

# EUROPEAN ECONOMY

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

Supplement B — No 11 — November 1988

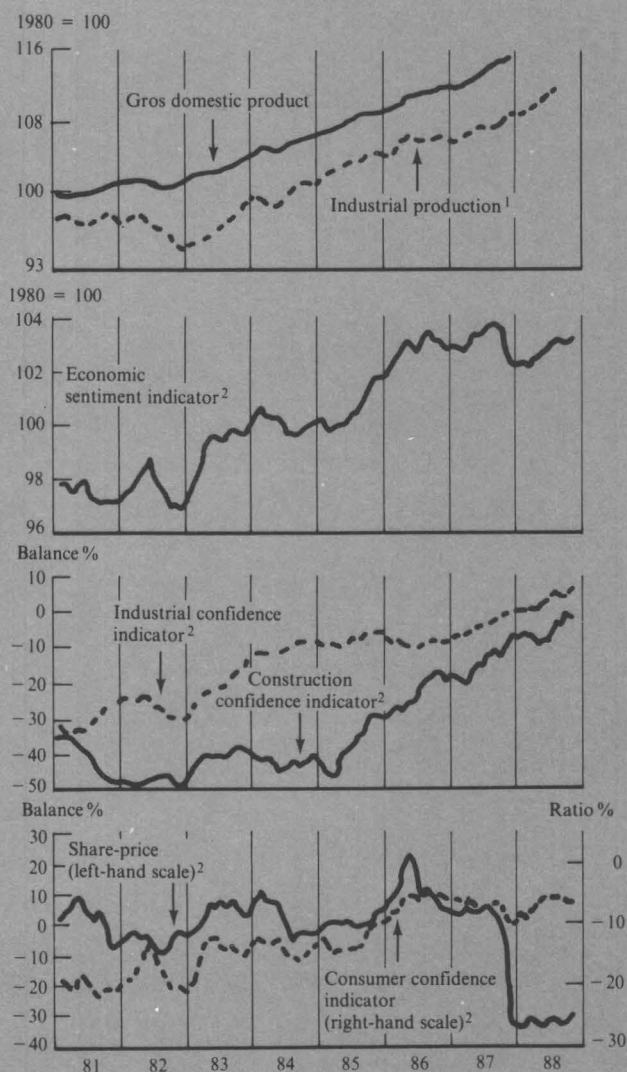
*In this number:  
Capacity utilization  
in industry*

Business and consumer survey results

## THE MAIN POINTS IN BRIEF

- Economic activity in the Community continues on its upward trend. This can be seen from the most recent survey results on economic developments in industry, construction and the retail trade.
- Capacity utilization in industry has reached a new peak in the present upswing and is well above the highest value of the previous upswing in 1979/80. Despite the high level of capacity utilization, no appreciable capacity constraints are as yet discernible for the next few months.
- The industrial survey results signal a further rise in industrial production in the coming months. On average, order-books are considered to be pretty full, while stocks of finished goods are rated as normal. Foreign trade is also contributing to the positive trend of business.
- The reduction of employment in industry is at a standstill and construction firms need additional labour to carry out their orders.
- Taking the average for the Community, consumers are no longer so pessimistic as they were a year ago and retailers are benefiting from consumers' growing readiness to make purchases.

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

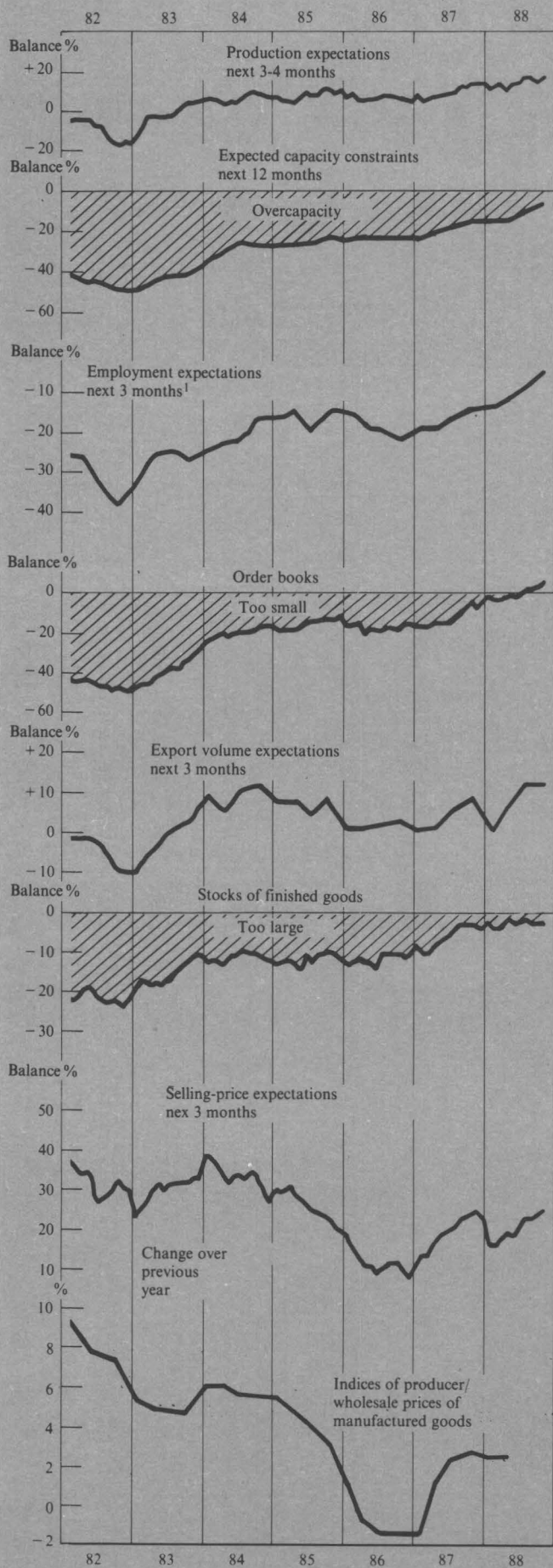


<sup>1</sup> Three-month moving average.

<sup>2</sup> See notes to Table 8.

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

**GRAPH 2: Indicators of output, demand and prices in industry — European Community**



Quarterly data since 1982; before twice-yearly.

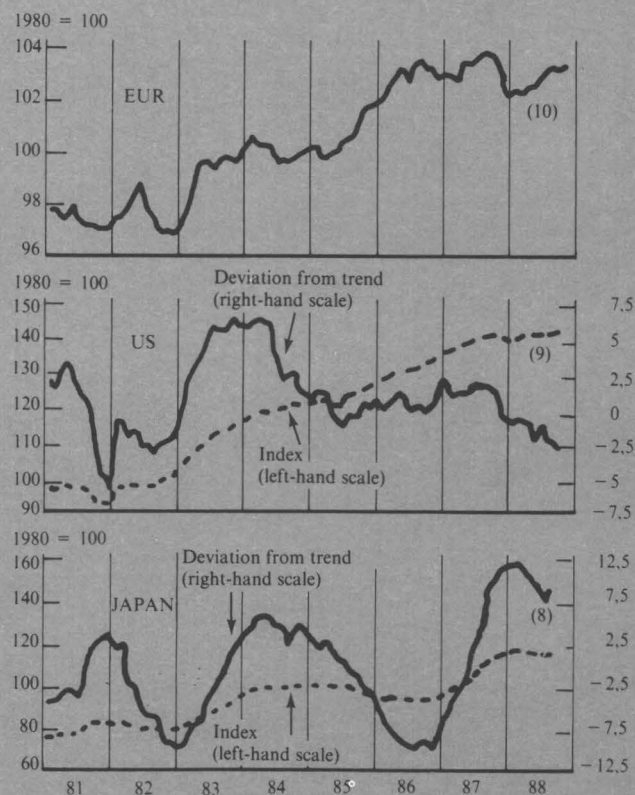
**Economic activity in the Community continues on its upward trend.** — In the autumn of 1988, the economy in the Community is continuing on its upward trend. This can be seen from the business survey results which cover the period to October. The judgments of industrial and construction companies, as well as retailers, concerning the economy confirm a growing confidence, especially in the future. Consumer confidence remains at the same level, still slightly up on the previous year.

**Another marked rise in capacity utilization in industry.** — The level of capacity utilization in European industry which was reached at the end of October (85.9 %) represents a new peak in the present upswing and is well above the highest value of the previous 1979-80 upswing. It is only 0.5 of a percentage point short of the 1973 cyclical peak which was, however, accompanied by considerable inflationary strains. The marked expansion of industrial production in all the member countries has contributed to this further rise in capacity utilization for the Community as a whole.

Despite the high level of capacity utilization, managements consider that as yet no capacity constraints are discernible for the next few months: on balance, most industrialists (balance +7), though considerably fewer than in previous quarters, consider production capacities to be more than adequate to meet the demand expected in the next twelve months (see Table 2). In the United Kingdom and France, however, and taking the average for industry, expectations of capacity constraints are more or less in balance with opinions that production capacity is adequate.

**Industrial firms intend to expand their production even further.** — The production plans of industrial firms suggest that the vigorous industrial activity will continue (balance +17). The main factors contributing to the very marked improvement over the month before were the intentions of companies in France, Italy, Denmark, Greece, Ireland and Portugal to increase their output significantly again in the coming months. Domestic demand, which is also evident in increased investment intentions, is still the main driving force. A clear majority of companies consider that on the whole order-books in October are pretty full while taking the average for

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



Sources: Commission of the European Communities, US Department, Economic Planning Agency of the Japanese Government.  
Arabic number indicates latest month for which data are available (9 September).

the Community export orders are still considered to be low on balance, despite a marked improvement. Nevertheless, foreign business in industrial goods also seems to be making a substantial contribution to industrial activity. Taking the average for the Community, in October as in July a net 11 % of companies are still of the opinion that they will increase their exports in the coming months.

**Stocks of finished products have returned to normal.** — As a result of the buoyancy of industrial activity, the level of stocks of finished products has returned to normal. In some branches of industry in the *Federal Republic of Germany*, *Italy*, and the *United Kingdom* the persistence of brisk demand has led to an increased rundown in stocks, so that in some cases companies consider the level of stocks of finished goods to be too low.

**The reduction of employment in industry is almost at a standstill.** — Because they expect production to increase in the coming months, companies are increasingly loath to reduce employment in industry further. Despite this definite decrease in pessimism, the majority of firms which intends to cut back on labour is still relatively large in France, Spain, Portugal, the Netherlands and Luxembourg.

**Continuing signs of recovery in construction.** — Taking the average for the Community, the situation in construction has improved steadily throughout 1988. Even though order-books are still not at a completely satisfactory level, most construction firms in the Community are planning to take on additional labour to carry out their short term orders. This is indicated by the results of the October surveys in the *United Kingdom*, *France*, *Belgium*, the *Netherlands*, *Ireland* and *Greece*.

**Community leading indicator again rises.** — In October 1988 the Community composite indicator was again back to the level it had reached four months ago, which is the highest level reached in the present upswing since 1982. The slight, temporary weakening which had occurred in the last few months was caused by share price movements and stagnating consumer confidence and has since disappeared. The main factors contributing to the renewed rise of the Community indicator in October were the evolution of the industrial and construction confidence indicators. Analysed by member countries, the indicator rose by more than the average in the *Federal Republic of Germany*, *Belgium* and *Denmark*.

The leading indicators suggest that economic upswing will continue in the Community in the next few months and progress in economic

TABLE 1: Capacity utilization in manufacturing industry (%)<sup>(a)</sup>(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	A	J	O	J	A	J	O											
B	85,4	70,4	79,1	74,4	79,4	77,9	78,7	78,1	77,7	78,2	77,7	78,5	79,2	78,7	79,1	88,1	74,8	86,0	75,3	84,7	83,5	84,8	83,8	82,8	83,9	83,6	84,1	84,2	85,3	86,5
D	88,1	74,8	86,0	75,3	84,7	83,5	84,8	83,8	82,8	83,9	83,6	84,1	84,2	85,3	86,5															
GR	..	..	..	74,4	77,0	76,2	77,3	76,6	76,3	77,4	74,3	71,7	74,8	74,9	77,3															
E*	..	..	..	..	..	..	..	..	77,9	76,3	78,3	78,9	78,4	80,4	79,2															
F	87,8	76,6	85,3	81,1	83,3	83,5	83,0	83,0	83,2	83,5	84,3	85,0	85,7	85,8	86,4															
IRL	..	..	68,1	56,8	73,0	71,5	69,1	67,7	74,8	69,6	73,9	75,0	73,3	71,3	76,5															
I	78,8	68,0	77,3	69,1	75,2	76,7	75,1	75,9	76,8	77,5	76,6	77,6	76,1	77,8	79,0															
L	..	..	83,0	66,5	84,2	79,2	82,2	78,1	78,9	79,6	80,0	84,1	81,5	84,1	83,7															
NL	86,0	76,0	83,0	75,8	83,4	83,0	83,3	84,0	83,8	84,1	84,1	84,0	83,8	84,8	85,1															
P*	..	..	..	..	..	81,3	..	80,4	80,9	82,0	82,0	82,0	81,3	82,3	80,3															
UK <sup>(e)</sup>	90,6	75,5	87,6	73,0	85,1	87,5	85,1	86,7	87,1	86,9	89,1	92,6	94,8	93,3	93,9															
EUR <sup>(c)</sup>	86,4	75,0	83,9	76,4	82,2	82,5	82,1	82,2	82,2	82,7	83,0	84,2	84,6	85,0	85,9															

TABLE 2: Expected capacity constraints in manufacturing industry: i.e. balance of respondents expecting capacity to be more than sufficient in relation to production expectations <sup>(a)</sup>(d)(s.a.)

	Range (b)		Range (b)		1986	1987	1987					1988																		
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			J	O	J	A	J	O	J	A	J	O														
B	-12	+58	+35	+53	+26	+26	+26	+26	+27	+23	+23	+20	+20	+20	+20															
DK	..	..	+10	+38	+8	+20	+22	+22	+21	+21	+18	+18	+18	+18	+18															
D	-3	+56	+12	+49	+13	+19	+19	+17	+18	+15	+12	+9	+9	+9	+9															
GR	..	..	..	+34	+20	+20	+21	+20	+20	+18	+19	+13	+13	+13	+13															
E*	..	..	..	..	..	..	..	..	+1	+9	+9	+7	+10	+8																
F	-24	+45	+11	+48	+31	+28	+26	+23	+17	+18	+8	+2	+2	+2																
IRL	..	..	+2	+40	+18	+16	+18	+13	+20	+12	+13	+8	+8	+8																
I	+1	+63	+17	+58	+37	+26	+24	+21	+23	+20	+17	+13	+13	+13																
L	-72	+73	+37	+62	+2	+7	+5	+4	-1	+8	+2	+4	+4	+4																
NL	-3	+60	+14	+51	+4	+7	+7	+7	+9	+7	+6	+5	+5	+5																
P*	..	..	..	..	..	0	-1	-5	+2	+4	+4	+7	+7	+7																
UK	..	..	..	+63	+28	+19	+19	+9	+8	+12	+3	+1	+1	+1																
EUR <sup>(c)</sup>	-7	+54	+14	+50	+25	+21	+21	+17	+17	+16	+11	+7	+7	+7																

TABLE 3: Estimated number of months' production assured by orders on hand in manufacturing industry <sup>(a)</sup>(s.a.)

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

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

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

(c) Weighted total of available country data.

(d) Answers to the questions whether, taking into account the level of order-books or production, capacity is more than sufficient (+), sufficient (=) or less than sufficient (-). Thus, negative balances (capacity less than sufficient) indicate high levels of capacity utilization and positive balances (capacity more than sufficient) are associated with low levels of capacity utilization.

(e) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

\* = figures n.s.a.

Source: European Community business surveys.

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		1987				1988			
	Peak 1979	Trough 1981/83					J	A	J	O	J	A	J	O
B	+8	-22	-6	-5	-7	-12	+3	-2	+6	+10	-1	-1		
DK	:	-14	+10	+2	+1	0	+4	+1	+6	+9	+11	+8		
D	+17	-26	+1	+2	-2	-1	+3	+6	+4	+11	+17	+13		
E*	:	:	:	:	:	:	+16	+4	+8	+5	+12	+5	+14	
F	+14	-35	-8	-4	-8	-9	-8	+8	+18	+18	+16	+21		
IRL	:	-46	-12	-4	-19	+4	+3	-3	+6	+10	+20			
I	+7	-25	+7	+10	+8	+11	+9	+11	+4	+12	+19	+23		
L	+45	-67	+22	-9	-32	-17	+5	+9	+14	-11	+10	+8		
NL	+9	-6	+1	+6	+5	+3	+8	+7	+12	+16	+11	+14		
P*	:	:	:	+23	+24	+30	+19	+17	+6	+11	+5	+7		
UK	:	-21	-5	+22	+13	+18	+25	+31	+30	+28	+27	+25		
EUR(c)	+14	-27	-1	+6	+2	+3	+7	+12	+13	+16	+18	+19		

TABLE 5: 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		1987				1988			
	Peak 1979	Trough 1981/83					J	A	J	O	J	A	J	O
B	:	:	-7	-3	-5	-9	+5	-1	+10	+11	-5	-3		
D	+6	-15	-3	-3	-7	-9	+1	+3	-10	-2	+9	+8		
GR	:	-13	+20	+16	+15	+9	+15	+25	+15	+21	+11	+23		
E*	:	:	:	:	:	:	+9	+3	+3	+7	+1	+7		
F	+13	-23	-7	-3	-15	-6	+2	+6	+1	+9	+13	+12		
IRL	:	-8	+16	+10	-14	+9	+13	+32	+19	+27	+20	+38		
I	+16	-14	+9	+9	+13	+8	+4	+9	+3	+14	+18	+21		
L	+62	-67	-34	-17	-58	-10	-3	+5	+6	+6	+15	+11		
NL	+20	-11	+6	+6	+10	+7	+2	+6	0	+10	+10	+9		
P*	:	:	:	+22	+25	+25	+10	+29	+22	+25	+15	+16		
UK	:	-4	+9	+19	+18	+16	+23	+19	+7	+5	+16	+16		
EUR(c)	+11	-11	0	+4	0	0	+6	+7	0	+6	+11	+11		

TABLE 6: Employment expectations in manufacturing industry (a) (s.a.)

Balance of respondents expecting employment up, unchanged, down

	Range (b)		Range (b)		1986		1987		1987				1988			
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83					II	III	IV	I	II	III	IV	
B	+12	-26	-2	-17	-12	-15	-16	-16	-12	-9	-7	-8	0			
DK	:	:	:	-14	-3	-8	-6	-10	-10	-15	-9	-9	-1			
D	+13	-34	+2	-38	-3	-15	-17	-17	-14	-15	-10	-11	-3			
GR	:	:	:	-3	-5	-7	-3	-2	-5	-5	-8	-1				
E*	:	:	:	:	:	:	-20	-14	-17	-12	-7	-9	-14			
F	+17	-35	-23	-48	-41	-44	-44	-39	-36	-34	-34	-26				
IRL	+15	-34	+4	-35	-8	-5	0	-8	-14	-6	-5	-4				
I	+13	-26	+3	-39	-35	-17	-19	-12	-16	-14	-14	0				
L	+75	-67	-1	-62	+1	-10	-33	-8	-2	-41	+5	-6				
NL	+4	-32	-6	-36	+16	+1	-1	-2	-4	-11	-8	-14	-7			
P*	:	:	:	:	:	-1	+1	0	-1	-2	-1	-4	-8			
UK	:	:	:	-43	-13	-4	-8	0	+4	+8	+5	+13	+7			
EUR	+12	-31	-6	-40	-18	-18	-20	-17	-15	-14	-12	-9	-5			

TABLE 7: Assessment of stocks of raw materials and fuels (a) (s.a.)

Differences between the percentages of respondents reporting stock levels higher or lower than normal

	1985	1986	1987	1986	1987				1988				
					IV	I	II	III	IV	I	II	III	IV
B	+7	+4	+7	+2	+8	+8	+6	+7	+1	+1	+4	+4	
DK	+21	+7	0	+2	+3	+5	-6	-1	+1	+4	+7	+9	
D	+2	+3	+2	+2	+4	+2	0	+1	0	-2	+1	:	
GR	-3	-6	-4	-10	-7	-5	-2	0	-3	-1	-5	-5	
E*	:	:	:	:	:	+4	+7	+6	+1	+3	+6	+6	
F	+12	+16	+9	+14	+10	+10	+8	+7	+10	+7	+6	+6	
IRL	+7	+11	0	+8	+3	+1	-3	-1	-1	-4	-2	+3	
I	+6	+7	+6	+9	+8	+5	+5	+4	+4	+4	+6	+3	
L	+2	+3	+4	+2	0	+4	+4	+6	+5	+3	+1	+5	
NL	+5	+5	+5	+4	+6	+5	+5	+4	+5	+3	+5	+1	
P*	:	:	-4	:	-4	-7	-1	-2	-1	+1	0	+6	
UK	+4	-6	-3	-6	-7	-4	+1	-2	+1	+4	+7	+2	
EUR	+6	+5	+3	+4	+4	+3	+3	+2	+3	+3	+4	:	

(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.

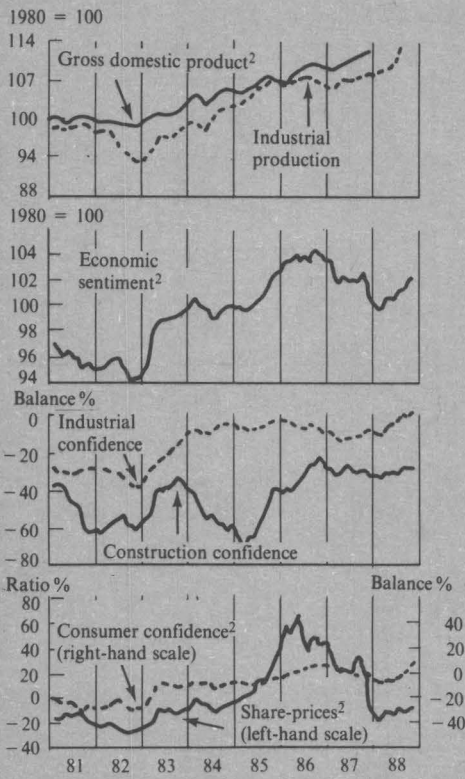
\* = figures n.s.a.

Source: European Community business surveys.



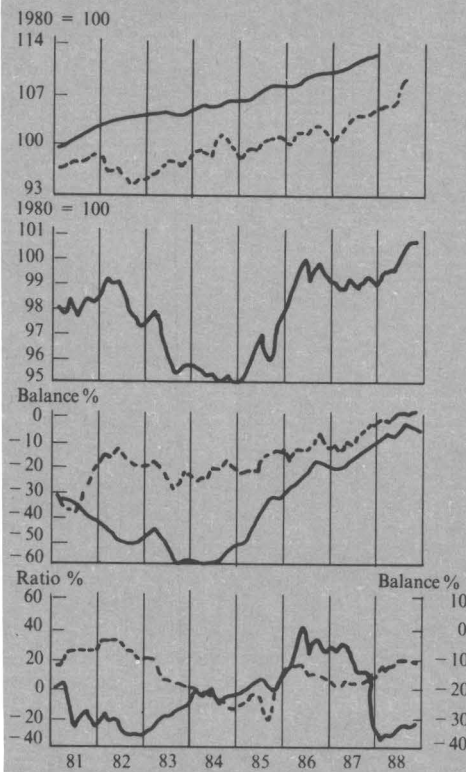
GRAPHS 4-9: Indicators of output and economic sentiment

GRAPH 4: Federal Republic of Germany



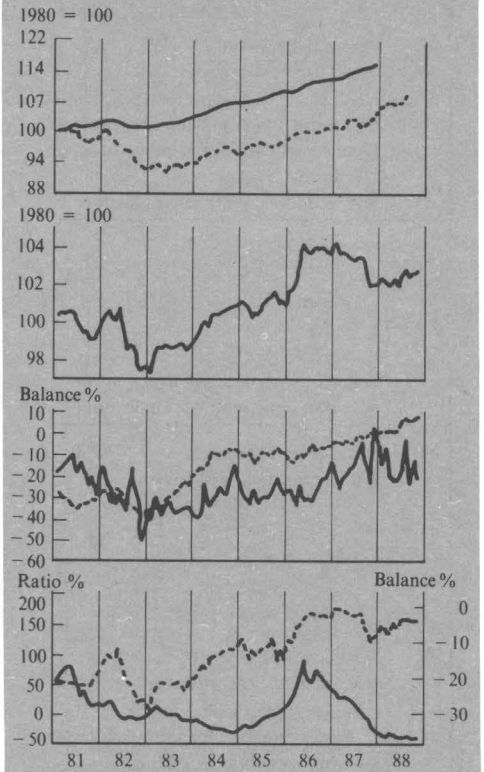
<sup>1</sup> Three-month average.  
<sup>2</sup> See notes to Table 8.  
<sup>3</sup> Deviations from trend in %.

GRAPH 5: France



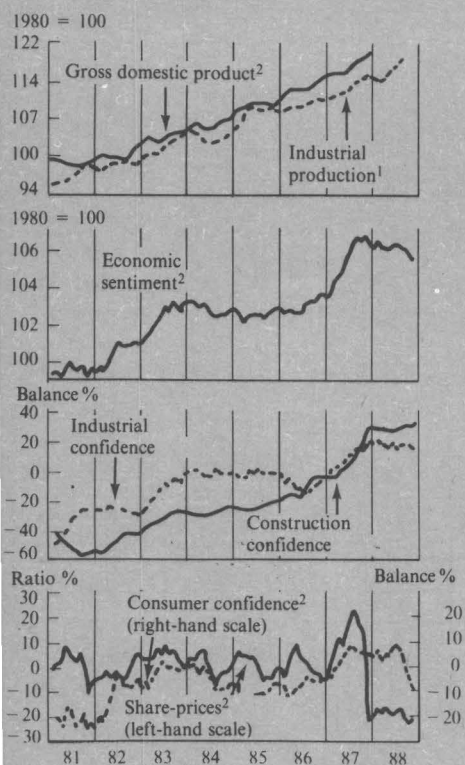
For explanations, see Graph 4.

GRAPH 6: Italy



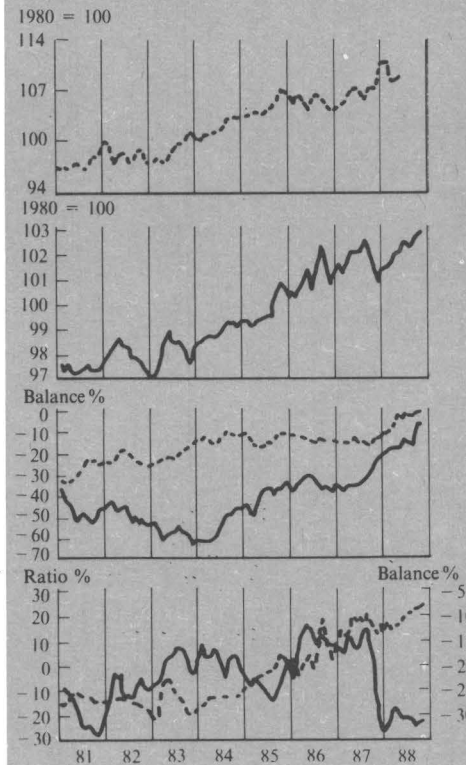
For explanations, see Graph 4.

GRAPH 7: United Kingdom



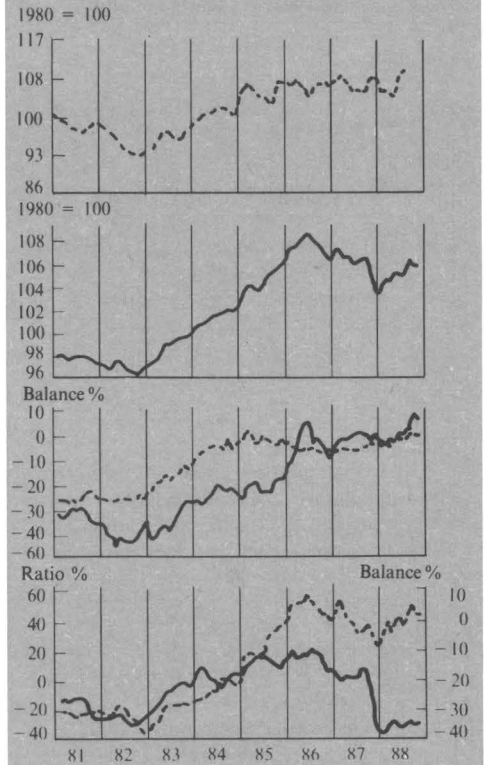
<sup>1</sup> Three-month moving average.  
<sup>2</sup> See notes to Table 8.  
<sup>3</sup> Deviations from trend in %.

GRAPH 8: Belgium



For explanations, see Graph 7.

GRAPH 9: Netherlands



For explanations, see Graph 7.

TABLE 8: Indicators of output and economic sentiment

	Range (b)				1987	1988			1988					
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	May	June	July	Aug.	Sept.	Oct.
<b>B</b> gross domestic product 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	102,5	76,5	106,3	92,4	106,8	109,4	108,6	:	107,2	109,3	:	:	:	:
1. industrial confidence indicator	19	-56	-4	-35	-14	-10	-3	-3	-5	-2	-4	-3	-2	-2
2. construction confidence indicator	9	-36	-7	-65	-32	-19	-17	-14	-17	-15	-16	-18	-9	-8
3. consumer confidence indicator (c)	7	-18	-7	-31	-12	-9	-7	-5	-7	-6	-6	-5	-5	-4
4. share-price index (c)	155,1	98,0	114,3	75,0	318,2	294,3	310,4	315,8	299,8	317,9	309,2	309,4	328,9	341,7
= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,8	102,1	102,9	103,1	102,7	103,2	102,9	103,0	103,4	103,6
<b>DK</b> gross domestic product 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	:	:	107,7	95,5	121,9	123,8	125,8	:	123,4	131,2	116,7	123,4	:	:
1. industrial confidence indicator	:	:	:	-22	-7	-3	0	-1	(0)	(0)	-1	(-1)	(-1)	-1
2. construction confidence indicator	:	:	:	-37	1	2	-9	-18	(-9)	(-9)	-18	(-18)	(-18)	-15
3. consumer confidence indicator (c)	:	-16	5	-22	-10	-16	-12	-16	-13	-12	-12	-16	-20	-16
4. share-price index (c)	:	:	:	:	351,8	329,0	377,1	410,4	381,6	402,7	406,8	398,4	426,1	449,2
= 5. economic sentiment indicator	:	:	:	:	101,9	102,0	102,4	102,4	102,5	102,6	102,5	102,2	102,4	102,8
<b>D</b> gross domestic product 1980=100	85,1	83,3	101,2	98,9	110,8	:	:	:	:	:	:	:	:	:
index of industrial production	92,0	82,4	103,1	91,4	106,9	108,7	109,8	:	108,9	112,0	108,1	115,2	:	:
1. industrial confidence indicator	10	-49	2	-40	-12	-10	-5	-1	-5	-4	-1	-1	0	1
2. construction confidence indicator	-4	-72	11	-64	-30	-32	-31	-28	-30	-32	-30	-28	-25	-25
3. consumer confidence indicator (c)	:	-22	9	-31	-1	-8	-6	-4	-6	-5	-6	-4	-3	0
4. share-price index (c)	109,0	75,2	115,6	97,6	257,5	197,1	241,6	224,7	202,7	213,8	221,9	222,0	230,1	240,4
= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	100,6	98,9	99,8	100,1	99,4	99,7	99,9	100,1	100,5	101,0
<b>F</b> gross domestic product 1980=100	85,4	84,2	99,8	102,4	112,1	:	:	:	:	:	:	:	:	:
index of industrial production	96,7	82,2	105,2	94,8	103,7	106,0	107,0	:	107,0	109,0	110,0	110,0	:	:
1. industrial confidence indicator	29	-49	5	-39	-8	-1	1	6	0	2	6	6	5	11
2. construction confidence indicator	:	:	-17	-57	-16	-7	-8	2	(-8)	(-8)	2	(2)	(2)	-1
3. consumer confidence indicator (c)	:	-9	3	-27	-18	-12	-11	-10	-10	-10	-10	-10	-10	-11
4. share-price index (c)	86,6	53,6	101,2	82,7	367,1	269,0	299,6	330,9	292,9	323,1	331,7	325,5	335,4	353,2
= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	99,1	99,8	100,2	101,1	100,2	100,6	101,0	101,1	101,1	101,2
<b>IRL</b> gross domestic product 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	80,4	72,3	103,8	99,6	145,3	157,5	158,7	:	158,0	164,3	158,0	:	:	:
1. industrial confidence indicator	:	-41	20	-40	-2	-6	2	7	0	5	6	6	9	10
2. construction confidence indicator	:	:	:	-60	-31	-14	-26	7	(-26)	(-26)	7	(7)	(7)	14
3. consumer confidence indicator (c)	:	-41	12	-44	-29	-22	-15	-15	-16	-17	-15	-16	-15	-16
4. share-price index (c)	85,8	29,9	112,2	79,4	333,9	282,0	318,1	361,9	307,9	342,6	360,5	369,4	355,9	:
= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,6	101,0	101,9	102,5	101,6	102,0	102,5	102,5	102,6	102,7
<b>I</b> gross domestic product 1980=100	80,4	77,2	101,2	98,2	115,3	:	:	:	:	:	:	:	:	:
index of industrial production	87,9	72,6	104,7	98,1	102,3	106,5	106,7	:	104,9	105,8	108,8	110,4	:	:
1. industrial confidence indicator	31	-59	13	-41	-2	1	3	6	1	6	7	6	6	10
2. construction confidence indicator	-8	-56	-5	-51	-15	-13	-20	-8	-22	-16	-2	-18	-5	-15
3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-6	-5	-4	-6	-4	-4	-4	-4	-4
4. share-price index (c)	169,6	68,5	185,0	116,9	644,5	481,3	506,6	545,7	489,9	507,7	535,5	550,5	551,1	599,2
= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,2	102,1	102,3	102,6	101,9	102,5	102,8	102,4	102,7	102,8
<b>NL</b> gross domestic product 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
index of industrial production	94,8	87,1	117,5	90,7	107,3	105,7	105,0	:	104,0	107,0	112,0	107,0	:	:
1. industrial confidence indicator	12	-44	4	-31	-5	-5	-2	-1	-2	-2	-2	0	-1	-1
2. construction confidence indicator	3	-47	3	-46	-2	-4	-2	5	-1	-1	2	5	9	6
3. consumer confidence indicator (c)	6	-15	5	-37	-2	-2	-1	3	0	-2	1	5	2	2
4. share-price index (c)	:	86,3	122,8	92,8	350,0	290,3	305,7	337,5	305,0	319,4	333,3	342,9	336,4	349,7
= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	104,8	103,6	104,1	105,0	104,2	104,0	104,6	105,4	105,0	104,9
<b>UK</b> gross domestic product 1980=100	94,6	91,0	102,5	97,7	117,3	:	:	:	:	:	:	:	:	:
index of industrial production	92,7	89,6	110,0	93,8	114,8	116,8	118,8	:	118,8	119,4	119,4	120,9	:	:
1. industrial confidence indicator	:	:	9	-60	11	19	16	18	18	15	18	18	18	15
2. construction confidence indicator	:	:	7	-62	12	29	27	30	(27)	(27)	30	(30)	(30)	32
3. consumer confidence indicator (c)	:	-33	14	-26	5	5	7	2	8	9	7	2	-2	-5
4. share-price index (c)	78,5	23,3	111,6	104,4	397,0	350,3	357,6	367,6	353,6	365,0	375,3	369,8	357,7	371,4
= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	105,7	106,2	106,1	106,0	106,2	106,2	106,3	106,0	105,7	105,4
<b>EUR</b> gross domestic product (a)(b) 1980=100	85,1	85,5	101,1	101,0	113,7	:	:	:	:	:	:	:	:	:
index of industrial production	92,9	83,0	103,2	94,6	107,4	109,7	110,7	:	110,3	112,1	111,1	111,9	:	:
1. industrial confidence indicator	16	-49	3	-36	-3	0	2	4	1	3	5	4	4	7
2. construction confidence indicator	:	:	-1	-50	-14	-7	-8	-2	(-8)	(-8)	-3	(-3)	(-1)	-2
3. consumer confidence indicator (c)	5	-17	1	-22	-6	-6	-4	-4	-4	-4	-4	-4	-5	-5
4. share-price index (c)	:	47,0	115,4	111,7	364,4	302,4	318,1	336,7	313,1	328,6	338,1	335,9	336,0	351,7
= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	103,5	103,0	103,5	104,0	103,5	103,7	104,1	104,0	103,9	104,1

(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.)

		Range (b)				1987	1988			1988					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	May	June	July	Aug.	Sept.	Oct.
INDUSTRIAL CONFIDENCE INDICATOR	<b>B</b>	19	-56	-4	-35	-14	-10	-3	-3	-5	-2	-4	-3	-2	-2
	<b>DK</b>	:	:	:	-22	-7	-3	0	-1	:	:	-1	:	:	-1
	<b>D</b>	10	-49	2	-40	-12	-10	-5	-1	-5	-4	-1	-1	0	1
	<b>GR</b>	:	:	:	:	-6	-5	-2	-2	-4	1	2	1	-1	5
	<b>E</b>	:	:	:	:	-5	-5	-2	-5	-3	-2	-2	-4	-8	-1
	<b>F</b>	29	-49	5	-39	-8	-1	1	6	0	2	6	6	5	10
	<b>IRL</b>	:	-41	20	-40	-2	-6	2	7	0	5	6	6	9	10
	<b>I</b>	31	-59	13	-41	-2	1	3	6	1	6	7	6	6	10
	<b>L</b>	:	:	16	-65	-18	1	5	5	2	7	8	5	3	7
	<b>NL</b>	12	-44	4	-31	-5	-5	-2	-1	-2	-2	-2	0	-1	-1
	<b>P</b>	:	:	11	-25	9	0	1	-2	1	1	-5	0	0	3
<b>UK</b>	:	:	9	-60	11	19	16	18	18	15	18	18	18	15	
	<b>EUR</b>	16	-49	3	-36	-3	0	2	4	1	3	5	4	4	7
PRODUCTION EXPECTATIONS	<b>B</b>	31	-56	-4	-37	-8	-7	2	8	1	7	8	7	8	8
	<b>DK</b>	:	:	:	8	4	1	3	2	:	:	2	:	:	6
	<b>D</b>	17	-32	10	-30	-1	-1	5	7	5	6	8	6	6	8
	<b>GR</b>	:	:	:	:	16	22	21	16	24	21	19	16	13	29
	<b>E</b>	:	:	18	-20	11	8	11	9	13	13	11	14	2	13
	<b>F</b>	33	-29	18	-20	4	7	9	13	10	9	13	13	13	23
	<b>IRL</b>	:	-21	40	-33	9	-3	9	14	9	10	11	14	18	26
	<b>I</b>	40	-43	24	26	11	11	9	19	9	16	18	19	19	21
	<b>L</b>	84	-80	40	-66	-13	5	6	6	-2	7	7	5	6	10
	<b>NL</b>	26	-26	20	-13	3	0	3	6	2	4	5	8	4	2
	<b>P</b>	:	:	30	-13	19	10	15	8	14	15	5	8	12	22
<b>UK</b>	:	:	29	-52	30	33	30	34	33	29	33	34	34	29	
	<b>EUR</b>	24	-30	15	-24	9	9	11	15	12	13	15	15	14	17
ORDER BOOKS	<b>B</b>	13	-74	-14	-49	-28	-17	-10	-10	-10	-10	-11	-11	-9	-13
	<b>DK</b>	:	:	:	-34	-15	-10	-1	4	:	:	4	:	:	-2
	<b>D</b>	5	-73	-6	-59	-23	-20	-15	-9	-16	-14	-11	-9	-6	-4
	<b>GR</b>	:	:	:	:	-23	-20	-19	-10	-26	-12	-9	-10	-10	-10
	<b>E</b>	26	-45	:	:	-14	-9	-8	-13	-11	-10	-9	-15	-14	-8
	<b>F</b>	26	-69	0	-56	-18	-5	1	10	-1	3	10	10	10	12
	<b>IRL</b>	:	-68	18	-55	-11	-12	-4	8	-5	0	5	4	16	6
	<b>I</b>	30	-82	7	-66	-10	-2	-1	3	-4	1	5	3	2	10
	<b>L</b>	:	:	8	-70	-40	-6	4	9	3	6	7	13	6	12
	<b>NL</b>	7	-48	-5	-42	-14	-11	-8	-6	-7	-8	-8	-6	-3	-2
	<b>P</b>	:	:	3	-35	4	-5	-6	-8	-6	-6	-10	-5	-8	-5
<b>UK</b>	:	:	-2	-85	5	21	18	19	18	16	19	19	18	18	
	<b>EUR</b>	15	-70	-7	-56	-13	-6	-3	1	-4	-2	1	1	2	5
EXPORT ORDER BOOKS	<b>B</b>	15	-82	-19	-55	-30	-22	-15	-12	-16	-16	-10	-13	-14	-14
	<b>DK</b>	:	:	:	14	-12	1	5	15	:	:	15	:	:	7
	<b>D</b>	:	:	-14	-50	-31	-25	-21	-16	-20	-20	-18	-16	-13	-12
	<b>GR</b>	:	:	:	:	-26	-18	-26	-20	-27	-25	-21	-20	-18	-20
	<b>E*</b>	:	:	:	:	-28	-29	-22	-24	-21	-24	-20	-25	-27	-22
	<b>F</b>	24	-66	10	-52	-22	-2	2	13	3	3	12	13	13	16
	<b>IRL</b>	13	-67	-6	-59	-25	-20	-13	-9	-13	-14	-4	-10	-13	-2
	<b>I</b>	:	:	9	-80	-52	-16	-6	28	-8	1	3	40	41	59
	<b>L</b>	:	:	4	-35	2	-6	-12	-6	-12	-10	-7	-6	-4	-3
	<b>UK</b>	:	:	-11	-72	1	10	3	6	2	3	8	4	7	5
		<b>EUR</b>	:	:	-12	-50	-25	-14	-11	-5	-11	-11	-5	-6	-5
STOCKS OF FINISHED PRODUCTS	<b>B</b>	-14	37	2	18	8	4	2	6	5	3	8	5	4	2
	<b>DK</b>	:	:	:	24	11	-1	1	8	:	:	8	:	:	6
	<b>D</b>	-7	43	-2	31	10	7	4	0	5	4	0	1	0	1
	<b>GR</b>	:	:	:	:	11	18	9	4	9	7	3	4	5	3
	<b>E</b>	-17	24	15	35	12	12	10	10	11	9	9	11	11	9
	<b>F</b>	-14	50	3	42	8	6	7	5	8	6	4	5	7	5
	<b>IRL</b>	:	35	-6	33	5	4	1	2	4	-4	-2	1	7	3
	<b>I</b>	-24	53	-8	32	7	5	-1	3	1	-2	2	5	2	0
	<b>L</b>	-14	74	0	58	0	-4	-5	-1	-4	-7	-9	3	2	2
	<b>NL</b>	-3	57	3	39	4	4	2	3	1	2	4	3	3	3
	<b>P</b>	:	:	1	26	-5	4	5	5	4	6	9	3	4	7
<b>UK</b>	:	:	-1	42	2	-2	-1	-2	-3	-1	-1	-2	-2	1	
	<b>EUR</b>	-10	48	-1	31	7	5	3	3	4	3	2	3	3	3
SELLING-PRICE EXPECTATIONS	<b>B</b>	64	-10	39	12	5	8	18	21	16	23	21	21	21	30
	<b>D</b>	55	4	38	4	13	12	18	21	17	19	22	21	21	20
	<b>GR</b>	:	:	:	:	23	25	24	25	22	18	25	26	25	20
	<b>E*</b>	:	:	:	:	11	18	9	9	7	9	9	8	10	8
	<b>F</b>	76	15	62	17	16	13	13	24	14	11	22	24	25	25
	<b>IRL</b>	:	64	77	20	9	2	9	11	11	11	13	11	8	12
	<b>I</b>	76	10	87	37	18	18	21	24	22	24	26	23	22	24
	<b>L</b>	:	-46	74	-38	18	55	50	51	48	48	62	58	33	58
	<b>P*</b>	:	:	:	:	23	27	21	21	18	20	22	19	23	21
	<b>UK</b>	:	:	70	7	26	27	26	29	21	29	28	28	32	33
		<b>EUR</b>	64	9	53	22	18	16	19	24	18	20	24	23	24

(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. \* = figures n.s.a. 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		1988			1988				
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	I	II	III	May	June	July	Aug.	Sept.	Oct.	
<b>B</b>	order-books	-13	-47	-20	-76	-45	-33	-28	-28	-30	-27	-28	-33	-22	-20
	employment expectations	+31	-24	+7	-53	-17	-5	-5	0	-4	-3	-4	-2	+5	+4
	price expectations	+75	+25	+61	-18	+1	+10	+16	+15	+17	+17	+16	+14	+16	+15
	constr. confidence indicator (a)	+9	-36	-7	-65	-32	-19	-17	-14	-17	-15	-16	-16	-9	-8
<b>DK</b>	order-books	:	:	:	-38	+2	+13	-8	-33	(-8)	(-8)	-33	(-33)	(-33)	-23
	employment expectations	:	:	:	-35	+0	-10	-10	-3	(-10)	(-10)	-3	(-3)	(-3)	-7
	price expectations	:	:	:	-36	+1	+2	-9	-18	(-9)	(-9)	-18	(-18)	(-18)	-15
	constr. confidence indicator (a)	:	:	:											
<b>D</b>	order-books	-17	-84	+2	-75	-50	-53	-50	-45	-49	-50	-46	-47	-42	-42
	employment expectations	+10	-60	+20	-53	-11	-11	-12	-10	-11	-13	-13	-8	-8	-7
	price expectations	+48	-37	+48	-49	-3	-10	-5	-2	-4	-3	-4	-2	+1	+1
	constr. confidence indicator (a)	-4	-72	+11	-64	-30	-32	-31	-28	-30	-32	-30	-28	-25	-25
<b>GR</b>	order-books	:	:	:	-78	-63	-65	-72	-58	(-72)	(-72)	-58	(-58)	(-58)	-63
	employment expectations	:	:	:	-77	-20	+12	+3	+17	(+3)	(+3)	+17	(+17)	(+17)	+5
	price expectations	:	:	:	+9	+25	+8	0	+21	(0)	(0)	+21	(+21)	(+21)	-1
	constr. confidence indicator (a)	:	:	:	-78	-42	-27	-35	-21	(-35)	(-35)	-21	(-21)	(-21)	-29
<b>F</b>	order-books	:	:	-26	-73	-22	-12	-15	-3	(-15)	(-15)	-3	(-3)	(-3)	-5
	employment expectations	:	:	-8	-47	-9	-1	-1	+7	(-1)	(-1)	+7	(+7)	(+7)	+3
	price expectations	:	:	-17	-57	-16	-7	-8	+2	(-8)	(-8)	+2	(+2)	(+2)	-1
	constr. confidence indicator (a)	:	:												
<b>IRL</b>	order-books	:	:	-58	-32	-14	-35	+7	(-35)	(-35)	+7	(+7)	(+7)	(+7)	+17
	employment expectations	:	:	-61	-29	-13	-16	+7	(-16)	(-16)	+7	(+7)	(+7)	(+7)	+10
	price expectations	:	:	:	-21	-32	-12	-6	(-12)	(-12)	-6	(-6)	(-6)	(-6)	+22
	constr. confidence indicator (a)	:	:	-60	-31	-14	-26	+7	(-26)	(-26)	+7	(+7)	(+7)	(+7)	+14
<b>I</b>	order-books	-25	-68	-8	-62	-22	-20	-22	-13	-27	-14	+1	-25	-15	-12
	employment expectations	+10	-44	+2	-39	-8	-6	-17	-3	-17	-18	-5	-11	+6	-17
	price expectations	+85	+30	+79	+2	+17	+24	+18	+29	+16	+22	+25	+29	+34	+17
	constr. confidence indicator (a)	-8	-56	-5	-51	-15	-13	-20	-8	-22	-16	-2	-18	-5	-15
<b>NL</b>	order-books	-8	-81	-10	-61	-7	-7	-6	+1	-7	-6	-1	+2	+2	-3
	employment expectations	+14	-13	+15	-31	+4	0	+2	+9	+5	+5	+4	+7	+16	+15
	price expectations	:	:	:	:	+29	+18	+8	+18	+7	+9	+16	+18	+21	+20
	constr. confidence indicator (a)	+3	-47	+3	-46	-2	-4	-2	+5	-1	-1	+2	+5	+9	+6
<b>L</b>	order-books	+21	-50	+15	-79	+25	-4	-7	-9	-12	-9	-6	-7	-14	-15
	employment expectations	+31	-39	+46	-75	+6	+3	+5	-18	-1	+9	-25	-6	-24	-8
	price expectations	+82	+11	+81	-49	+1	-14	-5	-22	+6	-24	-26	-23	-18	-18
	constr. confidence indicator (a)	+26	-45	+31	-77	+16	0	-1	-14	-7	0	-16	-7	-19	-12
<b>UK</b>	order-books	:	:	-1	-74	-2	+15	+14	+22	(+14)	(+14)	+22	(+22)	(+22)	+25
	employment expectations	:	:	+15	-50	+25	+43	+39	+38	(+39)	(+39)	+38	(+38)	(+38)	+39
	price expectations	:	:	+74	-21	+50	+57	+70	+70	(+70)	(+70)	+70	(+70)	(+70)	+70
	constr. confidence indicator (a)	:	:	+7	-62	+12	+29	+27	+30	(+27)	(+27)	+30	(+30)	(+30)	+32
<b>EUR</b>	order-books	:	:	-9	-64	-26	-20	-20	-12	(-20)	(-19)	-11	(-14)	(-11)	-11
	employment expectations	:	:	+7	-35	-1	+6	+3	+8	(+4)	(+3)	+6	(+8)	(+10)	+7
	constr. confidence indicator (a)	:	:	-1	-50	-14	-7	-8	-2	(-8)	(-8)	-3	(-3)	(-1)	-2

(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) (f)

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

(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) Spain participates in the retail trade survey since September 1988; ( ) estimated.

Source: EC Survey in the retail trade.



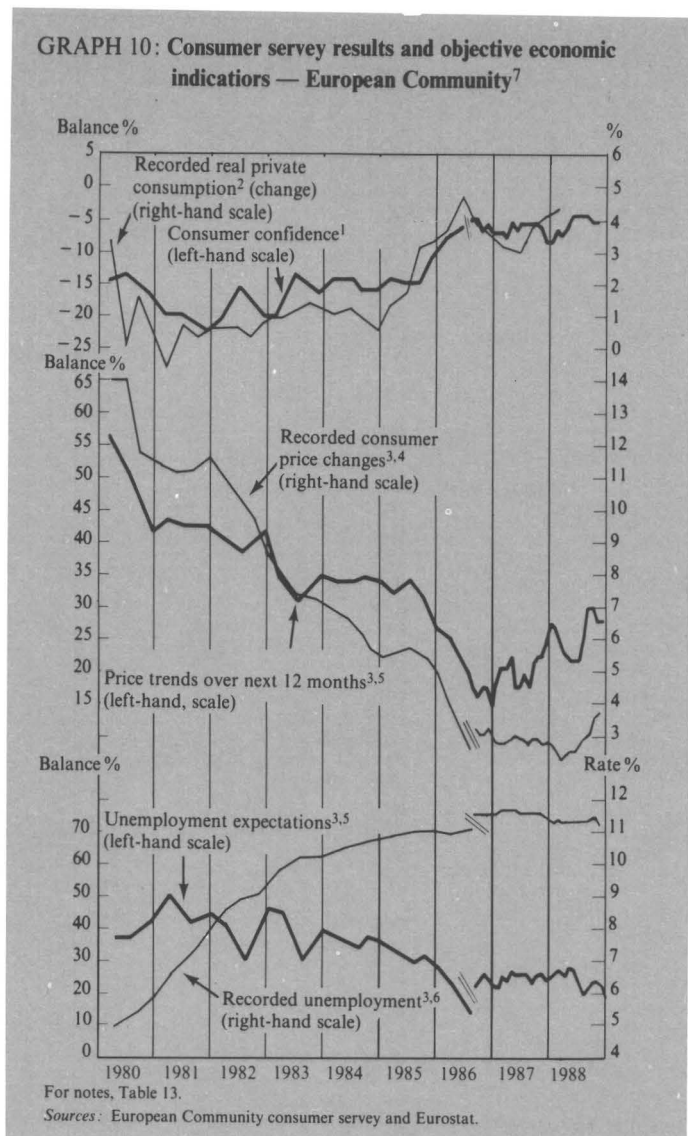
activity is also to be expected in Japan. In the United States the leading indicator signals a less dynamic trend of economic activity.

**Consumer confidence still shows a slight improvement on last year, while retailers are optimistic and expect business to be buoyant in the near future.** — The consumer climate in the Community as a whole showed no change on the previous month, but is still better than at the same period a year ago. This result is attributable to widely differing developments in the consumer climate in the member countries. While consumer confidence was growing in the Federal Republic of Germany, Spain, Portugal, Denmark, Belgium and Greece, the United Kingdom consumer confidence indicator lost three percentage points compared with the previous month.

Taking the average for the Community, consumers in October 1988 were slightly more confident that the economy would improve over the next twelve months and are definitely more prepared to make major purchases now.

This consumer behaviour is reflected in retailers' more positive assessment of the business climate, which has encouraged them to increase the amount of orders placed for the near future - as can be seen from the average of the September/October results.

21 November 1988



**TABLE 12: Consumer opinion on economic and financial conditions<sup>(a)</sup>**

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988									
												Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.
CONSUMER CONFIDENCE INDICATOR <sup>(b)</sup>	<b>B</b>	-10	-20	-27	-27	-28	-27	-21	-17	-12	-10	-9	-9	-7	-6	-6	-5	-5	-4	
	<b>DK</b>	-2	-19	-17	-12	0	6	4	-3	-10	-16	-18	-12	-13	-12	:	-16	-20	-16	
	<b>D</b>	6	-5	-22	-26	-15	-10	-7	3	-1	-8	-7	-6	-6	-5	-6	-4	-3	0	
	<b>GR</b>	:	:	:	0	-11	-4	-5	-20	-29	-20	-20	-22	-20	-20	-23	-21	-20	-19	
	<b>E</b>	:	:	:	:	:	:	:	-9	-8	-8	-6	-4	0	-2	1	4	1	2	
	<b>F<sup>(d)</sup></b>	-5	-10	-9	-5	-15	-23	-21	-14	-18	-13	-12	-13	-10	-10	10	:	-10	-11	
	<b>IRL</b>	-10	-22	-28	-34	-39	-33	-29	-28	-29	-24	-20	-12	-16	-17	-15	-16	-15	-16	
	<b>I</b>	-17	-22	-22	-18	-24	-15	-12	-4	-4	-6	-7	-4	-6	-4	-4	:	-4	-4	
	<b>NL</b>	-8	-25	-31	-32	-30	-22	-7	5	-2	0	-4	0	0	-2	1	5	2	2	
	<b>P</b>	:	:	:	:	:	:	:	-7	0	-5	-6	-7	-6	-7	-10	-13	-16	-7	
	<b>UK</b>	-4	-18	-21	-12	-3	-4	-10	-7	5	3	5	5	8	9	7	2	-2	-5	
	<b>EUR<sup>(c)</sup></b>	-3	-13	-19	-17	-15	-14	-12	-6	-6	-7	-6	-5	-4	-4	-4	-4	-5	-5	
FINANCIAL SITUATION OF HOUSEHOLDS	<b>B</b>	-11	-15	-19	-25	-29	-31	-23	-14	-9	-7	-5	-6	-7	-4	-6	-3	-5	-4	
	<b>DK</b>	1	-10	-12	-7	-4	-2	3	-2	-1	-5	-8	-5	-4	-5	:	-2	-3	-5	
	<b>D</b>	2	-4	-16	-18	-14	-11	-8	1	1	-2	-1	-1	-1	0	0	0	2		
	<b>GR</b>	:	:	:	-2	-13	-8	-8	-24	-31	-23	-19	-21	-22	-20	-24	-22	-23	-18	
	<b>E</b>	:	:	:	:	:	:	:	-10	-9	-7	-7	-1	-3	-5	-2	-2	-3	-2	
	<b>F<sup>(d)</sup></b>	-4	-7	-8	-7	-11	-15	-13	-11	-14	-11	-12	-10	-9	-10	-9	:	-7	-8	
	<b>IRL</b>	-21	-32	-38	-41	-43	-42	-37	-34	-31	-27	-28	-22	-24	-27	-21	-21	-22	-22	
	<b>I</b>	-13	-14	-14	-13	-15	-12	-10	-6	-4	-3	-5	-3	-6	-3	-3	:	-1	-4	
	<b>NL</b>	1	-9	-18	-20	-28	-26	-17	-3	0	3	2	3	3	2	2	4	3	1	
	<b>P</b>	:	:	:	:	:	:	:	-8	-2	-3	-4	-5	-3	-3	-4	-8	-9	-6	
	<b>UK</b>	-11	-24	-30	-27	-15	-15	-16	-13	-5	-7	-5	-5	-3	-4	-1	-5	-5	-11	
	<b>EUR<sup>(c)</sup></b>	-5	-11	-17	-16	-15	-15	-12	-8	-6	-6	-6	-5	-5	-4	-4	-4	-3	-5	

— over last 12 months

TABLE 12 (continued): Consumer opinion on economic and financial conditions<sup>(a)</sup>

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988								
											Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.
FINANCIAL SITUATION OF HOUSEHOLDS (cont.)	<b>B</b>	-3	-6	-9	-12	-15	-18	-13	-5	-1	1	2	1	1	3	1	1	0	2
	<b>DK</b>	3	-8	-4	-2	0	3	3	2	2	3	-1	4	3	2	:	1	-2	2
	<b>D</b>	2	-3	-12	-14	-9	-6	-4	2	1	-1	0	0	-1	-2	-2	0	0	1
	<b>GR</b>	:	:	:	15	0	6	2	-12	-21	-10	-14	-13	-12	-12	-15	-15	-12	-12
	<b>E</b>	:	:	:	:	:	:	:	3	2	4	4	4	8	5	7	10	6	5
	<b>F (d)</b>	0	-2	0	0	-4	-7	-3	-2	-4	-1	0	0	3	2	0	:	:	1
	<b>IRL</b>	-13	-19	-24	-23	-26	-22	-22	-15	-15	-13	-13	-6	-10	-10	-8	-11	-8	-9
	<b>I</b>	-7	-10	-8	-6	-8	-3	-2	1	2	2	0	3	1	3	1	:	:	2
	<b>NL</b>	1	-9	-13	-14	-21	-17	-6	2	2	5	1	6	4	1	3	5	5	3
	<b>P</b>	:	:	:	:	:	:	:	2	5	4	2	-2	1	1	0	-4	-6	-1
	<b>UK</b>	-1	-13	-15	-9	-2	-3	-5	-3	4	1	2	-2	2	4	3	3	1	-2
	<b>EUR (c)</b>	0	-6	-9	-8	-7	-6	-4	0	0	0	1	1	2	1	1	2	1	1
GENERAL ECONOMIC SITUATION	<b>B</b>	-44	-58	-69	-68	-62	-57	-33	-29	-20	-25	-22	-23	-18	-16	-15	-16	-13	-13
	<b>DK</b>	-34	-56	-47	-42	-4	4	2	-10	-22	-33	-30	-29	-24	-26	:	-29	-37	-34
	<b>D</b>	3	-18	-46	-51	-29	-14	-11	7	-2	-19	-17	-13	-11	-8	-11	-9	-4	-1
	<b>GR</b>	:	:	:	-2	-11	-4	-10	-28	-34	-22	-20	-22	-21	-20	-23	-22	-21	-20
	<b>E</b>	:	:	:	:	:	:	:	-15	-18	-13	-13	-10	-7	-7	-4	-5	-7	-8
	<b>F (d)</b>	-27	-39	-37	-28	-41	-54	-52	-34	-39	-32	-31	-32	-27	-28	-26	:	-24	-27
	<b>IRL</b>	-35	-56	-66	-74	-77	-65	-61	-58	-58	-43	-38	-29	-32	-30	-28	-26	-28	-30
	<b>I</b>	-43	-57	-60	-51	-57	-36	-26	-10	-7	-14	-16	-11	-15	-12	-12	:	-11	-11
	<b>NL</b>	-30	-55	-64	-64	-54	-19	8	18	-1	-7	-8	-4	-2	-5	-1	8	4	9
	<b>P</b>	:	:	:	:	:	:	:	-5	5	-5	-4	-3	-3	-2	-4	-8	-13	-4
	<b>UK</b>	-33	-55	-62	-40	-23	-25	-37	-29	-4	-2	-1	3	4	7	2	-3	-8	-13
	<b>EUR (c)</b>	-22	-41	-51	-44	-37	-31	-28	-15	-14	-17	-17	-14	-12	-11	-12	-12	-11	-12
— over last 12 months	<b>B</b>	-29	-45	-51	-43	-38	-33	-17	-12	-9	-12	-11	-10	-9	-7	-7	-7	-4	-1
	<b>DK</b>	-24	-42	-29	-23	3	6	4	-7	-15	-23	-23	-21	-12	-18	:	-21	-26	-25
	<b>D</b>	1	-19	-33	-32	-14	-10	-6	3	-8	-19	-17	-14	-14	-12	-16	-12	-11	-5
	<b>GR</b>	:	:	:	25	6	10	3	-13	-22	-10	-11	-13	-13	-12	-16	-16	-13	-13
	<b>E</b>	:	:	:	:	:	:	3	-2	-3	1	3	4	7	6	6	4	2	
	<b>F (d)</b>	-29	-40	-27	-23	-36	-45	-34	-18	-24	-15	-13	-14	-6	-8	-9	:	-11	-13
	<b>IRL</b>	-26	-35	-38	-42	-45	-29	-26	-26	-29	-20	-16	-4	-7	-9	-11	-10	-11	-11
	<b>I</b>	-19	-30	-30	-24	-25	-9	-8	3	-2	-6	-6	-1	-4	0	-4	:	-1	-2
	<b>NL</b>	-26	-48	-42	-42	-28	-5	10	12	-8	-9	-14	-5	-5	-9	-6	1	-1	4
	<b>P</b>	:	:	:	:	:	:	:	5	9	0	1	-1	0	-2	0	-5	-10	-1
	<b>UK</b>	-16	-24	-23	-10	-5	-10	-16	-14	4	-5	0	-2	4	3	-2	-7	-10	-11
	<b>EUR (c)</b>	-16	-30	-30	-24	-21	-18	-14	-5	-8	-11	-9	-7	-5	-4	-7	-7	-7	-6
— over next 12 months	<b>B</b>	33	42	40	45	40	37	36	27	19	15	12	14	17	20	22	24	28	26
	<b>DK</b>	29	38	31	31	12	16	15	7	6	9	8	3	4	6	:	4	5	0
	<b>D</b>	44	51	50	43	30	28	25	5	12	21	19	18	21	26	30	28	22	22
	<b>GR</b>	:	:	:	25	37	38	42	44	47	32	35	37	35	36	36	32	31	33
	<b>E</b>	:	:	:	:	:	:	19	18	15	12	16	4	5	11	12	18	20	
	<b>F (d)</b>	46	50	39	42	37	32	27	19	12	-2	-2	6	-1	11	12	:	8	11
	<b>IRL</b>	59	56	52	46	39	35	32	23	25	23	22	12	17	20	22	22	18	19
	<b>I</b>	56	60	58	56	54	46	48	35	42	46	46	39	46	43	47	:	46	45
	<b>NL</b>	48	61	52	50	38	25	17	6	2	9	6	12	12	12	18	13	22	20
	<b>P</b>	:	:	:	:	:	:	:	14	17	29	22	21	23	24	32	40	39	31
	<b>UK</b>	34	43	31	29	27	40	43	32	36	45	41	43	42	45	52	54	53	51
	<b>EUR (c)</b>	44	51	44	42	35	35	32	20	22	23	22	22	22	26	30	30	28	28
UNEMPLOYMENT	<b>B</b>	42	57	67	60	57	44	37	33	35	35	31	28	22	21	22	23	24	16
	<b>DK</b>	22	39	37	29	30	5	-4	1	29	40	34	30	23	30	:	36	43	37
	<b>D</b>	3	20	43	43	30	20	16	4	19	36	33	27	26	22	26	27	25	15
	<b>GR</b>	:	:	:	11	10	11	17	31	36	26	30	27	26	28	28	21	23	21
	<b>E</b>	:	:	:	:	:	:	26	31	34	27	26	17	16	17	19	16	14	
	<b>F (d)</b>	44	47	43	30	41	62	50	33	39	29	30	31	19	33	36	:	36	31
	<b>IRL</b>	12	34	47	56	67	52	48	45	45	46	42	30	35	33	32	31	33	32
	<b>I</b>	41	51	52	56	57	49	47	39	40	44	46	46	45	43	43	:	39	40
	<b>NL</b>	35	59	72	72	67	36	0	-11	8	22	23	9	7	11	16	14	18	8
	<b>P</b>	:	:	:	:	:	:	:	27	15	17	13	17	10	10	9	15	10	4
	<b>UK</b>	30	58	50	34	37	32	35	32	7	3	1	-4	-5	-8	-6	-6	-9	-3
	<b>EUR (c)</b>	27	43	48	42	41	38	32	23	26	29	28	24	20	22	24	24	23	19

TABLE 12 (continued): Consumer opinion on economic and financial conditions<sup>(a)</sup>

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

(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.

<sup>1</sup> The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.<sup>2</sup> Quarterly data; percentage change on corresponding quarter of preceding year.<sup>3</sup> Quarterly data; monthly from May 1986 onwards.<sup>4</sup> Percentage changes on corresponding quarter resp. month of preceding year.<sup>5</sup> See table 12 for data and notes.<sup>6</sup> Seasonally adjusted.<sup>7</sup> EUR 10 up to May 1986; EUR 12 from June 1986 onwards.

Source: European Community consumer survey.

### Institutes carrying out the surveys

Country	Survey: Manufacturing industry	Construction	Investment	Retail sale	Consumer
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 Wirtschafts- forschung	IFO	IFO	IFO	GfK Marktforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSSG National Statistical Service of Greece
Spain	MIE Ministerio de Industria y Energia	MIE	MIE	INTERGALLUP S.A. and INTERCAMPO S.A.	INTERGALLUP S.A. and INTERCAMPO S.A.
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	—	TEAGASC The Agricultural and Food Development Authority
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 Estatistica	AECOPS Associação de Empresas de Construção e Obras Públicas do Sul	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 the arithmetic average of the answers (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

#### Construction confidence indicator

The construction confidence indicator is the arithmetic average of the answers (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

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