

EUROPEAN ECONOMY

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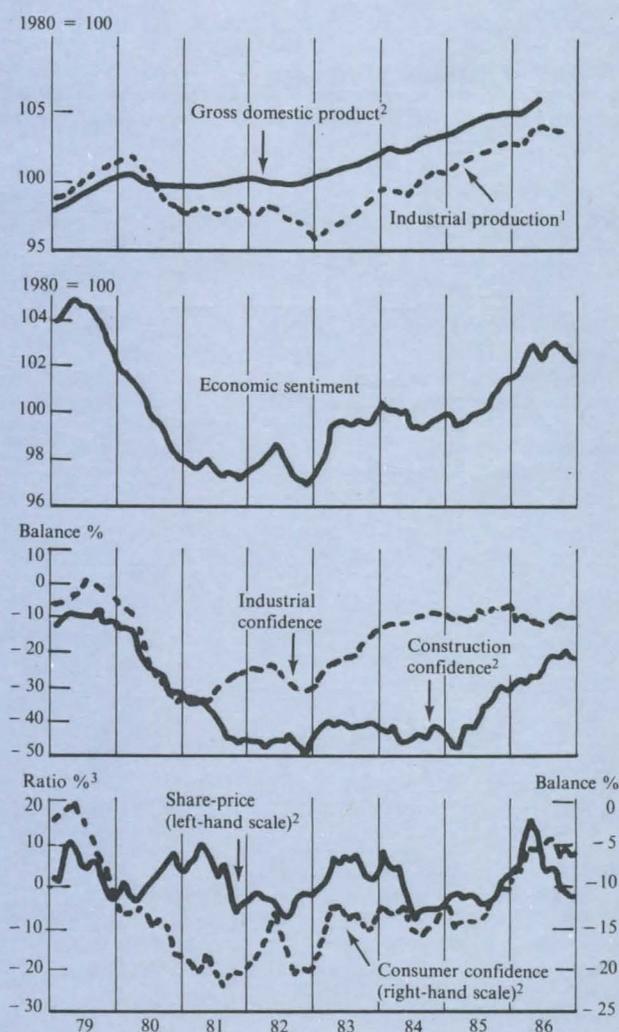
Business and consumer survey results

*In this number:
Industrial investment in 1986 and 1987*

THE MAIN POINTS IN BRIEF

- In 1986 European industry increased its investment by less than had been planned in the spring of last year (+ 5 in real terms instead of + 10).
- According to today's plans, in 1987 European industry will increase its investment by 6 % in real terms. Investment in the consumer goods industries will probably increase by more than the average.
- The Community leading indicator for the economy as a whole is stationary at a high level; although it does not now point to any economic deterioration in the Community in the next few months, it reveals no stimuli to set more dynamic growth in motion again.
- In most member countries consumers' assessments of their own financial situation more or less match their assessments of the general economic situation, but in the United Kingdom, Ireland and France they still differ.

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



¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend in %.

5 % real growth in industrial investment in 1986; 6 % probable in 1987 — In 1986 European industry increased its investment spending by 9 %; or some 5 % in real terms. Although this is still a considerable increase, it falls well short of original investment plans in the spring of 1986 which looked to a nominal 13 % and a real 10 % increase in investment in 1986 (see European Economy, Supplement B, July 1986). The generally subdued tone of industrial activity in the second half of 1986 clearly caused many companies to cut back on their investment budgets, with the dollar's rapid depreciation probably playing an important role. This again confirmed the fact that the industrial confidence indicator based on the monthly business surveys gives early and reliable evidence of such changes of plan: the clear rise in this indicator in the second half of 1985 was a sign that companies would probably expand their originally planned investment budgets even further, whereas the fact that the confidence indicator was for some months on a flat to slightly downward trend pointed to more cautious investment behaviour (see Graph 3).

In 1987 European industry is planning to increase its investment by around the same amount as in 1986 (9 % in nominal terms and 6 % in real terms). If the momentum of investment is definitely lower in 1986/87 than in 1984/85, it must not be forgotten that its level is considerably higher. According to present plans, real investment in European industry in 1987 will be roughly one quarter up on the 1984 level. Nevertheless, up to now this has produced no more than a small increase in the numbers of persons employed. The Community has still not made good the shortage of investment in the early 1980s and the accompanying loss of jobs (see Graph 2). This shows the need for the vigorous growth of investment to continue.

Investment in the member countries¹ — In 1986 German and Belgian industry achieved the largest increase in real investment (+ 11 and + 12 % respectively). But whereas Belgium had, in the

spring of 1986, planned even stronger real investment growth, planned and actual investment matched one another in the Federal Republic of Germany. This is also true of the Netherlands (real investment up by 5 % in 1986), but in all the other member countries the actual level of investment fell short of the level planned. This discrepancy was particularly marked in Greece, Ireland, Italy and the United Kingdom.

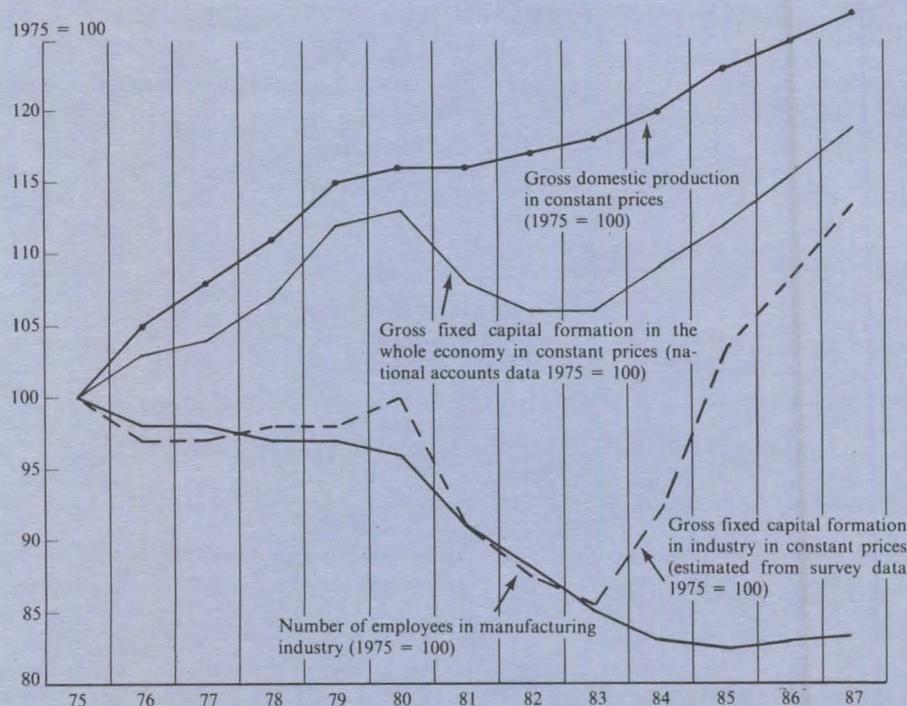
In 1987, industry in Denmark, Italy, Belgium and Ireland is planning to increase its investment by considerably more than the average (in real terms 17 % and 15 % for the first two countries and 11 % for Belgium and Ireland; see Table 1). By contrast, present plans in British and French industry for 1987 indicate no more than weak investment growth (in each case 4 % in real terms). In 1987, the pace of industrial investment will, it is true, slow down markedly in the Federal Republic of Germany (from a real 11 % in 1986 to 5 % in 1987); but investment volume in 1987 should be about one-third up on the 1984 level. By contrast investment is expected to decline slightly in Dutch, Greek and Luxemburg industry in 1987 (see Table 1).

Investment by industrial branch — In 1986 nominal investment in the *metalworking industry* fell by 4 % in the Community as a whole. Both the poorer economic prospects and the growing realization that a further reduction of capacity in the iron and steel industry is unavoidable probably helped to bring this about. The investment cuts were concentrated in the Federal Republic of Germany, France, the United Kingdom, Denmark and Greece, while metalworking companies in Italy, Ireland and Luxemburg increased their investment spending - predominantly on modernization - even further. In 1987 this industrial branch plans further investment reductions in most member countries - with the exception of France, the United Kingdom and Greece. In 1986, European companies in the *mechanical and electrical engineering industry* increased their investment by 13 %, somewhat less than expected in the spring. For 1987 they plan to increase their investment spending by a similar amount.

Because of the favourable consumer climate, *consumer goods producers* in most member countries invested more than originally planned in 1986. Nevertheless, investment in the Community as a whole did not exceed the amount planned in the spring 1986 (+ 14 %) almost solely because of the smaller than planned increase in investment in the United Kingdom. In

¹ The results of the investment survey carried out at the end of 1986 are not yet available for the two new member countries, Spain and Portugal. According to the first provisional results from Portugal, in 1986 investment spending in industry probably rose by a nominal 15 % and a real 2 %; for 1987 companies are planning a nominal increase of 25 % and a real increase of 14 %.

GRAPH 2: Trend of industrial investment in the Community (business survey indicator) in the context of other macro-economic indicators



1986 and 1987: Estimation of the Commission's services with the exception of gross fixed capital formation in industry which are based on EC investment surveys.

Source: Eurostat and EC investment surveys.

TABLE 1: Industrial investment in manufacturing industry by Member State
% change in relation to preceding year

Year	B(d)	DK(d)	D	GR(d)(g)	F	IRL(d)	I	L(e)	NL	UK(d)	EUR
1986	+13	+10	+13	+11	+8	0	+8	+32	+4	+6	+9
in values terms											
in volumes terms (a)	+12	+7	+11	-12	+4	-1	+4	+31	+5	+1	+5
1987	+12	+19	+7	+5	+8	+14	+19	-1	-5	+8	+9
in values terms											
in volumes terms (a)	+11	+17	+5	-7	+4	+11	+15	-2	-3	+4	+6

TABLE 2: Industrial investment in the EC manufacturing industry

Data of survey	A. % change in value in relation to preceding year									B. % change in volume in relation to preceding year (a)							
	Years to which data relate									Years to which data relate							
	1980	1981	1982	1983	1984	1985	1986	1987		1980	1981	1982	1983	1984	1985	1986	1987
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			
March/April 1984				3	13								-2	7			
Oct./Nov. 1984					12	14								7	9		
March/April 1985					12	16								7	11		
Oct./Nov. 1985						15	10								10	7	
March/April 1986						17	13								12	10	
Oct./Nov. 1986							9	9								5	6

TABLE 3: Industrial investment survey by branch

Results of the Oct./Nov. 1986 investment survey, % change in value, over the preceding year

	Basic materials industries (b)		Metallurgical industries		Mechan. & Elect. industries		Processing industries (c)		Extractive		Food industries		Total, all industry	
	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987
	B	+15	+19	+2	-13	+13	+22	+22	+7	:	:	+4	+9	+13
DK	+10	+27	-9	-14	+7	-7	+20	-9	:	:	+9	+73	+10	+19
D	+15	+10	-20	-18	+21	+9	+12	+9	+6	0	+2	+7	+13	+7
GR (g)	+115	-24	-68	-73	+12	+94	+109	+87	:	:	+17	+42	+11	+5
F	+11	-2	-18	+14	+10	+6	+6	+9	+36	+2	+4	-1	+8	+8
IRL	-5	+2	+43	-17	-1	+10	+48	-63	:	:	0	+24	0	+14
I	+12	+24	+16	-11	+9	+21	+7	+18	+22	-39	-19	+21	+8	+19
L	+22	-53	+8	0	-26	-21	+172	+24	:	:	+15	-18	+32	-1
NL	+4	-2	:	:	-1(i)	0(i)	+21	-9	-9	-25	+8	0	+4	-5
UK	+6	+9	-5	+6	+6	+8	+9	+9	:	:	+7	+5	+6	+8
EUR (f)	+13	+9	-4	-7	+13	+11	+14	+12	:	:	+2	+9	+9	+9

TABLE 4: Industrial investment survey—all branches

% change in value in relation to preceding year

Year to which data relate:	1982		1983				1984				1985				1986		1987	
	Oct./Nov. 1982	March/April 1983	Oct./Nov. 1982	March/April 1983	Oct./Nov. 1983	March/April 1984	Oct./Nov. 1983	March/April 1984	Oct./Nov. 1984	March/April 1985	Oct./Nov. 1984	March/April 1985	Oct./Nov. 1985	March/April 1986	Oct./Nov. 1985	March/April 1986	Oct./Nov. 1986	
	B (d)	+10	+18	-7	-9	-2	-2	+5	+15	+13	+10	+3	+12	+7	+7	+16	+21	+13
DK (d)	+11	+4	+4	+11	+18	+19	+20	+60	+54	+44	+18	+40	+37	+38	+7	+11	+10	+19
D	-2	-2	+3	+2	+2	+1	+2	+5	+4	+1	+10	+14	+16	+19	+10	+12	+13	+7
GR (d)(g)	-19	+6	-23	-35	-49	-36	+41	+23	-1	-34	+95	+82	+51	+23	+69	+69	+11	+5
F	+4	+6	+7	+6	+6	+5	+15	+20	+18	+19	+6	+13	+16	+13	+3	+8	+8	+8
IRL (d)	0	+27	+5	-18	-24	-1	+19	+13	-31	+21	+16	+9	-5	+68	+24	+22	0	+14
I	+8	+13	+13	+7	+3	+3	+8	+11	+6	+8	+29	+14	+12	+20	+15	+20	+8	+19
L (e)	+1	+34	+17	-39	+13	+20	-6	-22	+4	+17	-6	+4	+17	+21	+20	+48	+32	-1
NL	-1	0	+11	+11	+6	+5	+25	+29	+27	+29	+15	+24	+22	+25	+5	+5	+4	-5
UK (d)	-4	-3	+5	+2	+2	+3	+15	+16	+16	+19	+13	+15	+10	+10	+11	+11	+6	+8
EUR	+1	+2	+5	+4	+3	+3	+10	+13	+12	+12	+14	+16	+15	+17	+10	+13	+9	+9

(a) The changes in volume are calculated by dividing the changes in value by the corresponding deflators for gross capital formation. For 1986 and 1987 forecast deflator is used.

(b) Chemicals, man-made fibres, petroleum refining, rubber processing, etc.

(c) Manufacture of textiles, footwear, wood, paper, printing and processing of plastic industries.

(d) Excluding the extractive industries.

(e) Excluding the extractive industries; including energy and water.

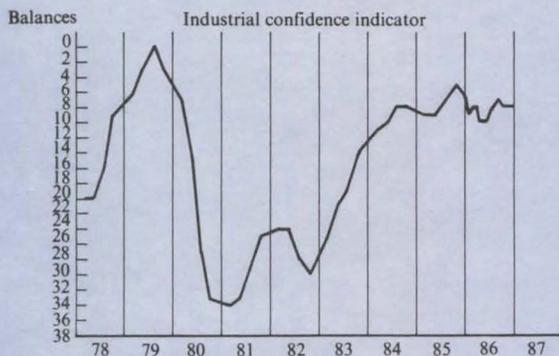
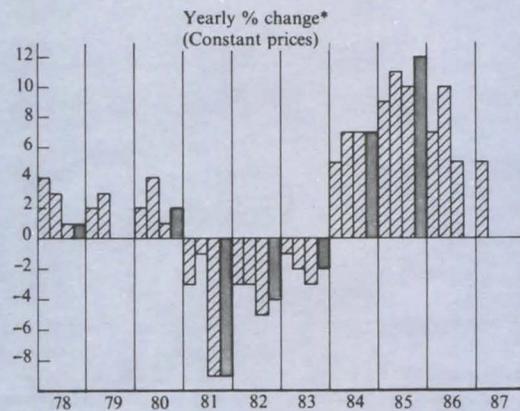
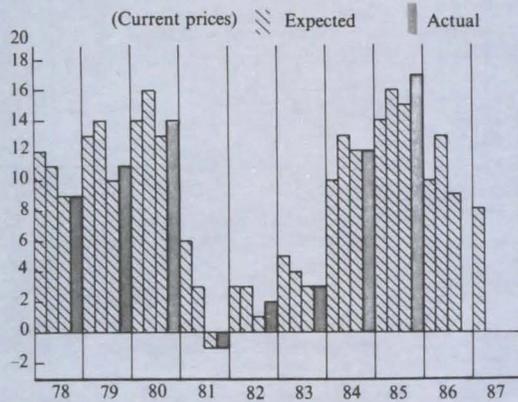
(f) Weighted total of the above (not given when data are substantially incomplete).

(g) Including public enterprises.

(i) Including the metallurgical industries.

Source: European Community investment surveys.

GRAPH 3: Investment in manufacturing industry (Community as a whole) Yearly % change



* For each year the first column represents the first estimate given in the autumn of the previous year; the second column is based on the spring survey results of the current year (April); the third column is the forecast for the current year according to the investment survey in October/November; the fourth column (actual) gives the reported rate of change according to the spring survey of the next year.

Source: EC investment survey

1987 investment activity in the consumer goods branches will continue to be brisk in the Community as a whole (+ 12 %).

In 1986 the investment of European *food, drink and tobacco* manufacturers was, as expected, only slightly up on the previous year (+ 2 %). But in 1987 the increase in investment will probably keep pace with that in the rest of industry (+ 9 %).

In the *basic industries* (excluding metalworking) the investment budgets planned in the spring of 1986 were largely adhered to (+ 13 %); in 1987 a somewhat lower growth rate is planned (+ 9 %). But for the Community as a whole, total investment in this branch will nevertheless be half as much again as in 1984.

On the whole the profile of investment by industrial branch confirms that the expansionary forces in the economy are shifting more towards private consumption. Many companies in the capital goods and basic industries increased their investment sharply in 1984 and especially in 1985, so that a somewhat slower pace of investment in 1987 is not surprising. The greater investment activity in the consumer goods industry - and probably also in service sectors¹ - gives hope that the investment upswing in Europe - supported by a cooperative growth strategy - will continue on a broad base in the medium term.

Community leading indicator high, but stationary — Although the composite indicator does not now point to any economic deterioration in the Community in the next few months, it reveals no stimuli to get more dynamic growth in motion again. All in all, in the second half of 1986 the only two of the four components of the composite indicator to make a positive contribution were confidence in the construction industry and the consumer climate; but in December itself both these partial indicators remained unchanged. Share prices, included as a proxy for profit and interest rate expectations, have been pulling the composite indicator down since the spring of 1986; this adverse influence also continued in December. Nor has the industrial confidence indicator, the fourth component, shown any further improvement since the beginning of 1986: in the last twelve months the various initial stages of recovery were not strong enough to put industry on an upward trend again, as was typical of the years 1983 to 1985. The actual value of this indicator remained unchanged at - 8 (balance) in December - as it had in November.

Broken down by member country, the largest rises in the composite leading indicator were seen in Italy (103.8 compared with 100.8)², France (100.3 compared with 98.7)² and Belgium (101.4 compared with 100.1)² in 1986. This favourable development was helped in Italy by all four partial indicators, in France by share prices and confidence in the construction industry, in Belgium by the consumer climate and share prices. On the other hand the largest deterioration in the composite indicator for 1986 occurred in Denmark (almost 3 percentage points), as a result of a decline in all four components. In the other member countries, the composite indicator showed hardly any change in December 1986 as compared with December 1985.

Production expectations in industry subdued — Since the autumn of 1986 production expectations have weakened in European

¹ This is indicated by the investment surveys in the United Kingdom and the Federal Republic of Germany, which include selected service sectors.

² In each case December 1986 compared with December 1985; 1980 = 100.

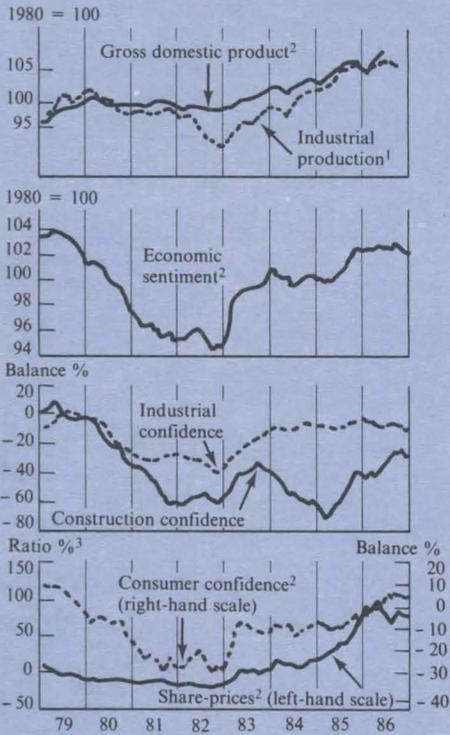
TABLE 5: Volume index of investment in the manufacturing industry (1981 = 100) (a)

	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87
B	106	115	142	110	81	75	68	76	99	100	111	104	109	112	125	138
DK	:	:	:	:	:	:	:	:	:	100	98	108	150	197	212	247
D	106	101	92	88	90	89	93	99	107	100	98	96	95	112	125	131
GR	:	:	:	:	:	:	:	:	:	100	92	47	22	22	19	18
F	109	113	112	105	102	103	105	105	107	100	97	94	106	113	118	123
IRL	:	:	:	:	131	125	161	169	153	100	116	108	123	195	192	214
I	263	235	201	168	151	132	126	121	110	100	97	88	87	99	103	118
L	185	177	135	113	99	108	127	115	121	100	123	136	151	175	:	:
NL	:	:	:	:	107	117	114	107	115	100	95	99	126	155	163	157
UK	:	126	137	125	124	136	145	141	124	100	95	95	109	113	114	119
EUR	:	126	121	109	106	106	108	108	110	100	96	93	99	111	117	124

(a) These figures are based on the results of the EC Survey on realized investments after the application of the deflator of gross capital formation
Source: European Community investment survey

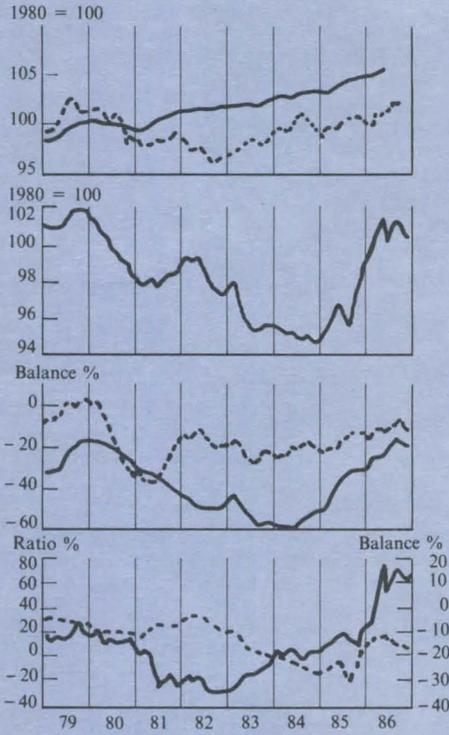
GRAPHS 4-9: Indicators of output and economic sentiment

GRAPH 4: Federal Republic of Germany



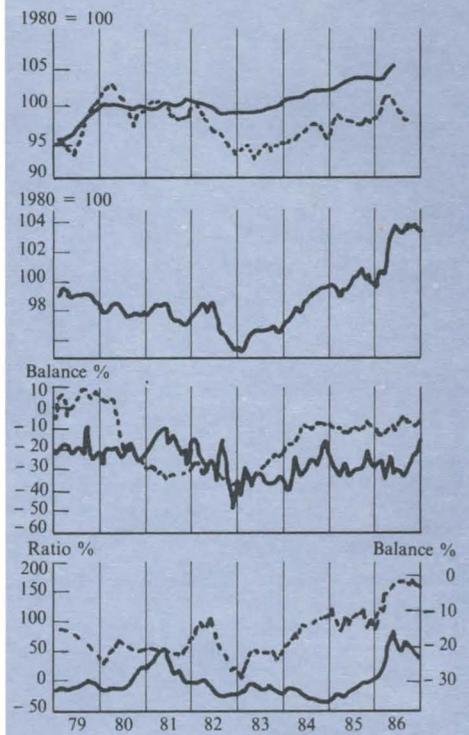
¹ Three-month moving average.
² See notes to Table 6.
³ Deviations from trend in %.

GRAPH 5: France



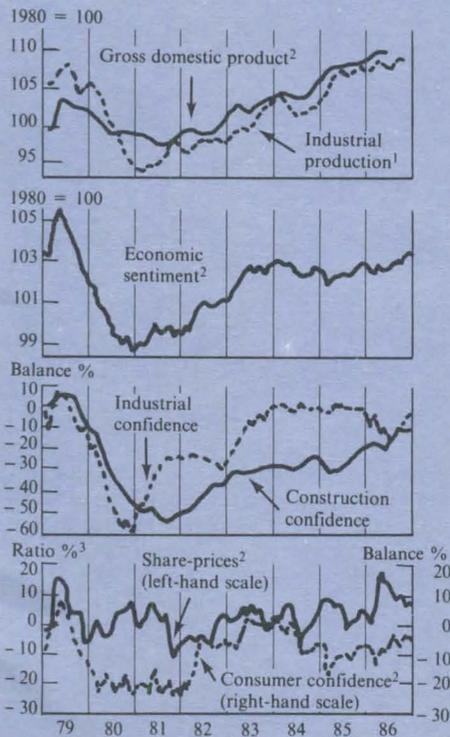
For explanations, see Graph 4.

GRAPH 6: Italy



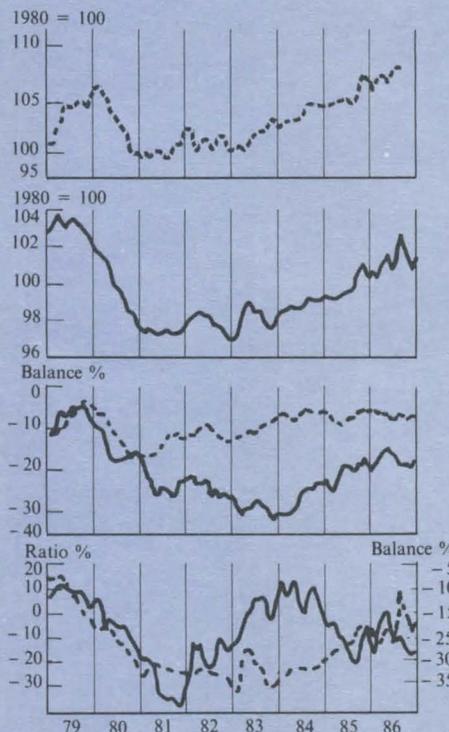
For explanations, see Graph 4.

GRAPH 7: United Kingdom



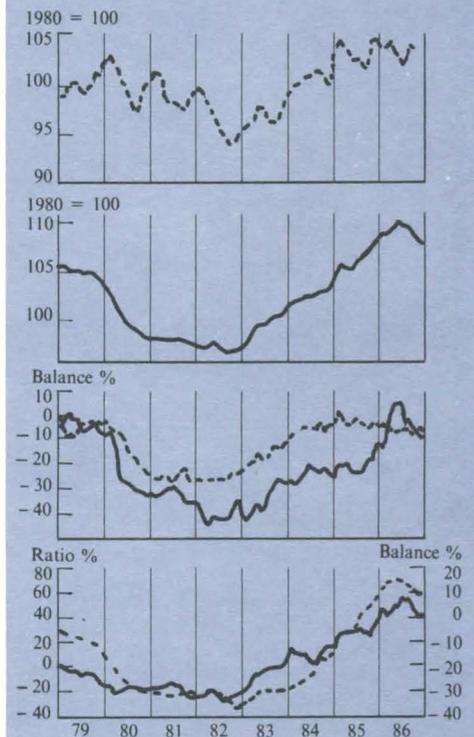
¹ Three-month moving average.
² See notes to Table 6.
³ Deviations from trend in %.

GRAPH 8: Belgium



For explanations, see Graph 7.

GRAPH 9: Netherlands



For explanations, see Graph 7.

TABLE 6: Indicators of output and economic sentiment

	Range (b)		Range (b)		1986	1986			1986					
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.
B <i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	102,5	76,5	106,3	92,4	:	106,4	107,9	:	110,7	107,4	105,5	:	:	:
1. industrial confidence indicator	+19	-56	-4	-35	-13	-13	-14	-14	-15	-13	-13	-15	-13	-14
2. construction confidence indicator	+9	-36	-7	-65	-35	-30	-35	-37	-33	-37	-36	-36	-38	-34
3. consumer confidence indicator (c)	7	-18	-7	-31	-17	-19	-14	-17	-17	-10	-14	-15	-19	-16
4. share-price index (c)	155,1	98,0	114,3	75,0	272,2	274,6	281,4	293,0	270,2	286,3	287,6	284,1	292,5	302,5
= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,1	101,1	101,8	101,2	101,1	102,6	101,8	101,4	100,7	101,4
DK <i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	:	107,7	95,5	:	129,8	125,1	:	125,8	122,8	126,7	129,5	:	:
1. industrial confidence indicator	:	:	:	-22	+1	+1	-1	-2	-1	(-1)	(-1)	-2	(-2)	(-2)
2. construction confidence indicator	:	:	:	-36	+14	+21	+14	+6	+14	(+14)	(+14)	+6	(+6)	(+6)
3. consumer confidence indicator (c)	:	-16	5	-22	-3	-4	-5	-11	-6	-2	-8	-4	-16	-13
4. share-price index (c)	:	:	:	:	422,7	458,4	392,8	376,6	390,9	403,0	384,6	380,2	371,8	377,7
= 5. economic sentiment indicator	:	:	:	:	:	102,7	101,8	:	101,9	101,9	101,6	101,5	101,0	:
D <i>gross domestic product</i> 1980=100	85,1	83,3	101,2	98,9	:	109,7	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	92,0	82,4	103,1	91,4	:	107,3	107,8	:	108,8	107,7	106,8	106,6	:	:
1. industrial confidence indicator	+10	-49	+2	-40	-7	-7	-6	-9	-6	-6	-7	-8	-10	-10
2. construction confidence indicator	-4	-72	+11	-64	-33	-35	-27	-27	-28	-26	-26	-23	-29	-28
3. consumer confidence indicator (c)	:	-22	9	-31	3	3	5	5	4	6	5	6	5	5
4. share-price index (c)	109,0	75,2	115,6	97,6	295,7	302,2	289,4	295,4	272,2	296,0	299,9	292,0	294,6	299,6
= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	101,7	101,7	101,8	101,4	101,6	102,1	101,8	101,7	101,3	101,3
F <i>gross domestic product</i> 1980=100	85,4	84,2	99,8	102,4	:	108,2	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	96,7	82,2	105,2	94,8	:	101,3	103,5	:	103,8	103,8	103,0	103,0	:	:
1. industrial confidence indicator	+29	-49	+5	-39	-12	-13	-9	-12	-11	-9	-6	-11	-13	-12
2. construction confidence indicator	:	:	-17	-57	-22	-24	-18	-19	-18	(-18)	(-18)	-19	(-19)	(-19)
3. consumer confidence indicator (c)	:	-9	3	-27	-14	-12	-14	-16	-14	-14	-15	-15	-16	-17
4. share-price index (c)	86,6	53,6	101,2	82,7	338,7	345,4	359,4	366,1	347,7	362,7	367,7	356,5	359,3	382,5
= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	100,5	100,8	100,9	100,3	100,7	101,1	101,0	100,5	100,2	100,3
IRL <i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	80,4	72,3	103,8	99,6	:	129,5	129,5	:	123,3	131,8	133,5	:	:	:
1. industrial confidence indicator	:	-41	+20	-40	-8	-10	-9	-7	-14	0	-14	-8	-7	-6
2. construction confidence indicator	:	:	:	:	-38	-37	-32	-30	-32	(-32)	(-32)	-30	(-30)	(-30)
3. consumer confidence indicator (c)	:	-41	12	-44	-28	-27	-26	-32	-24	-26	-28	-29	-33	-35
4. share-price index (c)	85,8	29,9	112,2	79,4	232,1	240,0	240,5	246,7	249,6	246,6	225,2	231,1	252,2	256,7
= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,2	100,4	100,5	99,8	100,7	100,8	100,0	100,1	99,8	99,5
I <i>gross domestic product</i> 1980=100	80,4	77,2	101,2	98,2	:	107,8	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	87,9	72,6	104,7	98,1	:	100,4	97,0	:	98,4	94,0	98,6	98,2	:	:
1. industrial confidence indicator	+31	-59	+13	-41	-9	-9	-7	-6	-6	-8	-6	-7	-6	-6
2. construction confidence indicator	-8	-56	-5	-51	-26	-29	-29	-18	-32	-30	-25	-21	-21	-13
3. consumer confidence indicator (c)	:	-39	-12	-29	-4	-3	-2	-3	-2	-2	-3	-2	-3	-3
4. share-price index (c)	169,6	68,5	185,0	116,9	667,0	715,8	730,7	732,2	671,0	766,0	755,0	758,1	740,6	697,8
= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,6	104,1	104,2	104,0	104,0	104,3	104,2	104,3	104,0	103,8
NL <i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	94,8	87,1	117,5	90,7	:	104,0	106,3	:	106,0	105,0	108,0	104,0	:	:
1. industrial confidence indicator	+12	-44	+4	-31	-5	-6	-6	-5	-4	-5	-7	-5	-5	-6
2. construction confidence indicator	+3	-47	+3	-46	-3	+6	-3	-8	-3	-2	-4	-6	-9	-7
3. consumer confidence indicator (c)	6	-15	5	-37	5	+7	+4	+1	+6	+4	+2	+3	0	+1
4. share-price index (c)	:	86,3	122,8	92,8	327,6	329,4	344,9	331,9	342,2	349,1	343,5	326,9	333,5	335,2
= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	107,8	108,7	107,9	106,9	108,3	108,0	107,3	107,2	106,7	106,8
UK <i>gross domestic product</i> 1980=100	94,6	91,0	102,5	97,7	:	111,7	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	92,7	89,6	110,0	93,8	:	108,9	110,5	:	109,9	110,6	110,9	110,0	:	:
1. industrial confidence indicator	:	:	+9	-60	-8	-12	-10	-4	-13	-9	-9	-6	-2	-3
2. construction confidence indicator	:	:	+7	-60	-14	-19	-11	-10	-11	(-11)	(-11)	-10	(-10)	(-10)
3. consumer confidence indicator (c)	:	-33	14	-26	-7	-7	-5	-4	-3	-5	-6	-3	-3	-6
4. share-price index (c)	78,5	23,3	111,6	104,4	301,1	308,6	305,5	309,7	303,9	301,7	310,8	302,4	312,4	314,4
= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	103,1	102,8	103,2	103,4	103,1	103,2	103,2	103,4	103,6	103,3
EUR <i>gross domestic product</i> 1980=100	85,1	85,5	101,1	101,0	:	109,4	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	92,9	83,0	103,2	94,6	:	106,0	105,7	:	106,3	104,5	106,2	106,3	:	:
1. industrial confidence indicator	+16	-49	+3	-36	-9	-10	-8	-8	-9	-8	-7	-8	-8	-8
2. construction confidence indicator	:	:	-1	-48	-23	-25	-20	-19	-20	(-20)	(-19)	-18	(-20)	(-20)
3. consumer confidence indicator (c)	5	-17	1	-22	-6	-5	-5	-6	-4	-4	-6	-5	-6	-6
4. share-price index (c)	:	47,0	115,4	111,7	329,9	340,0	336,6	339,5	326,8	339,9	343,2	335,0	339,7	343,8
= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	102,6	102,7	103,0	102,6	103,0	103,2	102,8	102,8	102,5	102,5

(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

(b) For the Federal Republic of Germany, gross national product for quarterly data.

(c) Not seasonally adjusted.

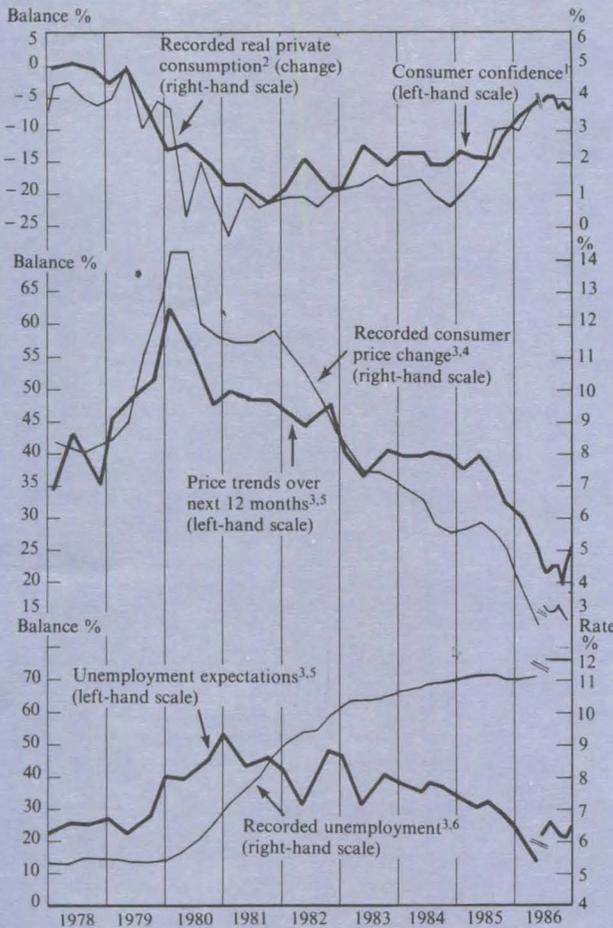
TABLE 7: **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

	Range (b)		Range (b)		1986		1986		1986					
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.	
B														
production expectations	+31	-56	-4	-37	-7	-6	-8	-9	-12	-7	-4	-8	-8	-10
order-books	+13	-74	-14	-49	-25	-29	-25	-26	-26	-23	-25	-27	-25	-26
export order-books	+15	-82	-19	-55	-30	-35	-29	-30	-33	-26	-27	-32	-30	-29
stocks of finished products	-14	+37	+2	+18	+7	+5	+8	+8	+7	+8	+10	+9	+7	+7
selling-price expectations	+64	-10	+39	+12	+5	+2	0	-4	-2	+3	0	-3	-2	-8
industrial confidence indicator	+19	-56	-4	-35	-13	-13	-14	-14	-15	-13	-13	-15	-13	-14
DK														
production expectations	:	:	:	+8	+7	+4	+4	+7	+4	:	:	+7	:	:
order-books	:	:	:	-34	+9	+12	+9	0	+9	:	:	0	:	:
export order-books	:	:	:	+14	-2	+1	-2	-9	-2	:	:	-9	:	:
stocks of finished products	:	:	:	+24	+14	+14	+15	+14	+15	:	:	+14	:	:
industrial confidence indicator	:	:	:	-22	+1	+1	-1	-2	-1	:	:	-2	:	:
D														
production expectations	+17	-32	+10	-30	+2	+1	+2	+1	+1	+2	+3	+3	-1	0
order-books	+5	-73	-6	-59	-15	-16	-14	-19	-14	-14	-15	-17	-19	-20
export order-books	:	:	-14	-50	-20	-18	-20	-27	-16	-20	-23	-26	-28	-26
stocks of finished products	-7	+43	-2	+31	+7	+7	+6	+10	+5	+5	+9	+11	+10	+9
selling-price expectations	+55	+4	+38	+4	+7	+4	+8	+7	+7	+10	+6	+10	+7	+4
industrial confidence indicator	+10	-49	+2	-40	-7	-7	-6	-9	-6	-6	-7	-8	-10	-10
GR														
production expectations	:	:	:	:	+21	+28	+19	+11	+23	+21	+19	+13	+13	+7
order-books	:	:	:	:	-16	-16	-20	-25	-21	-20	-20	-22	-26	-27
export order-books	:	:	:	:	-24	-22	-24	-24	-34	-27	-20	-20	-26	-26
stocks of finished products	:	:	:	:	+12	+10	+11	+15	+13	+12	+9	+13	+19	+12
selling-price expectations	:	:	:	:	+16	+16	+15	+8	+16	+14	+14	+12	+8	+3
industrial confidence indicator	:	:	:	:	-3	+1	-4	-10	-4	-4	-3	-7	-11	-11
F														
production expectations	+33	-29	+18	-20	+1	-2	+7	0	+5	+7	+9	+2	0	-1
order-books	+26	-69	0	-56	-23	-23	-20	-23	-23	-20	-16	-23	-24	-23
export order-books	+24	-66	+10	-52	-28	-29	-28	-30	-32	-28	-24	-32	-30	-27
stocks of finished products	-14	+50	+3	+42	+15	+14	+16	+13	+15	+13	+11	+12	+14	+12
selling-price expectations	+76	+15	+62	+17	+14	+13	+14	+9	+14	+14	+14	+13	+7	+4
industrial confidence indicator	+29	-49	+5	-39	-12	-13	-9	-12	-11	-9	-6	-11	-13	-12
IRL														
production expectations	:	-21	+40	-33	+10	+14	+9	+8	+6	+21	0	+10	+6	+9
order-books	:	-68	+18	-55	-22	-29	-24	-20	-28	-13	-31	-22	-20	-17
stocks of finished products	:	+35	-6	+33	+13	+16	+13	+10	+19	+9	+11	+13	+7	+10
selling-price expectations	:	+64	+77	+20	-5	-16	-10	+8	-18	-13	+2	+9	+13	+3
industrial confidence indicator	:	-41	+20	-40	-8	-10	-9	-7	-14	0	-14	-8	-7	-6
I														
production expectations	+40	-43	+24	-26	+9	+13	+10	+7	+15	+6	+9	+5	+10	+7
order-books	+30	-82	+7	-66	-22	-23	-21	-17	-23	-19	-20	-20	-17	-13
export order-books	+13	-67	-6	-59	-30	-33	-29	-27	-34	-28	-26	-25	-26	-29
stocks of finished products	-24	+53	-8	+32	+14	+18	+10	+10	+10	+12	+7	+7	+10	+13
selling-price expectations	+76	+10	+87	+37	+15	+15	+9	+8	+11	+6	+11	+6	+7	+10
industrial confidence indicator	+31	-59	+13	-41	-9	-9	-7	-6	-6	-8	-6	-7	-6	-6
L														
production expectations	+84	-80	+40	-66	-20	-7	-38	-36	-35	-38	-41	-41	-37	-30
order-books	:	:	+8	-70	-3	-2	-1	-3	+4	-5	-1	-1	+1	-9
export order-books	:	:	+9	-80	-22	-14	-10	-45	-2	-16	-12	-46	-36	-52
stocks of finished products	-14	+74	0	+58	+3	+6	+3	+1	+2	+5	+1	+6	-2	-2
selling-price expectations	:	-46	+74	-38	-30	-48	-20	-31	-51	-39	+30	-25	-29	-40
industrial confidence indicator	:	:	+16	-65	-5	-5	-14	-13	-11	-16	-14	-16	-11	-12
NL														
production expectations	+26	-26	+20	-13	+4	+2	+4	+6	+7	+5	0	+6	+7	+4
order-books	+7	-48	-5	-42	-12	-12	-13	-15	-13	-13	-14	-14	-15	-16
stocks of finished products	-3	+57	+3	+39	+6	+7	+7	+6	+7	+7	+8	+7	+6	+6
industrial confidence indicator	+12	-44	+4	-31	-5	-6	-5	-5	-4	-5	-7	-5	-5	-6
UK														
production expectations	:	:	+29	-52	+11	+9	+8	+15	+4	+9	+12	+15	+17	+14
order-books	:	:	-2	-85	-18	-24	-22	-14	-24	-20	-22	-20	-10	-12
export order-books	:	:	-11	-72	-19	-21	-24	-15	-27	-22	-22	-19	-13	-13
stocks of finished products	:	:	-1	+42	+16	+20	+17	+12	+19	+15	+16	+13	+12	+10
selling-price expectations	:	:	+70	+7	+15	+13	+15	+18	+16	+14	+16	+16	+18	+20
industrial confidence indicator	:	:	+9	-60	-8	-12	-10	-4	-13	-9	-9	-6	-2	-3
EUR														
production expectations	+24	-30	+15	-24	+5	+4	+6	+5	+5	+6	+8	+6	+5	+4
order-books	+15	-70	-7	-56	-19	-21	-19	-18	-21	-18	-19	-20	-18	-17
export order-books	:	:	-12	-50	-23	-25	-24	-25	-25	-23	-23	-26	-24	-24
stocks of finished products	-10	+48	-1	+31	+12	+14	+11	+11	+11	+11	+11	+11	+12	+11
selling-price expectations	+64	+9	+53	+22	+12	+10	+10	+10	+10	+10	+11	+11	+8	+8
industrial confidence indicator	+16	-49	+3	-36	-9	-10	-8	-8	-9	-8	-7	-8	-8	-8

(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 1979-1983, respectively.

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

GRAPH 10: Consumer survey results and objective economic indicators — European Community⁷



For notes, Table 8.
Sources: European Community consumer survey and Eurostat.

industry, while still remaining positive (+4 in December compared with +8 in September; balance). The only countries where production plans are now essentially more expansionary than the average are the United Kingdom (+14; balance) and Italy (+7; balance). On the other hand, German and French companies consider that industrial production will on the whole show no growth in the next three months. With regard to prices, companies again expect no threats to price stability in the Community as a whole, with the risks increasing slightly in the United Kingdom and Italy only.

Consumer confidence indicator remains stationary — In the near future private consumption will continue to be the chief factor underpinning economic activity. But the most recent consumer survey results give no grounds for hoping that the rise in private consumer demand (seasonally adjusted) will accelerate further in the next few months. In December, the consumer confidence indicator again stayed at the level prevailing since September. As an exception to the stationary overall trend, consumer confidence picked up slightly in Denmark and Belgium, after a setback in the previous month. By contrast, the consumer climate became slightly overcast in the United Kingdom, Portugal and Ireland; this took the Irish confidence indicator further away from the average value for Europe, while the effect in the United Kingdom and Portugal was merely to wipe out the lead which had existed in this indicator.

The judgments of European consumers on the *present general economic situation* remained stable in December, as did their assessments of their own financial positions, but *expectations as to how both would develop in the next twelve months* have worsened slightly. The only exceptions are Belgium and Denmark where expectations again tended to be slightly more positive.

Intentions of purchasing consumer durables are still strongest in the Federal Republic of Germany (+7, compared with +5 in November; balance) and in the United Kingdom, though here

demand will grow less vigorously in the next few months than hitherto (+15 compared with +18 in November and +30 in October; balance). In Denmark, purchasing intentions fell sharply in November (from +4 to -31; balance) after the economic policy measures to restrain consumer demand and to improve the balance of payments, but in December recovered slightly (-25; balance). In Italy and Belgium there are also signs of a slightly improving trend. In France and the Netherlands, the existing demand trend will continue, but it will weaken in Spain, Portugal and especially Ireland.

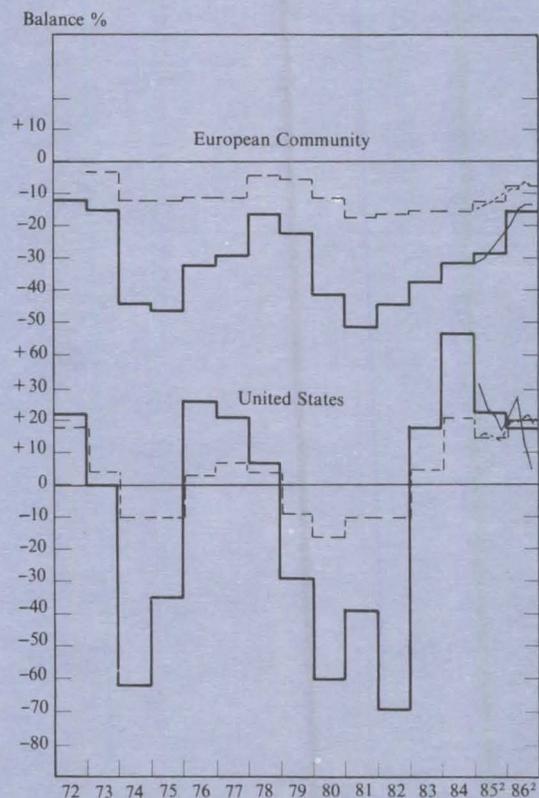
In most member countries, consumers noted a further slowdown in *price rises* in December; only in the United Kingdom, Italy and Portugal have there been slightly more reports of price rises. For the next few months prices are expected to rise a little faster everywhere, except Denmark and the Netherlands. But price expectations in general are markedly lower than in previous years, except in the United Kingdom.

Prospects on the *labour market* for the next twelve months were rated slightly less favourably than hitherto in most member countries. The only real exception is the Netherlands where the unemployment figures are expected to fall slightly more frequently than hitherto (-7; balance).

Connection between consumers' assessments of their own financial situation and of the economy as a whole
Comparison of the Community and the United States
(see Graphs 11 and 12)

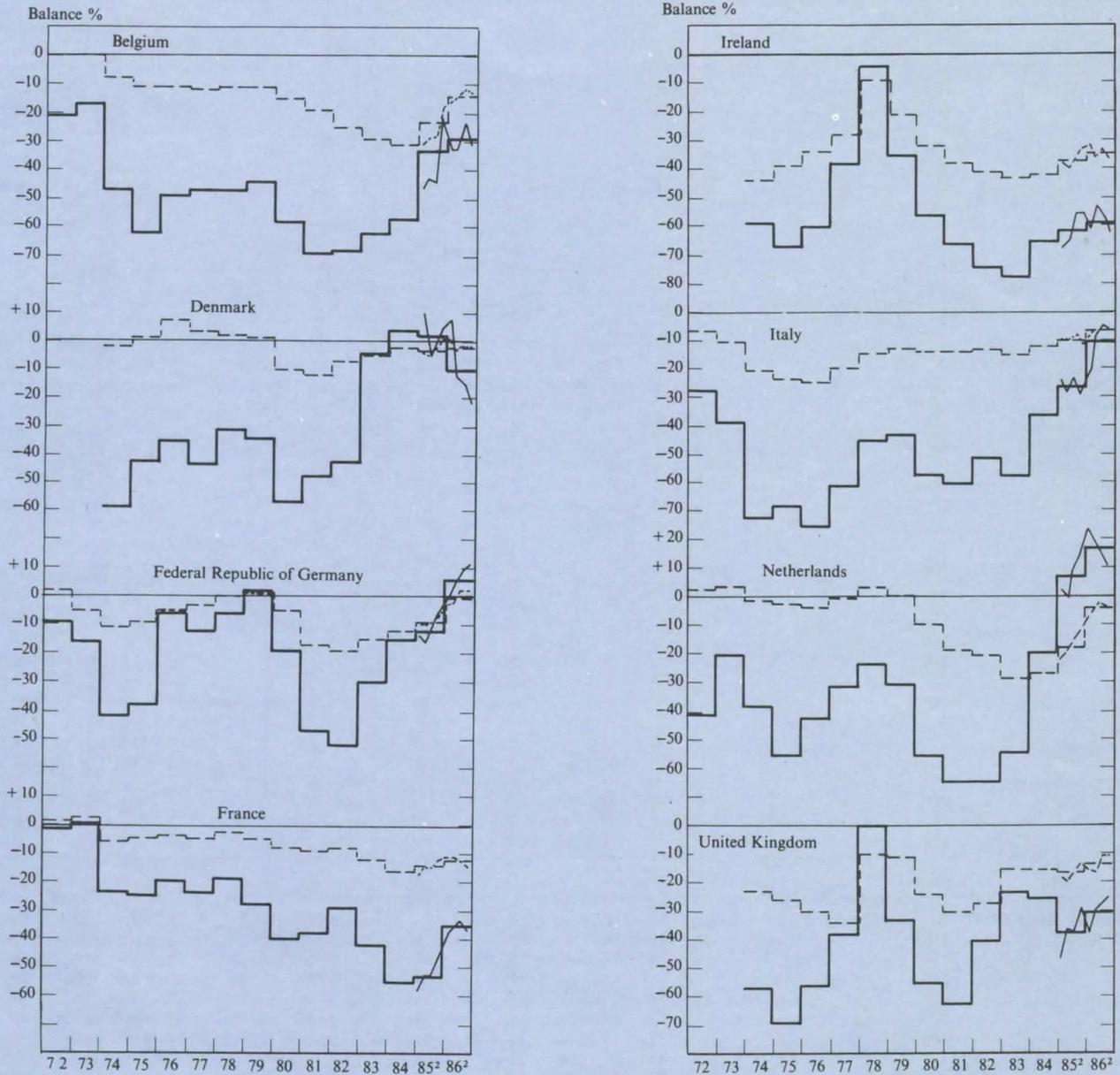
United States consumers' assessments of the general economic situation improved by leaps and bounds in the period 1982 to 1984. In the Community the economic upswing was appreciably more moderate and the upwards trend in this series of assessments was correspondingly flatter. Since the end of 1984/beginning of 1985 the economic cycle has passed its peak in the United States, and as expected the number of positive assessments of the general economic situation by United States consumers has

GRAPH 11: Consumers' assessments¹ of their financial position (---) and of the general economic situation (—)



¹ Ex post
² Yearly and quarterly averages.
Sources: EC: European Community consumer survey.
United States: University of Michigan, Institute for Social Research: Surveys of consumer attitudes.

GRAPH 12: Consumers' assessments¹ of their financial situation (---) and of the general economic situation (—)



¹ Ex post.
² Yearly and quarterly averages
 Source: European Community Consumer survey.

diminished; on the whole, however, Americans' confidence in their economy has until recently remained quite high. The general slowdown in the economy has so far hardly affected consumers' assessments of their own financial situation in the United States; the most recent survey results on this subject were still as favourable as in 1976, i.e. at the peak of the previous cycle. This probably also goes a long way towards explaining why consumer demand in the United States has remained lively until recently.

In the Community both time series still give no sign of an end to the upswing. Over the whole period under review (1972 - 86) European consumers judged their own financial situation more favourably than the general economic situation. The considerable discrepancy between these two series which was evident in

the recession years 1981/82 has narrowed steadily as the cyclical upswing continues. Most recently, both series more or less matched one another in the majority of member countries, and sometimes assessments of the general situation were actually more favourable than assessments of consumers' own financial situation (Netherlands, Federal Republic of Germany). But this pattern is not followed in the United Kingdom, and even less in Ireland and France, with a considerable gap still existing between consumers' assessments of their personal situations (more favourable) and of the economy as a whole (less favourable).

TABLE 8: Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986							
										May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CONSUMER CONFIDENCE INDICATOR ^(b)	B	-8	-10	-20	-27	-27	-28	-27	-21	-17	-21	-17	-10	-14	-15	-19	-16
	DK	-1	-2	-19	-17	-12	0	6	4	-5	-6	:	-2	-8	-4	-16	-13
	D	5	6	-5	-22	-26	-15	-10	-7	1	5	4	6	5	6	5	5
	GR	:	:	:	:	0	-11	-4	-5	-21	-19	-19	-23	-21	-21	-23	-26
	E	:	:	:	:	:	:	:	:	:	-12	-8	-7	-9	-10	-10	-10
	F	1	-5	-10	-9	-5	-15	-23	-21	-11	-15	-14	:	-15	-15	-16	-17
	IRL	8	-10	-22	-28	-34	-39	-33	-29	:	-24	-26	-28	-29	-33	-35	
	I	-18	-17	-22	-22	-18	-24	-15	-12	-3	-2	-2	:	-3	-2	-3	-3
	NL	-1	-8	-25	-31	-32	-30	-22	-7	9	7	6	4	2	3	0	1
	P	:	:	:	:	:	:	:	:	:	-10	-6	-10	-6	-4	-4	-9
	UK	8	-4	-18	-21	-12	-3	-4	-10	-8	-6	-3	-5	-6	-3	-3	-6
		EUR (c)	0	-3	-13	-19	-17	-15	-14	-12	-5	-5	-4	-4	-6	-5	-6
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-11	-15	-19	-25	-29	-31	-23	-15	-15	-13	-10	-12	-14	-16	-12
	DK	2	1	-10	-12	-7	-4	-2	-3	-4	-3	:	0	-2	0	-5	-1
	D	1	2	-4	-16	-18	-14	-11	-8	-2	1	1	3	4	2	2	4
	GR	:	:	:	:	-2	-13	-8	-8	-24	-23	-23	-27	-27	-26	-28	-31
	E	:	:	:	:	:	:	:	:	:	-12	-9	-11	-10	-12	-11	-9
	F	-2	-4	-7	-8	-7	-11	-15	-13	-8	-13	-11	:	-12	-12	-14	-14
	IRL	-9	-21	-32	-38	-41	-43	-42	-37	:	:	-35	-31	-33	-34	-36	-36
	I	-14	-13	-14	-14	-13	-15	-12	-10	-6	-5	-6	:	-5	-5	-6	-6
	NL	4	1	-9	-18	-20	-28	-26	-17	-3	-2	-2	1	-2	-1	-3	-2
	P	:	:	:	:	:	:	:	:	:	-11	-8	-11	-6	-7	-6	-7
	UK	-10	-11	-24	-30	-27	-15	-15	-16	-16	-14	-11	-9	-10	-10	-8	-11
		EUR (c)	-4	-5	-11	-17	-16	-15	-15	-12	-8	-8	-7	-6	-6	-7	-7
— over last 12 months	B	-3	-3	-6	-9	-12	-15	-18	-13	-5	-7	-6	0	-3	-3	-5	-3
	DK	6	3	-8	-4	-2	0	3	3	-1	1	:	6	1	3	-4	0
	D	2	2	-3	-12	-14	-9	-6	-4	0	1	2	4	3	4	4	3
	GR	:	:	:	:	15	0	6	2	-11	-10	-10	-15	-15	-14	-18	-24
	E	:	:	:	:	:	:	:	:	:	5	4	5	3	1	2	1
	F	4	0	-2	0	0	-4	-7	-3	2	-5	-5	:	-5	-5	-5	-6
	IRL	1	-13	-19	-24	-23	-26	-22	:	:	-11	-15	-18	-15	-18	-18	
	I	-6	-7	-10	-8	-6	-8	-3	-2	1	1	2	:	1	2	1	1
	NL	1	1	-9	-13	-14	-21	-17	-6	3	2	0	1	3	1	3	3
	P	:	:	:	:	:	:	:	:	:	2	3	-1	3	6	3	-2
	UK	3	-1	-13	-15	-9	-2	-3	-5	-3	-1	1	-2	-2	-1	0	-1
		EUR (c)	2	0	-6	-9	-8	-7	-6	-4	0	-1	0	0	-1	0	0
— over next 12 months	B	-28	-29	-45	-51	-43	-38	-33	-17	-14	-15	-15	-2	-6	-13	-18	-15
	DK	-21	-24	-42	-29	-23	3	6	4	-6	-9	:	-7	-12	-10	-17	-16
	D	-1	1	-19	-33	-32	-14	-10	-6	3	4	5	5	3	4	2	2
	GR	:	:	:	:	25	6	10	3	-13	-11	-14	-17	-14	-15	-23	-26
	E	:	:	:	:	:	:	:	:	:	5	5	6	1	1	0	2
	F	-15	-29	-40	-27	-23	-36	-45	-34	-16	-21	-17	:	-16	-19	-21	-22
	IRL	2	-26	-35	-38	-42	-45	-29	-26	:	-20	-25	-29	-29	-32	-31	
	I	-14	-19	-30	-30	-24	-25	-9	-8	7	9	4	:	4	4	4	1
	NL	-16	-26	-48	-42	-42	-28	-5	10	19	14	11	4	-1	4	1	3
	P	:	:	:	:	:	:	:	:	:	7	5	-2	9	9	9	0
	UK	5	-16	-24	-23	-10	-5	-10	-16	-12	-12	-12	-18	-13	-10	-5	-9
		EUR (c)	-8	-16	-30	-30	-24	-21	-18	-14	-4	-4	-4	-5	-5	-5	-5
PRICE TRENDS	B	59	55	65	69	77	78	78	72	53	47	47	37	41	40	42	36
	DK	47	39	50	51	48	26	26	26	16	19	:	14	6	8	7	5
	D	16	25	44	52	46	23	15	9	-18	-20	-18	-23	-21	-24	-25	-26
	GR	:	:	:	:	15	30	24	26	36	40	37	39	42	39	36	38
	E	:	:	:	:	:	:	:	:	:	48	45	45	46	49	45	43
	F	60	70	79	77	62	55	58	44	13	13	11	:	9	4	8	5
	IRL	57	80	85	87	87	80	71	59	:	:	38	44	42	41	44	42
	I	67	72	80	79	72	69	55	49	37	31	31	:	29	31	32	33
	NL	47	43	62	68	63	43	41	22	8	-8	-13	-22	-14	-18	3	-7
	P	:	:	:	:	:	:	:	:	:	38	31	33	29	28	29	31
	UK	35	48	59	41	31	15	19	24	17	12	11	12	13	9	13	17
		EUR (c)	42	49	63	62	53	40	37	30	10	12	12	11	10	9	11

TABLE 8 (continued): Consumer opinion on economic and financial conditions(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986								
										May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
PRICE TRENDS (cont.)	B	22	33	42	40	45	40	37	36	29	26	21	21	22	23	21	22	
	DK	27	29	38	31	31	12	16	15	9	9	:	6	5	7	7	1	
	D	33	44	51	50	43	30	28	25	4	2	1	0	-1	-3	-1	1	
	GR	:	:	:	:	25	37	38	42	43	44	46	46	45	45	41	47	
	E	:	:	:	:	:	:	:	:	:	16	18	16	24	21	20	22	
	F	41	46	50	39	42	37	32	27	35	28	21	:	10	7	14	18	
	IRL	36	59	56	52	46	39	35	32	:	:	10	22	28	29	23	28	
	— over next 12 months	I	44	56	60	58	56	54	46	48	33	27	31	:	34	33	36	37
	NL	36	48	61	52	50	38	25	17	3	-2	0	6	7	-1	5	4	
	P	:	:	:	:	:	:	:	:	:	14	11	14	11	11	12	21	
	UK	21	34	43	31	29	27	40	43	26	21	25	31	33	30	35	38	
	EUR (c)	34	44	51	44	42	35	35	32	21	18	17	18	18	15	18	21	
UNEMPLOYMENT	B	42	42	57	67	60	57	44	37	27	40	37	33	29	36	40	37	
	DK	29	22	39	37	29	30	5	-4	-10	-2	:	0	2	9	27	24	
	D	10	3	20	43	43	30	20	16	-5	-2	-2	5	5	-1	3	9	
	GR	:	:	:	:	11	10	11	17	28	33	32	35	35	32	30	35	
	E	:	:	:	:	:	:	:	:	:	24	27	24	24	24	26	33	
	F	30	44	47	43	30	41	62	50	24	41	42	:	38	37	35	35	
	IRL	6	12	34	47	56	67	52	48	:	:	42	47	49	44	48	47	
	— over next 12 months	I	42	41	51	52	56	57	49	47	37	35	38	:	36	37	37	41
	NL	42	35	59	72	72	67	36	0	-25	-23	-11	5	-4	-2	-6	-7	
	P	:	:	:	:	:	:	:	:	:	27	25	32	27	27	21	26	
	UK	20	30	58	50	34	37	32	35	31	35	35	38	35	30	21	24	
	EUR (c)	25	27	43	48	42	41	38	32	15	23	25	27	25	23	22	26	
MAJOR PURCHASES	B	46	30	23	15	13	6	6	-18	-24	-31	-20	-19	-24	-22	-22	-17	
	DK	41	42	21	10	16	7	14	14	-3	-2	:	0	-3	4	-32	-25	
	D	31	25	18	-1	-17	-8	-9	-8	0	8	3	8	3	7	5	7	
	GR	:	:	:	:	-35	-35	-24	-20	-29	-28	-20	-23	-19	-24	-13	-11	
	E	:	:	:	:	:	:	:	:	:	-37	-29	-20	-24	-27	-23	-26	
	F	34	35	39	28	30	19	6	-4	0	0	-3	:	-8	-6	-4	-5	
	IRL	49	46	30	24	13	-6	-9	-2	:	:	-3	-4	-2	-9	-18	-23	
	— at present	I	-10	-3	2	4	1	-13	-15	-9	-9	-2	:	-10	-5	-9	-6	
	NL	28	13	-2	-17	-21	-18	-44	-29	-1	-4	0	-2	-1	-2	-9	-9	
	P	:	:	:	:	:	:	:	:	:	-37	-19	-25	-30	-27	-28	-30	
	UK	43	43	28	26	25	32	31	24	21	24	35	29	23	30	18	15	
	EUR (c)	29	27	22	12	6	5	0	-3	1	-2	1	2	-3	1	-3	-3	
— over next 12 months	B	-28	-29	-26	-28	-28	-30	-28	-30	-28	-24	-30	-23	-27	-27	-27	-25	
	DK	-9	-8	-14	-12	-10	-8	-7	-8	-12	-13	:	-13	-17	-12	-15	-12	
	D	-15	-15	-19	-25	-28	-29	-28	-26	-21	-19	-21	-18	-19	-19	-19	-18	
	GR	:	:	:	:	-24	-33	-38	-33	-48	-50	-44	-44	-50	-46	-38	-35	
	E	:	:	:	:	:	:	:	:	:	-24	-30	-21	-22	-27	-27	-34	
	F	-13	-16	-18	-13	-9	-10	-10	-9	-7	0	0	:	0	0	0	0	
	IRL	-13	-17	-19	-22	-27	-31	-25	-22	:	:	-20	-14	-18	-19	-21	-21	
	I	-16	-10	-17	-18	-22	-22	-21	-21	-22	-20	-22	:	-19	-20	-19	-23	
	NL	-14	-19	-23	-27	-27	-29	-27	-20	-16	-16	-14	-12	-13	-16	-15	-14	
	P	:	:	:	:	:	:	:	:	:	2	14	11	5	4	2	5	
	UK	-9	-6	-14	-19	-18	-15	-12	-14	-12	-11	-13	-10	-12	-12	-10	-12	
	EUR (c)	-12	-12	-17	-20	-20	-21	-19	-18	-16	-15	-16	-14	-14	-15	-15	-16	
SAVINGS	B	35	40	38	41	40	46	46	46	39	37	31	47	45	38	44	54	
	DK	7	11	15	23	26	40	41	50	46	41	:	45	39	47	47	49	
	D	34	46	43	32	27	33	38	41	38	46	44	47	48	48	47	44	
	GR	:	:	:	:	-25	-29	-20	-18	-29	-30	-32	-36	-33	-34	-31	-32	
	E	:	:	:	:	:	:	:	:	:	39	27	36	38	38	45	29	
	F	10	8	-3	-2	-5	0	6	11	18	-3	1	:	7	6	11	13	
	IRL	14	8	5	-3	-9	-3	-8	-1	:	:	-2	1	-15	-6	2	-7	
	— at present	I	6	4	-6	-7	10	21	33	37	49	48	47	:	47	51	50	46
	NL	13	19	19	27	38	35	34	41	45	48	44	50	44	50	45	53	
	P	:	:	:	:	:	:	:	:	:	-46	-36	-40	-46	-43	-43	-42	
	UK	-10	-5	6	5	5	10	17	20	18	19	22	21	23	25	24	22	
	EUR (c)	16	21	15	12	12	19	24	29	30	28	27	29	31	31	33	30	
— over next 12 months	B	-14	-14	-20	-21	-25	-26	-27	-33	-14	-10	-9	1	-5	-10	-8	-2	
	DK	-11	-12	-20	-19	-18	-12	-11	-7	-6	-6	:	-7	-8	-7	-12	-12	
	D	43	46	44	23	-2	1	3	3	7	13	8	16	15	13	15	12	
	GR	:	:	:	:	-37	-41	-39	-40	-47	-46	-47	-50	-54	-53	-47	-52	
	E	:	:	:	:	:	:	:	:	:	-32	-38	-36	-37	-37	-40	-32	
	F	-27	-29	-32	-32	-32	-35	-37	-36	-26	-32	-34	:	-32	-33	-33	-32	
	IRL	-5	-11	-13	-19	-22	-25	-37	-28	:	:	-24	-26	-29	-29	-28	-30	
	I	-35	-34	-32	-30	-22	-27	-20	-17	-8	-11	-6	:	-9	-8	-9	-9	
	NL	6	8	0	-1	-3	-8	-2	6	8	12	12	20	11	13	14	14	
	P	:	:	:	:	:	:	:	:	:	-44	-42	-42	-32	-36	-39	-40	
	UK	-4	-4	-16	-20	-17	-13	-12	-14	-19	-12	-13	-13	-12	-10	-6	-12	
	EUR (c)	1	2	-4	-11	-17	-17	-16	-15	-10	-12	-13	-11	-12	-12	-11	-12	

TABLE 8 (continued): Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986							
										May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
FINANCIAL SITUATION OF HOUSEHOLDS	B	11	12	9	7	6	5	6	5	13	13	15	19	15	13	11	14
	DK	10	9	4	4	4	8	8	11	9	13	:	11	8	12	9	9
	D	23	22	21	16	12	11	11	12	16	18	17	19	18	18	18	18
	GR	:	:	:	:	0	0	2	3	1	1	1	-1	-2	-1	2	-1
	E	:	:	:	:	:	:	:	:	:	1	7	3	5	4	4	7
	F	10	10	8	8	8	6	4	3	7	2	3	:	3	2	2	1
	IRL	11	8	2	-4	-1	-1	-1	-1	:	:	-3	-1	-2	0	-2	-2
	I	7	8	8	8	13	9	11	12	15	16	16	:	16	17	16	15
	NL	14	22	19	18	17	15	13	16	16	18	18	18	14	16	16	16
	P	:	:	:	:	:	:	:	:	:	-1	0	-1	5	2	2	3
UK	8	10	8	9	9	12	12	11	9	10	12	12	12	14	14	11	
	EUR (c)	14	15	12	11	10	9	9	9	12	11	12	12	11	11	11	

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

¹ The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.

² Quarterly data; percentage change on corresponding quarter of preceding year.

³ Quarterly data; monthly from May 1986 onwards.

⁴ Percentage changes on corresponding quarter resp. month of preceding year.

⁵ See table 8 for data and notes.

⁶ Seasonally adjusted.

⁷ EUR 10 up to May 1986; EUR 12 from June 1986 onwards.

Source: European Community consumer survey.

Institutes carrying out the surveys

Country	Survey: Manufacturing industry	Construction	Investment	Retail sale	Consumer
Belgium	BNB Banque Nationale de Belgique	BNB	BNB	BNB	DIMARSO Gallup Belgium
Denmark	DS Danmark Statistik	DS	DS	—	DS
Federal Republic of Germany	IFO Institut für Wirtschaftsforschung	IFO	IFO	IFO	GTK Gesellschaft für Konsumforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSS National Statistical Service
Spain	MIE Ministerio de Industria y Energia	—	MIE	—	GALLUP Instituto Gallup
France	INSEE Institut National de la Statistique et des Études Économiques	INSEE	INSEE	INSEE	INSEE
Ireland	CII and ESRI Confederation of Irish Industries and Economic and Social Research Institute	CIF Construction Industry Federation	CII and ESRI	—	AI Agricultural Institute
Italy	ISCO Istituto per lo Studio della Congiuntura	ISCO	ISCO	ISCO	ISCO
Luxembourg	STATEC Service Central de la Statistique et des Études Économiques	STATEC	STATEC	—	—
Netherlands	CBS Centraal Bureau voor de Statistiek	EIB	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
Portugal	INE Instituto Nacional de Estatística	—	INE	—	NORMA
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
'European Economy' (4 issues per year)	53,20	2 300	40,50	38	55,50	The annual subscription runs from 1 January to 31 December of each year.
Supplements						
Series A — 'Economic trends' (11 issues per year)	20,80	900	16	15	21,50	Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.
Series B — 'Business and consumer survey results' (11 issues per year)	20,80	900	16	15	21,50	
Complete series of supplements	33,60	1 450	25,60	24	35,50	These are surface mail rates; for air subscription rates please apply to the agents
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