

# EUROPEAN ECONOMY

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

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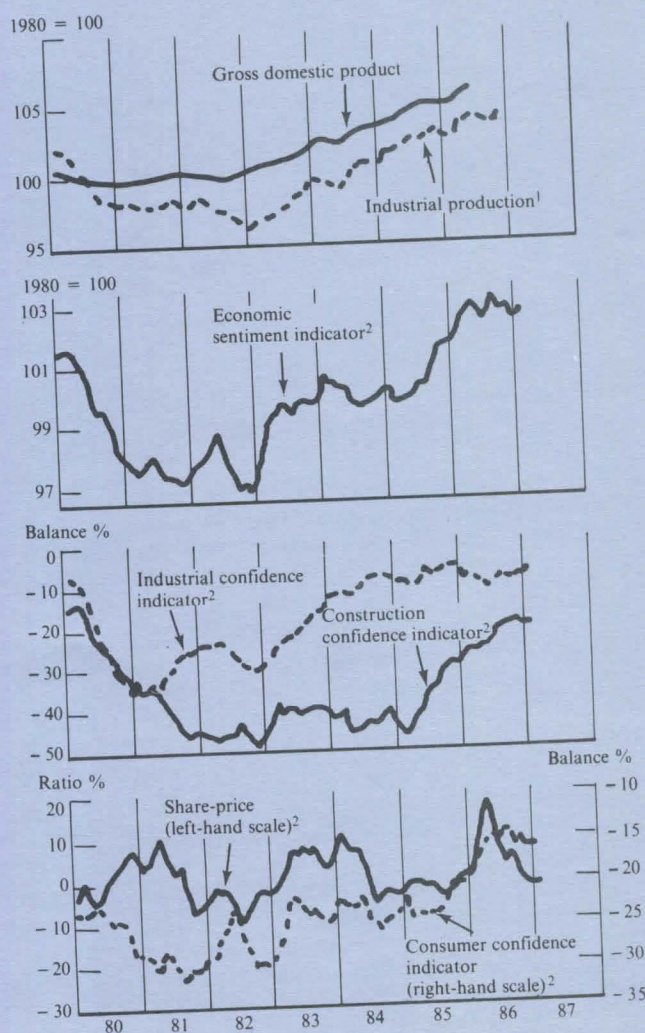
Business and consumer survey results

*In this number:  
Capacity utilization in industry*

## THE MAIN POINTS IN BRIEF

- In January 1987 capacity utilization in industry is slightly higher than last autumn (82.9 % compared with 82.1 % in October 1986). The level of utilization rose chiefly in British and Italian industry, while it fell in the Federal Republic of Germany.
- Production is now following a very different course in the member countries. British, Irish and Italian industrial firms in particular expect to increase their output further in the next few months, while Germany, Belgium, the Netherlands and Denmark show signs for the time being of flat or falling output.
- Selling price expectations in European industry are again low, with a somewhat greater increase in the United Kingdom only.
- In January the Community leading indicator was slightly up, but still at a rather low level.
- The consumer climate is still cheerful but shows no further improvement.

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



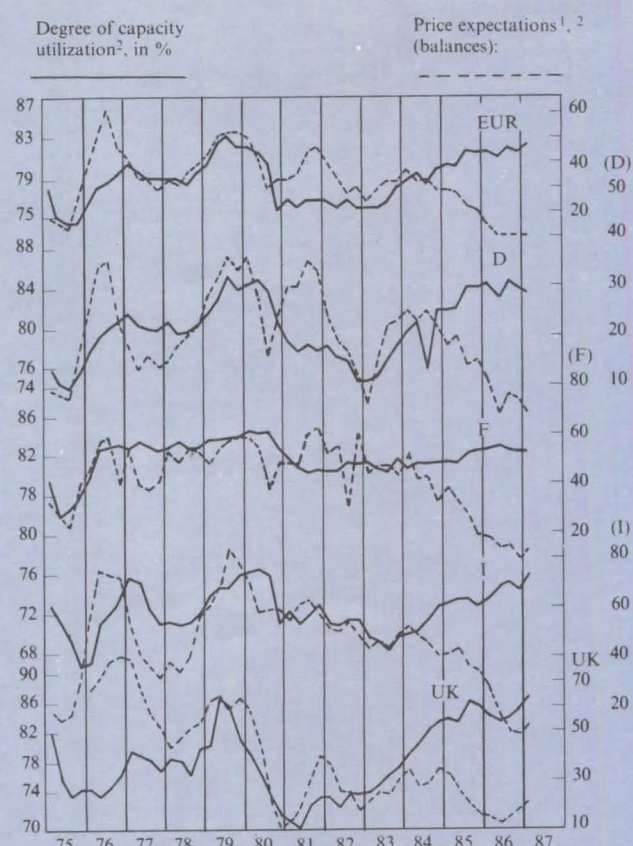
<sup>1</sup> Three-month moving average.

<sup>2</sup> See notes to Table 7.

<sup>3</sup> Deviations from trend in %.



GRAPH 2: Capacity utilization and selling price expectations in industry



<sup>1</sup> January 1987 monthly data only.

<sup>2</sup> Seasonally adjusted.

Sources: European Community business surveys.

**Capacity utilization up** — In January 1987 production facilities in European industry were utilized to a level of 82.9 %, somewhat higher than reported for the previous survey in October 1986 (82.1 %) and also up on a year ago (82.4 % in January 1986). This was chiefly due to the higher level of utilization in British, Italian, Irish and Greek industry. In the United Kingdom the degree of utilization recorded in January 1987 was even slightly ahead of the peak reached during the last cyclical upswing in 1979/80 (87.8 % compared with 87.6 %). Sterling's depreciation against most member country currencies probably helped substantially to increase production in British industry. Also, as in Italy, the economy is being stimulated by lively domestic demand. In industry in France, Belgium and the Netherlands, utilization remained virtually unchanged or rose slightly. But the degree of utilization was down in the Federal Republic of Germany (84.2 % compared with 84.8 % in October 1986) and in Luxembourg (77.9 % compared with 82.2 % in October 1986).

Broken down by *branches*, utilization in the Community as a whole fell chiefly in the metal products and mineral-oil refining industries (see Table 1). But capacity utilization was also slightly down in some major capital goods branches, such as mechanical and electrical engineering. Nevertheless the average level of utilization for the capital goods sector again rose slightly after the decline in autumn of last year: in addition to the still unbroken upward trend in the automobile industry, this was chiefly due to the shipbuilding industry where utilization has recently risen, though starting from a very low level. In the consumer goods branches, chiefly the clothing, footwear and furniture industries, lively final demand was reflected in a marked increase in production. The cyclical recovery, associated with improved capacity utilization, also continued in the non-metallic mineral products industry which is dependent on construction.

Approximately one quarter net of European industrial firms continued to describe *spare capacity* for the next twelve months as relatively ample. In line with improved utilization and expectations of expanding output, Italy and the United Kingdom were the only countries to show a distinct fall in reports of excess capacity. Despite expectations of falling production, there are only isolated cases of Dutch and Luxembourg companies expecting utilization problems. But in France and the Federal Republic of Germany there has been an increase in the proportion of firms which fear that their capacity will be underutilized in the next twelve months; in France this proportion (32 % of firms; balance) is distinctly higher than in Germany (18 %

TABLE 1: 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 (—)							
	1985		1986		1986		1987		1985		1986		1986	
					J	O	J					J	O	J
Industry as a whole	81.6	82.2	82.4	81.8	82.5	82.1	82.9	+26	+24	+25	+24	+24	+24	+24
Consumer goods	81.7	82.9	82.2	82.3	84.0	83.2	84.0	+31	+27	+27	+28	+29	+22	+23
Investment goods	82.2	82.5	82.8	82.8	83.0	81.5	82.5	+22	+23	+23	+19	+23	+25	+26
Intermediate goods	80.9	81.7	82.2	81.2	81.3	81.9	82.2	+27	+26	+24	+28	+26	+27	+27
Textile industry	83.3	82.0	83.6	82.9	80.3	81.1	81.7	+21	+27	+22	+26	+28	+31	+24
Footwear and clothing	87.3	85.5	87.2	85.2	84.7	84.9	87.0	+18	+20	+16	+16	+21	+27	+18
Timber/wooden furniture	78.3	79.9	79.4	79.2	80.2	80.8	83.0	+32	+30	+30	+29	+30	+31	+24
Manufacture of paper, paper products, printing of which:	85.9	85.2	85.2	84.0	85.6	86.0	87.7	+17	+18	+19	+13	+20	+19	+11
manufacture of paper*	89.5	89.7	88.7	89.6	90.8	89.5	90.0	+9	+11	+16	+7	+11	+10	+6
Leather	82.3	81.0	82.9	79.0	81.6	80.6	79.8	+9	+9	+12	+22	+2	—1	+26
Plastics	80.5	81.2	80.2	81.5	80.4	82.5	80.9	+20	+10	+16	+12	+9	+1	+13
Mineral-oil refining	75.7	82.6	79.4	83.2	83.0	84.7	84.1	+70	+58	+69	+66	+52	+46	+66
Metals	78.8	78.9	79.8	78.3	79.5	78.0	76.5	+38	+38	+26	+37	+41	+46	+44
Non-metallic mineral products	76.8	77.4	78.5	76.5	76.8	77.9	80.4	+49	+42	+50	+42	+42	+35	+24
Chemical industry	...	...	...	...	...	...	...	+8	+7	+5	+8	+7	+6	+6
Metal articles	78.6	80.5	80.9	81.1	81.1	79.0	80.4	+30	+25	+27	+23	+23	+25	+27
Mechanical engineering of which:	82.2	82.8	83.6	83.4	82.5	81.6	81.4	+24	+23	+18	+23	+24	+27	+28
machines tools	85.9	87.9	88.9	88.3	86.5	87.7	87.8	0	+5	—8	+9	+7	+10	+5
Office & data processing machinery*	85.3	83.3	83.5	82.1	82.8	84.8	82.7	0	+12	+10	+4	+16	+19	+14
Electrical engineering	83.9	82.3	83.2	83.0	82.8	84.1	83.4	+25	+18	+23	+18	+14	+18	+24
Motor vehicles	...	...	...	...	...	...	...	+43	+37	+44	+37	+42	+26	+28
Shipbuilding	67.6	70.9	74.7	69.0	74.4	65.5	68.9	+57	+52	+62	+62	+38	+47	+35
Rubber products	81.1	81.6	82.0	81.9	82.5	80.1	81.0	+20	+21	+22	+22	+12	+27	+14
Instrument engineering	85.0	83.4	83.8	83.2	84.2	82.4	83.3	+10	+15	+11	+9	+19	+21	+29

\* Not seasonally adjusted as time-series too short.

Source: European Community business surveys.

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

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

	Range (b)		1985		1986		1985			1986			1987
	Peak 1979	Trough 1981-82					A	J	O	J	A	J	O
B	+8	-22	-1	-6	-1	-1	+2	-7	-13	-1	-4	-7	-7
DK	:	-14	+21	+10	+15	+27	+11	+18	+16	+13	-6	-1	-1
D	+17	-26	-1	+1	-6	+4	+9	0	-12	+11	+3	-2	-2
F	+14	-35	-14	-8	-16	-13	-9	-11	-8	-9	-5	-10	-10
IRL	:	-46	-8	-12	-10	-6	-10	-10	-17	-19	-2	-19	-19
I	+7	-25	+6	+7	-5	+3	+19	+4	+8	+7	+7	+9	+9
L	+45	-67	+12	-22	+31	+6	+6	+3	-22	-29	-39	-32	-32
NL	+9	-6	+4	+1	+5	+11	0	-3	-1	+4	+5	0	0
UK	:	-21	+15	-5	+15	+12	+16	0	-11	-9	-1	+13	+13
EUR (c)	+14	-27	+2	-1	-2	+3	+10	-1	-6	+1	+1	+2	+2

**TABLE 3: 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)		1985		1986		1985			1986			1987
	Peak 1979	Trough 1981-82					A	J	O	J	A	J	O
D	+6	-15	+8	-3	+11	+6	+6	-1	-3	-3	-5	-7	-7
GR	:	-13	+27	+20	+24	+33	+23	+20	+21	+19	+18	+8	+8
F	+13	-23	+1	-7	-2	-5	+6	0	-6	-17	-4	-15	-15
IRL	:	-8	+12	+16	+8	+7	+24	+16	+19	+22	+6	+12	+12
I	+16	-14	+9	+9	+6	+6	+12	+1	+11	+14	+11	+13	+13
L	+62	-67	+2	-34	-6	+1	+7	+10	-41	-48	-55	-58	-58
NL	+20	-11	+4	+6	+3	+1	+8	+6	0	+8	+8	+10	+10
UK	:	-4	+15	+9	+16	+14	+9	+4	+14	+1	+16	+17	+17
EUR (c)	+11	-11	+7	+1	+7	+4	+7	0	0	+1	+3	0	0

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

	Range		Range		1985		1986		1985		1986		1987
	Peak 1973	Trough 1975	Peak 1979	Trough 1982-83					IV	I	II	III	IV
B	4.5	2.8	3.7	3.0	3.4	3.3	3.4	3.3	3.3	3.3	3.2	3.4	3.2
D	3.3	2.8	3.4	2.6	2.9	2.8	2.9	2.9	2.9	2.8	2.8	2.8	2.8
GR	:	:	:	5.0	5.1	5.9	4.9	6.0	5.2	6.1	6.0	6.1	6.1
F	3.5	2.7	4.2	3.3	3.1	2.8	3.1	2.9	2.7	2.9	2.8	3.2	3.2
IRL	2.2	1.8	2.6	1.5	2.0	1.9	1.9	1.9	2.2	1.8	1.8	1.5	1.5
I	4.7	3.7	5.3	3.8	4.4	4.0	4.4	4.1	4.1	3.8	3.8	4.0	4.0
L	3.5	1.4	2.4	1.7	1.9	2.5	1.9	2.7	2.7	2.3	2.4	2.1	2.1
NL	4.7	2.6	4.2	2.5	3.1	3.2	3.3	3.2	3.3	3.2	3.2	3.2	3.2
UK	:	:	4.2	1.9	3.7	3.9	4.5	3.6	3.9	3.8	4.3	3.8	3.8
EUR (c)	3.7	3.0	3.9	3.0	3.4	3.3	3.6	3.3	3.3	3.3	3.4	3.4	3.4

**TABLE 5: Capacity utilization in manufacturing industry (%) (a) (S.a.)**

	Range (b)		Range (b)		1985		1986		1985			1986			1987
	Peak 1973	Trough 1975	Peak 79-80	Trough 82-83					J	A	J	O	J	A	J
B	85.4	70.4	79.1	74.4	78.8	79.4	78.0	78.4	78.3	80.4	80.9	79.4	78.7	78.7	78.7
D	88.1	74.8	86.0	75.3	83.7	84.7	82.4	82.6	84.9	84.9	85.2	83.5	85.4	84.8	84.2
GR	:	:	:	74.4	75.5	77.0	75.2	74.1	76.2	76.4	77.1	76.3	77.3	77.3	79.0
F	87.8	76.6	85.3	81.1	82.8	83.3	82.5	83.0	83.3	83.3	83.5	83.2	83.0	83.0	83.0
IRL	:	:	68.1	56.8	67.3	73.0	65.9	61.8	72.7	68.8	74.8	76.2	73.0	69.1	71.3
I	78.8	68.0	77.3	69.1	74.0	75.2	73.8	74.3	74.3	73.5	74.2	75.5	75.9	75.1	76.7
L	:	:	83.0	66.5	80.9	84.2	79.0	82.6	79.5	87.8	83.3	83.6	82.2	77.9	77.9
NL	86.0	76.0	83.0	75.8	83.8	83.4	83.5	84.0	84.0	83.6	83.6	83.0	83.7	83.3	83.6
UK (e)	90.6	75.5	87.6	73.0	85.8	85.1	84.9	84.4	87.4	86.6	85.4	84.3	84.8	85.7	87.8
EUR (c)	86.4	75.0	83.9	76.4	81.6	82.2	81.0	80.9	82.4	82.0	82.4	81.8	82.5	82.1	82.9

**TABLE 6: 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)		1985		1986		1985			1986			1987
	Peak 1973	Trough 1975	Peak 79-80	Trough 82-83					O	J	A	J	O	J	J
B	-12	+58	+35	+53	+29	+26	+26	+24	+26	+26	+26	+29	+25	+25	+25
DK	:	:	+10	+38	+3	+8	-2	0	+8	+13	+9	+20	+20	+20	+20
D	-3	+56	+12	+49	+17	+13	+14	+12	+11	+13	+16	+18	+18	+18	+18
F	-24	+45	+11	+48	+37	+31	+32	+33	+34	+33	+23	+32	+32	+32	+32
IRL	:	+34	+2	+40	+25	+18	+17	+20	+18	+16	+18	+20	+20	+20	+20
I	+1	+63	+17	+58	+37	+37	+39	+41	+35	+33	+37	+30	+30	+30	+30
L	-72	+73	+37	+62	+12	+2	0	-4	+3	+6	+4	+4	+4	+4	+4
NL	-3	+60	+14	+51	+4	+4	+4	+2	+4	+6	+5	+23	+23	+23	+23
UK	:	:	:	+63	+23	+28	+19	+28	+27	+28	+27	+23	+23	+23	+23
EUR (c)	-7	+54	+14	+50	+26	+24	+24	+25	+24	+24	+24	+24	+24	+24	+24

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

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the periods 1973-1975 and 1979-1983 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.



of firms; balance). Broken down by industry, capacity utilization in the next twelve months in the Community as a whole is assessed most favourably in the chemical, machine tools and paper industries. Companies making office and data processing machinery, clothing and shoes, and rubber products and plastics are also distinctly more optimistic than the average for industry as regards the chances of high capacity utilization. Utilization problems will continue to be concentrated in particular in the mineral-oil refining and metals industries and - despite a slight improvement - in shipbuilding.

The present level of capacity utilization and that expected by industrial firms in the next few months still do not point to any inflationary strains on the productive apparatus. As can be seen from Graph 2, selling price expectations have fallen even further in a number of member countries, e.g. the Federal Republic of Germany, Belgium, Luxembourg and Greece. But in France and Italy, the price expectations of industrial firms have risen in the last few months, though usually only slightly. Only in British industry does a fairly large proportion of firms intend to raise prices in the near future (a net 21 % compared with an average of 10 % for the Community).

**Production expectations slightly up, despite less favourable export prospects** — Production is now following a very different course in the member countries. In particular, British, Irish and Italian industrial firms expect production to rise in the next few months, as do French and Greek companies, though to a lesser extent. The other member countries, e.g. Germany, Belgium, the Netherlands and Denmark, by contrast, show signs of a static to downward course of production. For the Community as a whole, these plans point to a slightly higher rise in output in the next few months. European industrial firms are, however, expecting real exports to stagnate in the next three months. Here too the picture is quite different according to member country: companies in Germany, France and Luxembourg fear further losses. But British, Irish and Italian firms in particular are counting on increasing export opportunities. The evolution of aggregate demand (domestic and export; see Table 2) produces a similar country profile.

On the whole, the dynamic of production now leaves much to be desired in a number of member countries. There are no signs of a perceptible pick-up throughout Europe, since despite the slight increase in demand, orders on hand are still at a relatively low level; for the Community as a whole the level is unchanged and covers a period of production of 3.4 months compared with 3.9 months at the peak of the cycle in 1979. Companies are therefore less able than then to live off reserves of orders, but have to rely on additional stimuli from demand.

**The Community indicator is slightly up** — The indicator has been on a downward trend since September of last year, but this was halted in January 1987. But even after rising slightly (from 102.5 in December 1986 to 102.7 in January 1987; 1980=100) the indicator is still at a rather low level. January's improvement was concentrated in the *United Kingdom* and *Italy*: in both countries, nearly all the components of the composite indicator have risen. In *Belgium*, the *Netherlands* and *Ireland*, the slight recovery was exclusively confined to consumer confidence, while industrial confidence in particular weakened. In the *Federal Republic of Germany* and *France*, however, the leading indicator deteriorated overall and now stands well below the Community average (100.9 in Germany and 100.0 in France compared with the Community average of 102.7; 1980=100).

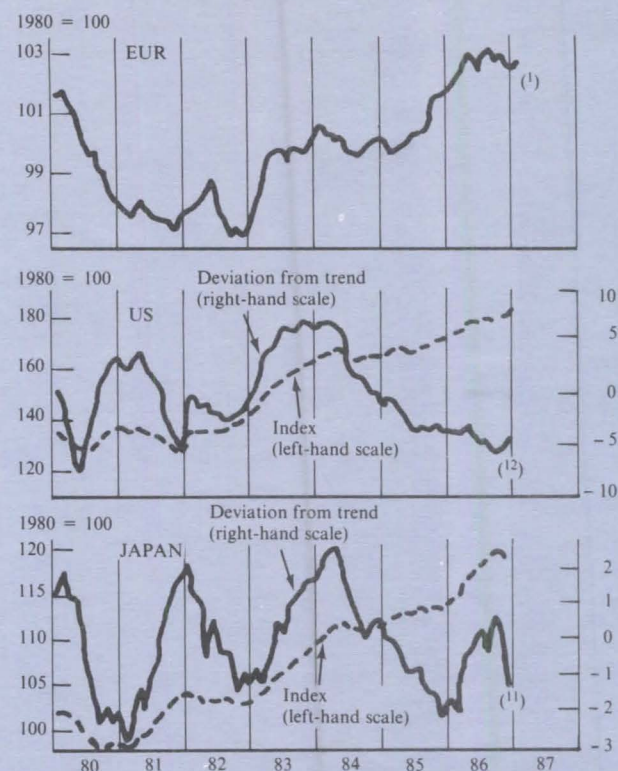
In the *United States* the leading indicator (deviations from the trend) has in the last few months again been pointing slightly upward. But in *Japan* the leading indicator (deviations from the trend) has recently fallen sharply (see Graph 3).

On the whole, the leading indicators in the Community, the *United States* and *Japan* convey the picture of a cyclically unstable situation. The first steps taken so far towards a cyclical recovery have either been shortlived or are too weak to suggest a renewed stable upswing similar to that of 1983.

**Consumer climate cheerful, but no further improvement** — In January, as in the two preceding months, the consumer confidence indicator remained unchanged (-6)\*. Chiefly as a result of a marked increase in the propensity to purchase consumer durables, there was a perceptible improvement in *Ireland* and the *Netherlands*, but from very different starting levels (in *Ireland* from -35 to -27; in the *Netherlands* from +1 to +7)\*.

\* Balance.

GRAPH 3: Leading indicators for the European Community, the USA and Japan



Sources: Commission of the European Communities, US Department, Economic Planning Agency of the Japanese Government.

Arabic number indicates latest month for which data are available (\*11 November).

The indicator also rose, but to a lesser extent, in *Belgium* (from -16 to -12)\*, *Italy* (-3 to 0)\* and the *United Kingdom* (-6 to -4)\*. In *France* and in *Spain* consumers proved to be slightly more pessimistic than in December (-19 compared with -17 and -11 compared with -10)\*; in the *Federal Republic of Germany*, the consumer climate remained unchanged (+5)\*. Because of these differences between member countries, the order of countries in the scale of consumer confidence has also changed; the *Netherlands* has now taken *Germany's* place as the country where consumer confidence is strongest, while it is still weakest in *Ireland*, *Greece* and *France*.

All in all, the consumer climate indicator for the Community as a whole signals continuing lively consumer demand, but does not indicate the faster increase which would be desirable in order to form a counterweight to the tendency for investment and export demand to weaken.

German and Dutch consumers again gave the most favourable assessment of their *own financial situation* in the last twelve months. But in *Germany* these judgments had been even more positive in December (+4 compared with +2 in January)\*, while in the *Netherlands* they have been improving steadily in the last three months (-3, -2 and lastly +2)\*.

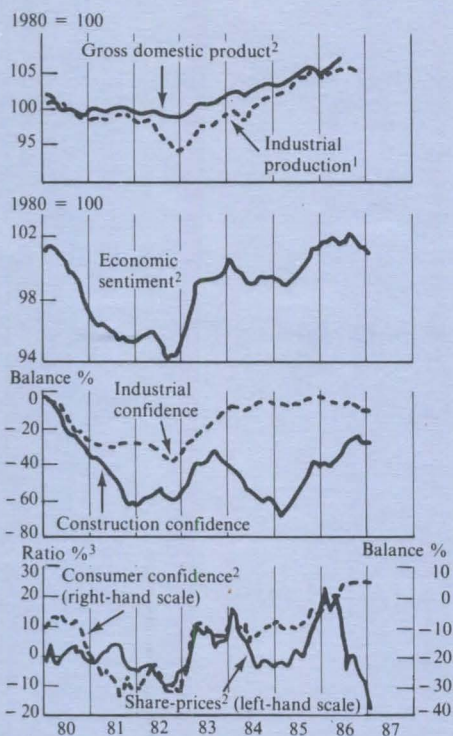
In *Italy* and *Ireland* there was also evidence of a somewhat more positive trend (from -6 to -4 and from -36 to -33 in *Ireland*)\*. For the next twelve months the majority of European consumers expect real incomes to improve further. This trend is particularly pronounced in *Italy* (from +1 to +4)\*, *Denmark* (from 0 to +4)\* and *Portugal* (from -2 to +3)\*. In *Germany* expectations remained unchanged (+3)\* and in the *Netherlands* they improved slightly (from +3 to +4)\*.

Dutch consumers replaced Germans as being the most optimistic about the *general economic situation* (moving from +10 to +15 compared with +12 to +9 in the *Federal Republic of Germany*)\*. Similarly, *Italian* consumers also considered that the general economic situation was showing a distinct improvement (from -6 to 0). By contrast *French* consumers evinced



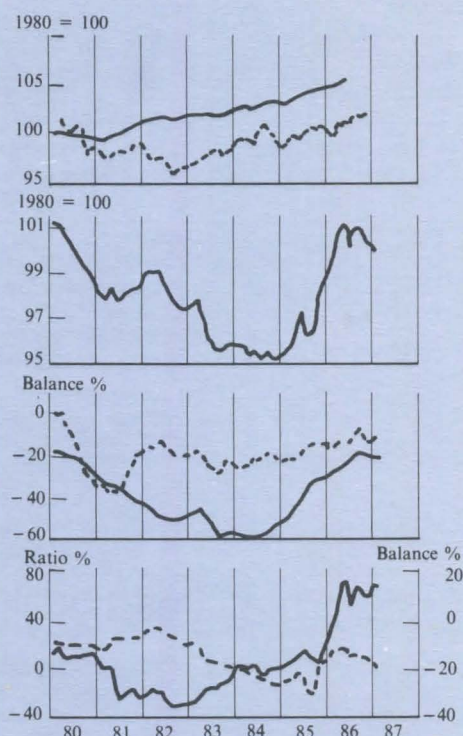
# GRAPHS 4-9: Indicators of output and economic sentiment

GRAPH 4: Federal Republic of Germany



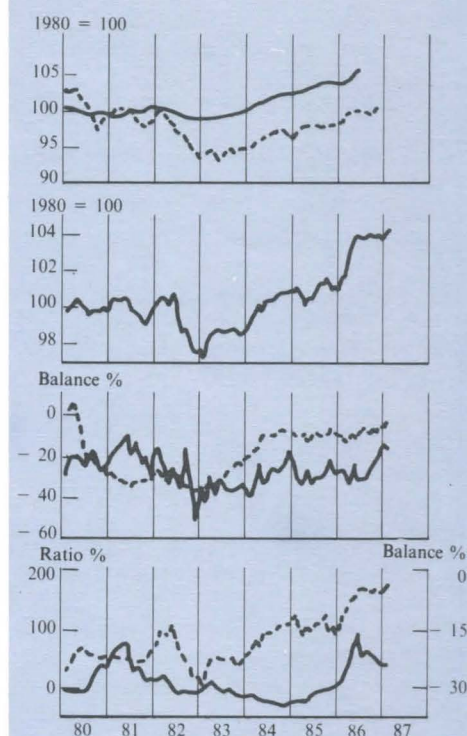
<sup>1</sup> Three-month moving average.  
<sup>2</sup> See notes to Table 7.  
<sup>3</sup> Deviations from trend in %.

GRAPH 5: France



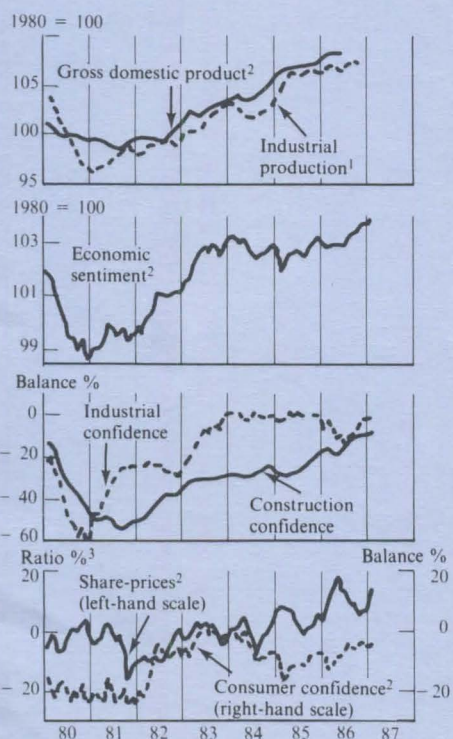
For explanations, see Graph 4.

GRAPH 6: Italy



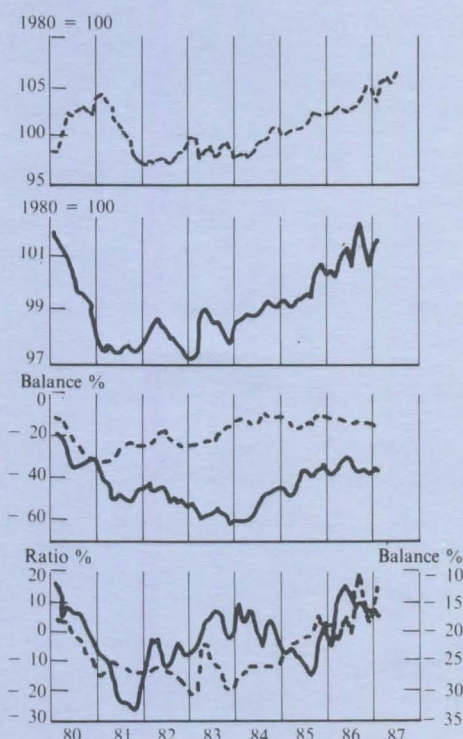
For explanations, see Graph 4.

GRAPH 7: United Kingdom



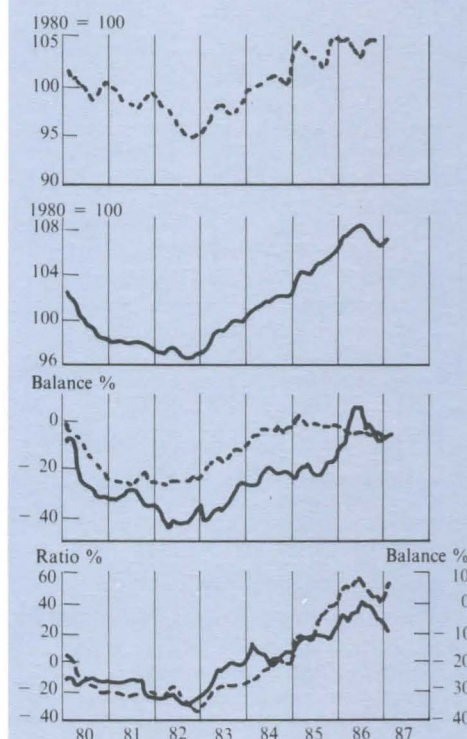
<sup>1</sup> Three-month moving average.  
<sup>2</sup> See notes to Table 7.  
<sup>3</sup> Deviations from trend in %.

GRAPH 8: Belgium



For explanations, see Graph 7.

GRAPH 9: Netherlands



For explanations, see Graph 7.

TABLE 7: Indicators of output and economic sentiment

		Range		Range		1986	1986			1986					1987
		Peak 1972 73	Trough 1974 75	Peak 1979 80	Trough 1981 83		II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
<b>B</b>	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	102.5	76.5	106.3	92.4	80.2	106.4	107.9	:	107.4	105.5	:	:	:	:
	1. industrial confidence indicator	19	-56	-4	-35	-13	-13	-14	-14	-13	-13	-15	-13	-14	-15
	2. construction confidence indicator	9	-36	-7	-65	-35	-31	-35	-36	-37	-36	-36	-38	-34	-37
	3. consumer confidence indicator (c)	7	-18	-7	-31	-17	-19	-14	-17	-10	-14	-15	-19	-16	-12
	4. share-price index (c)	155.1	98.0	114.3	75.0	272.2	274.6	281.4	293.0	286.3	287.6	284.1	292.5	302.5	299.1
	= 5. economic sentiment indicator	109.0	98.9	103.9	96.8	101.0	101.0	101.6	101.0	102.3	101.6	101.2	100.6	101.2	101.6
<b>DK</b>	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	:	:	107.7	95.5	94.8	129.8	125.4	:	122.8	127.5	129.6	120.7	:	:
	1. industrial confidence indicator	:	:	:	-22	1	1	-1	-2	(-1)	(-1)	-2	(-2)	(-2)	-7
	2. construction confidence indicator	:	:	:	-36	14	21	14	6	(14)	(14)	6	(6)	(6)	1
	3. consumer confidence indicator (c)	:	-16	5	-22	-3	-4	-5	-11	-2	-8	-4	-16	-13	-11
	4. share-price index (c)	:	:	:	:	422.7	458.4	392.8	376.6	403.0	384.6	380.2	371.8	377.7	403.1
	= 5. economic sentiment indicator	:	:	:	:	102.4	102.9	102.0	101.3	102.1	101.7	101.7	101.2	101.1	101.1
<b>D</b>	<i>gross domestic product</i> (b) 1980 = 100	85.1	83.3	101.2	98.9	53.9	109.7	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92.0	82.4	103.1	91.4	80.3	107.3	107.8	:	107.7	106.8	107.6	108.0	:	:
	1. industrial confidence indicator	10	-49	2	-40	-7	-7	-6	-9	-6	-7	-8	-10	-10	-10
	2. construction confidence indicator	-4	-72	11	-64	-33	-35	-26	-27	-26	-26	-23	-29	-28	-29
	3. consumer confidence indicator (c)	:	-22	9	-31	3	3	5	5	6	5	6	5	5	5
	4. share-price index (c)	109.0	75.2	115.6	97.6	295.7	302.2	289.4	295.5	296.0	299.9	292.0	294.6	300.0	276.9
	= 5. economic sentiment indicator	103.8	97.0	103.6	94.7	101.7	101.8	101.9	101.5	102.2	101.9	101.8	101.3	101.3	100.9
<b>F</b>	<i>gross domestic product</i> 1980 = 100	85.4	84.2	99.8	102.4	53.8	108.2	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	96.7	82.2	105.2	94.8	76.0	101.3	103.0	:	103.0	103.0	102.3	103.8	:	:
	1. industrial confidence indicator	29	-49	5	-39	-12	-13	-9	-12	-9	-6	-11	-13	-12	-10
	2. construction confidence indicator	:	:	-17	-57	-22	-24	-17	-19	(-17)	(-17)	-19	(-19)	(-19)	-21
	3. consumer confidence indicator (c)	:	-9	3	-27	-14	-12	-14	-16	-14	-15	-15	-16	-17	-19
	4. share-price index (c)	86.6	53.6	101.2	82.7	337.3	344.7	356.4	364.5	362.0	360.2	355.0	357.7	380.8	386.9
	= 5. economic sentiment indicator	107.8	97.6	101.8	95.1	100.5	100.8	101.0	100.4	101.1	101.0	100.6	100.3	100.3	100.0
<b>IRL</b>	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	80.4	72.3	103.8	99.6	97.2	129.5	129.5	:	131.8	133.5	135.8	:	:	:
	1. industrial confidence indicator	:	-41	20	-40	-8	-10	-9	-7	0	-14	-8	-7	-6	-12
	2. construction confidence indicator	:	:	:	:	-38	-37	-32	-30	(-32)	(-32)	-30	(-30)	(-30)	-33
	3. consumer confidence indicator (c)	:	-41	12	-44	-28	-27	-26	-32	-26	-28	-29	-33	-35	-27
	4. share-price index (c)	85.8	29.9	112.2	79.4	232.1	240.0	240.5	246.7	246.6	225.2	231.1	252.2	256.7	261.2
	= 5. economic sentiment indicator	109.1	96.7	103.6	98.1	100.2	100.4	100.5	99.8	100.8	100.0	100.1	99.8	99.6	100.3
<b>I</b>	<i>gross domestic product</i> 1980 = 100	80.4	77.2	101.2	98.2	53.2	107.8	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	87.9	72.6	104.7	98.1	74.5	99.9	99.4	:	98.7	99.3	100.8	100.9	:	:
	1. industrial confidence indicator	31	-59	13	-41	-9	-9	-7	-7	-8	-6	-7	-6	-6	-2
	2. construction confidence indicator	-8	-56	-5	-51	-26	-29	-29	-18	-30	-25	-21	-21	-13	-16
	3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-3	-2	-3	-2	-3	-2	-3	-3	0
	4. share-price index (c)	169.6	68.5	185.0	116.9	667.4	715.8	730.7	733.7	766.0	755.0	758.0	743.0	700.1	722.4
	= 5. economic sentiment indicator	103.8	97.4	101.6	97.6	103.5	103.9	104.0	103.9	104.1	104.0	104.1	103.9	103.7	104.3
<b>NL</b>	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	94.8	87.1	117.5	90.7	79.5	104.0	107.0	:	106.0	109.0	105.0	108.0	:	:
	1. industrial confidence indicator	12	-44	4	-31	-5	-6	-5	-5	-5	-7	-5	-5	-6	-8
	2. construction confidence indicator	3	-47	3	-46	-3	6	-3	-8	-2	-4	-6	-9	-7	-7
	3. consumer confidence indicator (c)	6	-15	5	-37	5	7	4	1	4	2	3	0	1	7
	4. share-price index (c)	:	86.3	122.8	92.8	327.6	329.4	344.9	331.9	349.1	343.5	326.9	333.5	335.2	318.7
	= 5. economic sentiment indicator	107.8	100.7	105.3	97.1	107.5	108.4	107.6	106.7	107.8	107.1	107.0	106.5	106.6	107.1
<b>UK</b>	<i>gross domestic product</i> 1980 = 100	94.6	91.0	102.5	97.7	55.8	111.7	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92.7	89.6	110.0	93.8	82.2	108.9	110.6	:	110.8	111.0	109.8	110.0	:	:
	1. industrial confidence indicator	:	:	9	-60	-8	-12	-10	-4	-9	-9	-6	-2	-3	-1
	2. construction confidence indicator	:	:	7	-60	-14	-19	-11	-10	-11	-11	-10	-10	-10	-8
	3. consumer confidence indicator (c)	:	-33	14	-26	-7	-7	-5	-4	-5	-6	-3	-3	-6	-4
	4. share-price index (c)	78.5	23.3	111.6	104.4	301.1	308.6	305.5	309.7	301.7	310.8	302.4	312.4	314.4	341.6
	= 5. economic sentiment indicator	103.8	97.7	104.9	98.8	103.2	103.0	103.3	103.7	103.4	103.4	103.6	103.8	103.6	104.0
<b>EUR</b>	<i>gross domestic product</i> (a)(b) 1980 = 100	85.1	85.5	101.1	101.0	54.2	109.4	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92.9	83.0	103.2	94.6	78.9	106.1	105.5	:	103.9	106.2	106.2	106.1	:	:
	1. industrial confidence indicator	16	-49	3	-36	-9	-10	-8	-8	-8	-7	-8	-8	-8	-7
	2. construction confidence indicator	:	:	-1	-48	-23	-25	-20	-19	(-20)	(-19)	-18	(-20)	(-20)	-20
	3. consumer confidence indicator (c)	5	-17	1	-22	-6	-5	-5	-6	-4	-6	-5	-6	-6	-6
	4. share-price index (c)	:	47.0	115.4	111.7	329.8	340.0	336.2	339.4	339.8	342.1	334.8	339.6	343.8	352.0
	= 5. economic sentiment indicator	107.5	96.6	104.1	97.4	102.7	102.8	103.0	102.7	103.2	102.9	102.9	102.6	102.5	102.7

(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 8: **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					1987
		Peak 1972-73	Trough 1974-75	Peak 1979-80	Trough 1981-83			II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
<b>B</b>	production expectations	+31	-56	-4	-37	-7	-6	-8	-9	-7	-4	-8	-8	-10	-12	-12
	order-books	+13	-74	-14	-49	-25	-29	-25	-26	-23	-25	-27	-25	-26	-27	-27
	export order-books	+15	-82	-19	-55	-30	-35	-29	-30	-26	-27	-32	-30	-29	-28	-28
	stocks of finished products	-14	+37	+2	+18	+7	+5	+8	+8	+8	+10	+9	+7	+7	+6	+6
	selling-price expectations	+64	-10	+39	+12	+5	+2	0	-4	+3	0	-3	-2	-8	-13	-13
	industrial confidence indicator	+19	-56	-4	-35	-13	-13	-14	-14	-13	-13	-15	-13	-14	-15	-15
<b>DK</b>	production expectations	:	:	:	+8	+7	+4	+4	+7	:	:	+7	:	:	:	+5
	order-books	:	:	:	-34	+9	+12	+9	0	:	:	0	:	:	:	-12
	export order-books	:	:	:	+14	-2	+1	-2	-9	:	:	-9	:	:	:	-16
	stocks of finished products	:	:	:	+24	+14	+14	+15	+14	:	:	+14	:	:	:	+15
	industrial confidence indicator	:	:	:	-22	+1	+1	-1	-2	:	:	-2	:	:	:	-7
<b>D</b>	production expectations	+17	-32	+10	-30	+2	+1	+2	+1	+2	+3	+3	-1	0	-1	-1
	order-books	+5	-73	-6	-59	-15	-16	-14	-19	-14	-15	-17	-19	-20	-22	-22
	export order-books	:	:	-14	-50	-20	-18	-20	-27	-20	-23	-26	-28	-26	-26	-26
	stocks of finished products	-7	+43	-2	+31	+7	+7	+6	+10	+5	+9	+11	+10	+9	+9	+8
	selling-price expectations	+55	+4	+38	+4	+7	+4	+8	+7	+10	+6	+10	+7	+4	+4	+4
	industrial confidence indicator	+10	-49	+2	-40	-7	-7	-6	-9	-6	-7	-8	-10	-10	-10	-10
<b>GR</b>	production expectations	:	:	:	:	+21	+28	+19	+11	+21	+19	+13	+13	+7	+8	+8
	order-books	:	:	:	:	-16	-16	-20	-25	-20	-20	-22	-26	-27	-26	-26
	export order-books	:	:	:	:	-24	-22	-24	-24	-27	-20	-20	-26	-26	-31	-31
	stocks of finished products	:	:	:	:	+12	+10	+11	+15	+12	+9	+13	+19	+12	+14	+14
	selling-price expectations	:	:	:	:	+16	+16	+15	+8	+14	+14	+12	+8	+3	-1	-1
	industrial confidence indicator	:	:	:	:	-3	+1	-4	-10	-4	-3	-7	-11	-11	-11	-11
<b>F</b>	production expectations	+33	-29	+18	-20	+1	-2	+7	0	+7	+9	+2	0	-1	+2	+2
	order-books	+26	-69	0	-56	-23	-23	-20	-23	-20	-16	-23	-24	-23	-22	-22
	export order-books	+24	-66	+10	-52	-28	-29	-28	-30	-28	-24	-32	-30	-27	-29	-29
	stocks of finished products	-14	+50	+3	+42	+15	+14	+16	+13	+13	+11	+12	+14	+12	+11	+11
	selling-price expectations	+76	+15	+62	+17	+14	+13	+14	+9	+14	+14	+13	+7	+4	+13	+13
	industrial confidence indicator	+29	-49	+5	-39	-12	-13	-9	-12	-9	-6	-11	-13	-12	-10	-10
<b>IRL</b>	production expectations	:	-21	+40	-33	+10	+14	+9	+8	+21	0	+10	+6	+9	+14	+14
	order-books	:	-68	+18	-55	-22	-29	-24	-20	-13	-31	-22	-20	-17	-36	-36
	stocks of finished products	:	+35	-6	+33	+13	+16	+13	+10	+9	+11	+13	+7	+10	+14	+14
	selling-price expectations	:	+64	+77	+20	-5	-16	-10	+8	-13	+2	+9	+13	+3	+3	+3
	industrial confidence indicator	:	-41	+20	-40	-8	-10	-9	-7	0	-14	-8	-7	-6	-12	-12
<b>I</b>	production expectations	+40	-43	+24	-26	+9	+13	+10	+7	+6	+9	+5	+10	+7	+11	+11
	order-books	+30	-82	+7	-66	-22	-23	-21	-17	-19	-20	-20	-17	-13	-11	-11
	export order-books	+13	-67	-6	-59	-30	-33	-29	-27	-28	-26	-25	-26	-29	-21	-21
	stocks of finished products	-24	+53	-8	+32	+14	+18	+10	+10	+12	+7	+7	+10	+13	+7	+7
	selling-price expectations	+76	+10	+87	+37	+15	+15	+9	+8	+6	+11	+6	+7	+10	+12	+12
	industrial confidence indicator	+31	-59	+13	-41	-9	-9	-7	-6	-8	-6	-7	-6	-6	-2	-2
<b>L</b>	production expectations	+84	-80	+40	-66	-20	-7	-38	-36	-38	-41	-41	-37	-30	-40	-40
	order-books	:	:	+8	-70	-3	-2	-1	-3	-5	-1	-1	+1	-9	-11	-11
	export order-books	:	:	+9	-80	-22	-14	-10	-45	-16	-12	-46	-36	-52	-64	-64
	stocks of finished products	-14	+74	0	+58	+3	+6	+3	+1	+5	+1	+6	-2	-2	-5	-5
	selling-price expectations	:	-46	+74	-38	-30	-48	-20	-31	-39	+30	-25	-29	-40	-53	-53
	industrial confidence indicator	:	:	+16	-65	-5	-5	-14	-13	-16	-14	-16	-11	-12	-15	-15
<b>NL</b>	production expectations	+26	-26	+20	-13	+4	+2	+4	+6	+5	0	+6	+7	+4	-1	-1
	order-books	+7	-48	-5	-42	-12	-12	-13	-15	-13	-14	-14	-15	-16	-16	-16
	stocks of finished products	-3	+57	+3	+39	+6	+7	+7	+6	+7	+8	+7	+6	+6	+6	+6
	industrial confidence indicator	+12	-44	+4	-31	-5	-6	-5	-5	-5	-7	-5	-5	-6	-8	-8
<b>UK</b>	production expectations	:	:	+29	-52	+11	+9	+8	+15	+9	+12	+15	+17	+14	+19	+19
	order-books	:	:	-2	-85	-18	-24	-22	-14	-20	-22	-20	-10	-12	-13	-13
	export order-books	:	:	-11	-72	-19	-21	-24	-15	-22	-22	-19	-13	-13	-13	-13
	stocks of finished products	:	:	-1	+42	+16	+20	+17	+12	+15	+16	+13	+12	+10	+9	+9
	selling-price expectations	:	:	+70	+7	+15	+13	+15	+18	+14	+16	+16	+18	+20	+21	+21
	industrial confidence indicator	:	:	+9	-60	-8	-12	-10	-4	-9	-9	-6	-2	-3	-1	-1
<b>EUR</b>	production expectations	+24	-30	+15	-24	+5	+4	+6	+5	+6	+8	+6	+5	+4	+7	+7
	order-books	+15	-70	-7	-56	-19	-21	-19	-18	-18	-19	-20	-18	-17	-18	-18
	export order-books	:	:	-12	-50	-23	-25	-24	-25	-23	-23	-26	-24	-24	-26	-26
	stocks of finished products	-10	+48	-1	+31	+12	+14	+11	+11	+11	+11	+11	+12	+11	+9	+9
	selling-price expectations	+64	+9	+53	+22	+12	+10	+10	+10	+10	+12	+10	+8	+7	+10	+10
	industrial confidence indicator	+16	-49	+3	-36	-9	-10	-8	-8	-8	-7	-8	-8	-8	-8	-7

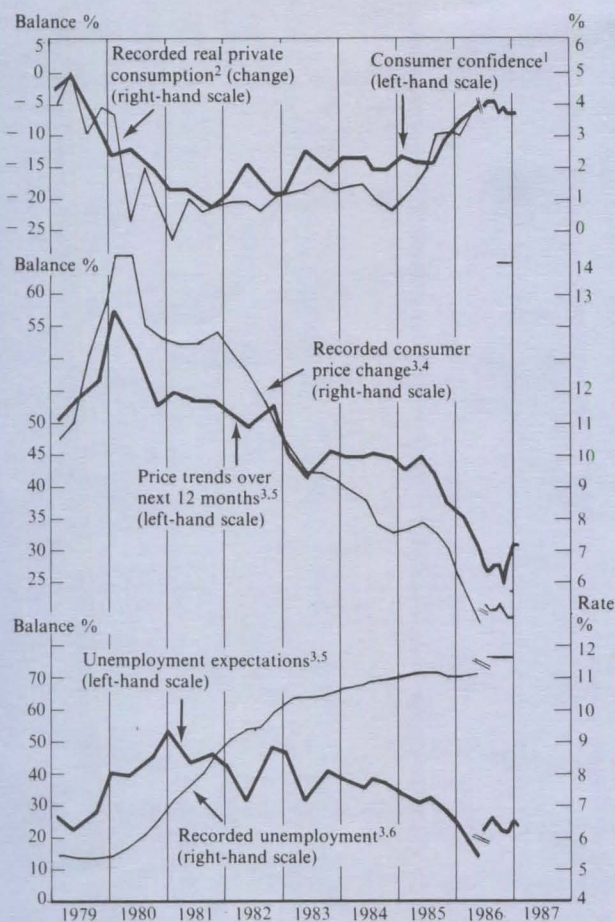
(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(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 Community<sup>7</sup>



For notes, Table 9.

Sources: European Community consumer survey and Eurostat.

even greater dissatisfaction than before with the general economic situation (−41 compared with −36)\*; the proportion of adverse responses also increased in Spain (from −14 to −21)\*. For the first time in a long period, Italian consumers gave the most favourable responses concerning economic developments in the next twelve months. Optimism concerning the economy also grew in the Netherlands and Portugal. But consumers in France, Spain and - to a lesser extent - Germany felt that the general economic outlook had deteriorated.

In January 1987 the propensity to *purchase consumer durables* increased in several member countries, particularly Ireland (from −23 to +2)\*, the Netherlands (from −9 to +4)\*, the United Kingdom (from +15 to +24)\* and Germany (from +7 to +10)\*. In Denmark the propensity to consume had already shown a slight tendency to recover in December, and this continued in January (from −25 to −20)\*. But purchasing intentions as low as the present ones have not been seen in Denmark since the end of the 1970s. In contrast to the general trend, the propensity to purchase has diminished slightly in Belgium and France.

European consumers on the whole assessed future developments on the *labour market* somewhat less unfavourably than in December. The only exceptions to this were France and Spain, where it was more widely expected that the unemployment figures would rise further. Dutch and German consumers again gave the most positive answers to this question.

The *expectations* of European consumers concerning *inflation* over the next twelve months are admittedly slightly higher

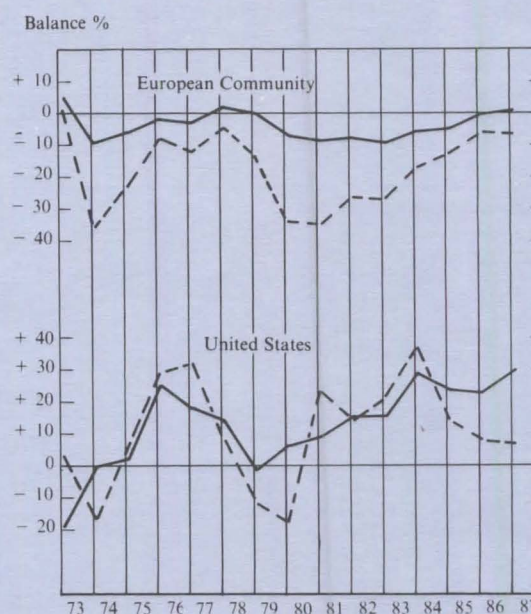
than last autumn (+21 compared with +15 in October)\*; but compared with the average over several years, the present level is still low. In the main, France and Ireland are the only countries where there is a more frequent expectation of accelerating price rises, while consumers in Italy and Portugal in particular see growing prospects of a decline in the continuing high rate of price increases. Apart from Greece, the United Kingdom is the country where consumers most frequently expect prices to rise; but at least this proportion shows no increase on the previous months. Consumers in Germany and the Netherlands believe that consumer prices will continue to fall, and in the latter country that the trend will even strengthen slightly.

#### Consumers' expectations of their own financial circumstances and the state of the economy as a whole (see Graphs 11 and 12)

At the beginning of 1987, the assessment of the general economic outlook by European consumers was the same as it had been at the beginning of 1986, i.e. more favourable than at the beginning of the previous years since 1981. Their expectations concerning their own financial situation continued along the upward trend, though less strongly, and almost reached the peak level of the previous cyclical upswing in 1978/79.

In the United States consumers' expectations as to their own incomes are also more stable than their views on the probable evolution of the economic situation as a whole (see Graph 11). Since the beginning of 1985 there has been in the United States an ever-widening gap between consumers' continuing very positive expectations with regard to their own financial situation and their more subdued expectations as to the economy in general. Until recently, United States consumers have been optimistic about their expected incomes and this probably goes a long way towards explaining the hitherto robust consumer boom in the United States and the unusually low American savings ratio.

GRAPH 11: Consumers' expectations<sup>1</sup> of their financial position (—) and of the general economic situation (---) at the beginning of the year<sup>2</sup>



<sup>1</sup> For the next 12 months.

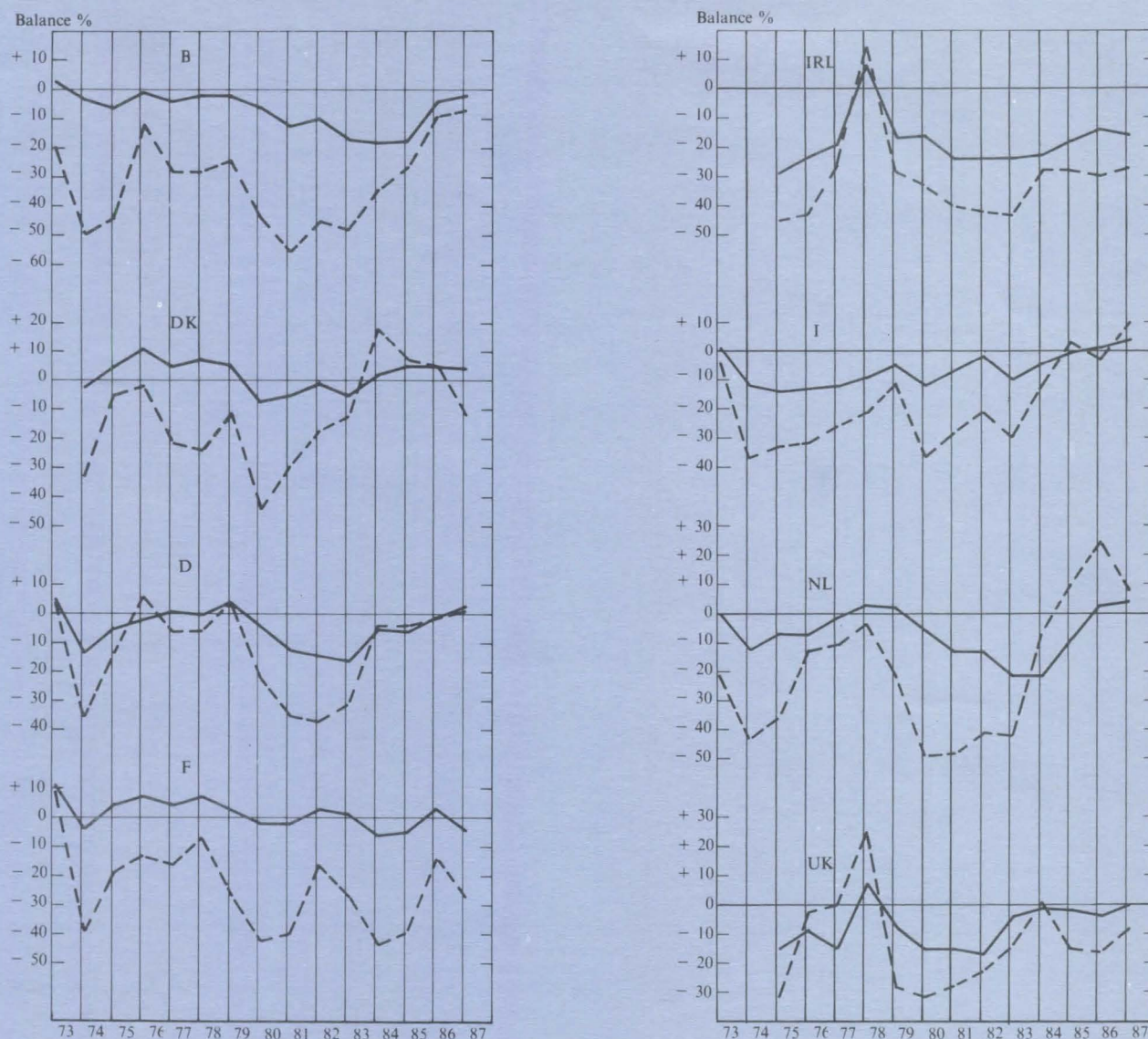
<sup>2</sup> Each year collected at the end of January.

Source: EC: European Community consumer survey; United States: University of Michigan, Institute for Social Research surveys of consumer attitudes.

\* Balance.



GRAPH 12: Consumers expectations<sup>1</sup> of their financial situation (—) and of the general economic situation (---) at the beginning of the year<sup>2</sup>



<sup>1</sup> For the next 12 months.

<sup>2</sup> Each year collected at the end of January.

Source: EC: European Community consumer survey.

Similarly, in most Community member countries, for which data are referred to in Graph 12, consumers' expectations concerning the general economic situation are not so high as those concerning their own financial situations: this is the case in Denmark, France, Ireland and the United Kingdom but in the latter two countries the curves are tending closer to each other. The Netherlands and Italy are the only countries where at the beginning of 1987 consumers' assessments of the prospects for

the economy as a whole are still somewhat more favourable than their assessment of their own financial circumstances, indicating a high level of acceptance of present economic policies. In the other member countries, e.g. Germany and Belgium the two curves more or less match each other.

17 February 1987.

TABLE 9: Consumer opinion on economic and financial conditions<sup>(a)</sup>

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986							1987
											June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.
CONSUMER CONFIDENCE INDICATOR <sup>(b)</sup>	B	-8	-10	-20	-27	-27	-28	-27	-21	-17	-21	-17	-10	-14	-15	-19	-16	-12
	DK	-1	-2	-19	-17	-12	0	6	4	-3	-6	:	-2	-8	-4	-16	-13	-11
	D	5	6	-5	-22	-26	-15	-10	-7	3	5	4	6	5	6	5	5	5
	GR	:	:	:	:	0	-11	-4	-5	-20	-19	-19	-23	-21	-21	-23	-26	-26
	E	:	:	:	:	:	:	:	:	-9	-12	-8	-7	-9	-10	-10	-10	-11
	F	1	-5	-10	-9	-5	-15	-23	-21	-14	-15	-14	:	-15	-15	-16	-17	-19
	IRL	8	-10	-22	-28	-34	-39	-33	-29	-28	:	-24	-26	-28	-29	-33	-35	-27
	I	-18	-17	-22	-22	-18	-24	-15	-12	-4	-2	-2	:	-3	-2	-3	-3	0
	NL	-1	-8	-25	-31	-32	-30	-22	-7	5	7	6	4	2	3	0	1	7
	P	:	:	:	:	:	:	:	:	-7	-10	-6	-10	-6	-4	-4	-9	-5
	UK	8	-4	-18	-21	-12	-3	-4	-10	-7	-6	-3	-5	-6	-3	-3	-6	-4
EUR (c)		0	-3	-13	-19	-17	-15	-14	-12	-6	-5	-4	-4	-6	-5	-6	-6	-6
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-11	-15	-19	-25	-29	-31	-23	-14	-15	-13	-10	-12	-14	-16	-12	-13
	DK	2	1	-10	-12	-7	-4	-2	-3	-2	-3	:	0	-2	0	-5	-1	-6
	D	1	2	-4	-16	-18	-14	-11	-8	1	1	1	3	4	2	2	4	2
	GR	:	:	:	:	-2	-13	-8	-8	-24	-23	-23	-27	-27	-26	-28	-31	-27
	E	:	:	:	:	:	:	:	:	-10	-12	-9	-11	-10	-12	-11	-9	-10
	F	-2	-4	-7	-8	-7	-11	-15	-13	-11	-13	-11	:	-12	-12	-14	-14	-13
	IRL	-9	-21	-32	-38	-41	-43	-42	-37	-34	:	-35	-31	-33	-34	-36	-36	-33
	I	-14	-13	-14	-14	-13	-15	-12	-10	-6	-5	-6	:	-5	-5	-6	-6	-4
	NL	4	1	-9	-18	-20	-28	-26	-17	-3	-2	-2	1	-2	-1	-3	-2	2
	P	:	:	:	:	:	:	:	:	-8	-11	-8	-11	-6	-7	-6	-7	-6
	UK	-10	-11	-24	-30	-27	-15	-15	-16	-13	-14	-11	-9	-10	-10	-8	-11	-11
EUR (c)		-4	-5	-11	-17	-16	-15	-15	-12	-8	-8	-7	-6	-6	-7	-7	-7	-7
-- over last 12 months	B	-3	-3	-6	-9	-12	-15	-18	-13	-5	-7	-6	0	-3	-3	-5	-3	-2
	DK	6	3	-8	-4	-2	0	3	3	2	1	:	6	1	3	-4	0	4
	D	2	2	-3	-12	-14	-9	-6	-4	2	1	2	4	3	4	4	3	3
	GR	:	:	:	:	15	0	6	2	-12	-10	-10	-15	-15	-14	-18	-24	-18
	E	:	:	:	:	:	:	:	:	3	5	4	5	3	1	2	1	2
	F	4	0	-2	0	0	-4	-7	-3	-2	-5	-5	:	-5	-5	-5	-6	-4
	IRL	1	-13	-19	-24	-23	-26	-22	:	-15	:	-11	-15	-18	-15	-18	-18	-16
	I	-6	-7	-10	-8	-6	-8	-3	-2	1	1	2	:	1	2	1	1	4
	NL	1	1	-9	-13	-14	-21	-17	-6	2	2	0	1	3	1	3	3	4
	P	:	:	:	:	:	:	:	:	2	2	3	-1	3	6	3	-2	3
	UK	3	-1	-13	-15	-9	-2	-3	-5	-3	-1	1	-2	-2	-1	0	-1	0
EUR (c)		2	0	-6	-9	-8	-7	-6	-4	0	-1	0	0	-1	0	0	-1	1
-- over next 12 months	B	-28	-29	-45	-51	-43	-38	-33	-17	-12	-15	-15	-2	-6	-13	-18	-15	-7
	DK	-21	-24	-42	-29	-23	3	6	4	-7	-9	:	-7	-12	-10	-17	-16	-12
	D	-1	1	-19	-33	-32	-14	-10	-6	3	4	5	5	3	4	2	2	1
	GR	:	:	:	:	25	6	10	3	-13	-11	-14	-17	-14	-15	-23	-26	-22
	E	:	:	:	:	:	:	:	:	3	5	5	6	1	1	0	2	-4
	F	-15	-29	-40	-27	-23	-36	-45	-34	-17	-21	-17	:	-16	-19	-21	-22	-27
	IRL	2	-26	-35	-38	-42	-45	-29	-26	-26	:	-20	-25	-29	-29	-32	-31	-27
	I	-14	-19	-30	-30	-24	-25	-9	-8	3	9	4	:	4	4	4	1	10
	NL	-16	-26	-48	-42	-42	-28	-5	10	12	14	11	4	-1	4	1	3	8
	P	:	:	:	:	:	:	:	:	5	7	5	-2	9	9	9	0	8
	UK	5	-16	-24	-23	-10	-5	-10	-16	-14	-12	-12	-18	-13	-10	-5	-9	-8
EUR (c)		-8	-16	-30	-30	-24	-21	-18	-14	-5	-4	-4	-5	-5	-5	-5	-7	-6
PRICE-TRENDS	B	59	55	65	69	77	78	78	72	49	47	47	37	41	40	42	36	36
	DK	47	39	50	51	48	26	26	26	10	19	:	14	6	8	7	5	6
	D	16	25	44	52	46	23	15	9	-15	-20	-18	-23	-21	-24	-25	-26	-28
	GR	:	:	:	:	15	30	24	26	39	40	37	39	42	39	36	38	41
	E	:	:	:	:	:	:	:	:	46	48	45	45	46	49	45	43	44
	F	60	70	79	77	62	55	58	44	12	13	11	:	9	4	8	5	7
	IRL	57	80	85	87	87	80	71	59	20	:	38	44	42	41	44	42	43
	I	67	72	80	79	72	69	55	49	36	31	31	:	29	31	32	33	26
	NL	47	43	62	68	63	43	41	22	-2	-8	-13	-22	-14	-18	3	-7	-18
	P	:	:	:	:	:	:	:	:	31	38	31	33	29	28	29	31	34
	UK	35	48	59	41	31	15	19	24	15	12	11	12	13	9	13	17	14
EUR (c)		42	49	63	62	53	40	37	30	13	12	12	11	10	9	11	10	8



TABLE 9 (continued): Consumer opinion on economic and financial conditions(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986							1987
											June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
PRICE TRENDS (cont.)	B	22	33	42	40	45	40	37	36	27	26	21	21	22	23	21	22	23
	DK	27	29	38	31	31	12	16	15	7	9	:	6	5	7	7	1	4
	D	33	44	51	50	43	30	28	25	5	2	1	0	-1	-3	-1	1	0
	GR	:	:	:	:	25	37	38	42	44	44	46	46	45	45	41	47	50
	E	:	:	:	:	:	:	:	:	19	16	18	16	24	21	20	22	22
	F	41	46	50	39	42	37	32	27	19	28	21	:	10	7	14	18	25
	IRL	36	59	56	52	46	39	35	32	17	:	10	22	28	29	23	28	32
	I	44	56	60	58	56	54	46	48	35	27	31	:	34	33	36	37	32
	NL	36	48	61	52	50	38	25	17	6	-2	0	6	7	-1	5	4	-2
	P	:	:	:	:	:	:	:	:	14	14	11	14	11	11	12	21	14
— over next 12 months	UK	21	34	43	31	29	27	40	43	32	21	25	31	33	30	35	38	36
	EUR (c)	34	44	51	44	42	35	35	32	20	18	17	18	18	15	18	21	21
UNEMPLOYMENT	B	42	42	57	67	60	57	44	37	33	40	37	33	29	36	40	37	35
	DK	29	22	39	37	29	30	5	-4	1	-2	:	0	2	9	27	24	19
	D	10	3	20	43	43	30	20	16	4	-2	-2	5	5	-1	3	9	7
	GR	:	:	:	:	11	10	11	17	31	33	32	35	35	32	30	35	38
	E	:	:	:	:	:	:	:	:	26	24	27	24	24	24	26	33	40
	F	30	44	47	43	30	41	62	50	33	41	42	:	38	37	35	35	38
	IRL	6	12	34	47	56	67	52	48	45	:	42	47	49	44	48	47	44
	I	42	41	51	52	56	57	49	47	39	35	38	:	36	37	37	41	34
	NL	42	35	59	72	72	67	36	0	-11	-23	-11	5	-4	-2	-6	-7	-4
	P	:	:	:	:	:	:	:	:	27	27	25	32	27	27	21	26	22
— over next 12 months	UK	20	30	58	50	34	37	32	35	32	35	35	38	35	30	21	24	19
	EUR (c)	25	27	43	48	42	41	38	32	23	23	25	27	25	23	22	26	25
MAJOR PURCHASES	B	46	30	23	15	13	6	6	-18	-26	-31	-20	-19	-24	-22	-22	-17	-21
	DK	41	42	21	10	16	7	14	14	0	-2	:	0	-3	4	-32	-25	-20
	D	31	25	18	-1	-17	-8	-9	-8	4	8	3	8	3	7	5	7	10
	GR	:	:	:	:	-35	-35	-24	-20	-22	-28	-20	-23	-19	-24	-13	-11	-31
	E	:	:	:	:	:	:	:	:	-27	-37	-29	-20	-24	-27	-23	-26	-23
	F	34	35	39	28	30	19	6	-4	-4	0	-3	:	-8	-6	-4	-5	-10
	IRL	49	46	30	24	13	-6	-9	-2	-10	:	-3	-4	-2	-9	-18	-23	2
	I	-10	-3	2	4	1	-13	-15	-15	-8	-9	-2	:	-10	-5	-9	-6	-9
	NL	28	13	-2	-17	-21	-18	-44	-29	-6	-4	0	-2	-1	-2	-9	-9	4
	P	:	:	:	:	:	:	:	:	-28	-37	-19	-25	-30	-27	-28	-30	-30
— at present	UK	43	43	28	26	25	32	31	24	24	24	35	29	23	30	18	15	24
	EUR (c)	29	27	22	12	6	5	0	-3	0	-2	1	2	-3	1	-3	-3	-1
— over next 12 months	B	-28	-29	-26	-28	-28	-30	-28	-30	-28	-24	-30	-23	-27	-27	-27	-25	-23
	DK	-9	-8	-14	-12	-10	-8	-7	-8	-12	-13	:	-13	-17	-12	-15	-12	-12
	D	-15	-15	-19	-25	-28	-29	-28	-26	-20	-19	-21	-18	-19	-19	-19	-18	-16
	GR	:	:	:	:	-24	-33	-38	-33	-42	-50	-44	-44	-50	-46	-38	-39	-39
	E	:	:	:	:	:	:	:	:	-26	-24	-30	-21	-22	-27	-27	-34	-28
	F	-13	-16	-18	-13	-9	-10	-10	-9	-3	0	0	:	0	0	0	0	0
	IRL	-13	-17	-19	-22	-27	-31	-25	-22	-20	:	-20	-14	-18	-19	-21	-21	-22
	I	-16	-10	-17	-18	-22	-22	-21	-21	-21	-20	-22	:	-19	-20	-19	-23	-21
	NL	-14	-19	-23	-27	-27	-29	-27	-20	-15	-16	-14	-12	-13	-16	-15	-14	-15
	P	:	:	:	:	:	:	:	:	6	2	14	11	5	4	2	5	2
SAVINGS	UK	-9	-6	-14	-19	-18	-15	-12	-14	-12	-11	-13	-10	-12	-12	-10	-12	-16
	EUR (c)	-12	-12	-17	-20	-20	-21	-19	-18	-16	-15	-16	-14	-14	-15	-15	-16	-15
— at present	B	35	40	38	41	40	46	46	46	43	37	31	47	45	38	44	54	41
	DK	7	11	15	23	26	40	41	50	46	41	:	45	39	47	47	49	55
	D	34	46	43	32	27	33	38	41	44	46	44	47	48	48	47	44	52
	GR	:	:	:	:	-25	-29	-20	-18	-31	-30	-32	-36	-33	-34	-31	-32	-34
	E	:	:	:	:	:	:	:	:	36	39	27	36	38	38	45	29	39
	F	10	8	-3	-2	-5	0	6	11	12	-3	1	:	7	6	11	13	18
	IRL	14	8	5	-3	-9	-3	-8	-1	-3	:	-2	1	-15	-6	2	-7	-8
	I	6	4	-6	-7	10	21	33	37	47	48	47	:	47	51	50	46	48
	NL	13	19	19	27	38	35	34	41	48	48	44	50	44	50	45	53	51
	P	:	:	:	:	:	:	:	:	-42	-46	-36	-40	-46	-43	-43	-42	-49
— over next 12 months	UK	-10	-5	6	5	5	10	17	20	23	19	22	21	23	25	24	22	25
	EUR (c)	16	21	15	12	12	19	24	29	31	28	27	29	31	31	33	30	35
	B	-14	-14	-20	-21	-25	-26	-27	-33	-9	-10	-9	1	-5	-10	-8	-2	-10
	DK	-11	-12	-20	-19	-18	-12	-11	-7	-6	-6	:	-7	-8	-7	-12	-12	-9
	D	43	46	44	23	-2	1	3	3	11	13	8	16	15	13	15	12	18
	GR	:	:	:	:	-37	-41	-39	-40	-47	-46	-47	-50	-54	-53	-47	-52	-54
	E	:	:	:	:	:	:	:	:	-36	-32	-38	-36	-37	-37	-40	-32	-34
	F	-27	-29	-32	-32	-32	-35	-37	-36	-31	-32	-34	:	-32	-33	-33	-32	-33
	IRL	-5	-11	-13	-19	-22	-25	-37	-28	-30	:	-24	-26	-29	-29	-28	-30	-25
	I	-35	-34	-32	-30	-22	-27	-20	-17	-10	-11	-6	:	-9	-8	-9	-9	-5
	NL	6	8	0	-1	-3	-8	-2	6	12	12	12	20	11	13	14	14	19
SAVINGS	P	:	:	:	:	:	:	:	:	-39	-44	-42	-42	-32	-36	-39	-40	-39
	UK	-4	-4	-16	-20	-17	-13	-12	-14	-12	-12	-13	-13	-12	-10	-6	-12	-13
	EUR (c)	1	2	-4	-11	-17	-17	-16	-15	-11	-12	-13	-11	-12	-12	-11	-12	-10

TABLE 9 (continued): Consumer opinion on economic and financial conditions<sup>(a)</sup>

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986								1987
											June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	
FINANCIAL SITUATION OF HOUSEHOLDS	<b>B</b>	11	12	9	7	6	5	6	5	13	13	15	19	15	13	11	14	13	
	<b>DK</b>	10	9	4	4	4	8	8	11	10	13	:	11	8	12	9	9	8	
	<b>D</b>	23	22	21	16	12	11	11	12	17	18	17	19	18	18	18	18	19	
	<b>GR</b>	:	:	:	:	0	0	2	3	1	1	1	-1	-2	-1	2	-1	0	
	<b>E</b>	:	:	:	:	:	:	:	:	5	1	7	3	5	4	4	7	3	
	<b>F</b>	10	10	8	8	8	6	4	3	3	2	3	:	3	2	2	1	1	
	<b>IRL</b>	11	8	2	-4	-1	-1	-1	-1	-1	:	-3	-1	-2	0	-2	-2	0	
	<b>I</b>	7	8	8	8	13	9	11	12	15	16	16	:	16	17	16	15	16	
	<b>NL</b>	14	22	19	18	17	15	13	16	17	18	18	18	14	16	16	16	20	
	<b>P</b>	:	:	:	:	:	:	:	:	2	-1	0	-1	5	2	2	3	6	
	<b>UK</b>	8	10	8	9	9	12	12	11	11	10	12	12	12	14	14	11	11	
<b>EUR (c)</b>		14	15	12	11	10	9	9	9	11	11	12	12	11	11	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.

<sup>1</sup> 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.

<sup>2</sup> Quarterly data; percentage change on corresponding quarter of preceding year.

<sup>3</sup> Quarterly data; monthly from May 1986 onwards.

<sup>4</sup> Percentage changes on corresponding quarter resp. month of preceding year.

<sup>5</sup> See table 9 for data and notes.

<sup>6</sup> Seasonally adjusted.

<sup>7</sup> 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
<b>Belgium</b>	BNB Banque Nationale de Belgique	BNB	BNB	BNB	DIMARSO Gallup Belgium
<b>Denmark</b>	DS Danmark Statistik	DS	DS	---	DS
<b>Federal Republic of Germany</b>	IFO Institut für Wirtschafts- forschung	IFO	IFO	IFO	GfK Gesellschaft für Konsumforschung
<b>Greece</b>	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	---	NSS National Statistical Service
<b>Spain</b>	MIE Ministerio de Industria y Energia	---	MIE	---	GALLUP Instituto Gallup
<b>France</b>	INSEE Institut National de la Statistique et des Études Économiques	INSEE	INSEE	INSEE	INSEE
<b>Ireland</b>	CII and ESRI Confederation of Irish Industries and Economic and Social Research Institute	CIIF Construction Industry Federation	CII and ESRI	---	AI Agricultural Institute
<b>Italy</b>	ISCO Istituto per lo Studio della Congiuntura	ISCO	ISCO	ISCO	ISCO
<b>Luxembourg</b>	STATEC Service Central de la Statistique et des Études Économiques	STATEC	STATEC	---	---
<b>Netherlands</b>	CBS Centraal Bureau voor de Statistiek	EIB	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
<b>Portugal</b>	INE Instituto Nacional de Estatística	---	INE	---	NORMA
<b>United Kingdom</b>	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.
<b>Supplements</b>						
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
Combined subscription — 'European Economy' and supplements	76,30	3 300	58	54,40	79,50	

