

EUROPEAN ECONOMY

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

Supplement B — No 3 — March 1987

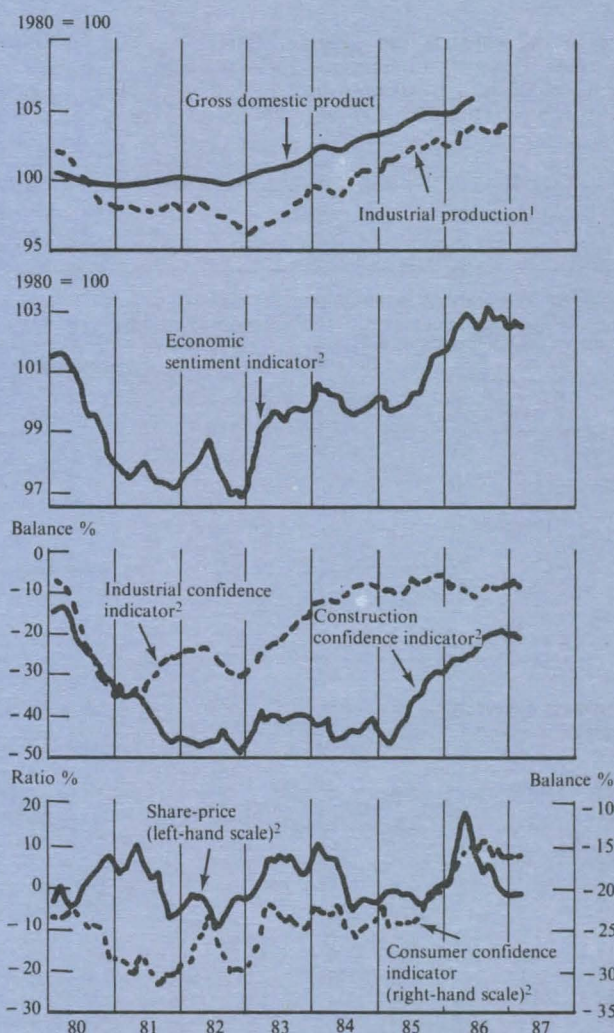
Business and consumer survey results

*In this number:
Employment expectations
in industry and business
situation in the retail trade*

THE MAIN POINTS IN BRIEF

- Slight fall in the EC cyclical indicator in February, especially in the Federal Republic of Germany. It was only in the United Kingdom that the indicator registered a further increase.
- Confidence on the wane in manufacturing and in the construction industry in the Community. The consumer climate indicator again remained unchanged, pointing to a buoyant consumer activity but not providing any suggestion of faster expansion in demand.
- Weakening employment intentions in European industry compared with a year earlier. A slight improvement though compared with the autumn of 1986, mainly on account of an improved employment outlook in the United Kingdom, Ireland and Italy.
- The retail trade in the Community continues to take a relatively positive view of business prospects in the months ahead and plans to increase orders in the coming three months to a similar extent as a year earlier.

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



¹ Three-month moving average.

² See notes to Table 3.

³ Deviations from trend in %.

EC cyclical indicator down a little — The slight rise in the composite indicator in January was wiped out in February (down from 102,7 to 102,5; 1980=100). Apart from the consumer climate, which remained stable, the three other components of the indicator—confidence in manufacturing and in the construction industry, and share prices—registered a decline.

Broken down by Member State, the cyclical indicator recorded a further rise only in the *United Kingdom* (from 103,8 to 104,4; 1980=100). In *France*, *Denmark* and the *Netherlands* it remained virtually stationary, while it fell back in the other Member States, the fall being particularly pronounced in the *Federal Republic of Germany* (from 101,0 to 99,8; 1980=100).

The spread of figures for the leading cyclical indicator in the Community has thus widened further, providing evidence of the quite differing cyclical trends prevailing at the moment in individual Member States.

Some wavering of confidence in industry — The slight dip in the industrial confidence indicator for the Community (from -7 to -8)* marks a sharp deterioration in the *Federal Republic of Germany* (from -10 to -15)*, *France* (from -10 to -14)* and *Luxembourg* (from -15 to -33)*. In all three Member States, export prospects are much gloomier, and this, together with insufficient domestic demand, led to a scaling-down of production intentions. By contrast, the leading industrial indicator rose in the *United Kingdom* and *Ireland* especially.

Industrial firms' expectations regarding selling prices were slightly up at Community level (from +10 to +13)* but, on a long-term comparison, are still relatively low. Only in the *United Kingdom* and *Greece* do they point to impending cyclical price rises on a broad front (+25 and +24 respectively)*.

Cyclical recovery in the construction industry falters — The cyclical upswing evident in the construction industry since the spring of 1985 came to a halt in the autumn of last year; the confidence indicator has remained virtually unchanged for a

number of months (-21)*. A positive cyclical trend was though discernible, especially in *Luxembourg* but also in the *Netherlands* and the *United Kingdom* (+17, -3 and -8 respectively)*. In *Denmark*, while the cyclical indicator for the construction industry dipped further, construction firms in general continued to describe their order-book situation as satisfactory to good (+4)*. The construction industries in *Greece*, *Belgium*, *Ireland* and the *Federal Republic of Germany* were once again to be found at the other end of the cyclical spectrum. Following the deterioration in February, the construction industry in *Italy* has joined that group of countries.

Share prices still not on an upward trend — Shares prices are incorporated into the composite indicator as deviations from the long-term trend and, as such, are a very useful indicator of profit expectations. A pronounced fall in the indicator has been discernible since the spring of 1986, especially in the *Federal Republic of Germany* (see Graphs 1 and 7 to 12). The slight recovery in January was not repeated in February. Only in the *United Kingdom* and *Belgium* has the trend in the share-price indicator recently been pointing upwards.

European industry's employment intentions again pointing downwards — At the beginning of 1987, more industrial firms in Europe than a year earlier were planning to reduce their workforces in the three to four months ahead (21 % compared with 16 %)*. However, the downward trend in employment expectations discernible for twelve months or so has not become any more pronounced, at least since the fourth quarter of 1986 (see Table 1). This is attributable mainly to improved employment prospects in industry in the *United Kingdom* (-6 compared with -14)*. A slight improvement is also evident in *Italy*, *Ireland* and *Luxembourg*. Although employment intentions in Dutch industry weakened a little, they were still the most positive among Member States (+14 compared with +16)*.

This picture is distinctly gloomier in industry in the *Federal Republic of Germany*, where the downward trend in employment plans noticeable since the middle of last year has gathered further momentum (from -10 in the fourth quarter of 1986 to -14)*. In *Belgium*, *Denmark* and *Greece* too, more industrial firms than at the time of the autumn 1986 survey are planning to trim their workforces. While there was no further deterioration in *France*, a large majority of firms were still planning to shed jobs (-49)*.

* Balance.

TABLE 1: Employment expectations in manufacturing industry (a) (s.a.)
Balance of respondents expecting employment up, unchanged, down

	Range (b)		Range (b)		1985	1986	1985		1986				1987
	Peak 1973	Trough 1975	Peak 1979	Trough 1982.83			III	IV	I	II	III	IV	
B	+12	-26	-2	-17	-9	-12	-11	-7	-8	-10	-14	-17	-18
DK	:	:	:	-14	+4	-3	+2	+1	-1	-3	-5	-3	-6
D	+13	-34	+2	-38	-4	-3	-5	+2	+1	+1	-2	-10	-14
GR	:	:	:	:	-3	-3	-1	-3	-1	-1	-5	-5	-8
F	+17	-35	-23	-48	-43	-41	-44	-45	-40	-44	-47	-50	-49
IRL	+15	-34	+4	-35	-7	-8	-1	+7	-9	-7	-8	-8	-5
I	+13	-26	+3	-39	-33	-35	-39	-29	-35	-38	-34	-31	-28
L	+75	-67	-1	-62	+1	+1	-2	-3	+6	+5	-2	-6	-1
NL	+4	-32	-6	-36	+11	+11	+9	+13	+17	+15	+16	+16	+14
UK	:	:	:	-43	-3	-13	-9	-4	-7	-15	-15	-14	-6
EUR	+12	-31	-6	-40	-17	-17	-20	-14	-16	-19	-20	-22	-21

TABLE 2: Employment expectations in manufacturing industry, by member country and by branch (a) (s.a.)
Balance of respondents expecting employment up, unchanged or down

	Consumer goods					Capital goods					Intermediate goods				
	1985					1986					1987				
	IV	I	II	III	IV	I	IV	I	II	III	IV	I	IV	I	IV
B	-2	-3	+3	+2	-3	-7	-12	-10	-12	-12	-18	-23	-14	-16	-22
DK	-2	+8	-6	0	+3	0	+5	-15	-15	-14	-14	-18	+2	+5	+8
D	-2	+13	+10	+11	-3	-1	+13	+8	+3	-2	-9	-18	+3	-3	-2
GR	-2	+2	+2	0	+6	-2	+10	+16	+19	-10	-11	-44	-7	-5	-5
F	-45	-40	-49	-53	-49	-51	-41	-27	-34	-36	-44	-39	-50	-49	-47
IRL	-4	+1	+3	-12	-19	-42	+29	-6	+11	+8	+20	+39	-1	-9	-28
I	-22	-30	-36	-36	-31	-18	-18	-16	-16	-14	-10	-9	-35	-41	-47
L	+26	+23	+9	+14	+2	+9	0	+12	+10	+8	-10	+11	-5	+3	+3
NL	+6	+20	+15	+24	+28	+22	+20	+21	+19	+15	+10	+3	+13	+13	+11
UK	-18	-20	-23	-25	-22	-18	+9	0	-10	-14	-17	-1	-20	-16	-24
EUR	-18	-13	-19	-18	-20	-19	-3	-4	-9	-13	-17	-15	-20	-22	-25

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

(b) These are the extreme (high and low) values of the balances between the positive and negative replies to the different questions recorded over the periods 1973-75 and 1979-83 respectively.

Source: EEC business survey.

Broken down by *main industrial category*, the most pessimistic employment expectations were once again in the *basic materials sector* (especially metal articles) (–26)*. In the *investment goods sector*, firms in the United Kingdom, Ireland and Luxembourg especially took a more favourable view of employment prospects than previously. In the Federal Republic of Germany, Belgium and Greece, however, a large number of investment goods manufacturers have again revised their recruitment plans downwards since last autumn. Employment expectations in the *European consumer goods sector* have picked up a little since the previous survey and rank between those for the basic materials sector and those for the investment goods sector. Particularly noticeable are the improved employment situation in the Italian consumer goods sector (–18 compared with –31)* and the recruitment intentions of Dutch consumer goods manufacturers, which still point to an expansion (+22)*.

Relationship between employment and production intentions —

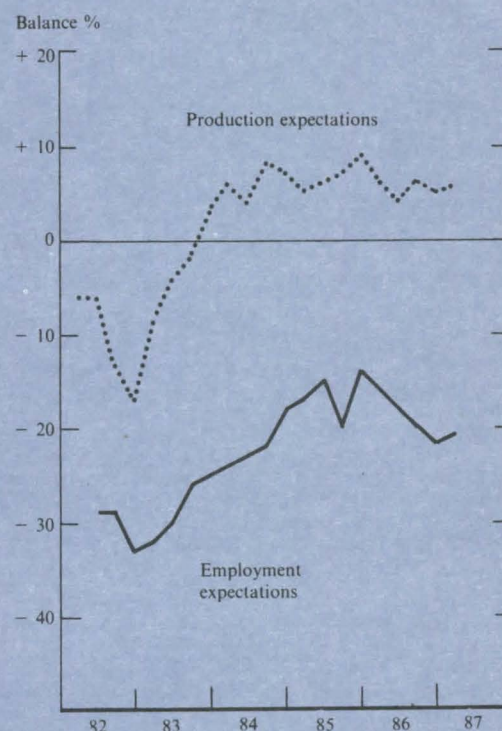
These two series are closely correlated in most Member States, and especially in the Federal Republic of Germany and the United Kingdom. While the anticipated contraction in production led to a distinctly more cautious attitude towards recruitment on the part of *German* industry, the more favourable prospects for production in the *United Kingdom* made for improved employment opportunities. In *France* and *Italy*, there is still no close correlation between production and employment intentions since a large number of industrial firms in both countries clearly continue to suffer from overmanning and, as a result, will probably take on extra workers only once the volume of production reaches a much higher level¹.

Consumer climate still unchanged — The consumer climate indicator, which, for the Community as a whole, has stood at –6 since November 1986, did not show any signs of renewed improvement in the most recent consumer survey (February). As before, the weak point in consumer confidence is the assessment of the general economic situation (–15)*. On the other

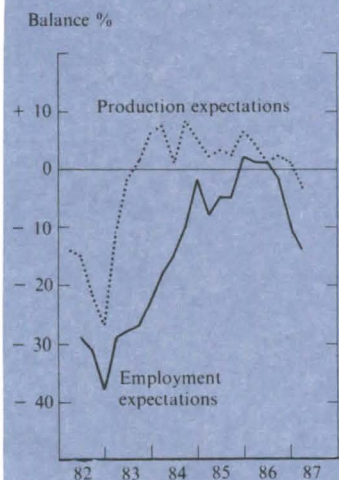
GRAPHS 2-6: Employment and production expectations in industry

(Balance: i.e. differences between percentages of companies expecting an increase and those expecting a decrease for the months ahead; quarterly figures; first quarter 1987 January and February only; seasonally adjusted)

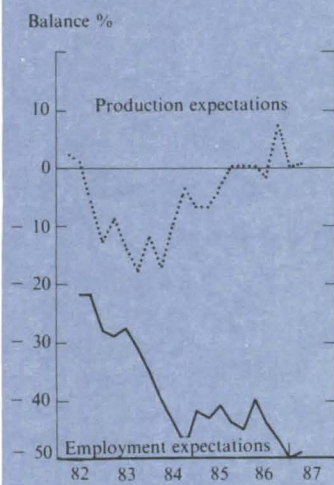
GRAPH 2: European Community



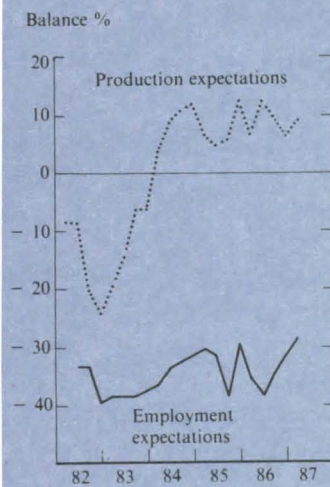
GRAPH 3: Federal Republic of Germany



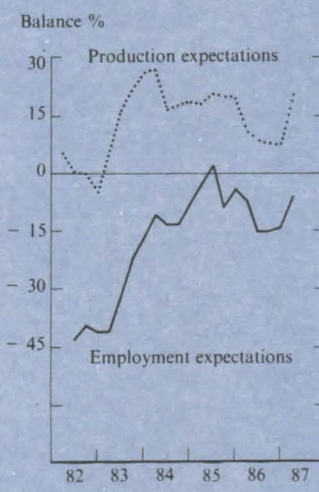
GRAPH 4: France



GRAPH 5: Italy¹



GRAPH 6: United Kingdom



¹ In a survey carried out at the beginning of 1986, 58 % of Italian firms and 38 % of French firms felt that, on balance, their workforces were too large (see 'Employment problems: views of businessmen and the workforce', in *European Economy*, No. 27, March 1986).

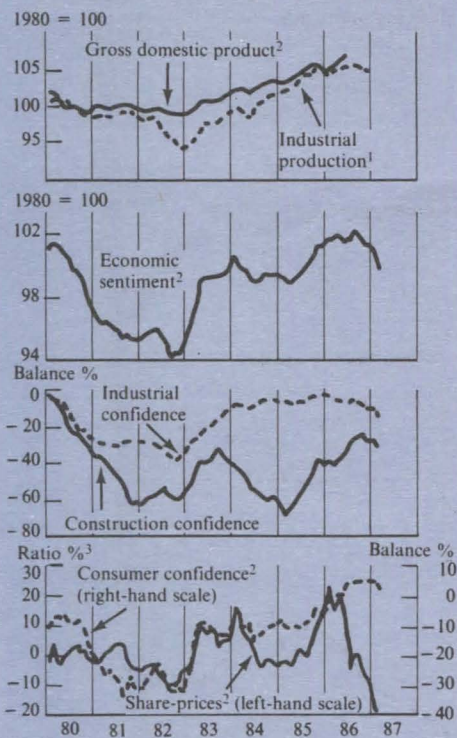
* Balance.

¹ Employment expectations in Italy: quarterly from II/85; before, half yearly.

Sources: European Community business surveys.

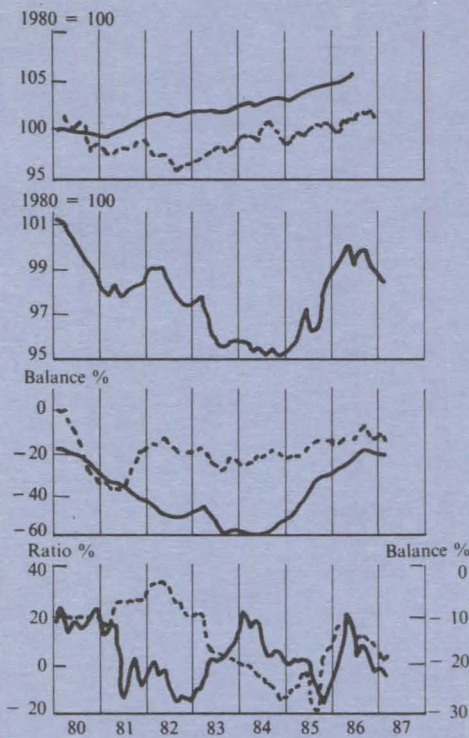
GRAPHS 7-12: Indicators of output and economic sentiment

GRAPH 7: Federal Republic of Germany



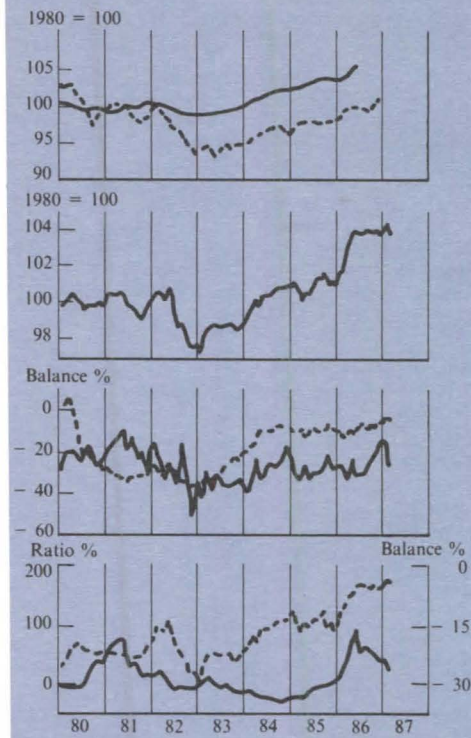
- ¹ Three-month moving average.
² See notes to Table 3.
³ Deviations from trend in %.

GRAPH 8: France



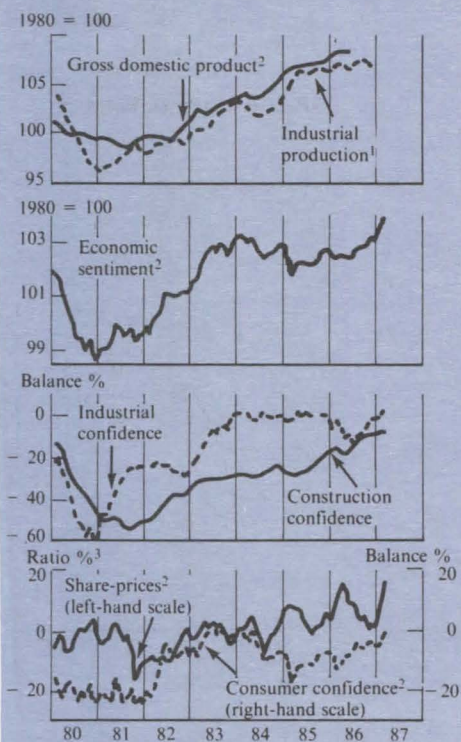
For explanations, see Graph 7.

GRAPH 9: Italy



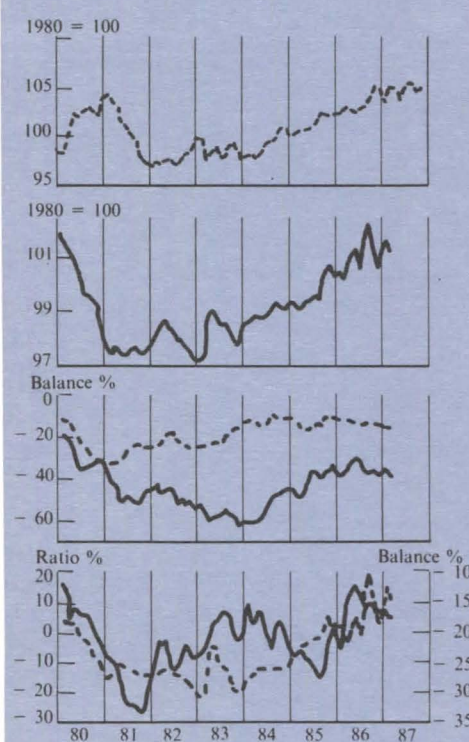
For explanations, see Graph 7.

GRAPH 10: United Kingdom



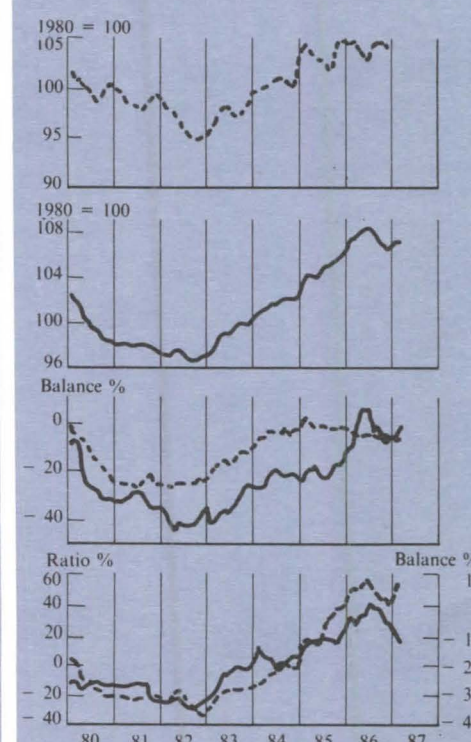
- ¹ Three-month moving average.
² See notes to Table 3.
³ Deviations from trend in %.

GRAPH 11: Belgium



For explanations, see Graph 10.

GRAPH 12: Netherlands



For explanations, see Graph 10.

TABLE 3: 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	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
B gross domestic product 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	102,5	76,5	106,3	92,4	:	:	104,8	106,8	:	104,6	106,7	107,7	:	:	:
1. industrial confidence indicator	19	-56	-4	-35	-13	-13	-14	-14	-13	-15	-13	-14	-15	-15	-15
2. construction confidence indicator	9	-36	-7	-65	-35	-31	-35	-36	-36	-36	-38	-34	-37	-38	-38
3. consumer confidence indicator (c)	7	-18	-7	-31	-17	-19	-14	-17	-14	-15	-19	-16	-12	-14	-14
4. share-price index (c)	155,1	98,0	114,3	75,0	272,2	274,6	281,4	293,0	287,6	284,1	292,5	302,5	299,1	305,4	305,4
= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,0	101,0	101,6	101,0	101,6	101,2	100,6	101,2	101,6	101,2	101,2
DK gross domestic product 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	:	:	107,7	95,5	126,2	129,8	125,4	125,4	127,5	130,4	120,8	125,0	:	:	:
1. industrial confidence indicator	:	:	:	-22	1	1	-1	-2	(-1)	-2	(-2)	(-2)	-7	(-7)	(-7)
2. construction confidence indicator	:	:	:	-36	14	21	14	6	(14)	6	(6)	(6)	1	(1)	(1)
3. consumer confidence indicator (c)	:	-16	5	-22	-3	-4	-5	-11	-8	-4	-16	-13	-11	-7	-7
4. share-price index (c)	:	:	:	:	422,7	458,4	392,8	376,6	384,6	380,2	371,8	377,7	403,1	405,5	405,5
= 5. economic sentiment indicator	:	:	:	:	102,5	102,9	102,1	101,3	101,8	101,7	101,2	101,1	101,1	101,0	101,0
D gross domestic product (b) 1980 = 100	85,1	83,3	101,2	98,9	:	109,7	:	:	:	:	:	:	:	:	:
index of industrial production	92,0	82,4	103,1	91,4	106,9	107,3	107,8	106,7	106,8	107,6	106,9	105,5	:	:	:
1. industrial confidence indicator	10	-49	2	-40	-7	-7	-6	-9	-7	-8	-10	-10	-10	-15	-15
2. construction confidence indicator	-4	-72	11	-64	-33	-35	-26	-27	-26	-23	-29	-28	-29	-30	-30
3. consumer confidence indicator (c)	:	-22	9	-31	3	3	5	5	5	6	5	5	5	1	1
4. share-price index (c)	109,0	75,2	115,6	97,6	295,7	302,2	289,4	295,5	299,9	292,0	294,6	300,0	280,3	256,9	256,9
= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	101,8	101,8	102,0	101,5	101,9	101,8	101,4	101,4	101,0	99,8	99,8
F gross domestic product 1980 = 100	85,4	84,2	99,8	102,4	:	108,2	:	:	:	:	:	:	:	:	:
index of industrial production	96,7	82,2	105,2	94,8	101,6	101,3	103,0	102,3	103,0	103,0	103,0	100,8	:	:	:
1. industrial confidence indicator	29	-49	5	-39	-12	-13	-9	-12	-6	-11	-13	-12	-10	-14	-14
2. construction confidence indicator	:	:	-17	-57	-22	-24	-17	-19	(-17)	-19	(-19)	(-19)	-21	(-21)	(-21)
3. consumer confidence indicator (c)	:	-9	3	-27	-14	-12	-14	-16	-15	-15	-16	-17	-19	-18	-18
4. share-price index (c)	86,6	53,6	101,2	82,7	337,5	344,7	356,4	365,4	360,2	355,0	359,0	382,2	388,2	391,9	391,9
= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	99,2	99,5	99,5	98,8	99,5	99,1	98,7	98,6	98,3	98,2	98,2
IRL gross domestic product 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	80,4	72,3	103,8	99,6	:	129,5	129,5	:	133,5	135,8	134,8	:	:	:	:
1. industrial confidence indicator	:	-41	20	-40	-8	-10	-9	-7	-14	-8	-7	-6	-12	-1	-1
2. construction confidence indicator	:	:	:	:	-38	-37	-32	-30	(-32)	-30	(-30)	(-30)	-33	(-33)	(-33)
3. consumer confidence indicator (c)	:	-41	12	-44	-28	-27	-26	-32	-28	-29	-33	-35	-27	-31	-31
4. share-price index (c)	85,8	29,9	112,2	79,4	231,2	240,0	240,5	242,9	225,2	231,1	241,9	255,6	271,5	262,8	262,8
= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,2	100,4	100,5	99,8	100,0	100,1	99,7	99,6	100,4	100,1	100,1
I gross domestic product 1980 = 100	80,4	77,2	101,2	98,2	:	107,8	:	:	:	:	:	:	:	:	:
index of industrial production	87,9	72,6	104,7	98,1	99,8	99,9	99,4	101,0	99,3	100,7	100,8	101,5	:	:	:
1. industrial confidence indicator	31	-59	13	-41	-9	-9	-7	-7	-6	-7	-6	-6	-2	-4	-4
2. construction confidence indicator	-8	-56	-5	-51	-26	-29	-29	-18	-25	-21	-21	-13	-16	-27	-27
3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-3	-2	-3	-3	-2	-3	-3	0	-1	-1
4. share-price index (c)	169,6	68,5	185,0	116,9	667,7	716,0	731,2	734,4	755,4	758,6	743,9	700,8	717,8	691,1	691,1
= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,5	103,8	104,0	103,9	104,0	104,1	103,8	103,7	104,3	103,7	103,7
NL gross domestic product 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	94,8	87,1	117,5	90,7	106,0	104,0	107,0	106,0	109,0	105,0	108,0	105,0	:	:	:
1. industrial confidence indicator	12	-44	4	-31	-5	-6	-5	-5	-7	-5	-5	-6	-8	-7	-7
2. construction confidence indicator	3	-47	3	-46	-3	6	-3	-8	-4	-6	-9	-7	-7	-3	-3
3. consumer confidence indicator (c)	6	-15	5	-37	5	7	4	1	2	3	0	1	7	6	6
4. share-price index (c)	:	86,3	122,8	92,8	327,6	329,4	344,9	331,9	343,5	326,9	333,5	335,2	318,7	310,9	310,9
= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	107,5	108,4	107,6	106,7	107,1	107,0	106,5	106,6	107,1	107,0	107,0
UK gross domestic product 1980 = 100	94,6	91,0	102,5	97,7	:	111,7	:	:	:	:	:	:	:	:	:
index of industrial production	92,7	89,6	110,0	93,8	109,6	109,3	110,6	109,5	110,5	109,7	109,7	109,0	:	:	:
1. industrial confidence indicator	:	:	9	-60	-8	-12	-10	-4	-9	-6	-2	-3	-1	3	3
2. construction confidence indicator	:	:	7	-60	-14	-19	-11	-10	(-11)	-10	(-10)	(-10)	-8	(-8)	(-8)
3. consumer confidence indicator (c)	:	-33	14	-26	-7	-7	-5	-4	-6	-3	-3	-6	-4	0	0
4. share-price index (c)	78,5	23,3	111,6	104,4	301,1	308,6	305,5	309,7	310,8	302,4	312,4	314,4	341,6	371,5	371,5
= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	103,1	102,8	103,2	103,5	103,2	103,4	103,7	103,4	103,8	104,4	104,4
EUR gross domestic product (a)(b) 1980 = 100	85,1	85,5	101,1	101,0	:	109,4	:	:	:	:	:	:	:	:	:
index of industrial production	92,9	83,0	103,2	94,6	105,4	106,0	105,5	106,2	106,1	106,4	106,1	106,1	:	:	:
1. industrial confidence indicator	16	-49	3	-36	-9	-10	-8	-8	-7	-8	-8	-8	-7	-8	-8
2. construction confidence indicator	:	:	-1	-48	-23	-25	-20	-19	(-19)	-18	(-20)	(-20)	-20	(-21)	(-21)
3. consumer confidence indicator (c)	5	-17	1	-22	-6	-5	-5	-6	-6	-5	-6	-6	-6	-6	-6
4. share-price index (c)	:	47,0	115,4	111,7	329,8	340,0	336,2	339,5	342,1	334,8	339,8	344,0	352,8	358,9	358,9
= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	102,7	102,8	103,0	102,7	102,9	102,9	102,6	102,5	102,7	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 4: 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		1987	
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83			II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.
B	production expectations	+31	-56	-4	-37	-7	-6	-8	-9	-4	-8	-8	-10	-12	-8
	order-books	+13	-74	-14	-49	-25	-29	-25	-26	-25	-27	-25	-26	-27	-29
	export order-books	+15	-82	-19	-55	-30	-35	-29	-30	-27	-32	-30	-29	-28	-26
	stocks of finished products	-14	+37	+2	+18	+7	+5	+8	+8	+10	+9	+7	+7	+6	+9
	selling-price expectations	+64	-10	+39	+12	+5	+2	0	-4	0	-3	-2	-8	-13	-4
	industrial confidence indicator	+19	-56	-4	-35	-13	-13	-14	-14	-13	-15	-13	-14	-15	-15
DK	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	:
	D	production expectations	+17	-32	+10	-30	+2	+1	+2	+1	+3	+3	-1	0	-1
order-books		+5	-73	-6	-59	-15	-16	-14	-19	-15	-17	-19	-20	-22	-25
export order-books		:	:	-14	-50	-20	-18	-20	-27	-23	-26	-28	-26	-26	-29
stocks of finished products		-7	+43	-2	+31	+7	+7	+6	+10	+9	+11	+10	+9	+8	+13
selling-price expectations		+55	+4	+38	+4	+7	+4	+8	+7	+6	+10	+7	+4	+4	+9
industrial confidence indicator		+10	-49	+2	-40	-7	-7	-6	-9	-7	-8	-10	-10	-10	-15
GR	production expectations	:	:	:	:	+21	+28	+19	+11	+19	+13	+13	+7	+8	+10
	order-books	:	:	:	:	-16	-16	-20	-25	-20	-22	-26	-27	-26	-28
	export order-books	:	:	:	:	-24	-22	-24	-24	-20	-20	-26	-26	-31	-35
	stocks of finished products	:	:	:	:	+12	+10	+11	+15	+9	+13	+19	+12	+14	+8
	selling-price expectations	:	:	:	:	+16	+16	+15	+8	+14	+12	+8	+3	-1	+24
	industrial confidence indicator	:	:	:	:	-3	+1	-4	-10	-3	-7	-11	-11	-11	-9
F	production expectations	+33	-29	+18	-20	+1	-2	+7	0	+9	+2	0	-1	+2	-1
	order-books	+26	-69	0	-56	-23	-23	-20	-23	-16	-23	-24	-23	-22	-24
	export order-books	+24	-66	+10	-52	-28	-29	-28	-30	-24	-32	-30	-27	-29	-35
	stocks of finished products	-14	+50	+3	+42	+15	+14	+16	+13	+11	+12	+14	+12	+11	+16
	selling-price expectations	+76	+15	+62	+17	+14	+13	+14	+9	+14	+13	+7	+4	+13	+10
	industrial confidence indicator	+29	-49	+5	-39	-12	-13	-9	-12	-6	-11	-13	-12	-10	-14
IRL	production expectations	:	-21	+40	-33	+10	+14	+9	+8	0	+10	+6	+9	+14	+27
	order-books	:	-68	+18	-55	-22	-29	-24	-20	-31	-22	-20	-17	-36	-21
	stocks of finished products	:	+35	-6	+33	+13	+16	+13	+10	+11	+13	+7	+10	+14	+9
	selling-price expectations	:	+64	+77	+20	-5	-16	-10	+8	+2	+9	+13	+3	+3	+1
	industrial confidence indicator	:	-41	+20	-40	-8	-10	-9	-7	-14	-8	-7	-6	-12	-1
I	production expectations	+40	-43	+24	-26	+9	+13	+10	+7	+9	+5	+10	+7	+11	+8
	order-books	+30	-82	+7	-66	-22	-23	-21	-17	-20	-20	-17	-13	-11	-11
	export order-books	+13	-67	-6	-59	-30	-33	-29	-27	-26	-25	-26	-29	-21	-24
	stocks of finished products	-24	+53	-8	+32	+14	+18	+10	+10	+7	+7	+10	+13	+7	+10
	selling-price expectations	+76	+10	+87	+37	+15	+15	+9	+8	+11	+6	+7	+10	+12	+11
	industrial confidence indicator	+31	-59	+13	-41	-9	-9	-7	-6	-6	-7	-6	-6	-2	-4
L	production expectations	+84	-80	+40	-66	-20	-7	-38	-36	-41	-41	-37	-30	-40	-49
	order-books	:	:	+8	-70	-3	-2	-1	-3	-1	-1	+1	-9	-11	-47
	export order-books	:	:	+9	-80	-22	-14	-10	-45	-12	-46	-36	-52	-64	-64
	stocks of finished products	-14	+74	0	+58	+3	+6	+3	+1	+1	+6	-2	-2	-5	+4
	selling-price expectations	:	-46	+74	-38	-30	-48	-20	-31	+30	-25	-29	-40	-53	-56
	industrial confidence indicator	:	:	+16	-65	-5	-5	-14	-13	-14	-16	-11	-12	-15	-33
NL	production expectations	+26	-26	+20	-13	+4	+2	+4	+6	0	+6	+7	+4	-1	+1
	order-books	+7	-48	-5	-42	-12	-12	-13	-15	-14	-14	-15	-16	-16	-15
	stocks of finished products	-3	+57	+3	+39	+6	+7	+7	+6	+8	+7	+6	+6	+6	+6
	industrial confidence indicator	+12	-44	+4	-31	-5	-6	-5	-5	-7	-5	-5	-6	-8	-7
UK	production expectations	:	:	+29	-52	+11	+9	+8	+15	+12	+15	+17	+14	+19	+21
	order-books	:	:	-2	-85	-18	-24	-22	-14	-22	-20	-10	-12	-13	-6
	export order-books	:	:	-11	-72	-19	-21	-24	-15	-22	-19	-13	-13	-13	-10
	stocks of finished products	:	:	-1	+42	+16	+20	+17	+12	+16	+13	+12	+10	+9	+7
	selling-price expectations	:	:	+70	+7	+15	+13	+15	+18	+16	+16	+18	+20	+21	+25
	industrial confidence indicator	:	:	+9	-60	-8	-12	-10	-4	-9	-6	-2	-3	-1	+3
EUR	production expectations	+24	-30	+15	-24	+5	+4	+6	+5	+8	+6	+5	+4	+7	+4
	order-books	+15	-70	-7	-56	-19	-21	-19	-18	-19	-20	-18	-17	-18	-18
	export order-books	:	:	-12	-50	-23	-25	-24	-25	-23	-26	-24	-24	-26	-26
	stocks of finished products	-10	+48	-1	+31	+12	+14	+11	+11	+11	+11	+12	+11	+9	+11
	selling-price expectations	+64	+9	+53	+22	+12	+10	+10	+10	+12	+10	+8	+7	+10	+13
	industrial confidence indicator	+16	-49	+3	-36	-9	-10	-8	-8	-7	-8	-8	-8	-7	-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.

TABLE 5: Survey of the construction industry

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	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
B	order-books	-13	-47	-20	-76	-48	-46	-44	-47	-43	-48	-47	-47	-50	-51
	employment expectations	+31	-24	+7	-53	-22	-15	-26	-27	-28	-34	-28	-20	-23	-25
	price expectations	+75	+25	+61	-18	+1	+4	-2	-5	-5	-5	-5	-4	-3	-2
	construction confidence indicator (a)	+9	-36	-7	-65	-35	-30	-35	-37	-36	-36	-38	-34	-37	-38
DK	order-books	:	:	:	-38	+18	+25	+18	+13	(+18)	+13	(+13)	(+13)	+4	(+4)
	employment expectations	:	:	:	-35	+10	+17	+9	-1	(+9)	-1	(-1)	(-1)	-2	(-2)
	price expectations	:	:	:	-37	+14	+21	+14	+6	(+14)	+6	(+6)	(+6)	+1	(+1)
	construction confidence indicator (a)	:	:	:											
D	order-books	-17	-84	+2	-75	-53	-55	-45	-47	-45	-43	-48	-49	-51	-52
	employment expectations	+10	-60	+20	-53	-12	-15	-7	-6	-6	-3	-9	-6	-7	-8
	price expectations	+48	-37	+48	-49	+7	+6	+10	+8	+11	+11	+7	+5	+1	+2
	construction confidence indicator (a)	-4	-72	+11	-64	-33	-35	-27	-27	-26	-23	-29	-28	-29	-30
GR	order-books	:	:	:	-78	-62	-63	-72	-63	(-72)	-63	(-63)	(-63)	-67	(-67)
	employment expectations	:	:	:	-77	-32	-33	-33	-25	(-33)	-25	(-25)	(-25)	-22	(-22)
	price expectations	:	:	:	+9	+34	+50	+32	+31	(+32)	+31	(+31)	(+31)	+25	(+25)
	construction confidence indicator (a)	:	:	:	-78	-47	-48	-53	-44	(-53)	-44	(-44)	(-44)	-45	(-45)
F	order-books	:	:	-26	-73	-33	-36	-26	-27	(-26)	-27	(-27)	(-27)	-28	(-28)
	employment expectations	:	:	-8	-47	-11	-12	-8	-11	(-8)	-11	(-11)	(-11)	-14	(-14)
	price expectations	:	:	-17	-57	-22	-24	-18	-19	(-18)	-19	(-19)	(-19)	-21	(-21)
	construction confidence indicator (a)	:	:												
IRL	order-books	:	:	:	-58	-40	-33	-36	-37	(-36)	-37	(-37)	(-37)	-48	(-48)
	employment expectations	:	:	:	-61	-35	-41	-28	-23	(-28)	-23	(-23)	(-23)	-17	(-17)
	price expectations	:	:	:	:	-14	-2	-17	-27	(-17)	-27	(-27)	(-27)	-11	(-11)
	construction confidence indicator (a)	:	:	:	-60	-38	-37	-32	-30	(-32)	-30	(-30)	(-30)	-33	(-33)
I	order-books	-25	-68	-8	-62	-37	-43	-41	-27	-40	-32	-27	-22	-25	-30
	employment expectations	+10	-44	-2	-39	-14	-14	-17	-9	-10	-10	-15	-3	-7	-23
	price expectations	+85	+30	+79	+2	+12	+14	+9	+13	+7	+3	+25	+10	+3	+9
	construction confidence indicator (a)	-8	-56	-5	-51	-26	-29	-29	-18	-25	-21	-21	-13	-16	-27
L	order-books	+21	-50	+15	-79	-9	-9	+3	+7	+7	+10	+8	+4	+13	+16
	employment expectations	+31	-39	+46	-75	0	+7	+5	-2	+1	+2	-6	-1	+12	+18
	price expectations	+82	+11	+81	-49	+14	+14	+27	+20	+28	+26	+19	+16	+12	+16
	construction confidence indicator (a)	+26	-45	+31	-77	-5	-1	+4	+3	+4	+6	+1	+2	+13	+17
NL	order-books	-8	-81	-10	-61	-11	-5	-9	-11	-11	-10	-11	-11	-10	-11
	employment expectations	+14	-13	+15	-31	+5	+16	+3	-4	+3	-2	-7	-2	-4	-6
	price expectations	+3	-47	+3	-46	-3	+6	-3	-8	-4	-6	-9	-7	-7	-3
	construction confidence indicator (a)														
UK	order-books	:	:	-1	-71	-24	-30	-23	-14	(-23)	-14	(-14)	(-14)	-19	(-19)
	employment expectations	:	:	+15	-49	-3	-7	+2	-5	(+2)	-5	(-5)	(-5)	+3	(+3)
	price expectations	:	:	+74	-22	+25	+23	+22	+30	(+22)	+30	(+30)	(+30)	+38	(+38)
	construction confidence indicator (a)	:	:	+7	-60	-14	-19	-11	-10	(-11)	-10	(-10)	(-10)	-8	(-8)
EUR	order-books	:	:	-9	-63	-36	-40	-32	-30	(-32)	-29	(-30)	(-32)	-32	(-33)
	employment expectations	:	:	+7	-33	-9	-10	-7	-8	(-6)	-7	(-10)	(-8)	-7	(-8)
	price expectations	:	:	-1	-48	-23	-25	-20	-19	(-19)	-18	(-20)	(-20)	-20	(-21)
	construction confidence indicator (a)	:	:												

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

(b) These are the extrem (high and low) values of the net balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

Source: European Community business surveys.

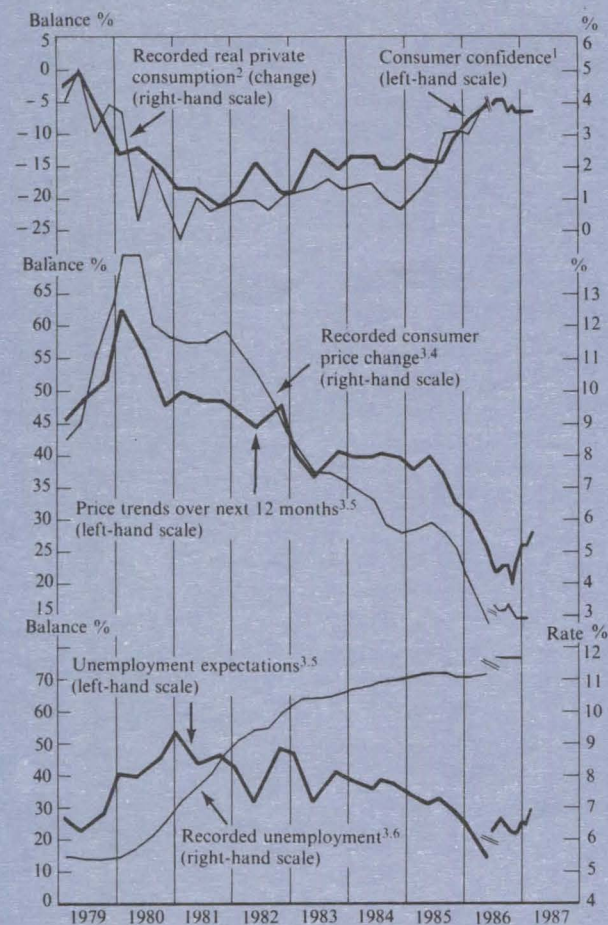
TABLE 6: Results of business surveys in the retail trade (a)(b)

		1985		1986										1987			
		Nov.	Dec.	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. (f)	Feb.
B	present business situation	5	8	16	7	-8	0	-19	-7	-13	-8	10	11	-13	8	-5	-13
	volume of stocks	-3	5	1	0	11	5	4	12	6	2	0	0	17	9	6	12
	intentions of placing orders	-7	-5	14	17	-3	-9	-14	-16	-4	3	11	-3	-8	-10	6	10
	expected business situation	-2	-15	17	26	9	-6	9	-6	21	23	25	10	13	-4	16	32
D	present business situation	-8	-11	-8	-22	-19	-10	-7	-6	-10	-10	-1	-11	-14	7	-10	-3
	volume of stocks	22	19	24	29	28	29	26	27	20	20	24	28	31	25	23	24
	intentions of placing orders	-13	-11	-11	-14	-13	-15	-15	-14	-6	-1	0	-1	-16	-9	-8	-1
	expected business situation	3	-1	1	1	-5	-3	-3	0	4	2	12	-2	-4	5	3	6
F (c)	present business situation	-22	:	5	:	-6	:	-16	:	-6	:	-11	:	-11	:	-9	:
	volume of stocks	18	:	7	:	4	:	19	:	13	:	8	:	15	:	19	:
	intentions of placing orders	-18	:	-25	:	-15	:	-24	:	-28	:	-12	:	-9	:	-24	:
	expected business situation	:	:	:	:	:	:	:	:	-17	:	-14	:	-20	:	-39	:
I(c)(d)	present business situation	:	:	-2	:	-7	:	2	:	-7	:	7	:	3	:	6	:
	volume of stocks	:	:	28	:	25	:	24	:	31	:	20	:	30	:	18	:
	intentions of placing orders	:	:	-16	:	-14	:	-18	:	-14	:	2	:	-1	:	-6	:
	expected business situation	:	:	3	:	9	:	9	:	10	:	20	:	13	:	10	:
NL	present business situation	:	:	41	34	41	43	51	48	51	51	55	45	48	56	36	39
	volume of stocks	:	:	7	8	10	10	7	9	8	2	8	7	12	4	12	9
	intentions of placing orders	:	:	31	22	24	17	16	19	21	25	30	18	14	20	24	28
	expected business situation	:	:	47	44	43	41	34	41	38	45	40	39	31	46	44	42
UK	present business situation (e)	18	31	30	31	13	5	7	19	24	29	24	17	18	36	20	29
	volume of stocks	21	18	19	18	27	27	20	21	17	9	4	16	15	18	18	16
	intentions of placing orders	12	23	29	24	17	21	26	23	23	31	38	27	25	24	24	30
	expected business situation	32	:	:	36	:	:	34	:	:	34	:	:	34	:	:	39

(a) not seasonally adjusted; (b) balances; (c) bi-monthly; (d) excl. large multiple shops; (e) refers to volume of sales for the time of the year; (f) Italy: provisional.

Source: EC business survey in retail trade.

GRAPH 13: Consumer survey results and objective economic indicators — European Community⁷



For notes, Table 7.

Sources: European Community consumer survey and Eurostat.

hand, consumers continue to view their own financial situation in a less unfavourable light (-7)*. Even though general economic prospects for the coming twelve months have deteriorated somewhat, this has not yet adversely affected expectations regarding consumers' own financial situation or the propensity to purchase consumer durables. Although negative perceptions continue to predominate where consumers' own financial situation and, even more so, the general economic situation are concerned, views generally are much more favourable than in the period 1980–85 overall. This is not true though of purchasing intentions, which are at present distinctly less expansive than in the early 1980s.

In a number of Member States (Belgium, Ireland, Italy and the Netherlands), some of the rise in the consumer climate indicator in January was nullified in February. In the Federal Republic of Germany, the indicator fell back to its February 1986 level ($+1$)* after holding steady at $+5$ * in previous months. In the other Member States, the positive trend in the consumer climate noted in January continued. While being somewhat less pronounced in Portugal, it strengthened in the United Kingdom and Denmark. In Spain and France, after dipping the previous months, the consumer climate indicator rallied a little.

Movements in the Community consumer climate indicator in recent months suggest continued buoyancy of activity but do not point to any acceleration in the growth rate of demand. This is consistent with the further slight increase in consumer propensity to save and is borne out by the most recent retail survey data.

Although European consumers' perceptions of their *personal financial situation* remained generally unchanged in February, developments in a number of Member States diverged significantly. In Denmark, consumers appear to have made some further progress in recovering from the shock initially imparted

by the Government's latest austerity measures (-1 compared with -6 in January)*. In the United Kingdom too, consumers are less pessimistic about their financial situation (-8 compared with -11)*. Their income expectations present an even brighter picture ($+3$ compared with 0)*. In Ireland, developments pointed in the opposite direction. After being slightly more cheerful in January, consumer assessments of their income situation fell in February to a very low level compared with the rest of the Community (from -33 to -37)*. Even so, Irish consumers continued to be somewhat less pessimistic as regards the future trend of their real income; their expectations though were still much less confident than in the Community as a whole (-13 compared with $+1$)*.

In some Member States, perceptions and expectations regarding the *general economic situation* were less favourable than a month earlier, especially in the Federal Republic of Germany but also in Belgium, the Netherlands, Spain and Italy. Elsewhere, consumers, especially in the United Kingdom as well as in Portugal, professed themselves to be somewhat more satisfied with general economic developments and with future prospects.

As in January, the *propensity to purchase consumer durables* fluctuated a great deal. In Spain, it showed a marked rise (from -23 to -10)*, to its highest level since the survey was first conducted in June 1986. In Denmark, consumer propensity to purchase recovered further from the setback suffered in November (from -20 to -13)*, although it is still at a low level compared with the average for the Community ($+1$)* and with the levels previously recorded in Denmark (prior to November 1986). After a pause in January, the propensity to purchase picked up again in France (from -9 to -4)*.

By contrast, the propensity to purchase fell away in Ireland in February (from $+2$ to -15)* following a sharp rise in January. Purchasing intentions were also slightly less firm in the Federal Republic of Germany (from $+10$ to $+6$)* and Belgium (from -21 to -25)*. Consumers in the United Kingdom remained favourably disposed towards making purchases, with the indicator remaining unchanged in February at the (for the Community) high level of $+24$ *.

In most Member States, people are again becoming increasingly concerned about *mounting unemployment*, including in the Federal Republic of Germany (from $+7$ to $+14$)* and the Netherlands (from -4 to $+3$)*, where the employment situation has improved most since 1982. Growing concern about job security is, however, also evident in France (from $+38$ to $+44$)*, Italy ($+34$ to $+40$)* and Portugal ($+22$ to $+26$)*. In Ireland, there is still widespread expectation that unemployment will rise although an underlying improvement that has become more marked recently (from $+44$ to $+33$)* has been underway since November. In Denmark and the United Kingdom, fewer people now expect any increase in the unemployment figures (from $+19$ to $+15$ and from $+19$ to $+16$ respectively)*.

In many Member States, price expectations for the coming twelve months showed a slight increase, especially in Italy (from $+32$ to $+38$)* and France (from $+24$ to $+29$)*. Prices are also expected to edge up in Germany (from 0 to $+6$)*. An exception to this trend is still the Netherlands, where even more consumers than at the time of the last survey expect prices to fall (from -2 to -12)*. In Belgium, inflationary fears have continued to ease (from $+23$ to $+14$)* and are now at a relatively low level not only in domestic terms but also in terms of the Community as a whole.

Retail sales displaying a modest upward trend¹ — Like the consumer survey results, the retail survey data point to a continuation of the slightly upward trend of activity at Community level in the coming months. However, no acceleration is discernible in the growth rate of demand in the retail trade although this would be desirable given the depressed level of export demand in most Member States (see Graph 14). An exception here is Italy, where the level of orders planned by the retail trade was significantly higher at the beginning of 1987 than a year earlier. In the United Kingdom and the Netherlands, al-

¹ At the moment, harmonized business surveys are carried out in the retail trade only in Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom. Since the time series in Italy and the Netherlands still cover a very short period (the survey being carried out there for the first time only in 1986), no graph is given for either country.

* Balance.

though business expectations and planned orders still exceed those in the other Member States, no further improvement is anticipated.

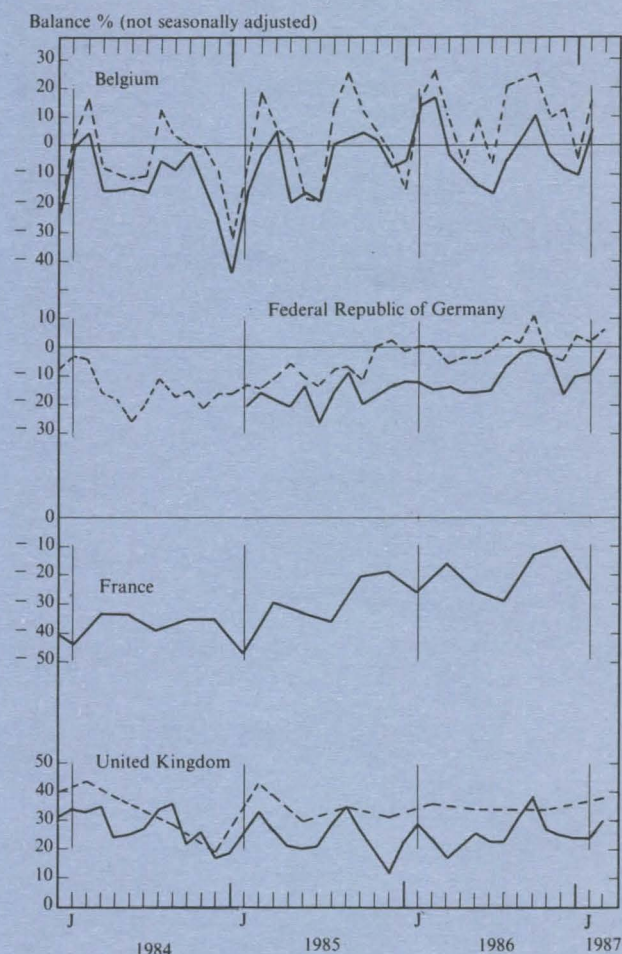
Broken down by product category, the retail trade's planned orders of *household appliances* are higher than a year earlier in the United Kingdom, France and the Netherlands but lower in Belgium, Italy and Germany.

In the case of *cars*, orders planned by dealers in all Member States surveyed, except Italy, are no longer as high as they were at the beginning of 1986. The picture is brighter where *textiles, clothing and footwear* are concerned, with a higher level of orders being planned in each case.

The leading *department stores* in Italy, the United Kingdom and Germany indicated that they were intending to order more in the coming months than at the same time a year earlier. In France and the Netherlands, however, the trend of orders pointed slightly downwards.

18 March 1987.

GRAPH 14: Expectations on orders placed with suppliers (—)¹ and on business trends (---)²



¹ During the next three months

² Over the next six months

Source: European Community business surveys in the retail trade.

TABLE 7: Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986						1987	
											July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.
CONSUMER CONFIDENCE INDICATOR ^(b)	B	-8	-10	-20	-27	-27	-28	-27	-21	-17	-17	-10	-14	-15	-19	-16	-12	-14
	DK	-1	-2	-19	-17	-12	0	6	4	-3	:	-2	-8	-4	-16	-13	-11	-7
	D	5	6	-5	-22	-26	-15	-10	-7	3	4	6	5	6	5	5	5	1
	GR	:	:	:	:	0	-11	-4	-5	-20	-19	-23	-21	-21	-23	-26	-26	-29
	E	:	:	:	:	:	:	:	:	-9	-8	-7	-9	-10	-10	-10	-11	-10
	F ^(d)	1	-5	-10	-9	-5	-15	-23	-21	-14	-14	:	-15	-15	-16	-17	-19	-18
	IRL	8	-10	-22	-28	-34	-39	-33	-29	-28	-24	-26	-28	-29	-33	-35	-27	-31
	I	-18	-17	-22	-22	-18	-24	-15	-12	-4	-2	:	-3	-2	-3	-3	0	-1
	NL	-1	-8	-25	-31	-32	-30	-22	-7	5	6	4	2	3	0	1	7	6
	P	:	:	:	:	:	:	:	:	-7	-6	-10	-6	-4	-4	-9	-5	-4
	UK	8	-4	-18	-21	-12	-3	-4	-10	-7	-3	-5	-6	-3	-3	-6	-4	0
	EUR ^(c)	0	-3	-13	-19	-17	-15	-14	-12	-6	-4	-4	-6	-5	-6	-6	-6	-6
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-11	-15	-19	-25	-29	-31	-23	-14	-13	-10	-12	-14	-16	-12	-13	-11
	DK	2	1	-10	-12	-7	-4	-2	-3	-2	:	0	-2	0	-5	-1	-6	-1
	D	1	2	-4	-16	-18	-14	-11	-8	1	1	3	4	2	2	4	2	0
	GR	:	:	:	:	-2	-13	-8	-8	-24	-23	-27	-27	-26	-28	-31	-27	-31
	E	:	:	:	:	:	:	:	:	-10	-9	-11	-10	-12	-11	-9	-10	-9
	F ^(d)	-2	-4	-7	-8	-7	-11	-15	-13	-11	-11	:	-12	-12	-14	-14	-13	-14
	IRL	-9	-21	-32	-38	-41	-43	-42	-37	-34	-35	-31	-33	-34	-36	-36	-33	-37
	I	-14	-13	-14	-14	-13	-15	-12	-10	-6	-6	:	-5	-5	-6	-6	-4	-4
	NL	4	1	-9	-18	-20	-28	-26	-17	-3	-2	1	-2	-1	-3	-2	2	3
	P	:	:	:	:	:	:	:	:	-8	-8	-11	-6	-7	-6	-7	-6	-7
	UK	-10	-11	-24	-30	-27	-15	-15	-16	-13	-11	-9	-10	-10	-8	-11	-11	-8
	EUR ^(c)	-4	-5	-11	-17	-16	-15	-15	-12	-8	-7	-6	-6	-7	-7	-7	-7	-7

— over last 12 months

TABLE 7 (continued): Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986						1987	
											July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.
FINANCIAL SITUATION OF HOUSEHOLDS (continued)	B	-3	-3	-6	-9	-12	-15	-18	-13	-5	-6	0	-3	-3	-5	-3	-2	-1
	DK	6	3	-8	-4	-2	0	3	3	2	:	6	1	3	-4	0	4	4
	D	2	2	-3	-12	-14	-9	-6	-4	2	2	4	3	4	4	3	3	2
	GR	:	:	:	:	15	0	6	2	-12	-10	-15	-15	-14	-18	-24	-18	-18
	E	:	:	:	:	:	:	:	:	3	4	5	3	1	2	1	2	2
	F (d)	4	0	-2	0	0	-4	-7	-3	-2	-5	:	-5	-5	-5	-6	-4	-5
	IRL	1	-13	-19	-24	-23	-26	-22	:	-15	-11	-15	-18	-15	-18	-18	-16	-13
	I	-6	-7	-10	-8	-6	-8	-3	-2	1	2	:	1	2	1	1	4	5
	NL	1	1	-9	-13	-14	-21	-17	-6	2	0	1	3	1	3	3	4	5
	P	:	:	:	:	:	:	:	:	2	3	-1	3	6	3	-2	3	2
	UK	3	-1	-13	-15	-9	-2	-3	-5	-3	1	-2	-2	-1	0	-1	0	3
EUR (c)		2	0	-6	-9	-8	-7	-6	-4	0	0	0	-1	0	0	-1	1	1
GENERAL ECONOMIC SITUATION	B	-47	-44	-58	-69	-68	-62	-57	-33	-29	-31	-19	-22	-26	-35	-32	-20	-23
	DK	-31	-34	-56	-47	-42	-4	4	2	-10	:	-7	-21	-15	-24	-24	-20	-16
	D	-5	3	-18	-46	-51	-29	-14	-11	7	8	10	11	14	11	12	9	3
	GR	:	:	:	:	-2	-11	-4	-10	-28	-27	-33	-31	-30	-34	-36	-33	-37
	E	:	:	:	:	:	:	:	:	-15	-11	-15	-15	-14	-16	-14	-21	-24
	F (d)	-18	-27	-39	-37	-28	-41	-54	-52	-34	-32	:	-33	-32	-36	-37	-41	-40
	IRL	-4	-35	-56	-66	-74	-77	-65	-61	-58	-51	-54	-60	-59	-64	-65	-63	-65
	I	-45	-43	-57	-60	-51	-57	-36	-26	-10	-6	:	-4	-8	-5	-6	0	-2
	NL	-23	-30	-55	-64	-64	-54	-19	8	18	22	16	11	14	8	10	15	13
	P	:	:	:	:	:	:	:	:	-5	-8	-12	-4	-2	2	-4	-1	1
	UK	0	-33	-55	-62	-40	-23	-25	-37	-29	-24	-28	-30	-27	-22	-25	-24	-19
EUR (c)		-16	-22	-41	-51	-44	-37	-31	-28	-15	-12	-13	-13	-12	-13	-13	-14	-15
— over last 12 months	B	-28	-29	-45	-51	-43	-38	-33	-17	-12	-15	-2	-6	-13	-18	-15	-7	-8
	DK	-21	-24	-42	-29	-23	3	6	4	-7	:	-7	-12	-10	-17	-16	-12	-11
	D	-1	1	-19	-33	-32	-14	-10	-6	3	5	5	3	4	2	2	1	-4
	GR	:	:	:	:	25	6	10	3	-13	-14	-17	-14	-15	-23	-26	-22	-19
	E	:	:	:	:	:	:	:	:	3	5	6	1	1	0	2	-4	-7
	F (d)	-15	-29	-40	-27	-23	-36	-45	-34	-18	-17	:	-16	-19	-21	-22	-27	-27
	IRL	2	-26	-35	-38	-42	-45	-29	-26	-26	-20	-25	-29	-29	-32	-31	-27	-23
	I	-14	-19	-30	-30	-24	-25	-9	-8	3	4	:	4	4	4	1	10	5
	NL	-16	-26	-48	-42	-42	-28	-5	10	12	11	4	-1	4	1	3	8	4
	P	:	:	:	:	:	:	:	:	5	5	-2	9	9	9	0	8	9
	UK	5	-16	-24	-23	-10	-5	-10	-16	-14	-12	-18	-13	-10	-5	-9	-8	-2
EUR (c)		-8	-16	-30	-30	-24	-21	-18	-14	-5	-4	-5	-5	-5	-5	-7	-6	-7
PRICE TRENDS	B	59	55	65	69	77	78	78	72	49	47	37	41	40	42	36	36	30
	DK	47	39	50	51	48	26	26	26	10	:	14	6	8	7	5	6	0
	D	16	25	44	52	46	23	15	9	-15	-18	-23	-21	-24	-25	-26	-28	-23
	GR	:	:	:	:	15	30	24	26	39	37	39	42	39	36	38	41	39
	E	:	:	:	:	:	:	:	:	46	45	45	46	49	45	43	44	45
	F (d)	60	70	79	77	62	55	58	44	12	11	:	9	4	8	5	7	18
	IRL	57	80	85	87	87	80	71	59	20	38	44	42	41	44	42	43	42
	I	67	72	80	79	72	69	55	49	36	31	:	29	31	32	33	26	25
	NL	47	43	62	68	63	43	41	22	-2	-13	-22	-14	-18	3	-7	-18	-27
	P	:	:	:	:	:	:	:	:	31	31	33	29	28	29	31	34	38
	UK	35	48	59	41	31	15	19	24	15	11	12	13	9	13	17	14	11
EUR (c)		42	49	63	62	53	40	37	30	13	12	11	10	9	11	10	8	10
— over next 12 months	B	22	33	42	40	45	40	37	36	27	21	21	22	23	21	22	23	14
	DK	27	29	38	31	31	12	16	15	7	:	6	5	7	7	1	4	11
	D	33	44	51	50	43	30	28	25	5	1	0	-1	-3	-1	1	0	6
	GR	:	:	:	:	25	37	38	42	44	46	46	45	45	41	47	50	45
	E	:	:	:	:	:	:	:	:	19	18	16	24	21	20	22	22	23
	F (d)	41	46	50	39	42	37	32	27	19	21	:	10	7	14	18	24	29
	IRL	36	59	56	52	46	39	35	32	17	10	22	28	29	23	28	32	23
	I	44	56	60	58	56	54	46	48	35	31	:	34	33	36	37	32	38
	NL	36	48	61	52	50	38	25	17	6	0	6	7	-1	5	4	-2	-12
	P	:	:	:	:	:	:	:	:	14	11	14	11	11	12	21	14	16
	UK	21	34	43	31	29	27	40	43	32	25	31	33	30	35	38	36	35
EUR (c)		34	44	51	44	42	35	35	32	20	17	18	18	15	18	21	21	23
UNEMPLOYMENT	B	42	42	57	67	60	57	44	37	33	37	33	29	36	40	37	35	36
	DK	29	22	39	37	29	30	5	-4	1	:	0	2	9	27	24	19	15
	D	10	3	20	43	43	30	20	16	4	-2	5	5	-1	3	9	7	14
	GR	:	:	:	:	11	10	11	17	31	32	35	35	32	30	35	38	38
	E	:	:	:	:	:	:	:	:	26	27	24	24	24	26	33	40	39
	F (d)	30	44	47	43	30	41	62	50	33	42	:	38	37	35	35	38	44
	IRL	6	12	34	47	56	67	52	48	45	42	47	49	44	48	47	44	33
	I	42	41	51	52	56	57	49	47	39	38	:	36	37	37	41	34	40
	NL	42	35	59	72	72	67	36	0	-11	-11	5	-4	-2	-6	-7	-4	3
	P	:	:	:	:	:	:	:	:	27	25	32	27	27	21	26	22	26
	UK	20	30	58	50	34	37	32	35	32	35	38	35	30	21	24	19	16
EUR (c)		25	27	43	48	42	41	38	32	23	25	27	25	23	22	26	25	28

TABLE 7 (continued): Consumer opinion on economic and financial conditions^(a)

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

(d) Data of an experimental nature from June 1986 onwards.

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 7 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	GfK 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 Estatistica	—	INE	—	NORMA
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

Questions of European Community business and consumer surveys

Manufacturing industry

Monthly:

- estimate of production trend in recent months: up, unchanged, down ?
 - order-books: above normal, normal, below normal ?
 - export order-books: above normal, normal, below normal ?
 - stocks of finished products: above normal, normal, below normal ?
 - production expectations in the months ahead: up, unchanged, down ?
 - selling price expectations in the months ahead: up, unchanged, down ?
- Quarterly (January, April, July and October):
- employment expectations for the months ahead: up, unchanged, down ?
 - limits to production: none, insufficient demand, shortage of labour, lack of equipment, others ?
 - production capacity: more than sufficient, sufficient, not sufficient ?
 - duration of assured production: in months ?
 - new orders in the recent past: up, unchanged, down ?
 - export volume expectations for the months ahead: up, unchanged, down ?
 - capacity utilization: in % ?
 - stocks of raw material: high, normal, low ?

All industries

- Half-yearly (undertaken in March/April and October/November):
- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for Denmark, Greece, France, Ireland and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down ?
 - factors holding up production: none, lack of demand, bad weather, shortage of manpower, shortage of material and/or equipment, others ?
 - order-books or production schedules: above normal, normal, below normal ?
 - employment expectations in the months ahead: up, unchanged, down ?
 - price expectations in the months ahead: up, unchanged, down ?
- Quarterly (January, April, July and October):
- duration of assured production: in months ?

Retail trade sector

Monthly (France and Italy bi-monthly):

- we consider our present business (sales) position to be: good, satisfactory (normal for the season), bad;
- we consider our present stock to be: too small, adequate (normal for the season), too large;
- we expect that our orders placed on suppliers during the next (three) months, excluding purely seasonal variations, will be: up, unchanged, down
- our business trend over the next six months, excluding purely seasonal variations, will improve, remain unchanged, deteriorate.

Quarterly:

In the next three months, and compared with today, the number of persons we employ will: increase, remain unchanged, decline

Consumer survey

Monthly:

- Financial situation of your household now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Financial situation of your household, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Price level now compared to 12 months ago: much higher, moderately higher, a little higher, about the same, lower, don't know.
- Price trend over the next 12 months: more rapid increase, same increase, slower increase, stability, slight decrease, don't know.
- Unemployment level in the country over the next 12 months will: increase sharply, increase slightly, remain the same, fall slightly, don't know.
- Major purchases (furniture, washing machine, TV, etc.) at present: yes, right time; neither right nor wrong time, should postpone; don't know.
- Major purchases next 12 months, compared to last 12 months: much more, a little more, the same, a little less, much less, don't know.
- Savings at present, a reasonable time to save: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Savings by you or your household over the next 12 months: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Financial situation of households at present - financial assets accumulation: borrowing, drawing on savings, just making ends meet, saving a little, saving a substantial amount, don't know.

Economic sentiment indicator

The economic sentiment indicator is a composite measure in which the industrial confidence indicator and the consumer confidence indicator are given equal weight, while the construction confidence indicator and the share-price index are attributed half the weight of each of the other two. The share-price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the value of shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

Industrial confidence indicator

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

Construction confidence indicator

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

Consumer confidence indicator

The consumer confidence indicator is the arithmetic average of the answers (balances) to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases. For a more detailed description of the consumer confidence indicator see technical note in the December 1982 issue of Supplement C.

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD
Series B — 'Business and consumer survey results' (11 issues per year)	20.80	900	16	15	21.50



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 - Luxembourg



CB-AT-87-003-EN-C