

EUROPEAN ECONOMY

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

Supplement B — No 2 — February 1988

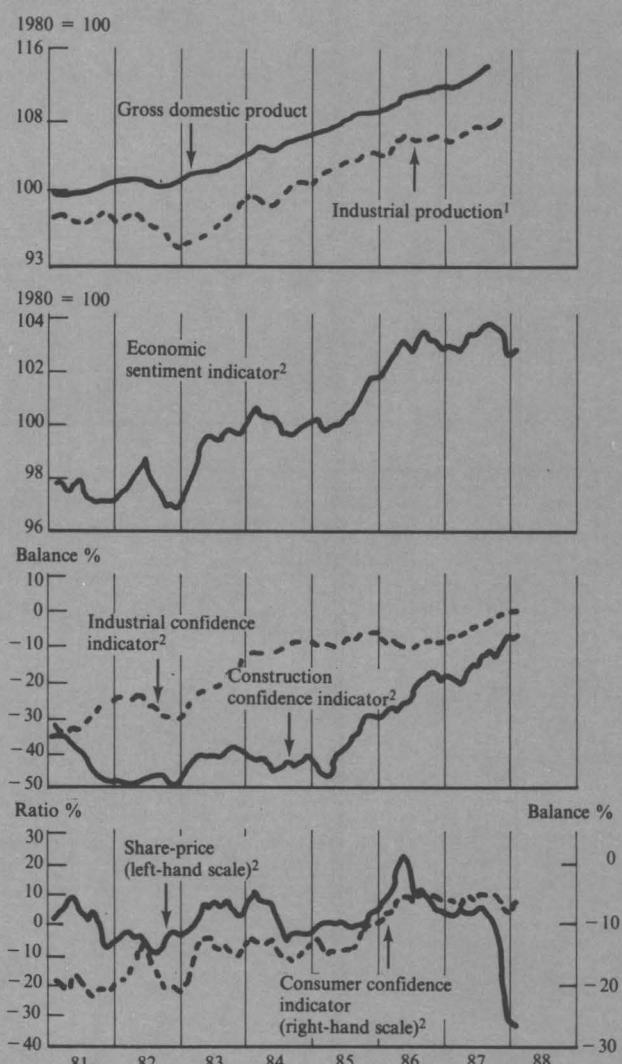
Business and consumer survey results

*In this number:
Capacity utilization in industry
January 1988 results*

THE MAIN POINTS IN BRIEF

- The present level of industrial activity is considered favourable but the short-term outlook is deteriorating.
- Managements estimate that the degree of capacity utilization has again risen and is higher than the peak value for 1979/80, but their assessments of expected capacity utilization show no further improvement.
- Order-books are considered favourable and surplus stocks are falling but production expectations are less favourable and export expectations have worsened.
- The construction confidence indicator is improving slightly as a result of the recovery of employment expectations, which is one of its two components.
- Consumers' recent fears have abated. Their assessments of their own financial situation and of the general economic situation are more positive. On the other hand, there is scarcely any improvement in their propensity to purchase.
- The Community economic sentiment indicator has regained 0.3 of a point.

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

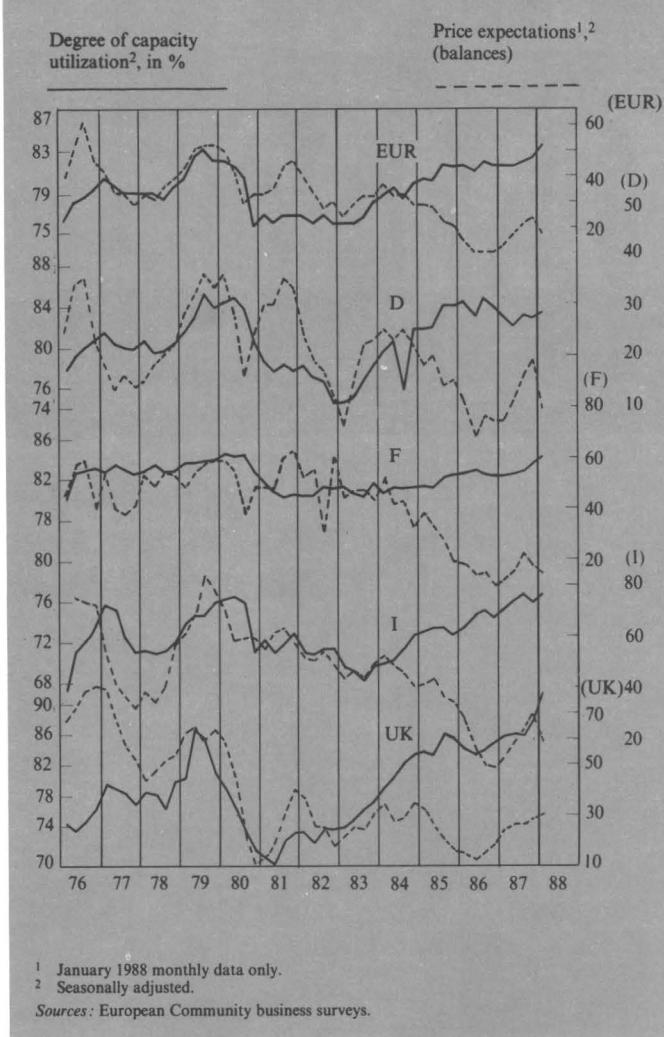


¹ Three-month moving average.

² See notes to Table 8.

³ Deviations from trend in %.

GRAPH 2: Capacity utilization and selling price expectations in industry



¹ January 1988 monthly data only.

² Seasonally adjusted.

Sources: European Community business surveys.

Improvement in the present level of industrial activity, but gloomier expectations. — The results of the survey of Community industrialists¹ show substantial improvement when they relate to capacity utilization, the *present level* of all order-books, foreign order-books and stocks of finished products, i.e. the aspects relating to present activity. By contrast production and export *expectations* are distinctly down, expectations concerning capacity utilization and the trend of orders are no longer improving and the gains recorded for employment expectations are smaller than before.

Higher utilization of production capacity and no change in expectations of capacity utilization. — As a Community average, the *degree of capacity utilization* in January was higher than the peak value for the years 1979/80, according to the survey carried out every three months (see Table 1). This jump (from 83.0 % to 84.2 %) is evident in all the member countries except Greece. In the *United Kingdom* the estimated increase in the degree of capacity utilization is 3.5 % and January's degree of utilization is higher than the 1984 maximum.

In view of the last survey, a further general rise in the degree of capacity utilization should not be expected in the near future. Between October and January, *expectations of capacity utilization* showed no appreciable improvement except in France and Luxembourg, whereas they deteriorated in Italy, the Netherlands and even more in Ireland.

The trend of orders and employment expectations levels off. — After two appreciable rises, the *trend of orders* in manufacturing industry showed no further improvement for the Community as a whole (see Table 4, quarterly survey). Large falls in Germany and Italy have offset the new gains mentioned in France, Benelux and Denmark.

¹ The survey results for manufacturing industry as a whole now include data for the food industries.

TABLE 1: Capacity utilization in manufacturing industry (%) (a) (s.a.)

	Range (b)		Range (b)		1986	1987	1986				1987				1988
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			J	A	J	O	J	A	J	O	
B	85,4	70,4	79,1	74,4	79,4	77,9	80,9	79,4	78,7	78,7	78,1	77,7	78,2	77,7	78,5
D	88,1	74,8	86,0	75,3	84,7	83,5	85,2	83,5	85,4	84,8	83,8	82,8	83,9	83,6	84,1
GR	:	:	:	74,4	77,0	76,2	77,1	76,3	77,3	77,3	76,6	76,3	77,4	74,3	71,7
F	87,8	76,6	85,3	81,1	83,3	83,5	83,3	83,5	83,2	83,0	83,0	83,2	83,5	84,3	85,0
IRL	:	68,1	56,8	73,0	71,5	74,8	76,2	73,0	69,1	67,7	74,8	69,6	73,9	75,0	75,0
I	78,8	68,0	77,3	69,1	75,2	76,7	74,2	75,5	75,9	75,1	75,9	76,8	77,5	76,6	77,6
L	:	:	83,0	66,5	84,2	79,2	87,8	83,3	83,6	82,2	78,1	78,9	79,6	80,0	84,1
NL	86,0	76,0	83,0	75,8	83,4	83,0	83,6	83,0	83,7	83,3	83,6	83,0	82,8	82,5	83,5
UK(d)	90,6	75,5	87,6	73,0	85,1	87,5	85,4	84,3	84,8	85,7	86,7	87,1	86,9	89,1	92,6
EUR(c)	86,4	75,0	83,9	76,4	82,2	82,5	82,4	81,8	82,5	82,1	82,2	82,2	82,6	83,0	84,2

TABLE 2: 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 (-)							
	1986		1987		1987		1988		1986		1987		1987	
			J	A	J	O	J		J		A	J	O	J
Industry as a whole	82,2	82,5	82,5	82,2	82,6	83,0	84,2	+24	+21	+25	+22	+21	+17	+17
Consumer goods	82,9	84,3	84,0	83,6	85,1	84,4	85,8	+27	+19	+23	+21	+18	+13	+15
Investment goods	82,5	81,6	82,5	81,4	80,9	81,5	82,6	+23	+29	+26	+30	+33	+28	+25
Intermediate goods	81,7	82,9	82,1	82,8	83,2	83,3	84,3	+26	+21	+25	+23	+18	+16	+16

(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) 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.

Sources: European Community business surveys.

TABLE 3: 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)		1986	1987	1986	1987		1988		
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			O	J	A	J	O	J
B	-12	+58	+35	+53	+26	+26	+29	+24	+28	+26	+26	+27
DK	:	:	+10	+38	+8	+20	+9	+18	+18	+22	+22	+21
D	-3	+56	+12	+49	+13	+19	+16	+18	+20	+19	+17	+18
F	-24	+45	+11	+48	+31	+28	+23	+32	+30	+26	+23	+17
IRL	:	+34	+2	+40	+18	+16	+18	+18	+16	+18	+13	+20
I	+1	+63	+17	+58	+37	+26	+37	+31	+26	+24	+21	+23
L	-72	+73	+37	+62	+2	+7	+4	+4	+16	+5	+4	-1
NL	-3	+60	+14	+51	+4	+6	+5	+5	+8	+7	+5	+7
UK	:	:	:	+63	+28	+19	+27	+28	+18	+19	+9	+8
EUR(c)	-7	+54	+14	+50	+25	+21	+24	+25	+22	+21	+17	+17

TABLE 4: New orders in manufacturing industry (a) (s.a.)

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

	Range (b)		1986	1987	1986			1987			1988	
	Peak 1979	Trough 1981/83			A	J	O	J	A	J	O	J
B	+8	-22	-6	-5	-13	-1	-4	-7	-12	+3	-2	+6
DK	:	-14	+10	+2	+16	+13	-6	+1	0	+4	+1	+6
D	+17	-26	+1	+2	-12	+11	+3	-2	-1	+3	+6	-2
F	+14	-35	-8	-4	-8	-9	-5	-8	-9	-8	+8	+17
IRL	:	-46	-12	-4	-17	-19	-2	-19	+4	+3	-3	-3
I	+7	-25	+7	+10	+8	+7	+7	+8	+11	+9	+11	+4
L	+45	-67	+22	-9	-22	-29	-39	-32	-17	+5	+9	+14
NL	+9	-6	+1	+5	-1	+4	+5	0	+2	+7	+11	+15
UK	:	-21	-5	+22	-11	-9	-1	+13	+18	+25	+31	+30
EUR(c)	+14	-27	-1	+6	-6	+1	+1	+2	+3	+7	+12	+11

TABLE 5: Estimated number of months' production assured by orders on hand in manufacturing industry (a)(s.a.)

	Range (b)		Range (b)		1986	1987	1986	1987		1988		
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			IV	I	II	III	IV	I
B	4,5	2,8	3,7	3,0	3,3	3,2	3,4	3,2	3,3	3,0	3,2	3,2
D	3,3	2,8	3,4	2,6	2,8	2,8	2,8	2,7	2,7	2,8	2,8	2,7
GR	:	:	:	5,0	5,9	5,1	6,0	5,8	6,2	6,0	6,0	6,7
F	3,5	2,7	4,2	3,3	2,8	3,1	2,8	2,0	3,3	3,4	3,5	3,7
IRL	2,2	1,8	2,6	1,5	1,9	1,9	1,8	1,8	1,7	1,9	2,1	1,7
I	4,7	3,7	5,3	3,8	4,0	4,0	3,8	4,1	3,8	4,2	3,9	3,8
L	3,5	1,4	2,4	1,7	2,5	2,4	2,4	2,1	2,2	2,5	2,6	2,6
NL	4,7	2,6	4,2	2,5	3,2	3,1	3,2	3,2	3,1	3,0	3,1	3,0
UK	:	:	4,2	1,9	3,9	3,3	4,3	3,3	3,6	3,2	3,2	3,4
EUR(c)	3,7	3,0	3,9	3,0	3,3	3,3	3,4	3,1	3,3	3,3	3,3	3,3

TABLE 6: 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)		1986	1987	1986			1987			1988	
	Peak 1979	Trough 1981/83			A	J	O	J	A	J	O	J
B	:	:	-7	-3	-10	-5	-5	-5	-9	+5	-1	+11
D	+6	-15	-3	-3	-3	-3	-5	-7	-9	+1	+3	-10
GR	:	-13	+20	+16	+21	+19	+18	+15	+9	+15	+25	+15
F	+13	-23	-7	-3	-6	-17	-4	-15	-6	+2	+6	+1
IRL	:	-8	+16	+10	+19	+22	+6	-14	+9	+13	+32	+19
I	+16	-14	+9	+9	+11	+14	+11	+13	+8	+4	+9	+3
L	+62	-67	-34	-17	-41	-48	-55	-58	-10	-3	+5	+6
NL	+20	-11	+6	+8	0	+8	+8	+10	+9	+3	+8	-1
UK	:	-4	+9	+19	+14	+1	+16	+18	+16	+23	+19	+7
EUR(c)	+11	-11	0	+4	+1	-1	+2	0	0	+6	+8	0

TABLE 7: Employment expectations in manufacturing industry (a)(s.a.)

Balance of respondents expecting employment up, unchanged, down

	Range (b)		Range (b)		1986	1987	1986	1987		1988		
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			III	IV	I	II	III	IV
B	+12	-26	-2	-17	-12	-15	-14	-17	-17	-16	-16	-12
DK	:	:	-14	-3	-8	-5	-3	-5	-6	-10	-10	-15
D	+13	-34	+2	-38	-3	-15	-2	-10	-13	-17	-17	-15
GR	:	:	:	-3	-5	-5	-5	-7	-7	-3	-2	-7
F	+17	-35	-23	-48	-41	-44	-47	-50	-48	-44	-44	-39
IRL	+15	-34	+4	-35	-8	-5	-8	+4	0	-8	-14	+4
I	+13	-26	+3	-39	-35	-17	-34	-31	-22	-19	-12	-14
L	+75	-67	-1	-62	+1	-10	-2	-6	+2	-33	-8	-2
NL	+4	-32	-6	-36	+16	+3	+16	+12	+2	0	-4	-12
UK	:	:	-43	-13	-4	-15	-14	-10	-8	0	+4	+8
EUR	+12	-31	-6	-40	-18	-18	-20	-22	-20	-20	-17	-15

(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.

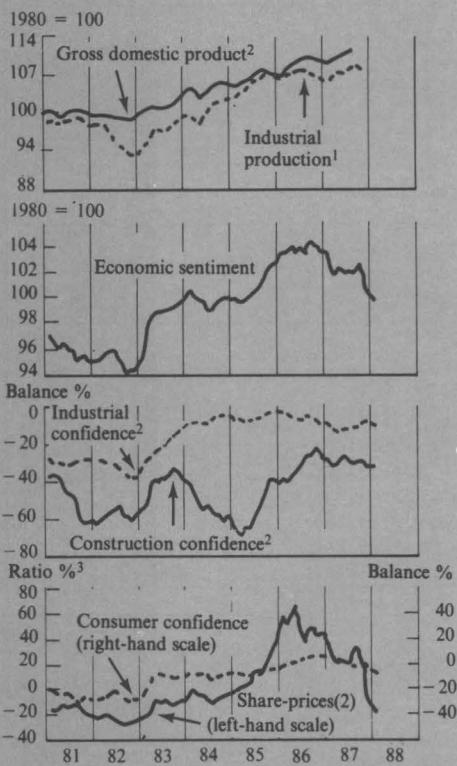
(c) Weighted total of available country data.

(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.

Source: European Community business surveys.

GRAPHS 3-10: Indicators of output and economic sentiment

GRAPH 3: Federal Republic of Germany

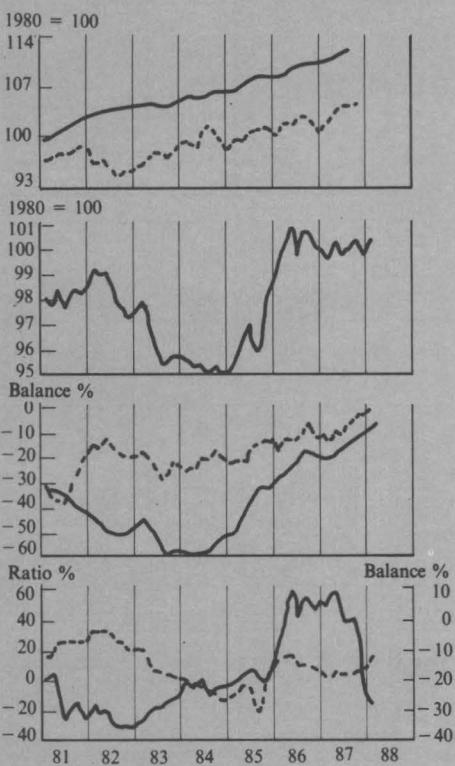


¹ Three-month moving average.

² See notes to Table 8.

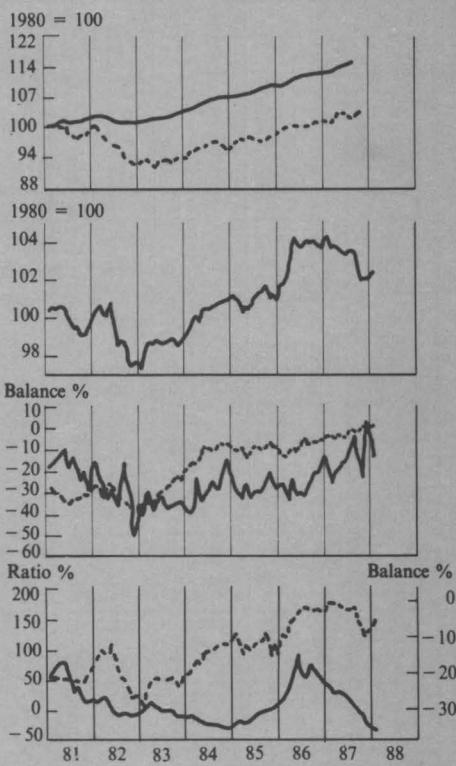
³ Deviations from trend in %.

GRAPH 4: France



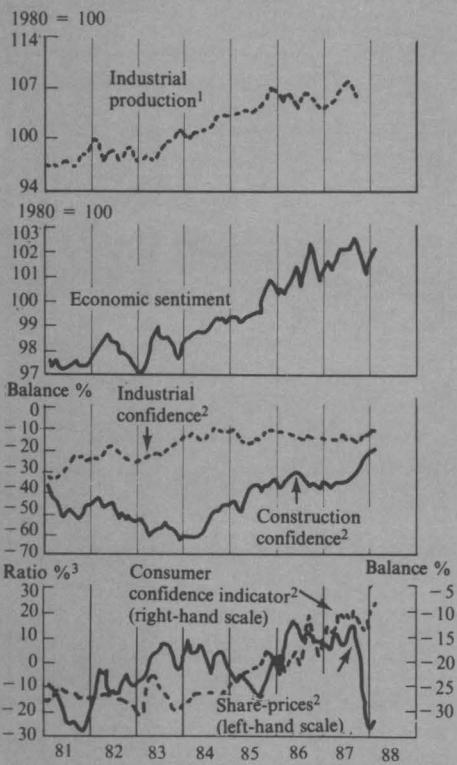
For explanations, see Graph 3.

GRAPH 5: Italy



For explanations, see Graph 3.

GRAPH 7: Belgium

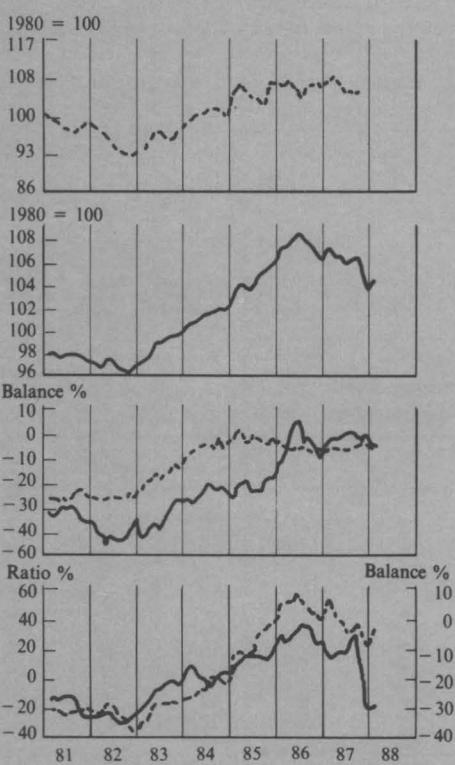


¹ Three-month moving average.

² See notes to Table 8.

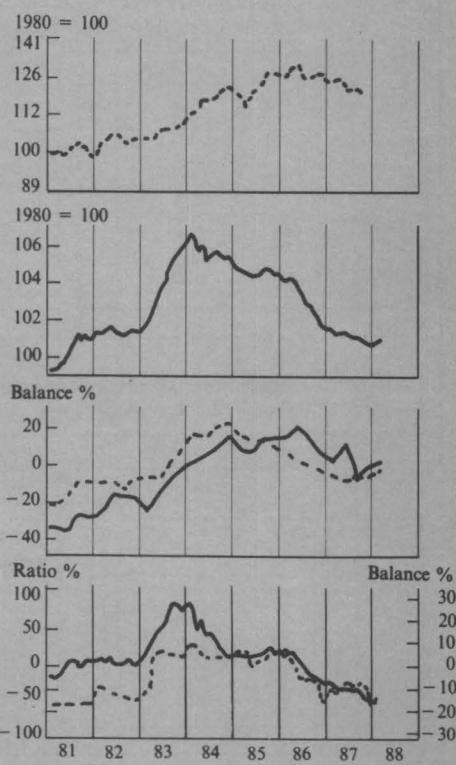
³ Deviations from trend in %.

GRAPH 8: Netherlands



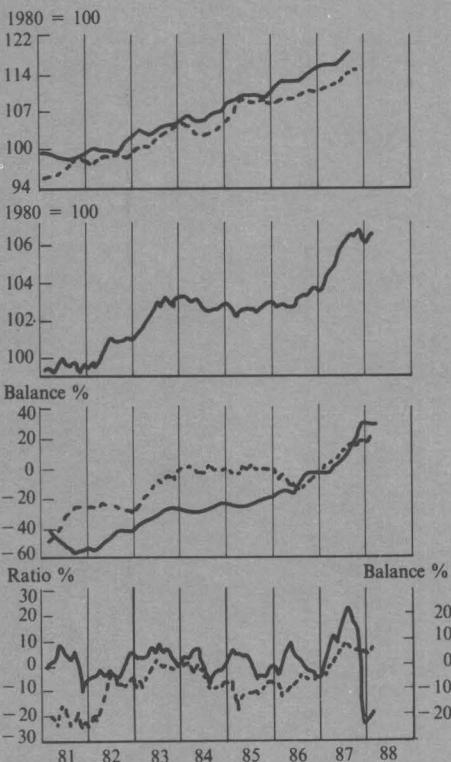
For explanations, see Graph 7.

GRAPH 9: Denmark



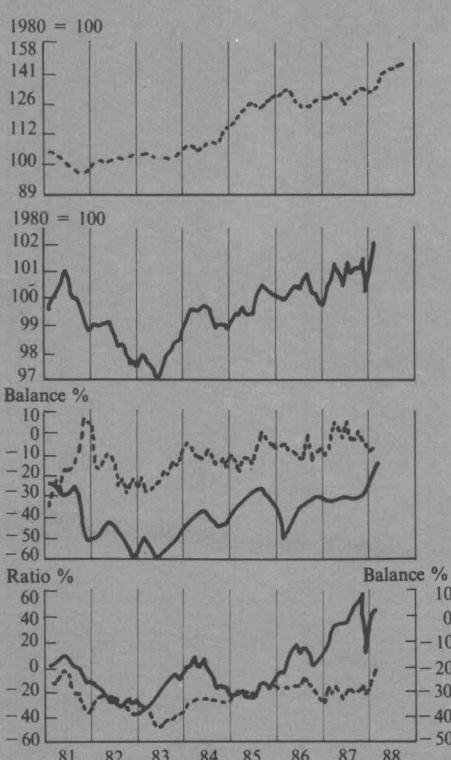
For explanations, see Graph 7.

GRAPH 6: United Kingdom



For explanations, see Graph 3.

GRAPH 10: Ireland



For explanations, see Graph 7.

Export expectations decline. — In July and October 1987, Community industrialists had been optimistic about their *export expectations* (see Table 6), but their assessments have been much more subdued in January. The decline was particularly pronounced in Germany where the corresponding balance fell from +3 to -10*.

In view of the uncertainties affecting export expectations, industrialists are scarcely more confident than in preceding months (results of the monthly survey). — The present trend in domestic demand should be reflected in the results of the surveys on the economic situation. The Community industrial confidence indicator gained one point between December and January. This result is chiefly due to the judgments made on *order-books*. Industrialists also consider that their surplus stocks are diminishing. By contrast, in January *industrial production expectations* for the Community were substantially down on the December results (see Table 9). This goes hand in hand with the deterioration of export expectations (see Table 6) associated with the dollar's fall at the end of last year.

Climate in industry by member country. — The contrast between industrialists' opinions on order-books and stocks and those relating to production expectations can be seen in the Federal Republic of Germany, France and the United Kingdom and in Belgium, Ireland and Luxembourg. In the Federal Republic and Luxembourg, the deterioration in production expectations is particularly severe and pulls the confidence indicator down. A similarly marked deterioration in production expectations in Belgium is chiefly offset by a very large reduction in surplus stocks. In France, Ireland and the United Kingdom the balance corresponding to production expectations is moderately down on December and the improvements registered for the other two components of the confidence indicator push up the indicator by one, two and four points respectively.

In Denmark, where all the questions are asked quarterly, the considerable improvements recorded for order-books and stocks were accompanied by a limited gain for production expectations. In Greece too, improvements have occurred in the three components of the confidence indicator, which regained the six points lost in December. The situation is more stable in Italy, while the deterioration in production expectations has taken one point off the Dutch confidence indicator.

Favourable assessment of the level of foreign order-books. — The improvement noted for total order-books is reflected in the assessments made of *foreign order-books*. Between December and January, their balance improved by six points for the Community as a whole and this trend can be observed in all the member countries for which data are available, except Luxembourg. In the Federal Republic of Germany, however, the gain was only one point.

For the Community as a whole, the contrast between the results for foreign order-books and export expectations examined above when analysing the quarterly questions suggests that the currently satisfactory level of exporting activity will possibly not persist in the months ahead.

The upward movement of selling prices should moderate further. — Expectations of price rises moderated appreciably in January. This applies to all the countries which provide information on this subject, except the United Kingdom. The moderation is substantial in Germany, France, Italy and Luxembourg, and limited in Greece and Ireland.

Limited improvement in the construction confidence indicator. — The construction confidence indicator is calculated on the basis of answers to questions concerning order-books and employment expectations. As a result of improvement in employment expectations, the confidence indicator for the Community gained two points in comparison with October when, as in January, all the member countries except Spain and Portugal took part in the survey (see Table 10). The indicator is twelve points up on its January 1987 level, but six points down on its 1979/80 peak value and its rate of improvement seems to be slowing down. Between October and January, the order-books balance lost one point.

Consumers' worries are abating. — After taking a knock between November and December, largely due to the stock market crisis which broke on 19 October, confidence recovered in January, for the Community taken as a whole. The confidence indicator returned to a level typical of the years 1986 and 1987, rising from -8 in December to -6 in January (see Table 12).

* Unless otherwise indicated, all the following figures in the text represent balances of positive and negative replies.

TABLE 8: Indicators of output and economic sentiment

		Ranges				1987			1987			1987				1988
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	
B	gross domestic product	1980=100	:	:	:	:										
	index of industrial production		102,5	76,5	106,3	92,4	:	107,8	104,5	:	102,0	103,5	:	:	:	
1.	industrial confidence indicator		19	-56	-4	-35	-14	-14	-16	-12	-16	-18	-12	-13	-11	-11
2.	construction confidence indicator		9	-36	-7	-65	-32	-35	-32	-22	-32	-31	-25	-22	-20	-20
3.	consumer confidence indicator (c)		7	-18	-7	-31	-12	-10	-11	-12	-9	-12	-13	-14	-10	-8
4.	share-price index (c)		155,1	98,0	114,3	75,0	318,2	330,2	361,9	271,9	369,5	353,5	297,4	266,1	252,1	268,7
= 5.	economic sentiment indicator		109,0	98,9	103,9	96,8	101,8	102,1	101,3	102,6	101,7	101,4	101,0	101,6	102,1	
DK	gross domestic product	1980=100	:	:	:	:										
	index of industrial production		:	:	107,7	95,5	:	120,7	121,9	:	120,0	122,5	118,0	:	:	
1.	industrial confidence indicator		:	:	:	-22	-7	-9	-6	-7	(-6)	(-6)	-7	(-7)	(-7)	-3
2.	construction confidence indicator		:	:	:	-36	1	12	-8	-1	(-8)	(-8)	-1	(-1)	(-1)	2
3.	consumer confidence indicator (c)		:	-16	5	-22	-10	-9	-9	-13	-9	-7	-8	-11	-19	-13
4.	share-price index (c)		:	:	:	:	351,8	360,9	362,4	315,4	374,8	351,6	319,0	316,6	310,6	311,8
= 5.	economic sentiment indicator		:	:	:	:	101,1	101,3	101,1	100,7	101,1	101,0	100,8	100,7	100,6	100,9
D	gross domestic product (b)	1980=100	85,1	83,3	101,2	98,9	:	110,1	111,6	:						
	index of industrial production		92,0	82,4	103,1	91,4	:	107,2	107,7	:	109,7	107,7	108,5	108,4	:	
1.	industrial confidence indicator		10	-49	2	-40	-12	-13	-12	-9	-12	-10	-9	-8	-9	-11
2.	construction confidence indicator		-4	-72	11	-64	-30	-28	-31	-32	-31	-31	-30	-33	-33	-33
3.	consumer confidence indicator (c)		:	-22	9	-31	-1	1	-1	-4	-4	1	-1	-5	-7	-8
4.	share-price index (c)		109,0	75,2	115,6	97,6	257,5	261,3	285,6	220,4	292,6	285,8	263,0	202,6	195,7	186,4
= 5.	economic sentiment indicator		103,8	97,0	103,6	94,7	101,7	101,9	102,0	100,8	101,8	102,4	101,9	100,4	100,0	99,6
F	gross domestic product	1980=100	85,4	84,2	99,8	102,4	:	111,6	112,6	:						
	index of industrial production		96,7	82,2	105,2	94,8	:	103,7	104,3	:	104,0	105,0	104,0	105,0	:	
1.	industrial confidence indicator		29	-49	5	-39	-8	-10	-6	-2	-6	-5	-2	-4	-1	0
2.	construction confidence indicator		:	:	-17	-57	-16	-17	-14	-11	(-14)	(-14)	-11	(-11)	(-11)	-7
3.	consumer confidence indicator (c)		:	-9	3	-27	-18	-18	-18	-16	-18	-17	-17	-16	-16	-12
4.	share-price index (c)		86,6	53,6	101,2	82,7	367,1	395,8	386,8	295,3	382,9	395,5	340,1	279,0	266,7	253,7
= 5.	economic sentiment indicator		107,8	97,6	101,8	95,1	99,9	100,0	100,2	99,9	100,1	100,4	100,1	99,7	99,8	100,4
IRL	gross domestic product	1980=100	:	:	:	:										
	index of industrial production		80,4	72,3	103,8	99,6	:	144,4	145,4	:	149,8	146,1	:	:	:	
1.	industrial confidence indicator		:	-41	20	-40	-2	2	-2	-6	-4	1	-5	-5	-9	-7
2.	construction confidence indicator		:	:	:	:	-31	-31	-31	-29	(-31)	(-31)	-29	(-29)	(-29)	-14
3.	consumer confidence indicator (c)		:	-41	12	-44	-29	-30	-29	-29	-29	-30	-27	-31	-28	-21
4.	share-price index (c)		85,8	29,9	112,2	79,4	345,8	333,3	377,4	373,9	387,0	397,4	424,3	301,7	:	:
= 5.	economic sentiment indicator		109,1	96,7	103,6	98,1	100,9	101,0	100,9	101,1	101,1	101,5	100,2	101,1	102,1	
I	gross domestic product	1980=100	80,4	77,2	101,2	98,2	:	114,4	115,0	:						
	index of industrial production		87,9	72,6	104,7	98,1	:	102,6	101,8	:	100,9	102,1	104,6	103,7	:	
1.	industrial confidence indicator		31	-59	13	-41	-2	-4	-1	1	-1	-2	2	0	1	1
2.	construction confidence indicator		-8	-56	-5	-51	-15	-18	-11	-10	-4	-18	-25	2	-6	-14
3.	consumer confidence indicator (c)		:	-39	-12	-30	-4	-2	-4	-9	-2	-7	-10	-9	-8	-5
4.	share-price index (c)		169,6	68,5	185,0	116,9	643,9	708,2	638,5	533,8	626,3	615,3	613,0	499,0	489,5	472,6
= 5.	economic sentiment indicator		103,8	97,4	101,6	97,6	103,1	103,5	103,1	102,0	103,5	102,4	101,9	102,0	102,0	102,3
NL	gross domestic product	1980=100	:	:	:	:										
	index of industrial production		94,8	87,1	117,5	90,7	:	105,0	104,7	:	106,0	102,0	107,0	:	:	
1.	industrial confidence indicator		12	-44	4	-31	-5	-6	-5	-4	-5	-4	-3	-4	-4	-5
2.	construction confidence indicator		3	-47	3	-46	-2	-1	-0	-2	-1	-1	-3	0	-4	-4
3.	consumer confidence indicator (c)		6	-15	5	-37	-2	-1	-3	-8	-4	-1	-7	-9	-8	-3
4.	share-price index (c)		:	86,3	122,8	92,8	327,8	338,6	377,0	276,4	387,3	369,5	327,9	255,4	245,9	253,4
= 5.	economic sentiment indicator		107,8	100,7	105,3	97,1	105,9	106,2	106,3	104,1	106,3	106,5	105,0	103,8	103,6	104,4
UK	gross domestic product	1980=100	94,6	91,0	102,5	97,7	:	115,7	118,6	:						
	index of industrial production		92,7	89,6	110,0	93,8	:	112,0	114,6	:	115,6	114,1	115,6	115,2	:	
1.	industrial confidence indicator		:	:	9	-60	11	9	14	19	18	14	19	20	17	21
2.	construction confidence indicator		:	:	7	-60	12	5	15	30	(15)	(15)	30	(30)	(30)	29
3.	consumer confidence indicator (c)		:	-33	14	-26	5	7	5	8	5	8	5	3	7	
4.	share-price index (c)		78,5	23,3	111,6	104,4	396,3	415,3	453,2	350,4	443,4	451,2	413,7	312,2	325,3	339,5
= 5.	economic sentiment indicator		103,8	97,7	104,9	98,8	105,6	105,5	106,4	106,2	106,5	106,3	106,7	106,1	105,9	106,4
EUR	gross domestic product (a)(b)	1980=100	85,1	85,5	101,1	101,0	:	112,8	114,3	:						
	index of industrial production		92,9	83,0	103,2	94,6	:	107,0	107,1	:	106,1	107,5	108,4	108,8	:	
1.	industrial confidence indicator		16	-49	3	-36	-3	-4	-3	0	-2	-2	0	0	0	1
2.	construction confidence indicator		:	:	-1	-48	-14	-15	-12	-8	(-11)	(-13)	-9	(-7)	(-8)	-7
3.	consumer confidence indicator (c)		5	-17	1	-22	-6	-5	-5	-7	-5	-5	-6	-8	-8	-6
4.	share-price index (c)		:	47,0	115,4	111,7	362,5	380,3	400,6	311,8	398,6	398,7	363,1	286,0	286,4	288,7
= 5.	economic sentiment indicator		107,5	96,6	104,1	97,4	103,2	103,4	103,8	102,9	103,8	103,7	103,5	102,5	102,5	102,8

(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 9: 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.)

	Ranges (b)				1987			1987			1987				1988
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	II			III			Aug. Sept. Oct. Nov. Dec.				Jan.
B production expectations	+31	-56	-4	-37	-8	-7	-10	-2	-10	-12	-4	-3	+1	-10	
order-books	+13	-74	-14	-49	-28	-29	-29	-25	-31	-29	-25	-27	-24	-21	
export order-books	+15	-82	-19	-55	-30	-33	-31	-28	-32	-30	-29	-29	-27	-25	
stocks of finished products	-14	+37	+2	+18	+8	+6	+9	+9	+6	+12	+8	+9	+9	+1	
selling-price expectations	+64	-10	+39	+12	+5	+6	+7	+11	+8	+4	+10	+10	+12	+6	
industrial confidence indicator	+19	-56	-4	-35	-14	-14	-16	-12	-16	-18	-12	-13	-11	-11	
DK production expectations	:	:	:	+8	0	+3	+6	+0	:	0	:	:	:	+1	
order-books	:	:	:	-34	-15	-14	-16	-17	:	-17	:	:	:	-10	
export order-books	:	:	:	+14	-12	-16	-10	-7	:	-7	:	:	:	+1	
stocks of finished products	:	:	:	+24	+11	+16	+8	+5	:	+5	:	:	:	-1	
industrial confidence indicator	:	:	:	-22	-7	-9	-6	-7	:	-7	:	:	:	-3	
D production expectations	+17	-32	+10	-30	-1	-4	0	+3	0	+2	+4	+4	+2	-5	
order-books	+5	-73	-6	-59	-23	-25	-24	-22	-24	-22	-22	-21	-22	-20	
export order-books	:	:	-14	-50	-31	-34	-29	-28	-30	-28	-28	-28	-27	-26	
stocks of finished products	-7	+43	-2	+31	+10	+10	+10	+8	+11	+9	+9	+8	+8	+7	
selling-price expectations	+55	+4	+38	+4	+13	+11	+16	+19	+16	+16	+21	+19	+17	+9	
industrial confidence indicator	+10	-49	+2	-40	-12	-13	-12	-9	-12	-10	-9	-8	-9	-11	
GR production expectations	:	:	:	:	+16	+13	+24	+16	+24	+24	+18	+14	+16	+22	
order-books	:	:	:	:	-23	-24	-20	-23	-20	-17	-20	-21	-27	-22	
export order-books	:	:	:	:	-26	-27	-26	-21	-25	-23	-19	-17	-26	-16	
stocks of finished products	:	:	:	:	+11	+10	+11	+14	+11	+7	+9	+11	+21	+18	
selling-price expectations	:	:	:	:	+23	+29	+25	+21	+25	+25	+20	+17	+25	+24	
industrial confidence indicator	:	:	:	:	-6	-7	-2	-7	-2	0	-4	-6	-11	-6	
F production expectations	+33	-29	+18	-20	+4	+3	+3	+9	+3	+4	+10	+6	+10	+7	
order-books	+26	-69	0	-56	-18	-21	-16	-11	-16	-13	-12	-13	-8	-5	
export order-books	+24	-66	+10	-52	-22	-27	-18	-10	-18	-15	-14	-7	-10	-5	
stocks of finished products	-14	+50	+3	+42	+8	+11	+5	+4	+5	+6	+4	+4	+5	+3	
selling-price expectations	+76	+15	+62	+17	+16	+15	+22	+17	+22	+21	+16	+16	+18	+14	
industrial confidence indicator	+29	-49	+5	-39	-8	-10	-6	-2	-6	-5	-2	-4	-1	0	
IRL production expectations	:	-21	+40	-33	+9	+16	+4	-4	+4	+7	-5	-4	-4	-7	
order-books	:	-68	+18	-55	-11	-6	-7	-10	-10	-1	-6	-8	-17	-10	
stocks of finished products	:	+35	-6	+33	+5	+4	+4	+5	+5	+4	+3	+4	+7	+3	
selling-price expectations	:	+64	+77	+20	+9	+11	+11	+9	+11	+16	+8	+12	+6	+5	
industrial confidence indicator	:	-41	+20	-40	-2	+2	-2	-6	-4	+1	-5	-5	-9	-7	
I production expectations	+40	-43	+24	+26	+11	+10	+11	+13	+11	+9	+13	+14	+11	+11	
order-books	+30	-82	+7	-66	-10	-12	-10	-6	-9	-11	-4	-10	-4	-2	
export order-books	+13	-67	-6	-59	-25	-27	-27	-24	-27	-26	-27	-21	-25	-22	
stocks of finished products	-24	+53	-8	+32	+7	+9	+5	+4	+5	+4	+4	+4	+4	+5	
selling-price expectations	+76	+10	+87	+37	+18	+16	+21	+27	+24	+21	+25	+28	+28	+18	
industrial confidence indicator	+31	-59	+13	-41	-2	-4	-1	+1	-1	-2	+2	0	+1	+1	
L production expectations	+84	-80	+40	-66	-13	-15	-2	+8	-1	-3	+2	+5	+17	+3	
order-books	:	:	+8	-70	-40	-43	-47	-34	-47	-47	-48	-43	-11	-10	
export order-books	:	:	+9	-80	-52	-54	-60	-32	-61	-56	-47	-39	-9	-17	
stocks of finished products	-14	+74	0	+58	0	-1	+1	+1	+2	-3	+1	+1	+1	-4	
selling-price expectations	:	-46	+74	-38	+18	+14	+38	+60	+45	+27	+52	+62	+66	+48	
industrial confidence indicator	:	:	+16	-65	-18	-19	-17	-9	-17	-16	-16	-13	+2	-1	
NL production expectations	+26	-26	+20	-13	+3	+4	+2	+4	+2	+5	+5	+3	+3	-2	
order-books	+7	-48	-5	-42	-14	-16	-14	-12	-14	-13	-12	-11	-13	-11	
stocks of finished products	-3	+57	+3	+39	+4	+4	+3	+3	+3	+3	+3	+3	+2	+3	
industrial confidence indicator	+12	-44	+4	-31	-5	-6	-5	-4	-5	-4	-3	-4	-4	-5	
UK production expectations	:	:	+29	-52	+30	+27	+34	+35	+40	+34	+31	+40	+35	+34	
order-books	:	:	-2	-85	+5	+1	+9	+16	+10	+10	+17	+13	+18	+26	
export order-books	:	:	-11	-72	+1	-5	+10	+8	+10	+8	+9	+11	+5	+12	
stocks of finished products	:	:	-1	+42	+2	+2	-1	-5	-3	+1	-8	-8	+2	-4	
selling-price expectations	:	:	+70	+7	+26	+26	+26	+28	+28	+27	+26	+30	+28	+30	
industrial confidence indicator	:	:	+9	-60	+11	+9	+14	+19	+18	+14	+19	+20	+17	+21	
EUR production expectations	+24	-30	+15	-24	+9	+8	+10	+13	+11	+11	+12	+13	+13	+9	
order-books	+15	-70	-7	-56	-13	-14	-12	-8	-12	-11	-8	-10	-7	-4	
export order-books	:	:	-12	-50	-25	-30	-23	-20	-23	-22	-21	-18	-20	-14	
stocks of finished products	-10	+48	-1	+31	+7	+8	+6	+4	+6	+6	+4	+4	+5	+3	
selling-price expectations	+64	+9	+53	+22	+18	+17	+21	+23	+23	+21	+23	+24	+22	+17	
industrial confidence indicator	+16	-49	+2	-36	-3	-4	-3	0	-2	-2	0	0	0	+1	

(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 10: Survey of the construction industry

Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

	Range		Range		1987			1987			1987			1988	
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.		
B	order-books	-13	-47	-20	-76	-45	-51	-45	-34	-43	-44	-35	-34	-33	-33
	employment expectations	+31	-24	+7	-53	-17	-18	-19	-10	-20	-18	-15	-9	-7	-6
	price expectations	+75	+25	+61	-18	+1	-2	+1	+7	-2	+4	+1	+6	+13	+13
	construction confidence indicator (a)	+9	-36	-7	-65	-32	-35	-32	-22	-32	-32	-25	-22	-20	-20
DK	order-books	:	:	:	-38	+2	+12	-12	+4	(-12)	(-12)	+4	(+4)	(+4)	+13
	employment expectations	:	:	:	-35	+0	+11	-4	-5	(-4)	(-4)	-5	(-5)	(-5)	-10
	construction confidence indicator (a)	:	:	:	-37	+1	+12	-8	-1	(-8)	(-8)	-1	(-1)	(-1)	+2
D	order-books	-17	-84	+2	-75	-50	-48	-48	-50	-47	-50	-47	-52	-50	-52
	employment expectations	+10	-60	+20	-53	-11	-9	-13	-14	-14	-12	-12	-13	-16	-13
	price expectations	+48	-37	+48	-49	-3	+1	-3	-11	-7	-1	-7	-11	-14	-13
	construction confidence indicator (a)	-4	-72	+11	-64	-30	-29	-31	-32	-31	-31	-30	-33	-33	-33
GR	order-books	:	:	:	-78	-63	-56	-63	-67	(-63)	(-63)	-67	(-67)	(-67)	-65
	employment expectations	:	:	:	-77	-20	-21	-15	-20	(-15)	(-15)	-20	(-20)	(-20)	+12
	price expectations	:	:	:	+9	+25	+27	+14	+34	(+14)	(+14)	+34	(+34)	(+34)	+7
	construction confidence indicator (a)	:	:	:	-78	-42	-39	-39	-44	(-39)	(-39)	-44	(-44)	(-44)	-27
F	order-books	:	:	-26	-73	-22	-22	-21	-17	(-21)	(-21)	-17	(-17)	(-17)	-12
	employment expectations	:	:	-8	-47	-9	-12	-6	-5	(-6)	(-6)	-5	(-5)	(-5)	-1
	construction confidence indicator (a)	:	:	-17	-57	-16	-17	-14	-11	(-14)	(-14)	-11	(-11)	(-11)	-7
IRL	order-books	:	:	:	-58	-32	-17	-36	-28	(-36)	(-36)	-28	(-28)	(-28)	-14
	employment expectations	:	:	-61	-29	-44	-26	-30	(-26)	(-26)	-30	(-30)	(-30)	-13	
	price expectations	:	:	:	-21	-22	-15	-34	(-15)	(-15)	-34	(-34)	(-34)	-32	
	construction confidence indicator (a)	:	:	-60	-31	-31	-29	(-31)	(-31)	(-31)	-29	(-29)	(-29)	-14	
I	order-books	-25	-68	-8	-62	-22	-22	-20	-18	-4	-29	-28	-11	-14	-25
	employment expectations	+10	-44	+2	-39	-8	-12	-3	-1	-4	-7	+21	+15	+3	-3
	price expectations	+85	+30	+79	+2	+17	+19	+15	+22	+19	+9	+11	+29	+25	+18
	construction confidence indicator (a)	-8	-56	-5	-51	-15	-17	-12	-10	-4	-18	-25	+2	-6	-14
L	order-books	+21	-50	+15	-79	+25	+7	0	+4	0	-9	+9	+1	+2	-3
	employment expectations	+31	-39	+46	-75	+6	+25	-7	-14	-5	-21	-20	-12	-10	+9
	price expectations	+82	+11	+81	-49	+1	+9	-1	-15	-5	-7	-19	-15	-10	-10
	construction confidence indicator (a)	+26	-45	+31	-77	+16	+16	-4	-5	-3	-6	-6	-4	-4	+3
NL	order-books	-8	-81	-10	-61	-7	-7	-5	-7	-4	-9	-7	-4	-10	-8
	employment expectations	+14	-13	+15	-31	+4	+5	+5	+3	+3	+7	+2	+4	+2	0
	construction confidence indicator (a)	+3	-47	+3	-46	-2	-1	0	-2	-1	-1	-3	0	-4	-4
UK	order-books	:	:	-1	-74	-2	-11	+4	+18	(+4)	(+4)	+18	(+18)	(+18)	+15
	employment expectations	:	:	+15	-50	+25	+21	+26	+42	(+26)	(+26)	+42	(+42)	(+42)	+43
	price expectations	:	:	+74	-21	+50	+49	+52	+63	(+52)	(+52)	+63	(+63)	(+63)	+57
	construction confidence indicator (a)	:	:	+7	-62	+12	+5	+15	+30	(+15)	(+15)	+30	(+30)	(+30)	+29
EUR	order-books	:	:	-9	-64	-26	-27	-23	-19	(-21)	(-25)	-19	(-19)	(-19)	-20
	employment expectations	:	:	+7	-35	-1	-3	-3	0	+4	(-1)	(0)	+2	(+6)	(+4)
	construction confidence indicator (a)	:	:	-1	-50	-14	-15	-12	-8	(-11)	(-13)	-9	(-7)	(-8)	-7

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

Source: European Community business surveys.

TABLE 11: Results of business surveys in the retail trade (a) (b)

	1986												1987												1988	
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. (f)				
PRESENT BUSINESS SITUATION	B	0	19	7	13	-8	10	11	13	8	-5	-13	-3	-12	-16	-10	-11	-6	-12	-13	-7	-12	-2			
	D	10	7	6	10	10	1	11	14	7	-10	-3	-6	3	-21	-15	3	-5	-12	-3	7	10	-7			
	F (c)	:	16	:	6	:	11	:	11	:	-9	:	-9	:	-10	:	-10	:	-20	:	-11	:	1			
	I(c)(d)	:	2	:	7	:	7	:	3	:	6	:	-2	:	2	:	4	:	-2	:	-1	:	0			
	NL	41	51	48	51	51	55	45	48	56	36	39	38	47	41	39	36	41	33	45	35	35	32			
	UK(e)	5	7	19	24	29	24	17	18	36	20	29	20	20	21	9	32	22	21	22	20	24	38			
	EUR 6	2	2	1	1	2	6	2	-1	10	1	5	1	4	-3	-3	0	-2	-4	0	5	6	6			
VOLUME OF STOCKS	B	5	4	12	6	2	0	0	17	9	6	12	15	16	12	17	14	7	13	17	10	6	12			
	D	29	26	27	20	20	24	28	31	25	23	24	23	27	33	30	29	23	28	25	21	22	23			
	F (c)	:	19	:	13	:	8	:	15	:	19	:	8	:	18	:	27	:	19	:	20	:	19	:		
	I(c)(d)	:	24	:	31	:	20	:	30	:	18	:	19	:	20	:	26	:	19	:	23	:	19	:		
	NL	10	7	9	8	2	8	7	12	4	12	9	8	10	24	16	12	11	16	16	18	17	16			
	UK	27	20	21	17	9	4	16	15	18	18	16	20	10	7	4	8	8	5	6	7	13	8			
	EUR 6	20	21	22	19	17	14	17	21	19	19	17	17	21	19	23	21	19	18	18	19	18	18			
INTENTIONS OF PLACING ORDERS	B	-9	14	16	-4	3	11	-3	-8	-10	6	10	1	-1	-15	-9	-3	8	-4	-9	-14	-20	5			
	D	-15	-15	14	6	1	0	1	-16	-9	-8	-1	-7	-8	-17	-14	5	-1	-3	3	-6	-7	-6			
	F (c)	:	-24	:	28	:	12	:	-9	:	-24	:	17	:	-18	:	-27	:	17	:	-19	:	-28	:		
	I(c)(d)	:	18	:	14	:	2	:	-1	:	-6	:	-6	:	-15	:	-8	:	-11	:	-12	:	-11	:		
	NL	17	16	19	21	25	20	18	14	20	24	28	19	17	7	8	19	11	7	4	6	6	1			
	UK	21	26	23	21	31	28	27	25	24	24	30	21	26	37	17	37	42	43	30	32	32	35			
	EUR 6	-7	9	9	6	3	6	3	2	0	-3	0	-4	-2	-6	-5	2	0	1	0	-3	-4	-4			
EXPECTED BUSINESS SITUATION	B	6	9	-6	21	23	29	10	13	-4	16	32	19	-1	-6	-4	16	29	-4	8	3	-18	12			
	D	-3	3	0	4	2	12	2	-4	5	1	6	7	-1	-2	-4	8	3	8	7	-1	-1	1			
	F (c)	:	:	:	17	:	14	:	-20	:	-19	:	-34	:	-30	:	-48	:	-35	:	-44	:	-47	:		
	I(c)(d)	:	9	10	10	20	13	10	13	10	20	28	31	25	24	38	32	30	22	20	23	18				
	NL	41	34	41	38	45	40	39	31	46	44	42	38	31	25	24	38	32	30	22	20	23	18			
	UK	:	34	:	34	:	34	:	34	:	39	:	41	:	41	:	42	:	28	:	41	:	:	:		
	EUR 6	12	12	13	8	8	14	9	5	8	3	5	8	4	2	2	2	1	4	3	-4	-5	-4			
EMPLOYMENT OUTLOOK	B	1	0	0	1	3	2	1	4	3	1	1	-1	6	1	8	3	-1	-2	2	-12	-6	4			
	D	:	:	0	:	1	:	1	-4	:	-4	:	-4	:	4	:	4	:	-2	:	-2	-6	4			
	F (c)	:	2	:	0	:	14	:	4	:	-18	:	-10	:	-4	:	2	:	19	:	-5	:	-16	:		
	I(c)(d)	:	6	5	5	2	-9	:	-15	:																

The number of consumers expecting prices and unemployment to rise is smaller than in the previous month. — After an increase between June and November 1987 followed by a dip in December, consumers' worries concerning inflation seem to have abated more substantially in January. This is in line with the change in consumers' expectations concerning unemployment. After increasing pessimism in this area for several months, their opinions were a little more positive in January.

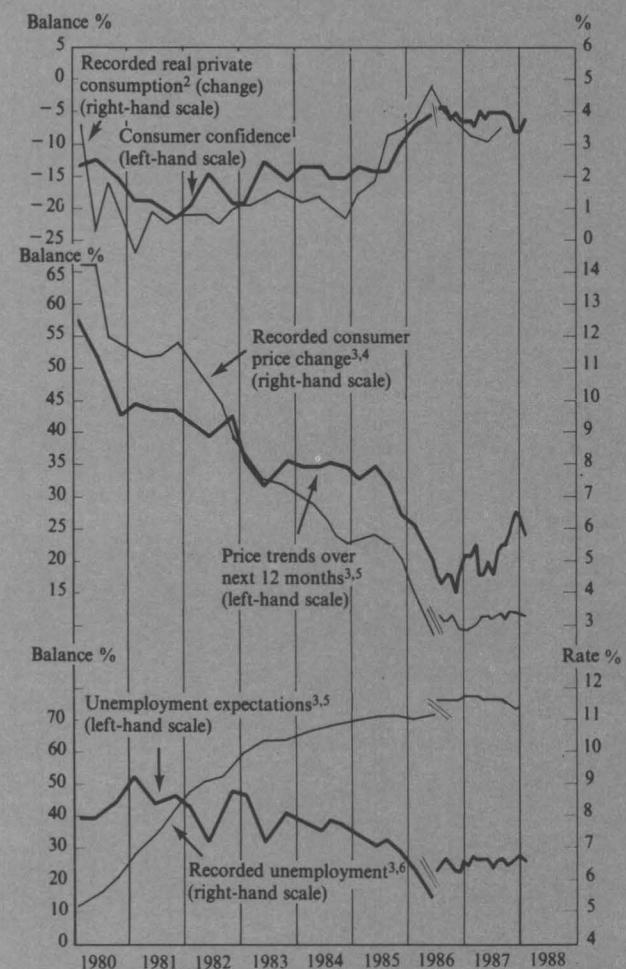
Assessments of the financial situation of households and of the general economic situation are more positive. — At the beginning of the year, confidence among European consumers followed its usual pattern and took a turn for the better. The rise in the confidence indicator is chiefly due to a far greater readiness by households to purchase consumer durables, probably connected with the January sales. This time the rise was appreciably larger than in the past. The corresponding balance rose from -3 in December 1987 to +2 in January 1988. The level reached in January seems to demonstrate relative optimism compared with the averages for recent years.

Nevertheless consumers' propensity to purchase is still poor. — The propensity to purchase displayed today by European consumers must be considered as fairly poor if it is compared with the 1970s and even with the period 1981–83, when the confidence of Community consumers was very low.

The composite indicator calculated for the Community indicates a limited improvement in economic sentiment. — As a result of the progress made in industry, construction and among consumers, the Community economic sentiment indicator regained 0.3 of a percentage point (see Table 8). Only the indicator calculated for Germany is down.

26 february 1988

GRAPH 11: Consumer survey results and objective economic indicators—European Community⁷



For notes, Table 12.

Sources: European Community consumer survey and Eurostat.

TABLE 12: Consumer opinion on economic and financial conditions^(a)

CONSUMER CONFIDENCE INDICATOR ^(b)	B	1979 1980 1981 1982 1983 1984 1985 1986 1987								1987						1988
		May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.						
DK	-2	-19	-17	-12	0	6	4	-3	-10	-7	-10	-9	-7	-8	-11	-19
D	6	-5	-22	-26	-15	-10	-7	3	-1	0	0	-1	-4	1	-1	-5
GR	:	:	0	-11	-4	-5	-20	-29	-32	-31	-30	-28	-27	-29	-29	-28
E	:	:	:	:	:	:	-9	-8	-12	-7	-4	-3	-3	-3	-6	-8
F ^(d)	-5	-10	-9	-5	-15	-23	-21	-14	-18	-18	-19	-18	:	-17	-17	-16
IRL	-10	-22	-28	-34	-39	-33	-29	-28	-29	-33	-28	-29	-29	-30	-27	-31
I	-17	-22	-22	-18	-24	-15	-12	-4	-4	-2	-3	-2	:	-7	-10	-9
NL	-8	-25	-31	-32	-30	-22	-7	5	-2	-1	-4	-5	-4	-1	-7	-9
P	:	:	:	:	:	:	-7	0	-2	-4	5	3	1	5	4	1
UK	-4	-18	-21	-12	-3	-4	-10	-7	5	6	10	9	8	5	8	5
EUR ^(c)	-3	-13	-19	-17	-15	-14	-12	-6	-6	-6	-5	-5	-5	-5	-6	-8

(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 and provisional nature from June 1986 onwards; they do not involve the responsibility of the INSEE.

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 12 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.

TABLE 12 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987						1988		
											May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-15	-19	-25	-29	-31	-23	-14	-9	-6	-6	-8	-7	-8	-8	-10	-10	-7
	DK	1	-10	-12	-7	-4	-2	-3	-2	-1	0	-1	:	1	1	-2	1	-4	-5
	D	2	-4	-16	-18	-14	-11	-8	1	1	2	1	1	-1	3	2	1	0	1
	GR	:	:	:	-2	-13	-8	-8	-24	-31	-35	-32	-34	-31	-29	-31	-33	-30	:
	E	:	:	:	:	:	:	-10	-9	-12	-9	-8	-6	-7	-9	-10	-10	-8	
	F ^(d)	-4	-7	-8	-7	-11	-15	-13	-11	-14	-14	-13	-14	:	-13	-13	-14	-14	-11
	IRL	-21	-32	-38	-41	-43	-42	-37	-34	-31	-37	-29	-31	-33	-30	-28	-30	-28	-23
	I	-13	-14	-14	-13	-15	-12	-10	-6	-4	-3	-5	-4	:	-4	-5	-5	-4	-3
	NL	1	-9	-18	-20	-28	-26	-17	-3	0	3	-1	-1	-1	0	0	-3	0	4
	P	:	:	:	:	:	:	-8	-2	-2	-3	2	0	-4	-1	-1	-2	-4	
	UK	-11	-24	-30	-27	-15	-15	-16	-13	-5	-6	0	-1	-1	-4	-1	-3	-3	-5
	EUR (c)	-5	-11	-17	-16	-15	-15	-12	-8	-6	-6	-5	-5	-5	-5	-5	-6	-6	-5
— over last 12 months	B	-3	-6	-9	-12	-15	-18	-13	-5	-1	1	2	-1	0	-1	-1	-1	1	2
	DK	3	-8	-4	-2	0	3	3	2	2	4	0	:	3	4	3	2	-2	0
	D	2	-3	-12	-14	-9	-6	-4	2	1	2	2	1	0	3	1	-1	-1	-1
	GR	:	:	:	15	0	6	2	-12	-21	-23	-22	-24	-24	-21	-22	-22	-21	:
	E	:	:	:	:	:	:	3	2	-1	2	3	6	4	1	0	0	3	
	F ^(d)	0	-2	0	0	-4	-7	-3	-2	-4	-4	-6	-5	:	-3	-3	-3	-2	0
	IRL	-13	-19	-24	-23	-26	-22	:	-15	-15	-20	-12	-17	-18	-17	-14	-17	-15	-10
	I	-7	-10	-8	-6	-8	-3	-2	1	2	2	2	2	:	1	-2	1	1	2
	NL	1	-9	-13	-14	-21	-17	-6	2	2	2	-1	0	-2	3	3	0	1	4
	P	:	:	:	:	:	:	2	5	4	2	10	5	4	8	11	6	3	
	UK	-1	-13	-15	-9	-2	-3	-5	-3	4	7	9	4	6	3	5	2	1	4
	EUR (c)	0	-6	-9	-8	-7	-6	-4	0	0	1	1	0	1	1	0	-1	-1	1
GENERAL ECONOMIC SITUATION	B	-44	-58	-69	-68	-62	-57	-33	-29	-20	-19	-19	-20	-18	-18	-22	-25	-22	-21
	DK	-34	-56	-47	-42	-4	4	2	-10	-22	-17	-21	:	-22	-13	-17	-24	-37	-32
	D	3	-18	-46	-51	-29	-14	-11	7	-2	1	-1	-4	-6	-1	-2	-11	-14	-18
	GR	:	:	:	-2	-11	-4	-10	-28	-34	-38	-34	-34	-34	-32	-33	-33	-34	:
	E	:	:	:	:	:	:	-15	-18	-23	-17	-16	-13	-11	-8	-15	-16	-17	
	F ^(d)	-27	-39	-37	-28	-41	-54	-52	-34	-39	-40	-43	-38	:	-37	-38	-37	-38	-32
	IRL	-35	-56	-66	-74	-77	-65	-61	-58	-58	-65	-58	-58	-53	-58	-50	-56	-55	-45
	I	-43	-57	-60	-51	-57	-36	-26	-10	-7	-4	-1	-4	:	-11	-18	-19	-18	-13
	NL	-30	-55	-64	-64	-54	-19	8	18	-1	0	-6	-11	-6	0	-7	-8	-7	-9
	P	:	:	:	:	:	:	-5	5	4	2	12	11	7	11	4	4	-1	
	UK	-33	-55	-62	-40	-23	-25	-37	-29	-4	-1	7	5	3	0	5	1	-2	4
	EUR (c)	-22	-41	-51	-44	-37	-31	-28	-15	-14	-13	-12	-12	-12	-12	-13	-17	-18	-16
— over next 12 months	B	-29	-45	-51	-43	-38	-33	-17	-12	-9	-10	-8	-9	-6	-9	-14	-15	-8	-5
	DK	-24	-42	-29	-23	3	6	4	-7	-15	-8	-14	:	-17	-5	-16	-17	-30	-25
	D	1	-19	-33	-32	-14	-10	-6	3	-8	-6	-5	-10	-11	-6	-7	-16	-20	-22
	GR	:	:	:	25	6	10	3	-13	-22	-25	-22	-22	-25	-22	-23	-22	-22	:
	E	:	:	:	:	:	:	3	-2	-4	0	2	3	4	4	-3	-3	-3	
	F ^(d)	-29	-40	-27	-23	-36	-45	-34	-18	-24	-26	-27	-24	:	-19	-20	-23	-21	-17
	IRL	-26	-35	-38	-42	-45	-29	-26	-26	-29	-34	-33	-32	-28	-34	-29	-37	-29	-21
	I	-19	-30	-30	-24	-25	-9	-8	3	-2	1	-1	0	:	-8	-14	-13	-8	-3
	NL	-26	-48	-42	-42	-28	-5	10	12	-8	-10	-14	-18	-12	-1	-16	-17	-14	-14
	P	:	:	:	:	:	:	5	9	4	2	15	14	13	17	11	8	2	
	UK	-16	-24	-23	-10	-5	-10	-16	-14	4	10	16	8	4	1	5	1	-1	2
	EUR (c)	-16	-30	-30	-24	-21	-18	-14	-5	-8	-7	-6	-7	-8	-7	-9	-13	-12	-11
PRICE TRENDS	B	55	65	69	77	78	78	72	49	32	32	32	33	34	36	32	27	27	24
	DK	39	50	51	48	26	26	26	10	0	-1	6	:	1	-3	-3	-3	-1	0
	D	25	44	52	46	23	15	9	-15	-14	-16	-12	-9	-9	-7	-7	-7	-2	-6
	GR	:	:	:	15	30	24	26	39	42	43	42	42	43	41	42	41	43	:
	E	:	:	:	:	:	:	46	35	40	28	25	30	30	34	33	35	29	
	F ^(d)	70	79	77	62	55	58	44	12	12	14	15	12	:	12	8	5	6	3
	IRL	80	85	87	87	80	71	59	47	35	37	33	32	28	35	24	31	35	29
	I	72	80	79	72	69	55	49	36	29	28	24	28	:	30	36	37	35	35
	NL	43	62	68	63	43	41	22	-2	-19	-23	-19	-17	-16	-13	-14	-12	-12	-22
	P	:	:	:	:	:	:	31	30	30	27	17	23	24	27	37	40	45	
	UK	48	59	41	31	15	19	24	15	11	10	7	4	10	11	11	14	13	4
	EUR (c)	49	63	62	53	40	37	30	13	11	11	10	10	11	12	13	13	14	11
— over next 12 months	B	33	42	40	45	40	37	36	27	19	18	16	18	22	23	23	23	17	20
	DK	29	38	31	31	12	16	15	7	6	5	7	:	5	-1	4	3	4	3
	D	44	51	50	43	30	28	25	5	12	8	13	16	18	17	16	20	27	23
	GR	:	:	:	25	37	38	42	44	47	49	41	46	48	47	47	45	47	:
	E	:	:	:	:	:	19	18	20	9	12	16	15	21	18	22	15	15	
	F ^(d)	46	50	39	42	37	32	27	19	12	12	12	10	:	4	4	10	6	2
	IRL	59	56	52	46	39	35	32	23	25	25	23	26	24	27	24	27	26	24
	I	56	60	58	56	54	46	48	35	42	37	37	43	:	53	52	54	49	48
	NL	48	61	52	50	38	25	17	6	2	-2	3	8	10	7	17	6	9	5
	P	:	:	:	:	:	14	17	16	16	9	8	10	18	29	29	27	27	
	UK	34	43	31	29	27	40	43	32	33	33	24	33	37	39	45	39	39	39
	EUR (c)	44	51	44	42	35	35	32	20	22	20	18	22	23	23	25	28	27	24

TABLE 12 (continued) : Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987							1988	
											May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
UNEMPLOYMENT	B	42	57	67	60	57	44	37	33	35	36	33	36	36	37	35	33	27	26
	DK	22	39	37	29	30	5	-4	1	29	18	37	:	35	21	34	33	50	39
	D	3	20	43	43	30	20	16	4	19	13	14	20	24	23	23	27	37	37
	GR	:	:	:	11	10	11	17	31	36	39	34	36	34	37	36	35	33	:
	E	:	:	:	:	:	:	:	26	31	35	24	24	26	19	25	35	33	33
	F ^(d)	44	47	43	30	41	62	50	33	39	50	42	43	:	29	39	27	25	24
	IRL	12	34	47	56	67	52	48	45	45	47	49	50	49	57	50	51	46	42
	I	41	51	52	56	57	49	47	39	40	39	41	40	:	43	41	46	45	41
	NL	35	59	72	72	67	36	0	-11	8	9	4	16	17	10	11	15	12	25
	P	:	:	:	:	:	:	:	27	15	22	17	6	8	9	7	16	13	15
	UK	30	58	50	34	37	32	35	32	7	6	3	2	3	8	-1	2	0	-3
	EUR (c)	27	43	48	42	41	38	32	23	26	27	24	26	27	25	26	27	28	26
MAJOR PURCHASES	B	30	23	15	13	6	6	-18	-26	-21	-21	-21	-24	-16	-22	-21	-19	-12	-11
	DK	42	21	10	16	7	14	14	0	-15	-14	-16	:	-12	-21	-9	-17	-22	-3
	D	25	18	-1	-17	-8	-9	-8	4	4	2	4	5	-1	7	4	2	0	2
	GR	:	:	:	-35	-35	-24	-20	-22	-36	-40	-43	-36	-29	-32	-35	-37	-34	:
	E	:	:	:	:	:	:	:	-27	-14	-20	-12	-2	-5	-7	-17	-13	-15	-11
	F ^(d)	35	39	28	30	19	6	-4	-3	-8	-8	-6	-11	:	-12	-11	-5	-5	-1
	IRL	46	30	24	13	-6	-9	-2	-10	-11	-11	-10	-5	-15	-11	-12	-17	-12	-6
	I	-3	2	4	1	-13	-15	-15	-8	-8	-6	-8	-3	:	-14	-11	-10	-9	-9
	NL	13	-2	-17	-21	-18	-44	-29	-6	-3	-2	1	6	0	-8	-14	-15	-18	1
	P	:	:	:	:	:	:	-28	-17	-18	-22	-14	-14	-15	-10	-7	-10	-26	
	UK	43	28	26	25	32	31	24	24	24	20	20	31	28	27	26	24	17	32
	EUR (c)	27	22	12	6	5	0	-3	0	-1	-3	-1	2	0	-1	-3	-2	-3	2
— over next 12 months	B	-29	-26	-28	-28	-30	-28	-30	-28	-20	-18	-18	-19	-16	-18	-20	-19	-16	-20
	DK	-8	-14	-12	-10	-8	-7	-8	-12	-11	-12	-12	:	-12	-11	-8	-11	-14	-11
	D	-15	-19	-25	-28	-29	-28	-26	-20	-20	-19	-23	-20	-22	-19	-19	-22	-21	-22
	GR	:	:	:	-24	-33	-38	-33	-42	-45	-49	-44	-51	-44	-42	-44	-47	-41	:
	E	:	:	:	:	:	:	-26	-23	-23	-22	-23	-20	-19	-16	-23	-24	-25	
	F ^(d)	-16	-18	-13	-9	-10	-10	-9	-3	0	0	-1	-1	:	0	0	0	0	-1
	IRL	-17	-19	-22	-27	-31	-25	-22	-20	-19	-20	-19	-17	-16	-14	-19	-16	-14	-16
	I	-10	-17	-18	-22	-22	-21	-21	-21	-21	-20	-21	-21	:	-22	-24	-22	-20	-21
	NL	-19	-23	-27	-27	-29	-27	-20	-15	-12	-10	-12	-13	-14	-12	-9	-10	-11	-11
	P	:	:	:	:	:	:	:	6	5	10	5	-1	0	6	10	12	10	12
	UK	-6	-14	-19	-18	-15	-12	-14	-12	-10	-8	-6	-9	-10	-8	-8	-10	-11	-11
	EUR (c)	-12	-17	-20	-20	-21	-19	-18	-16	-14	-13	-14	-14	-15	-13	-14	-14	-14	-15
SAVINGS	B	40	38	41	40	46	46	46	43	52	55	51	53	54	56	49	53	58	55
	DK	11	15	23	26	40	41	50	46	50	43	46	:	49	53	55	52	47	59
	D	46	43	32	27	33	38	41	44	43	45	43	43	46	47	48	31	32	29
	GR	:	:	:	-25	-29	-20	-18	-31	-40	-46	-45	-43	-34	-39	-43	-37	-37	:
	E	:	:	:	:	:	:	36	43	42	41	40	49	46	41	49	45	45	
	F ^(d)	8	-3	-2	-5	0	6	11	12	20	19	23	21	:	22	25	17	18	22
	IRL	8	5	-3	-9	-3	-8	-1	-3	-7	-7	-8	-19	-11	0	-8	-4	-4	-5
	I	4	-6	-7	10	21	33	37	47	49	49	51	47	:	50	49	48	48	48
	NL	19	19	27	38	35	34	41	48	50	52	48	48	44	53	51	51	49	56
	P	:	:	:	:	:	:	-42	-27	-25	-21	-21	-19	-24	-16	-11	-30	-33	
	UK	-5	6	5	5	10	17	20	23	31	30	34	37	32	31	38	26	23	32
	EUR (c)	21	15	12	12	19	24	29	31	35	35	36	36	36	37	38	32	31	33
— at present	B	-14	-20	-21	-25	-26	-27	-33	-9	-3	-2	-1	-4	0	-1	-6	-6	-5	0
	DK	-12	-20	-19	-18	-12	-11	-7	-6	-5	1	-5	:	3	0	-8	-1	-13	-4
	D	46	44	23	-2	1	3	3	11	13	12	11	14	11	15	12	14	10	11
	GR	:	:	:	-37	-41	-39	-40	-47	-57	-58	-61	-59	-57	-55	-59	-58	-57	:
	E	:	:	:	:	:	:	-36	-35	-41	-34	-29	-30	-34	-38	-42	-36	-34	
	F ^(d)	-29	-32	-32	-32	-35	-37	-36	-31	-34	-35	-33	-34	:	-32	-34	-37	-35	-29
	IRL	-11	-13	-19	-22	-25	-37	-28	-30	-31	-39	-29	-31	-40	-32	-26	-33	-34	-27
	I	-34	-32	-30	-22	-27	-20	-17	-10	-6	-5	-5	-6	:	-5	-7	-4	-8	-4
	NL	8	0	-1	-3	-8	-2	6	12	17	21	14	17	17	24	19	15	16	27
	P	:	:	:	:	:	:	-39	-27	-31	-27	-18	-23	-27	-19	-10	-24	-27	
	UK	-4	-16	-20	-17	-13	-12	-14	-12	-6	-8	-5	-8	-2	-7	-6	-4	-4	-4
	EUR (c)	2	-4	-11	-17	-17	-16	-15	-11	-10	-11	-10	-10	-9	-9	-11	-11	-12	-9
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	9	7	6	5	6	5	13	14	14	14	13	14	13	14	12	14	17
	DK	9	4	4	4	8	8	11	10	10	9	10	9	10	11	11	10	12	9
	D	22	21	16	12	11	11	12	17	17	18	17	16	16	18	17	18	16	15
	GR	:	:	:	0	0	2	3	1	-2	-3	-2	-1	-1	-2	-2	-3	-2	:
	E	:	:	:	:	:	:	5	5	3	6	8	8	3	6	3	4	5	
	F ^(d)	10	8	8	8	6	4	3	3	0	0	2	2	2	0	0	-1	-1	0
	IRL	8	2	-4	-1	-1	-1	-1	-1	-1	-5	0	-2	-4	1	-1	1	1	0
	I	8	8	8	13	9	11	12	15	16	17	16	18	17	15	17	15	17	18
	NL	22	19	18	17	15	13	16	19	19	20	19	18	16	22	18	20	17	23
	P	:	:	:	:	:	:	2	8	7	8	12	8	7	11	7	8	5	
	UK	10	8	9	9	12	12	11	11	14	13	17	13	17	13	16	15	14	13
	EUR (c)	15	12	11	10	9	9	9	11	11	11	12	12	12	11	12	11	10	11

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 Danmarks Statistik	DS	DS	—	DS
Federal Republic of Germany	IFO Institut für Wirtschaftsforschung	IFO	IFO	IFO	GfK Marktforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSS National Statistical Service
Spain	MIE Ministerio de Industria y Energía	—	MIE	—	GALLUP Instituto Gallup and INTERCAMPO
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 Economisch Instituut voor de Bouwnijverheid	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
Portugal	INE Instituto Nacional de Estatística	—	INE	—	NORMA
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

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)	23,50	1 000	18	16,50	28
---	-------	-------	----	-------	----



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 — Luxembourg

CB-A-T-88-002-EN-C