⁴	:	- 41,0	:	12,0	- 33	- 29	- 31	- 27	(- 31)	(- 31)	- 27	(- 27)	(- 27)	- 27
	4. share-price index ^{4, 5}	85,8	29,9	112,2	79,4	139,7	134,3	136,6	161,3	134,1	143,0	142,9	161,0	154,6	160,5
	= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,0	99,8	99,7	100,3	99,6	99,7	99,9	100,4	100,2	100,2
I	<i>gross domestic product</i> 1980=100	80,4	77,2	101,2	98,2	101,8	102,9	103,7	:	:	:	:	:	:	:
	<i>index of industrial production</i>	87,9	72,6	104,7	89,1	95,2	96,6	96,9	:	96,4	99,1	95,3	95,5	:	:
	1. industrial confidence indicator	+ 31	- 59	+ 13	- 41	- 11	- 3	- 11	- 10	- 12	- 8	- 9	- 10	- 10	- 6
	2. construction confidence indicator	- 8	- 56	- 5	- 51	- 28	- 31	- 30	- 29	- 34	- 30	- 30	- 30	- 25	- 21
	3. consumer confidence indicator ⁴	:	- 39,0	- 12,1	- 29,6	- 15	- 12	- 13	- 10	- 14	- 12	- 11	- 11	- 9	- 15
	4. share-price index ^{4, 5}	169,6	68,5	185,0	116,9	171,5	216,1	248,6	297,9	256,9	271,0	289,9	298,5	323,9	332,0
	= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	100,4	101,5	101,5	102,3	101,3	101,8	102,1	102,1	102,6	101,9
NL	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	94,8	87,1	117,5	90,7	101,0	107,0	102,7	:	102,0	105,0	101,0	103,0	:	:
	1. industrial confidence indicator	+ 12	- 44	+ 4	- 31	- 4	0	- 2	- 2	- 3	0	- 1	- 2	- 3	- 4
	2. construction confidence indicator	+ 3	- 47	+ 3	- 46	- 23	- 21	- 21	- 19	- 23	(- 23)	(- 19)	(- 19)	- 19	- 17
	3. consumer confidence indicator ⁴	6,0	- 15,0	5,0	- 37,0	- 22	- 11	- 12	- 4	(- 12)	(- 12)	- 4	(- 4)	(- 4)	+ 1
	4. share-price index ^{4, 5}	:	86,3	122,8	92,8	196,8	236,5	248,6	259,3	249,5	251,0	258,9	257,8	260,7	255,6
	= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	102,7	105,2	105,3	106,4	105,0	105,6	106,1	106,4	106,7	106,7
UK	<i>gross domestic product</i> 1980=100	94,6	91,0	102,5	97,7	105,3	107,6	108,8	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,7	89,6	110,0	93,8	102,9	106,0	108,0	:	108,2	107,9	106,3	106,8	:	:
	1. industrial confidence indicator	:	:	+ 9	- 60	0	- 3	+ 1	0	- 1	+ 3	0	- 1	0	0
	2. construction confidence indicator	:	:	+ 7	- 60	- 27	- 29	- 28	- 24	(- 28)	(- 28)	- 24	(- 24)	(- 24)	- 18
	3. consumer confidence indicator ⁴	:	- 32,5	14,4	- 25,5	- 5	- 12	- 11	- 10	- 11	- 11	- 10	- 12	- 9	- 7
	4. share-price index ^{4, 5}	78,5	23,3	111,6	104,4	196,3	235,0	240,0	237,2	244,1	237,8	228,7	238,9	244,0	247,6
	= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	102,5	101,7	102,2	102,2	102,2	102,2	102,1	102,1	102,4	102,6
EUR	<i>gross domestic product</i> ^{2, 3} 1980=100	85,1	85,5	101,1	101,0	103,6	104,5	105,6	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,9	83,0	103,2	94,6	99,8	101,5	102,6	:	102,7	103,6	103,4	103,1	:	:
	1. industrial confidence indicator	+ 16	- 49	+ 3	- 36	- 10	- 9	- 9	- 7	- 10	- 7	- 8	- 7	- 6	- 5
	2. construction confidence indicator	:	:	- 1	- 48	- 43	- 46	- 40	- 34	(- 41)	(- 39)	- 35	(- 35)	(- 32)	- 29
	3. consumer confidence indicator ^{1, 4}	4,6	- 16,7	0,8	- 22,0	- 14	- 14	- 13	- 14	- 14	- 14	- 14	- 14	- 13	- 12
	4. share-price index ^{4, 5}	:	47,0	100,8	115,1	188,6	217,6	230,1	239,8	231,3	234,9	233,8	239,0	247,1	253,3
	= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	100,2	100,3	100,5	100,9	100,4	100,7	100,8	100,9	101,3	101,6

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.

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.

(-) = estimated.

Source: European Community business surveys and Eurostat. For quarterly GDP/GNP: Federal Republic of Germany (Bundesbank), France (INSEE), Italy (ISCO) and the United Kingdom (CSO). Figures for Germany do not include the adjustment for calendar irregularities.

TABLE 7: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		Range (b)		1984	1984	1985			1985					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Through 1981/82		IV	I	II	III	May	June	July	Aug.	Sept.	Oct.
B	production expectations	+ 31	- 56	- 4	- 37	- 3	- 1	- 4	- 10	- 5	- 13	- 5	- 6	- 8	- 3	- 2
	order-books	+ 13	- 74	- 14	- 49	- 23	- 24	- 25	- 26	- 25	- 27	- 28	- 26	- 27	- 23	- 23
	export order-books	+ 15	- 82	- 19	- 55	- 25	- 24	- 27	- 27	- 27	- 25	- 28	- 27	- 28	- 27	- 30
	stocks of finished products	- 14	+ 37	+ 2	+ 18	+ 10	+ 8	+ 10	+ 14	+ 9	+ 13	+ 15	+ 10	+ 11	+ 6	+ 6
	selling-price expectations	+ 64	- 10	+ 39	+ 12	+ 27	+ 25	+ 24	+ 20	+ 20	+ 22	+ 18	+ 21	+ 19	+ 21	+ 16
	industrial confidence indicator	+ 19	- 56	- 4	- 35	- 12	- 11	- 13	- 17	- 13	- 18	- 16	- 14	- 15	- 11	- 10
DK	production expectations	:	:	:	+ 8	+ 27	+ 26	+ 19	+ 19	+ 17	:	:	:	:	:	+ 16
	order-books	:	:	:	- 34	+ 31	+ 35	+ 26	+ 23	+ 29	:	:	:	:	:	+ 22
	export order-books	:	:	:	+ 14	+ 26	+ 30	+ 27	+ 22	+ 30	:	:	:	:	:	+ 16
	stocks of finished products	:	:	:	+ 24	0	- 10	+ 1	+ 1	+ 5	:	:	:	:	:	+ 10
	selling-price expectations	:	:	:	- 22	+ 19	+ 24	+ 15	+ 14	+ 14	:	:	:	:	:	+ 9
	industrial confidence indicator	:	:	:	- 22	+ 19	+ 24	+ 15	+ 14	+ 14	:	:	:	:	:	+ 9
D	production expectations	+ 17	- 32	+ 10	- 30	+ 5	+ 5	+ 2	+ 3	+ 2	+ 3	+ 5	+ 2	+ 1	+ 3	+ 4
	order-books	+ 5	- 73	- 6	- 59	- 21	- 16	- 17	- 17	- 12	- 17	- 15	- 13	- 12	- 11	- 11
	export order-books	:	:	- 14	- 50	- 23	- 13	- 12	- 10	- 8	- 13	- 7	- 10	- 6	- 7	- 6
	stocks of finished products	- 7	+ 43	- 2	+ 31	+ 8	+ 6	+ 7	+ 9	+ 7	+ 9	+ 8	+ 10	+ 8	+ 4	+ 4
	selling-price expectations	+ 55	+ 4	+ 38	+ 4	+ 24	+ 22	+ 18	+ 20	+ 14	+ 18	+ 18	+ 16	+ 13	+ 12	+ 13
	industrial confidence indicator	+ 10	- 49	+ 2	- 40	- 8	- 6	- 7	- 8	- 6	- 8	- 6	- 7	- 6	- 4	4
GR	production expectations	:	:	:	:	+ 24	+ 23	+ 23	+ 21	+ 21	+ 16	+ 26	+ 26	+ 21	+ 15	+ 23
	order-books	:	:	:	:	- 28	- 21	- 31	- 23	- 22	- 24	- 16	- 17	- 22	- 27	- 26
	export order-books	:	:	:	:	- 27	- 25	- 41	- 32	- 27	- 32	- 34	- 24	- 27	- 31	- 36
	stocks of finished products	:	:	:	:	+ 18	+ 15	+ 9	+ 15	+ 7	+ 15	+ 13	+ 9	+ 7	+ 6	+ 7
	selling-price expectations	:	:	:	:	+ 33	+ 41	+ 26	+ 29	+ 29	+ 28	+ 28	+ 27	+ 29	+ 31	+ 34
	industrial confidence indicator	:	:	:	:	- 7	- 4	- 6	- 6	- 3	- 8	- 1	0	- 3	- 6	- 3
F	production expectations	+ 33	- 29	+ 18	- 20	- 10	- 7	- 7	- 4	0	- 6	- 1	- 1	0	+ 1	+ 1
	order-books	+ 26	- 69	0	- 56	- 35	- 33	- 36	- 33	- 28	- 34	- 30	- 28	- 28	- 27	- 23
	export order-books	+ 24	- 66	+ 10	- 52	- 19	- 22	- 22	- 19	- 18	- 15	- 18	- 20	- 18	- 16	- 15
	stocks of finished products	- 14	+ 50	+ 3	+ 42	+ 20	+ 20	+ 21	+ 21	+ 16	+ 24	+ 18	+ 17	+ 16	+ 14	+ 18
	selling-price expectations	+ 76	+ 15	+ 62	+ 17	+ 42	+ 33	+ 38	+ 32	+ 28	+ 29	+ 27	+ 30	+ 28	+ 27	+ 30
	industrial confidence indicator	+ 29	- 49	+ 5	- 39	- 22	- 20	- 21	- 19	- 15	- 21	- 16	- 15	- 15	- 13	- 13
IRL	production expectations	:	- 21	+ 40	- 33	+ 2	0	- 1	+ 5	+ 11	+ 4	+ 4	+ 8	+ 10	+ 14	+ 9
	order-books	:	- 68	+ 18	- 55	- 29	- 27	- 20	- 30	- 14	- 31	- 29	- 21	- 8	- 13	- 24
	stocks of finished products	:	+ 35	- 6	+ 33	+ 6	+ 9	+ 8	+ 13	+ 3	+ 8	+ 22	+ 8	- 1	+ 2	- 2
	selling-price expectations	:	+ 64	+ 77	+ 20	+ 32	+ 30	+ 22	+ 19	+ 12	+ 18	+ 7	+ 20	+ 5	+ 12	- 1
	industrial confidence indicator	:	- 41	+ 20	- 40	- 10	- 12	- 10	- 13	- 2	- 12	- 16	- 7	+ 1	0	- 4
	I	production expectations	+ 40	- 43	+ 24	- 26	+ 9	+ 12	+ 8	+ 5	+ 6	+ 5	+ 8	+ 7	+ 5	+ 6
order-books		+ 30	- 82	+ 7	- 66	- 26	- 18	- 20	- 22	- 20	- 21	- 20	- 20	- 22	- 19	- 19
export order-books		+ 13	- 67	- 6	- 59	- 28	- 27	- 30	- 31	- 30	- 31	- 33	- 30	- 30	- 29	- 29
stocks of finished products		- 24	+ 53	- 8	+ 32	+ 16	+ 16	+ 17	+ 17	+ 15	+ 20	+ 13	+ 14	+ 13	+ 18	+ 11
selling-price expectations		+ 76	+ 10	+ 87	+ 37	+ 47	+ 40	+ 41	+ 43	+ 36	+ 46	+ 45	+ 32	+ 39	+ 37	+ 37
industrial confidence indicator		+ 31	- 59	+ 13	- 41	- 11	- 7	- 3	- 11	- 10	- 12	- 8	- 9	- 10	- 10	- 6
L	production expectations	+ 84	- 80	+ 40	- 66	- 7	+ 7	- 2	0	+ 3	- 2	- 5	0	+ 4	+ 4	+ 4
	order-books	:	:	+ 8	- 70	+ 10	+ 13	+ 3	- 1	+ 6	- 3	+ 2	0	+ 9	+ 10	+ 4
	export order-books	:	:	+ 9	- 80	+ 11	+ 14	+ 1	- 2	+ 9	0	- 3	- 1	+ 12	+ 15	+ 6
	stocks of finished products	- 14	+ 74	0	+ 58	+ 4	- 1	- 4	+ 10	+ 2	+ 9	+ 8	+ 8	- 3	+ 2	+ 3
	selling-price expectations	:	- 46	+ 74	- 38	+ 23	+ 23	0	+ 26	+ 24	+ 15	+ 22	+ 22	+ 28	+ 21	+ 30
	industrial confidence indicator	:	:	+ 16	- 65	+ 1	+ 7	+ 2	- 4	+ 2	- 5	- 4	- 3	+ 5	+ 4	+ 2
NL	production expectations	+ 26	- 26	+ 20	- 13	+ 7	+ 6	+ 7	+ 2	+ 2	+ 2	+ 6	+ 4	+ 2	0	+ 1
	order-books	+ 7	- 48	- 5	- 42	- 11	- 7	- 2	- 5	- 5	- 6	- 5	- 5	- 3	- 7	- 10
	stocks of finished products	- 3	+ 57	+ 3	+ 39	+ 9	+ 10	+ 4	+ 4	+ 3	+ 6	+ 1	+ 3	+ 4	+ 3	+ 3
	industrial confidence indicator	+ 12	- 44	+ 4	- 31	- 4	- 4	0	- 2	- 2	- 3	0	- 1	- 2	- 3	- 4
UK	production expectations	:	:	+ 29	- 52	+ 21	+ 19	+ 18	+ 21	+ 19	+ 18	+ 23	+ 17	+ 20	+ 21	+ 21
	order-books	:	:	- 2	- 85	- 10	- 8	- 12	- 5	- 5	- 5	- 3	- 3	- 7	- 6	- 7
	export order-books	:	:	- 11	- 72	- 13	- 6	- 6	- 1	- 5	+ 2	- 5	+ 2	- 5	- 11	- 10
	stocks of finished products	:	:	- 1	+ 42	+ 10	+ 11	+ 14	+ 12	+ 15	+ 15	+ 12	+ 14	+ 15	+ 15	+ 14
	selling-price expectations	:	:	+ 70	+ 7	+ 32	+ 35	+ 31	+ 26	+ 20	+ 25	+ 26	+ 24	+ 18	+ 19	+ 17
	industrial confidence indicator	:	:	+ 9	- 60	0	0	- 3	+ 1	0	- 1	+ 3	0	- 1	0	0
EUR	production expectations	+ 24	- 30	+ 15	- 20	+ 5	+ 7	+ 5	+ 5	+ 7	+ 4	+ 8	+ 5	+ 6	+ 9	+ 9
	order-books	+ 15	- 70	- 7	- 56	- 22	- 19	- 20	- 18	- 16	- 18	- 17	- 16	- 16	- 15	- 15
	export order-books	:	:	- 12	- 50	- 21	- 16	- 16	- 14	- 15	- 14	- 14	- 14	- 15	- 15	- 15
	stocks of finished products	- 10	+ 48	- 1	+ 31	+ 12	+ 12	+ 13	+ 13	+ 11	+ 15	+ 11	+ 12	+ 11	+ 11	+ 10
	selling-price expectations	+ 64	+ 9	+ 53	+ 22	+ 33	+ 29	+ 29	+ 28	+ 22	+ 27	+ 27	+ 24	+ 24	+ 23	+ 23
	industrial confidence indicator	+ 16	- 49	+ 3	- 36	- 10	- 8	- 9	- 9	- 7	- 10	- 7	- 8	- 7	- 6	- 5

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

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1982, respectively.

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

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