

EUROPEAN ECONOMY

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

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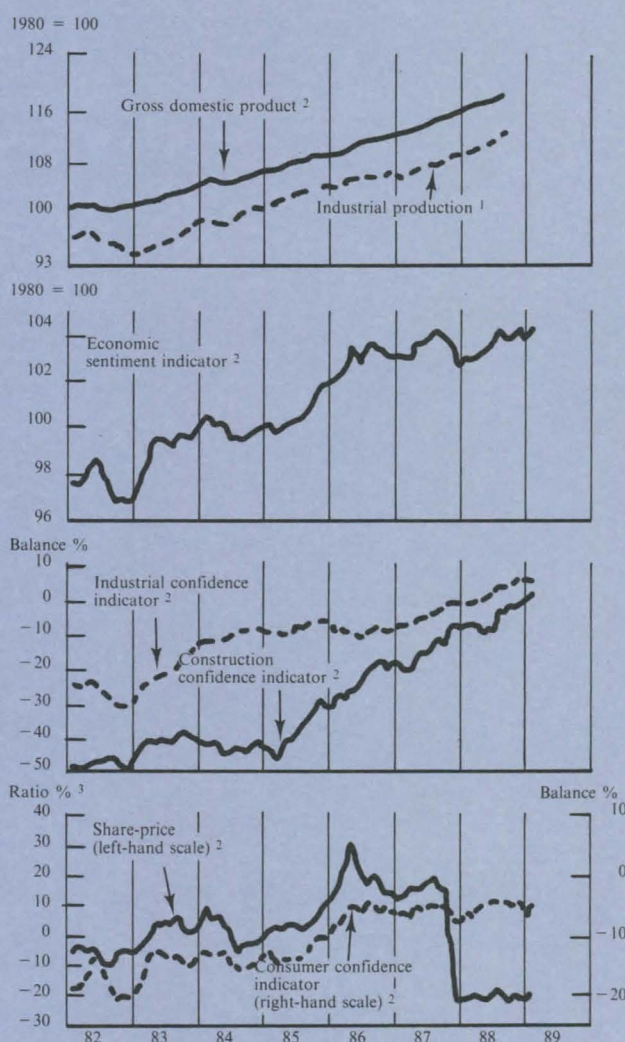
Business and consumer
survey results

*In this number:
Capacity utilization in industry;
employment expectations*

THE MAIN POINTS IN BRIEF

- In January 1989 economic activity in Europe presents a picture of high capacity utilization, expanding order-books, favourable export prospects and plans to create new jobs.
- The level of utilization of productive capacity in industry again rose in January 1989 by comparison with October 1988. In spite of this capacity constraints are not generally expected. Order-books have expanded further and 3.6 months of production are now assured.
- On average for the Community, the most recent employment plans in industry, construction and the retail trade generally point to a further marked rise in employment.
- In January 1989 the Community's leading indicator, after a decline caused by seasonal factors in December 1988, was back to its record November 1988 level. This shows that the European economy will probably continue to forge ahead.

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

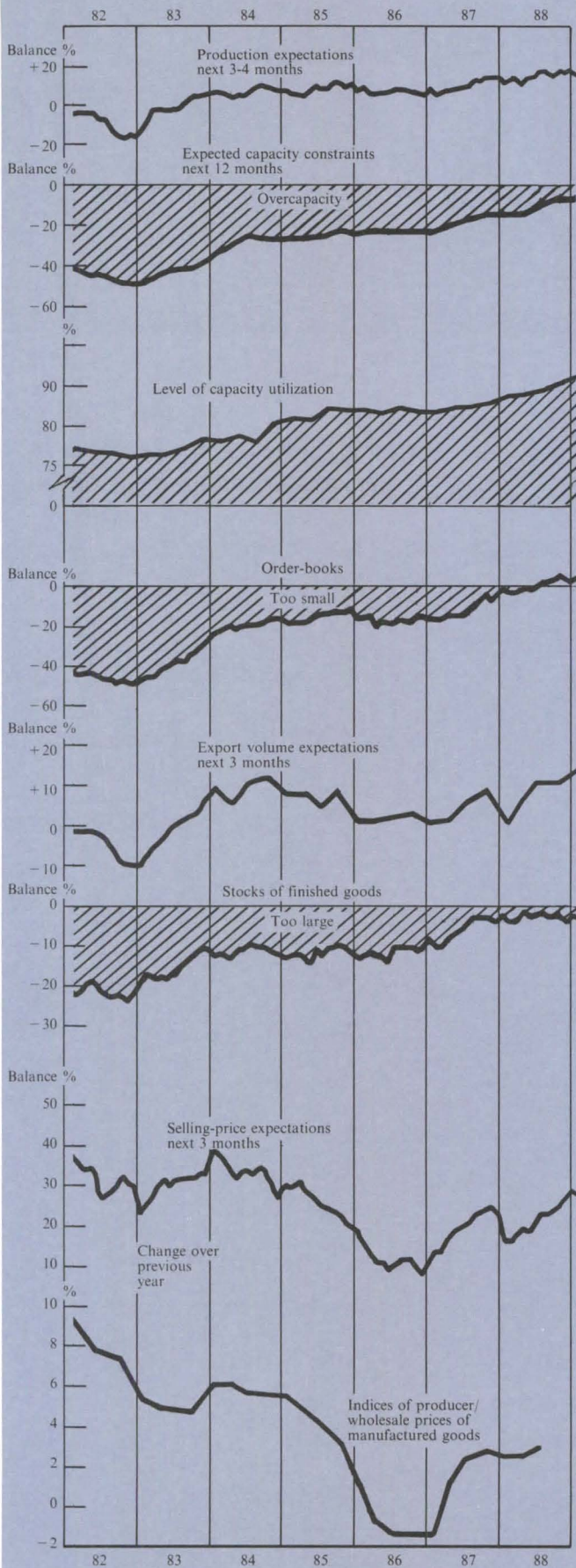


¹ Three-month moving average.

² See notes to Table 8.

³ Deviations from trend in %.

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



Economic activity in the Community is continuing on its upward path. — The most recent business survey results, which cover the period to January 1989, indicate that activity in industry and construction continues to be buoyant. High capacity utilization, expanding order-books, favourable export prospects and plans to create new jobs are all evidence that the European economy is continuing to forge ahead on a broad front. It is probable that the weakness of consumer confidence observed in December 1988 was mainly due to seasonal factors. In January the consumer confidence indicator in the Community again rose and is now back to its high level of autumn 1988.

A further rise in industrial capacity utilization. Capacity constraints not generally expected. — According to the results of the quarterly survey, the level of utilization of industrial capacities, taking the average for the Community, again rose in January by comparison with October 1988. At 0.7 of a percentage point, the rise was very definite and the level is almost as high as the top value reached during the cyclical peak of 1973. But in 1973, economic activity was accompanied by considerable inflationary strains and capacity constraints were reported in all the member countries. According to the most recent results, an increasing number of industrial firms are expecting to be able to charge higher prices for their products in the next few months. However, distinctly fewer industrialists than in 1973 expect the prices of finished products to rise in the next few months (in 1973 the corresponding balance stood at +64 and in 1979 at +53 compared with the present +28); this indicates that some prices will tend to rise over the next few months, but that no price rises are expected on a broad front.

The pattern of capacity utilization shows some variation according to countries and branches. — Capacity utilization in all the countries except Greece, Belgium and Ireland again rose in January 1989 by comparison with October 1988 (see Table 1). The highest levels of capacity utilization are reported by industrialists in the United Kingdom (94.3%), the Federal Republic of Germany (87.7%) and France (87.1%). Despite this persistent rise in industrial capacity utilization, taking the average for the Community, firms are not expecting any more severe capacity constraints than in October. France and Luxembourg are the only countries where on balance firms take the view that the expansion of their production is being hampered by technical production capacity. In the Federal Republic of Germany, Spain, the Netherlands and Portugal on balance an increasing number of industrial firms are reporting that they are pushing up against their capacity limits. Broken down by *industrial branches*, the sharpest recent rise in capacity utilization at Community level is to be observed in the basic materials industries (up 1.6 percentage points) and the investment goods industries (+1 percentage point). Since the middle of last year, utilization in the consumer goods industries has remained almost unchanged. It is mainly firms in the investment goods industries (see Table 2) which are reporting that they can increase their capacity utilization with no great difficulty. The investment led upswing should therefore continue.

Europe's industrialists, construction firms and retailers wish to expand their workforce. — At the beginning of 1989, industrialists, construction firms and retailers were planning to take on distinctly more labour than a year ago. This is signalled by the results of the most recent surveys in the aforementioned branches of the economy (see Graphs 3-6). It is true that a majority of *industrial firms* still want to reduce their employment slightly, but the corresponding negative balance (3) is appreciably more favourable than in the upswing year of 1979 (balance: -6) which was, the last time that, taking the average for the Community, industrial employment increased slightly. Since 1988 industrial employment has again started to pick up. According to employment plans in industry, the increase is also likely to continue in 1989. In particular the survey results in Italy, the United Kingdom, the Federal Republic of Germany and Ireland are signalling positive employment prospects in industry.

Against the background of buoyant *building activity*, the majority of construction firms (balance: +13) in the Community as a whole intend to take on additional labour in the next few months.

In the view of retailers, the favourable developments in the *retail trade* also require them to take on more staff.

Taking the average for the Community, the most recent employment plans in industry, construction and the retail trade generally point to a further marked increase in employment. This is also reflected in the results of the survey which asks *consumers how they expect unemployment to develop over the next twelve months*. Compared with the January 1988 results, the balance of consumers who expect unemployment to rise has halved.

The Community's leading economic indicator is back to the high level reached in November 1988. — In January 1989, the Community's leading indicator was again back to its record level of November 1988, after December's seasonally-induced decline. The main reason for this was the advance in the consumer confidence indicator, which in January almost completely made up for December's decline caused mainly by seasonal factors.

The Community industrial confidence indicator has now been at the same high level for four months. Confidence in the construction industry is growing steadily and in January the balance reached was +3, which for the first time is clear evidence of a positive position.

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

	Range (b)		Range (b)		1987		1988		1987		1988		1989		
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			J	A	J	O	J	A	J	O	J
B	85.4	70.4	78.8	74.6	76.7	78.7	76.5	76.4	76.1	77.6	78.1	78.4	78.7	79.7	79.0
D	88.1	74.8	86.0	75.3	83.5	85.0	83.8	82.8	83.9	83.6	84.1	84.2	85.3	86.5	87.7
GR	..	..	..	74.4	76.2	74.7	76.6	76.3	77.4	74.3	71.7	74.8	74.9	77.3	76.9
E*	..	..	..	..	..	79.2	..	77.9	76.3	78.3	78.9	78.4	80.4	79.2	81.6
F	87.8	76.6	85.3	81.1	83.5	85.7	83.0	83.2	83.5	84.3	85.0	85.7	85.8	86.4	87.1
IRL	..	..	68.1	56.8	71.5	74.0	67.7	74.8	69.6	73.9	75.0	73.3	71.3	76.5	74.0
I	78.8	68.0	77.3	69.1	76.7	77.6	75.9	76.8	77.5	76.6	77.6	76.1	77.8	79.0	79.9
L	..	..	83.0	66.5	79.2	83.4	78.1	78.9	79.6	80.0	84.1	81.5	84.1	83.7	85.2
NL	86.0	76.0	83.0	75.8	83.0	84.4	84.0	83.8	84.1	84.1	84.0	83.8	84.8	85.1	85.2
P*	..	..	..	..	81.3	81.5	80.4	80.9	82.0	82.0	82.0	81.3	82.3	80.3	80.7
UK (e)	90.6	75.5	87.6	73.0	87.5	93.7	86.7	87.1	86.9	89.1	92.6	94.8	93.3	93.9	94.3
EUR (c)	86.4	75.0	83.9	76.4	82.6	84.6	82.1	82.6	82.6	83.0	83.9	84.1	84.6	85.6	86.3

TABLE 2: Degree of capacity utilization and orders on hand by industrial branches — European Community (s.a.)

Industries	Degree of capacity utilization in %						Expected capacity constraints: balances overcapacity (+) capacity too small (-)									
	1987		1988		1989		1987		1988		1989					
	O	J	A	J	O	J	O	J	A	J	O	J				
Industry as a whole	82.6	84.6	83.0	83.9	84.1	84.6	85.6	86.3	+25	+13	+17	+17	+16	+11	+7	+7
Consumer goods	84.2	85.4	84.4	85.5	84.5	85.7	85.7	85.9	+19	+12	+13	+13	+14	+12	+7	:
Investment goods	81.7	83.4	81.5	82.5	83.3	83.2	84.5	85.5	+30	+20	+28	+24	+23	+17	+17	:
Intermediate goods	83.0	84.6	83.3	83.7	84.8	84.5	85.4	87.0	+21	+9	+16	+15	+11	+6	+2	:
Textile industry	82.9	81.8	83.7	79.8	81.4	84.2	81.7	84.2	+19	+16	+18	+11	+15	+19	+16	+12
Footwear and clothing	86.1	85.8	85.9	86.4	86.1	85.8	85.2	85.7	+17	+15	+21	+15	+17	+16	+12	+14
Timber/wooden furniture	82.4	83.3	82.8	82.2	83.1	83.1	84.6	84.4	+20	+16	+20	+20	+20	+14	+11	+9
Manufacture of paper, paper products, printing of which:	86.8	86.9	87.1	85.0	87.8	86.9	87.7	87.8	+8	+6	+5	+9	+8	+5	+1	+10
manufacture of paper	91.1	93.2	92.2	92.9	92.8	92.9	94.1	91.6	0	-4	-4	-2	-2	0	-11	-9
Leather	78.4	80.6	78.3	81.1	79.6	80.1	81.8	81.1	+22	+19	+22	+5	+24	+19	+25	+20
Plastics	82.8	82.6	82.8	81.7	82.2	83.0	83.0	83.4	+7	+4	+5	+4	+2	+4	+5	+9
Mineral-oil refining	86.0	86.2	86.2	85.1	85.4	86.0	87.4	93.7	+52	+24	+50	+38	+30	+23	+10	+18
Metals	78.1	82.3	79.0	79.5	82.1	82.3	85.0	87.5	+32	+11	+28	+21	+13	+4	+4	+9
Non-metallic mineral products	80.6	82.6	81.1	81.4	83.6	83.1	82.8	85.2	+24	+12	+18	+24	+12	+11	+3	-1
Metal articles	80.6	82.0	81.7	81.5	80.9	82.5	83.1	84.9	+26	+18	+21	+18	+15	+10	+26	+6
Mechanical engineering of which:	82.1	84.7	83.1	83.4	84.5	85.4	86.0	87.7	+29	+13	+26	+22	+13	+8	+9	+7
machines tools	86.6	87.0	85.9	85.5	87.4	87.7	87.0	89.5	+14	+8	+18	+21	+9	+6	0	+6
Office & data processing machinery	80.2	83.2	78.0	81.5	83.0	80.2	87.4	84.1	+22	+12	0	+20	+9	+5	+11	+29
Electrical engineering	82.2	82.9	81.5	80.8	81.5	83.3	85.0	86.0	+30	+25	+31	+35	+27	+26	+18	+15
Shipbuilding	66.7	71.8	63.8	72.1	71.9	71.4	72.3	77.4	+46	+36	+50	+32	+48	+27	+36	+40
Rubber products	83.5	83.4	87.1	77.0	84.7	84.6	86.7	93.3	+6	-9	-5	-6	-14	+3	-22	-2
Instrument engineering	83.1	85.5	84.2	82.8	87.3	84.7	87.1	87.0	+26	+17	+28	+25	+20	+17	+7	+8

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)		1987		1988		1987		1988		1989
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			J	O	J	O	J	O	J
B	-12	+58	+35	+53	+26	+23	+26	+26	+27	+23	+23	+20	+24
DK	..	..	+10	+38	+8	+20	+22	+22	+21	+21	+18	+20	+15
D	-3	+56	+12	+49	+13	+14	+19	+17	+18	+15	+12	+9	+6
GR	..	..	..	+34	+20	+18	+21	+20	+20	+18	+19	+13	+14
E*	..	..	..	..	..	+9	+1	+9	+9	+7	+10	+8	+3
F	-24	+45	+11	+48	+31	+11	+26	+23	+17	+18	+8	+2	-3
IR	..	+34	+2	+40	+18	+13	+18	+13	+20	+12	+13	+8	+8
I	+1	+63	+17	+58	+37	+18	+24	+21	+23	+20	+17	+13	+15
L	-72	+73	+37	+62	+2	+3	+5	+4	-1	+8	+2	+4	-1
NL	-3	+60	+14	+51	+4	+7	+7	+7	+9	+7	+6	+5	+4
P*	..	..	..	..	..	+4	-1	-5	+2	+4	+4	+7	+4
UK	..	..	..	+63	+28	+6	+19	+9	+8	+12	+3	+1	+7
EUR (c)	-7	+54	+14	+50	+25	+13	+21	+17	+17	+16	+11	+7	+7

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 (-). This, 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 not s.a.

Source: European Community business surveys.

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

	Range (b)		Range (b)		1987	1988	1987	1988				1989
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			IV	I	II	II	IV	I
B	4,5	2,8	3,7	3,0	3,3	3,2	3,2	3,1	3,3	3,2	3,3	3,4
D	3,3	2,8	3,4	2,6	2,8	2,8	2,8	2,7	2,8	2,8	2,9	2,9
GR	:	:	:	5,0	5,9	6,4	6,0	6,7	6,3	6,0	6,5	6,1
E*	:	:	:	:	:	2,4	3,7	2,6	2,5	2,4	2,2	2,3
F	3,5	2,7	4,2	3,3	2,8	3,2	3,5	3,7	2,7	3,1	3,1	3,5
IRL	2,2	1,8	2,6	1,5	1,9	1,7	2,1	1,7	1,8	1,5	1,8	2,0
I	4,7	3,7	5,3	3,8	4,0	4,1	3,9	3,8	3,9	4,2	4,4	4,6
L	3,5	1,4	2,4	1,7	2,5	2,6	2,6	2,6	2,4	2,7	2,8	2,6
NL	4,7	2,6	4,2	2,5	3,2	2,7	2,6	2,6	2,6	2,8	2,9	3,0
P*	:	:	:	:	:	3,9	4,0	4,0	3,8	3,8	3,8	4,0
UK	:	:	4,2	1,9	3,9	3,1	3,2	3,4	3,0	3,1	3,0	3,8
EUR (c)	3,7	3,0	3,9	3,0	3,3	3,2	3,3	3,3	3,1	3,2	3,3	3,6

TABLE 5: New orders in manufacturing industry (a) (s.a.)

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

	Range (b)		1987	1988	1987			1988			1989	
	Peak 1979	Trough 1981/83			A	J	O	J	A	J	O	J
B	+8	-22	-5	+4	-12	+3	-2	+6	+10	-1	-1	+5
DK	:	-14	+2	+9	0	+4	+1	+6	+9	+11	+8	+18
D	+17	-26	+2	+11	-1	+3	+6	+4	+11	+17	+13	+18
E*	:	:	:	+9	+16	+4	+8	+5	+12	+5	+14	+6
F	+14	-35	-4	+18	-9	-8	+8	+18	+18	+16	+21	+19
IRL	:	-46	-4	+8	+4	+3	-3	-3	+6	+10	+20	+11
I	+7	-25	+10	+15	+11	+9	+11	+4	+12	+19	+23	+17
L	+45	-67	-9	+5	-17	+5	+9	+14	-11	+10	+8	+9
NL	+9	-6	+6	+13	+3	+8	+7	+12	+16	+11	+14	+14
P*	:	:	+23	+7	+30	+19	+17	+6	+11	+5	+7	+6
UK	:	-21	+22	+28	+18	+25	+31	+30	+28	+27	+25	+17
EUR (c)	+14	-27	+6	+17	+3	+7	+12	+13	+16	+18	+19	+17

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)		1987	1988	1987			1988			1989	
	Peak 1979	Trough 1981/83			A	J	O	J	A	J	O	J
B	:	:	-3	+3	-9	+5	-1	+10	+11	-5	-3	+5
D	+6	-15	-3	+1	-9	+1	+3	-10	-2	+9	+8	+14
GR	:	-13	+16	+18	+9	+15	+25	+15	+21	+11	+23	+29
E*	:	:	:	+5	+9	+3	-1	+3	+7	+1	+7	+5
F	+13	-23	-3	+9	-6	+2	+6	+1	+9	+13	+12	+10
IRL	:	-8	+10	+26	+9	+13	+32	+19	+27	+20	+28	+29
I	+16	-14	+9	+14	+8	+4	+9	+3	+14	+18	+21	+27
L	+62	-67	-17	+10	-10	-3	+5	+6	-6	+15	+11	+1
NL	+20	-11	+6	+7	+7	+2	+6	0	+10	+10	+9	+5
P*	:	:	+22	+20	+25	+10	+29	+22	+25	+15	+16	+21
UK	:	-4	+19	+11	+16	+23	+19	+7	+5	+16	+16	+18
EUR (c)	+11	-11	+4	+7	0	+6	+7	0	+6	+11	+11	+14

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

Balance of respondents expecting employment up, unchanged, down

	Range (b)		Range (b)		1987	1988	1987		1988				1989
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			III	IV	I	II	II	IV	I
B	+12	-26	-2	-17	-15	-6	-16	-12	-9	-7	-8	0	-1
DK	:	:	:	-14	-8	-9	-10	-10	-15	-9	-9	-1	-2
D	+13	-34	+2	-38	-15	-10	-17	-14	-15	-10	-11	-3	0
GR	:	:	:	:	-5	-5	-3	-2	-5	-5	-8	-1	:
E*	:	:	:	:	:	-11	-14	-17	-12	-7	-9	-14	-14
F	+17	-35	-23	-48	-44	-33	-44	-39	-36	-34	-34	-26	-20
IRL	+15	-34	+4	-35	-5	-7	-8	-14	-14	-6	-5	-4	+3
I	+13	-26	+3	-39	-17	-7	-12	-16	-14	-14	0	0	+7
L	+75	-67	-1	-62	-10	-11	-8	-2	-38	+5	-6	-6	-30
NL	+4	-32	-6	-36	+1	-10	-2	-4	-11	-8	-14	-7	-4
P*	:	:	:	:	-1	-4	0	-1	-2	-1	-4	-8	-6
UK	:	:	:	-43	-4	+8	0	+4	+8	+5	+13	+7	+1
EUR	+12	-31	-6	-40	-18	-11	-17	-15	-15	-13	-9	-6	-3

a The date are collected in January, April, July and October each year.

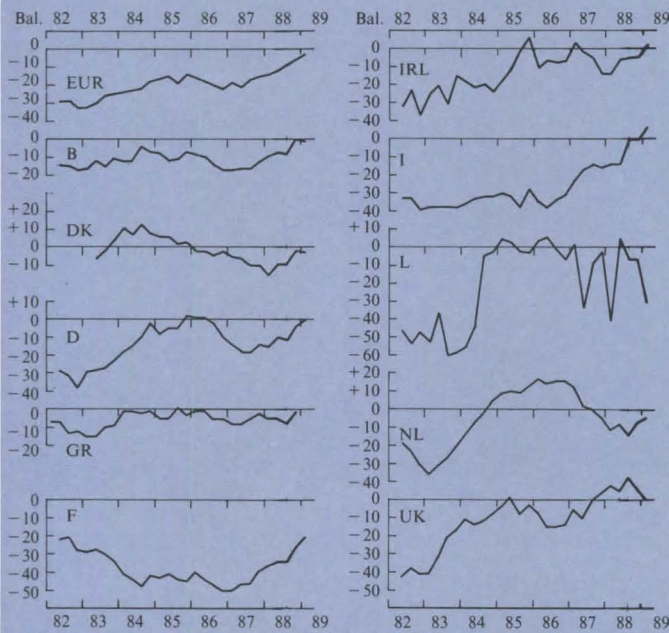
b These are the extreme (high and low) values of the net balances of the different questions, reached in the periods 1973-1975 and 1979-1983 respectively.

c Weighted total of available country date.

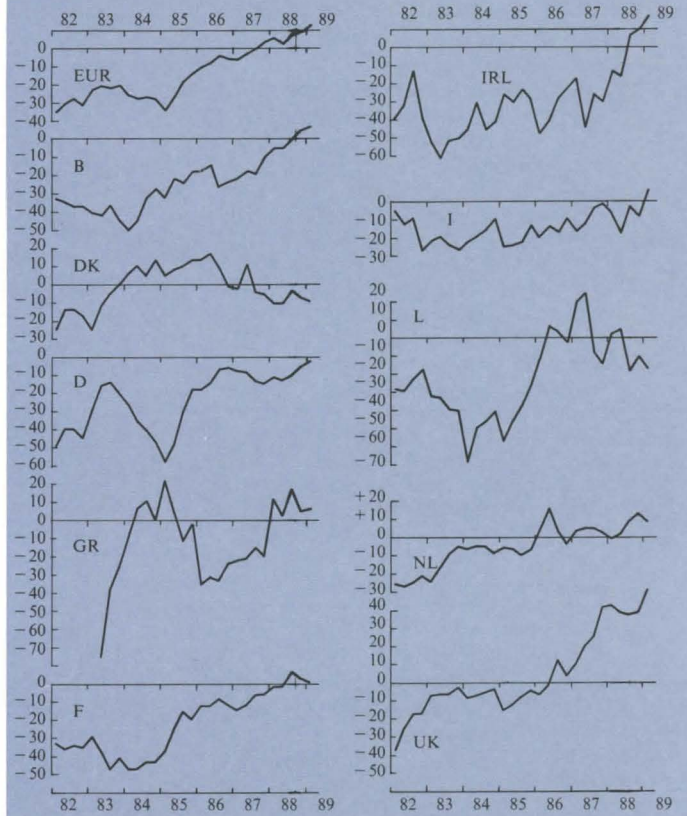
* = Figures not s.a.

Source: European Community business surveys.

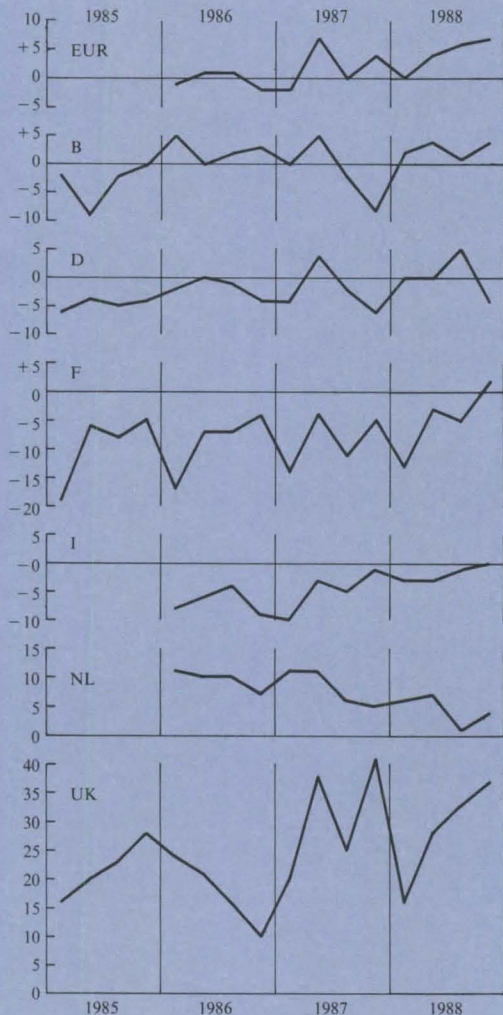
GRAPH 3: Employment expectations in industry
Balances of answers expecting increase, stability or reduction of employment (s.a.)



GRAPH 4: Employment expectations in construction
Balances of answers expecting increase, stability or reduction of employment (s.a.)



GRAPH 5: Employment expectations in retail trade
Balances of answers expecting increase, stability or reduction of employment (s.a.)



GRAPH 6: Unemployment expectations of consumers over the next 12 months — % balances of the positive and negative answers (not seasonally adjusted)

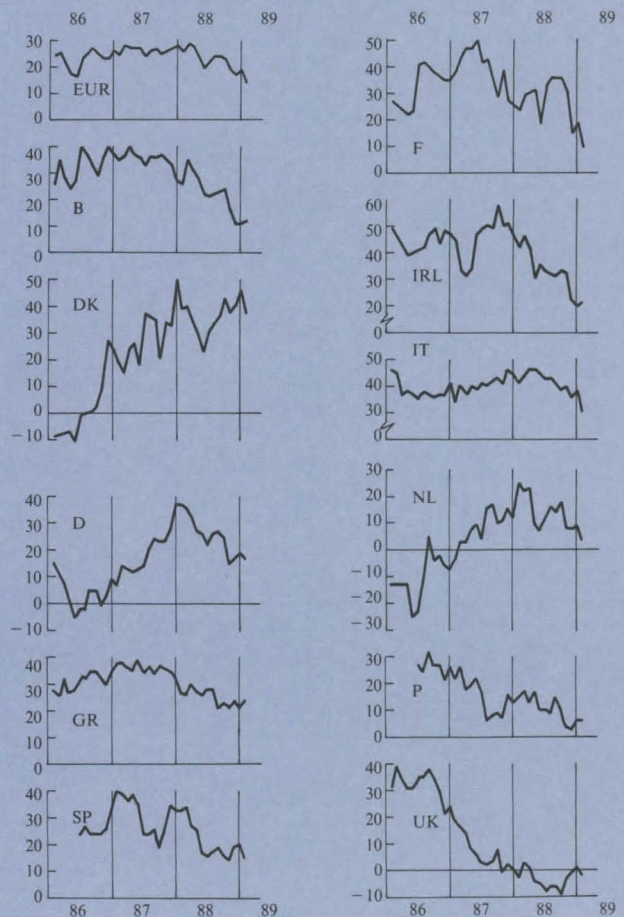


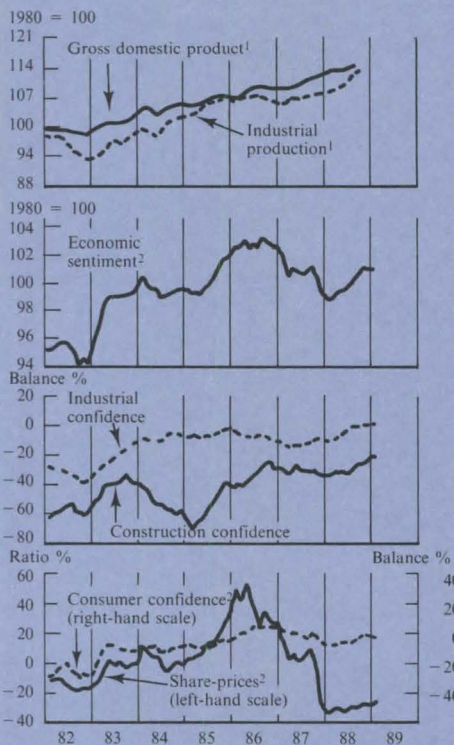
TABLE 8: Indicators of output and economic sentiment

	Ranges				1988	1988			1988					1989		
	Peak	Trough	Peak	Trough		II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.	
	1972/73	1974/75	1979/80	1981/83												
B																
<i>gross domestic product</i>	1980 = 100				:	:	:	:	:	:	:	:	:	:	:	
<i>index of industrial production</i>	102,5	76,5	106,3	92,4	:	110,6	:	:	109,2	:	:	:	:	:	:	
1. industrial confidence indicator	19	-56	-4	-35	-5	-3	-3	-2	-3	-2	-2	-3	-1	-1		
2. construction confidence indicator	9	-36	-7	-65	-15	-17	-14	-8	-18	-9	-8	-10	-6	-5		
3. consumer confidence indicator(c)	7	-18	-7	-31	-6	-7	-5	-3	-5	-5	-4	-3	-2	-3		
4. share-price index (c)	155,1	98,0	114,3	75,0	315,1	310,4	315,8	339,7	309,4	328,9	334,8	338,0	346,3	363,2		
= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	103,0	103,0	103,2	103,8	103,1	103,5	103,7	103,7	104,1	104,1		
DK																
<i>gross domestic product</i>	1980 = 100				:	:	:	:	:	:	:	:	:	:	:	
<i>index of industrial production</i>	:	:	107,7	95,5	:	125,8	120,8	:	123,9	122,1	:	:	:	:		
1. industrial confidence indicator	:	:	:	-22	-1	0	-1	-1	(-1)	(-1)	-1	(-1)	(-1)	4		
2. construction confidence indicator	:	:	:	-37	-10	-9	-18	-15	(-18)	(-18)	-15	(-15)	(-15)	-12		
3. consumer confidence indicator(c)	:	-16	5	-22	-16	-12	-16	-19	-16	-20	-16	-18	-22	-20		
4. share-price index (c)	:	:	:	:	396,3	377,1	410,4	468,4	398,4	426,1	454,0	463,3	488,0	539,4		
= 5. economic sentiment indicator	:	:	:	:	102,3	102,3	102,2	102,8	102,0	102,2	102,6	102,7	103,0	103,6		
D																
<i>gross domestic product</i>	1980 = 100				85,1	83,3	101,2	98,9	:	113,6	115,1	:	:	:	:	:
<i>index of industrial production</i>	92,0	82,4	103,1	91,4	:	109,8	112,1	:	115,2	113,1	112,1	:	:	:	:	
1. industrial confidence indicator	10	-49	2	-40	-4	-5	-1	1	-1	0	1	1	1	2		
2. construction confidence indicator	-4	-72	11	-64	-28	-31	-28	-23	-28	-25	-25	-24	-20	-20		
3. consumer confidence indicator(c)	:	-22	9	-31	-5	-6	-4	0	-4	-3	0	0	-1	-2		
4. share-price index (c)	109,0	75,2	115,6	97,6	217,9	208,3	224,7	241,6	222,0	230,1	241,0	239,9	243,8	255,2		
= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	99,9	99,6	100,3	101,0	100,2	100,6	101,1	101,0	101,0	101,0		
F																
<i>gross domestic product</i>	1980 = 100				85,4	84,2	99,8	102,4	:	115,4	116,3	:	:	:	:	:
<i>index of industrial production</i>	96,7	82,2	105,2	94,8	:	107,2	109,1	:	109,5	108,4	107,1	:	:	:		
1. industrial confidence indicator	29	-49	5	-39	4	1	6	9	6	5	10	8	9	10		
2. construction confidence indicator	:	:	-17	-57	-4	-8	2	-1	(2)	(2)	-1	(-1)	(-1)	-2		
3. consumer confidence indicator(c)	:	-9	3	-27	-11	-11	-10	-11	-10	-10	-11	-10	-13	-9		
4. share-price index (c)	86,6	53,6	101,2	82,7	317,3	299,6	331,4	369,2	325,5	337,0	363,4	371,7	372,4	411,0		
= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	100,5	100,2	101,0	100,0	101,1	101,0	101,2	101,2	100,7	101,5		
IRL																
<i>gross domestic product</i>	1980 = 100				:	:	:	:	:	:	:	:	:	:	:	
<i>index of industrial production</i>	80,4	72,3	103,8	99,6	:	158,7	160,0	:	159,0	163,0	:	:	:	:		
1. industrial confidence indicator	:	-41	20	-40	2	2	7	5	6	9	10	4	2	5		
2. construction confidence indicator	:	:	:	-60	-5	-26	7	14	(7)	(7)	14	(14)	(14)	18		
3. consumer confidence indicator(c)	:	-41	12	-44	-16	-15	-15	-13	-16	-15	-16	-12	-12	-9		
4. share-price index (c)	85,8	29,9	112,2	79,4	:	318,1	361,9	:	369,4	355,9	:	:	:	:		
= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	102,1	101,9	102,6	103,0	102,5	102,7	102,7	103,1	103,1	103,5		
I																
<i>gross domestic product</i>	1980 = 100				80,4	77,2	101,2	98,2	:	118,6	120,7	:	:	:	:	:
<i>index of industrial production</i>	87,9	72,6	104,7	98,1	:	106,7	109,9	:	111,3	109,5	109,6	:	:	:		
1. industrial confidence indicator	31	-59	13	-41	6	3	6	12	6	6	10	13	12	12		
2. construction confidence indicator	-8	-56	-5	-51	-13	-20	-8	-11	-18	-5	-15	-7	-10	-8		
3. consumer confidence indicator(c)	:	-39	-12	-30	-4	-5	-4	-3	-4	-4	-4	-1	-4	0		
4. share-price index (c)	169,6	68,5	185,0	116,9	531,8	506,6	549,0	590,3	567,4	535,2	588,0	594,0	588,9	614,7		
= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	102,6	102,3	102,7	103,1	102,6	102,7	102,8	103,5	102,9	103,5		
NL																
<i>gross domestic product</i>	1980 = 100				:	:	:	:	:	:	:	:	:	:	:	
<i>index of industrial production</i>	94,8	87,1	117,5	90,7	:	104,7	110,0	:	108,0	110,0	112,0	:	:	:		
1. industrial confidence indicator	12	-44	4	-31	-2	-2	-1	0	0	-1	-1	0	1	1		
2. construction confidence indicator	3	-47	3	-46	1	-2	5	6	5	9	6	7	6	3		
3. consumer confidence indicator(c)	6	-15	5	-37	1	-1	3	2	5	2	2	3	2	12		
4. share-price index (c)	:	86,3	122,8	92,8	317,1	305,7	333,0	339,5	336,6	329,0	342,0	336,7	339,9	364,3		
= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	104,5	104,2	105,1	105,0	105,5	105,1	105,0	105,1	105,0	106,5		
UK																
<i>gross domestic product</i>	1980 = 100				94,6	91,0	102,5	97,7	:	122,7	124,1	:	:	:	:	:
<i>index of industrial production</i>	92,7	89,6	110,0	93,8	:	118,8	119,9	:	119,9	120,4	120,1	:	:	:		
1. industrial confidence indicator	:	:	9	-60	17	16	18	13	18	18	15	12	13	10		
2. construction confidence indicator	:	:	7	-62	30	27	30	32	(30)	(30)	32	(32)	(32)	42		
3. consumer confidence indicator(c)	:	-33	14	-26	2	7	2	-7	2	-2	-5	-4	-12	-13		
4. share-price index (c)	78,5	23,3	111,6	104,4	357,5	357,6	364,1	358,3	365,7	351,2	365,8	362,2	346,8	367,9		
= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	105,9	106,2	106,0	105,2	106,0	105,7	105,4	105,3	104,9	105,0		
EUR																
<i>gross domestic product</i> (a)(b)	1980 = 100				85,1	85,5	101,1	101,0	:	117,4	118,8	:	:	:	:	:
<i>index of industrial production</i>	92,9	83,0	103,2	94,6	:	110,7	112,5	:	112,3	113,9	112,9	:	:	:		
1. industrial confidence indicator	16	-49	3	-36	3	2	4	6	4	4	6	6	6	6		
2. construction confidence indicator	:	:	-1	-50	-5	-8	-2	-1	(-3)	(-1)	-2	(-1)	(1)	3		
3. consumer confidence indicator(c)	5	-17	1	-22	-5	-4	-4	-5	-4	-5	-5	-4	-7	-5		
4. share-price index (c)	:	47,0	115,4	111,7	326,1	318,1	335,2	348,8	334,7	332,4	350,0	350,1	346,3	369,6		
= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	103,7	103,5	104,1	104,1	104,1	103,9	104,1	104,3	103,8	104,3		

(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.

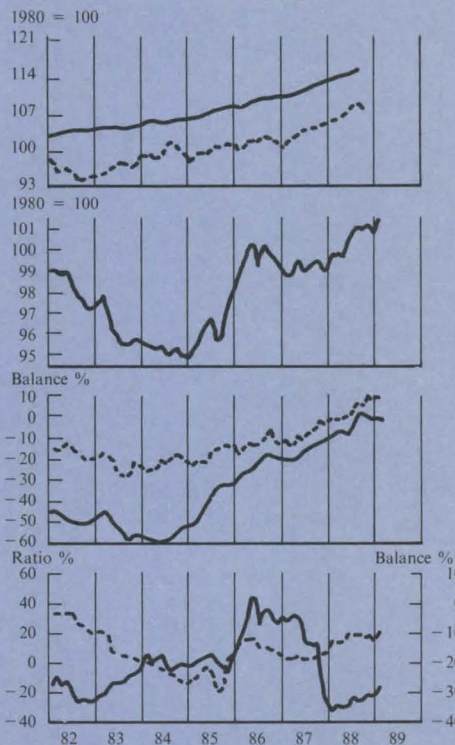
GRAPHS 7-12: Indicators of output and economic sentiment

GRAPH 7: Federal Republic of Germany



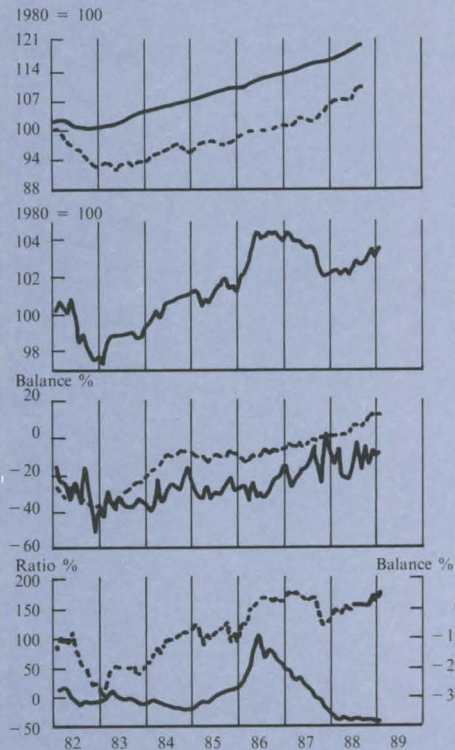
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %.

GRAPH 8: France



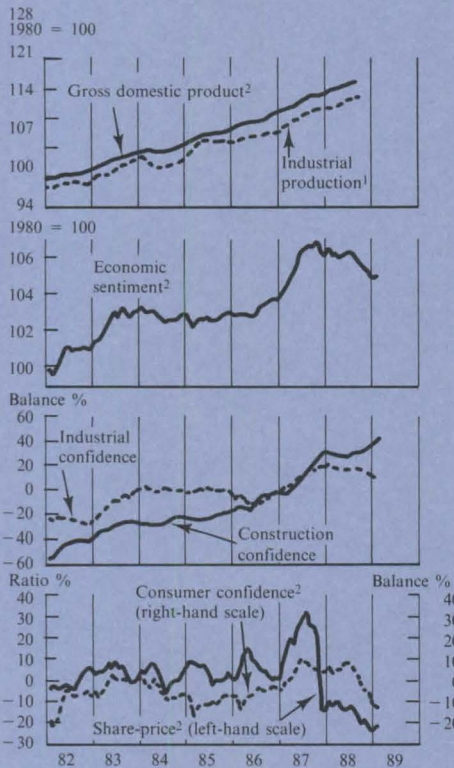
For explanations, see Graph 7.

GRAPH 9: Italy



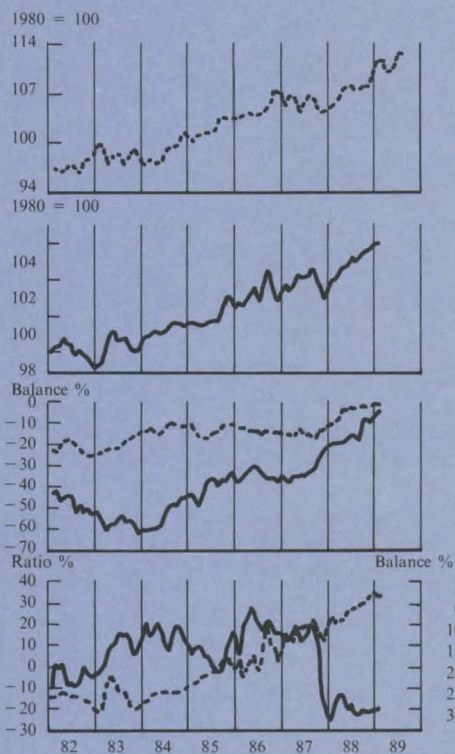
For explanation, see Graph 7.

GRAPH 10: United Kingdom



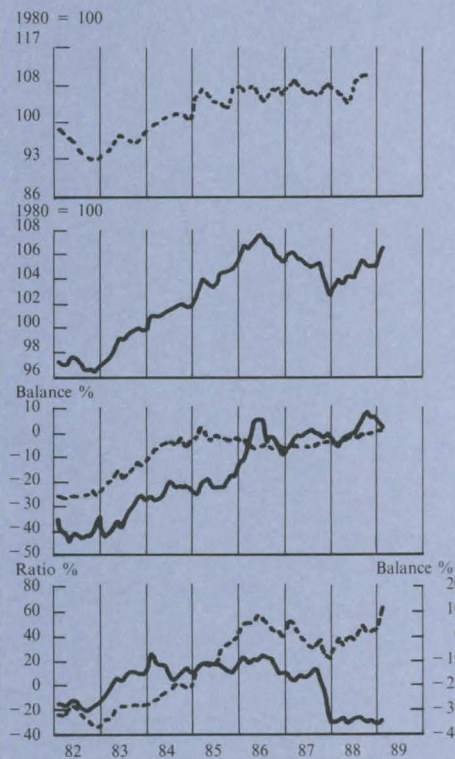
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %.

GRAPH 11: Belgium



For explanations, see Graph 10.

GRAPH 12: Netherlands



For explanations, see Graph 10.

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)				1988												
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	1988				1988				1988				1989
						II	III	IV	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.				
INDUSTRIAL CONFIDENCE INDICATOR	B	19	-56	-4	-35	-5	-3	-3	-2	-3	-2	-2	-1	-1				
	DK	:	:	:	-22	-1	0	-1	-1	:	:	-1	:	:				
	D	10	-49	2	-40	-4	-5	-1	1	-1	0	1	1	1				
	GR	:	:	:	:	-1	-2	1	1	1	-1	5	3	-4				
	E	:	:	:	:	-3	-2	-5	-2	-4	-8	-1	-1	-3				
	F	29	-49	5	-39	4	1	6	9	6	5	10	8	9				
	IRL	:	-41	20	-40	2	2	7	5	6	9	10	4	2				
	I	31	-59	13	-41	6	3	6	12	6	6	10	13	12				
	L	:	:	16	-65	4	5	5	5	3	7	4	4	4				
	NL	12	-44	4	-31	-2	-2	-1	0	0	-1	-1	0	1				
	P	:	:	11	-25	1	1	-1	4	1	0	4	3	4				
	UK	:	:	9	-60	17	16	18	13	18	18	15	12	13				
EUR		16	-49	3	-36	3	2	4	6	4	6	6	6	6				
PRODUCTION EXPECTATIONS	B	31	-56	-4	-37	2	2	8	4	7	8	8	3	2				
	DK	:	:	:	8	3	3	2	6	:	:	6	:	:				
	D	17	-32	10	-30	5	5	7	9	6	6	8	9	9				
	GR	:	:	:	:	20	21	16	22	16	13	29	23	15				
	E	:	:	18	-20	10	11	9	12	14	2	13	12	10				
	F	33	-29	18	-20	12	9	13	20	13	13	23	18	19				
	IRL	:	-21	40	-33	9	9	14	17	14	18	26	12	12				
	I	40	-43	24	26	16	9	19	25	19	19	21	27	26				
	L	84	-80	40	-66	7	6	6	11	5	6	10	9	15				
	NL	26	-26	20	-13	3	3	6	4	8	4	2	4	7				
	P	:	:	30	-13	14	15	9	23	9	12	23	21	25				
	UK	:	:	29	-52	31	30	34	28	34	34	29	27	29				
EUR		24	-30	15	-24	13	11	15	17	15	14	17	17	18				
ORDER BOOKS	B	13	-74	-14	-49	-12	-10	-10	-9	-11	-9	-13	-12	-3				
	DK	:	:	:	-34	-2	-1	4	-2	:	:	-2	:	4				
	D	5	-73	-6	-59	-12	-15	-9	-4	-9	-6	-4	-4	-5				
	GR	:	:	:	:	-15	-19	-10	-11	-10	-10	-10	-12	-12				
	E	26	-45	:	:	-9	-8	-13	-7	-15	-14	-8	-6	-8				
	F	26	-69	0	-56	5	1	10	13	10	10	12	14	14				
	IRL	:	-68	18	-55	-1	-4	8	2	4	16	6	4	-4				
	I	30	-82	7	-66	2	-1	3	8	3	2	10	9	6				
	L	:	:	8	-70	3	4	9	6	13	6	12	10	-3				
	NL	7	-48	-5	-42	-7	-8	-6	-3	-6	-3	-2	-3	-3				
	P	:	:	3	-35	-6	-6	-7	-7	-4	-7	-4	-8	-8				
	UK	:	:	-2	-85	18	18	19	15	19	18	18	15	12				
EUR		15	-70	-7	-56	-1	-3	1	4	1	2	5	4	3				
EXPORT ORDER BOOKS	B	15	-82	-19	-55	-15	-15	-12	-11	-13	-14	-14	-13	-6				
	DK	:	:	:	14	7	5	15	7	:	:	7	:	11				
	D	:	:	-14	-50	-18	-21	-16	-12	-16	-13	-12	-12	-11				
	GR	:	:	:	:	-20	-26	-20	-19	-20	-18	-20	-18	-18				
	E*	:	:	:	:	-24	-22	-24	-19	-25	-27	-22	-19	-17				
	F	24	-66	10	-52	8	2	13	19	13	13	16	20	20				
	IRL	:	:	:	:	16	10	18	20	23	21	29	10	21				
	I	13	-67	-6	-59	-11	-13	-9	-3	-10	-13	-2	-7	0				
	L	:	:	9	-80	14	-6	28	48	40	41	59	68	17				
	NL	:	:	4	-35	-6	-12	-4	-1	-5	-3	-2	-1	-1				
	P	:	:	-11	-72	4	3	6	-1	4	7	5	-4	-5				
	UK	:	:	:	:	:	:	:	:	:	:	:	:	:				
EUR		:	:	-12	-50	-8	-11	-5	-3	-6	-5	-2	-4	-2				
STOCKS OF FINISHED PRODUCTS	B	-14	37	2	18	3	2	6	1	5	4	2	0	2				
	DK	:	:	:	24	4	1	8	6	:	:	6	:	7				
	D	-7	43	-2	31	3	4	0	1	1	0	1	1	0				
	GR	:	:	:	:	10	9	4	7	4	5	3	3	16				
	E	-17	24	15	35	11	10	10	10	11	11	9	10	10				
	F	-14	50	3	42	6	7	5	6	5	7	5	9	5				
	IRL	:	35	-6	33	2	1	2	3	1	7	3	4	1				
	I	-24	53	-8	32	1	-1	3	-2	5	2	0	-2	-4				
	L	-14	74	0	58	-2	-5	-1	2	3	2	2	6	-1				
	NL	-3	57	3	39	3	2	3	1	3	3	3	1	0				
	P	:	:	1	26	5	5	5	5	2	4	6	5	5				
	UK	:	:	-1	42	-1	-1	-2	3	-2	-2	1	6	1				
EUR		-10	48	-1	31	4	3	3	3	3	3	4	2	3				
SELLING-PRICE EXPORTATIONS	B	64	-10	39	12	18	18	21	25	21	21	30	21	23				
	D	55	4	38	4	19	18	21	23	21	21	20	23	25				
	GR	:	:	:	:	24	24	25	22	26	25	20	21	24				
	E*	:	:	:	:	13	9	9	17	8	10	8	14	29				
	F	76	15	62	17	20	13	24	29	24	25	25	28	34				
	IRL	:	64	77	20	9	9	11	14	11	8	12	16	15				
	I	76	10	87	37	22	21	24	27	23	22	24	27	30				
	L	:	-46	74	-38	54	50	51	60	58	33	58	59	62				
	P*	:	:	:	:	24	21	21	28	19	23	21	28	36				
	UK	:	:	70	7	29	26	29	33	28	32	33	34	32				
	EUR		64	9	53	22	22	19	24	27	23	24	25	27	29			

(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 not 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		1988	1988			1988					1989
	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	-27	-28	-28	-20	-33	-22	-20	-22	-19	-16
employment expectations	+31	-24	+7	-53	-2	-5	0	+5	-2	+5	+4	+3	+7	+7
price expectations	+75	+25	+61	-18	+15	+16	+15	+17	+14	+16	+15	+17	+18	+25
construction confidence indicator (a)	+9	-36	-7	-65	-15	-17	-14	-8	-16	-9	-8	+10	-6	-5
DK order-books	:	:	:	-38	-13	-8	-33	-23	(-33)	(-33)	-23	(-23)	(-23)	-15
employment expectations	:	:	:	-35	-8	-10	-3	-7	(-3)	(-3)	-7	(7)	(-7)	-9
construction confidence indicator (a)	:	:	:	-36	-10	-9	-18	-15	(-18)	(-18)	-15	(-15)	(-15)	-12
D order-books	-17	-84	+2	-75	-47	-50	-45	-41	-47	-42	-42	-42	-38	-38
employment expectations	+10	-60	+20	-53	-9	-12	-10	-5	-8	-8	-7	-6	-2	-2
price expectations	+48	-37	+48	-49	-3	-5	-2	+3	-2	+1	+1	+2	+6	+11
construction confidence indicator (a)	-4	-72	+11	-64	-28	-31	-28	-23	-28	-25	-25	-26	-20	-20
GR order-books	:	:	:	-78	-65	-72	-58	-63	(-58)	(-58)	-63	(-63)	(-63)	-46
employment expectations	:	:	:	-77	+9	+3	+17	+5	(+17)	(+17)	+5	(+5)	(+5)	+6
price expectations	:	:	:	+9	+5	0	+21	-1	(+21)	(+21)	-1	(-1)	(-1)	+18
construction confidence indicator (a)	:	:	:	-78	-28	-35	-21	-29	(-21)	(-21)	-29	(-29)	(-29)	-20
F order-books	:	:	-26	-73	-9	-15	-3	-5	(-3)	(-3)	-5	(-5)	(-5)	-4
employment expectations	:	:	-8	-47	+2	-1	+7	+3	(+7)	(+7)	+3	(+3)	(+3)	+1
construction confidence indicator (a)	:	:	-17	-57	-4	-8	+2	-1	(+2)	(+2)	-1	(-1)	(-1)	-2
IRL order-books	:	:	:	-58	-6	-35	+7	+17	(+7)	(+7)	+17	(+17)	(+17)	+18
employment expectations	:	:	:	-61	-3	-16	+7	+10	(+7)	(+7)	+10	(+10)	(+10)	+18
price expectations	:	:	:	:	-7	-12	-6	+22	(-6)	(-6)	+22	(+22)	(+22)	+16
construction confidence indicator (a)	:	:	:	-60	-5	-26	+7	+14	(+7)	(+7)	+14	(+14)	(+14)	+18
I order-books	-25	-68	-8	-62	-17	-22	-13	-13	-25	-15	-12	-12	-14	-22
employment expectations	+10	-44	+2	-39	-9	-17	-3	-8	-11	+6	-17	-1	-6	+6
price expectations	+85	+30	+79	+2	+25	+18	+29	+27	+29	+34	+17	+31	+34	+35
construction confidence indicator (a)	-8	-56	-5	-51	-13	-20	-8	-11	-18	-5	-15	-7	-10	-8
L order-books	+21	-50	+15	-79	-8	-7	-9	-13	-7	-14	-15	-13	-10	-26
employment expectations	+31	-39	+46	-75	-5	+5	-18	-10	-6	-24	-8	-9	-12	-17
price expectations	+82	+11	+81	-49	-15	-5	-22	-19	-23	-18	-18	-22	-17	-23
construction confidence indicator (a)	+26	-45	+31	-77	-7	-1	-14	-12	-7	-19	-12	-11	-11	-22
NL order-books	-8	-81	-10	-61	-3	-6	+1	-1	+2	+2	-3	0	-2	-4
employment expectations	+14	-13	+15	-31	+6	+2	+9	+13	+7	+16	+15	+14	+11	+9
price expectations	:	:	:	:	+17	+8	+18	+25	+18	+21	+20	+27	+27	+28
construction confidence indicator (a)	+3	+47	+3	-46	+1	-2	+5	+6	+5	+9	+6	+7	+5	+3
UK order-books	:	:	-1	-74	+19	+14	+22	+25	(+22)	(+22)	+25	(+25)	(+25)	+33
employment expectations	:	:	+15	-50	+40	+39	+38	+39	(+38)	(+38)	+39	(+39)	(+39)	+51
price expectations	:	:	+74	-21	+67	+70	+70	+70	(+70)	(+70)	+70	(+70)	(+70)	+68
construction confidence indicator (a)	:	:	+7	-62	+30	+27	+30	+32	(+30)	(+30)	+32	(+32)	(+32)	+42
EUR order-books	:	:	-9	-64	-16	-20	-12	-10	(-14)	(-11)	-11	(-11)	(-9)	-8
employment expectations	:	:	+7	-35	+7	+3	+8	+9	(+8)	(+10)	+7	(+9)	(+10)	+13
construction confidence indicator (a)	:	:	-1	-50	-5	-8	-2	-1	(-3)	(-1)	-2	(-1)	(+1)	+3

(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: Consumer opinion on economic and financial conditions (a)

		1980	1981	1982	1983	1984	1985	1986	1987	1988	1988						1989		
		May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.									
CONSUMER CONFIDENCE INDICATOR (b)	B	-20	-27	-27	-28	-27	-21	-17	-12	-6	-7	-6	-6	-5	-5	-4	-3	-2	-3
	DK	-19	-17	-12	0	6	4	-3	-10	-16	-13	-12	:	-16	-20	-16	-18	-22	-20
	D	-5	-22	-26	-15	-10	-7	3	-1	-5	-6	-5	-6	-4	-3	0	0	-1	-2
	GR	:	:	0	-11	-4	-5	-20	-29	-21	-20	-20	-23	-21	-20	-19	-21	-21	-16
	E	:	:	:	:	:	:	-9	-8	-2	0	-2	1	4	1	2	-2	-3	1
	F(d)	-10	-9	-5	-15	-23	-21	-14	-18	-11	-10	-10	-10	:	-10	-11	-10	-13	-9
	IRL	-22	-28	-34	-39	-33	-29	-28	-29	-16	-16	-17	-15	-16	-15	-16	-12	-12	-9
	I	-22	-22	-18	-24	-15	-12	-4	-4	-4	-6	-4	-4	:	-4	-4	-1	-4	0
	NL	-25	-31	-32	-30	-22	-7	5	-2	1	0	-2	1	5	2	2	3	2	12
	P	:	:	:	:	:	:	-7	0	-8	-6	-7	-10	-13	-16	-7	-6	-6	-14
	UK	-18	-21	-12	-3	-4	-10	-7	5	2	8	9	7	2	-2	-5	-4	-12	-13
	EUR (c)	-13	-19	-17	-15	-14	-12	-6	-6	-5	-4	-4	-4	-4	-5	-5	-4	-7	-5
FINANCIAL SITUATION OF HOUSEHOLDS	B	-15	-19	-25	-29	-31	-23	-14	-9	-5	-7	-4	-6	-3	-5	-4	-4	-3	-4
	DK	-10	-12	-7	-4	-2	-3	-2	-1	-5	-4	-5	:	-2	-3	-5	-2	-5	-6
	D	-4	-16	-18	-14	-11	-8	1	1	0	-1	-1	0	0	0	2	0	2	-3
	GR	:	:	-2	-13	-8	-8	-24	-31	-21	-22	-20	-24	-22	-23	-18	-22	-20	-18
	E	:	:	:	:	:	:	-10	-9	-4	-3	-5	-2	-2	-3	-2	-6	-6	-2
	F(d)	-7	-8	-7	-11	-15	-13	-11	-14	-9	-9	-10	-9	:	-7	-8	-8	-10	-8
	IRL	-32	-38	-41	-43	-42	-37	-34	-31	-23	-24	-27	-21	-21	-22	-22	-18	-19	-19
	I	-14	-14	-13	-15	-12	-10	-6	-4	-3	-6	-3	-3	:	-1	-4	-2	-3	0
	NL	-9	-18	-20	-28	-26	-17	-3	0	2	3	2	2	4	3	1	3	0	6
	P	:	:	:	:	:	:	-8	-2	-5	-3	-3	-4	-8	-9	-6	-6	-4	-9
	UK	-24	-30	-27	-15	-15	-16	-13	-5	-6	-3	-4	-1	-5	-5	-11	-6	-11	-10
	EUR (c)	-11	-17	-16	-15	-15	-12	-8	-6	-5	-5	-4	-4	-4	-3	-5	-4	-5	-5

- over last 12 months

TABLE 11 (continued): Consumer opinion on economic and financial conditions (a)

		1980	1981	1982	1983	1984	1985	1986	1987	1988	1988							1989	
											May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
FINANCIAL SITUATION OF HOUSEHOLDS (continued)	B	-6	-9	-12	-15	-18	-13	-5	-1	2	1	3	1	1	0	2	1	4	2
	DK	-8	-4	-2	0	3	3	2	2	1	3	2	1	1	-2	2	-1	-3	0
	D	-3	-12	-14	-9	-6	-4	2	1	-1	-1	-2	-2	0	0	1	0	0	-2
	GR	:	:	15	0	6	2	-12	-21	-13	-12	-12	-15	-15	-12	-12	-12	-15	-7
	E	:	:	:	:	:	:	3	2	5	8	5	7	10	6	5	3	4	6
	F(d)	-2	0	0	-4	-7	-3	-2	-4	1	3	2	0	:	1	0	2	0	2
	IRL	-19	-24	-23	-26	-22	-22	-15	-15	-9	-10	-10	-8	-11	-8	-9	-7	-7	-6
	I	-10	-8	-6	-8	-3	-2	1	2	2	1	3	1	:	2	1	3	2	4
	NL	-9	-13	-14	-21	-17	-6	2	2	4	4	1	3	5	5	3	6	4	8
	P	:	:	:	:	:	:	2	5	-1	1	1	0	-4	-6	-1	-3	-2	-6
	UK	-13	-15	-9	-2	-3	-5	-3	4	1	2	4	3	3	1	-2	4	-4	-5
	EUR (c)	-6	-9	-8	-7	-8	-4	0	0	1	2	1	1	2	1	1	2	0	0
GENERAL ECONOMIC SITUATION	B	-58	-69	-68	-62	-57	-33	-29	-20	-17	-18	-16	-15	-16	-13	-13	-11	-10	-9
	DK	-56	-47	-42	-4	4	2	-10	-22	-31	-24	-26	:	-29	-37	-34	-34	-35	-31
	D	-18	-46	-51	-29	-14	-11	7	-2	-9	-11	-8	-11	-9	-4	-1	0	2	-2
	GR	:	:	-2	-11	-4	-10	-28	-34	-22	-21	-20	-23	-22	-21	-20	-24	-24	-23
	E	:	:	:	:	:	:	-15	-18	-9	-7	-7	-4	-5	-7	-8	-9	-12	-7
	F(d)	-39	-37	-28	-41	-54	-52	-34	-39	-29	-27	-28	-26	:	-24	-27	-26	-32	-27
	IRL	-56	-66	-74	-77	-65	-61	-58	-58	-30	-32	-30	-28	-26	-28	-30	-18	-17	-15
	I	-57	-60	-51	-57	-36	-26	-10	-7	-12	-15	-12	-12	:	-11	-11	-4	-11	-4
	NL	-55	-64	-64	-54	-19	8	18	-1	1	-2	-5	-1	8	4	9	10	15	21
	P	:	:	:	:	:	:	-5	5	-5	-3	-2	-4	-8	-13	-4	-7	-8	-14
	UK	-55	-62	-40	-23	-25	-37	-29	-4	-4	4	7	2	-3	-8	-13	-16	-23	-25
	EUR (c)	-41	-51	-44	-37	-31	-28	-15	-14	-13	-12	-11	-12	-12	-11	-12	-11	-14	-12
-- over next 12 months	B	-45	-51	-43	-38	-33	-17	-12	-9	-6	-9	-7	-7	-7	-4	-1	0	-1	-2
	DK	-42	-29	-23	3	6	4	-7	-15	-22	-12	-18	:	-21	-26	-25	-27	-30	-24
	D	-19	-33	-32	-14	-10	-6	3	-8	-13	-14	-12	-16	-12	-11	-5	-5	-6	-5
	GR	:	:	25	6	10	3	-13	-22	-13	-13	-12	-16	-16	-13	-13	-14	-15	-11
	E	:	:	:	:	:	:	3	-2	2	4	7	6	6	4	2	-2	1	2
	F(d)	-40	-27	-23	-36	-45	-34	-18	-24	-12	-6	-8	-9	:	-11	-13	-10	-15	-9
	IRL	-35	-38	-42	-45	-29	-26	-26	-29	-10	-7	-9	-11	-10	-11	-11	-3	-3	-3
	I	-30	-30	-24	-25	-9	-8	3	-2	-2	-4	0	-4	:	-1	-2	5	0	3
	NL	-48	-42	-42	-28	-5	10	12	-8	-4	-5	-9	-6	1	-1	4	6	9	11
	P	:	:	:	:	:	:	5	9	-2	0	-2	0	-5	-10	-1	-2	-7	-9
	UK	-24	-23	-10	-5	-10	-16	-14	4	-5	4	3	-2	-7	-10	-11	-13	-18	-17
	EUR (c)	-30	-30	-24	-21	-18	-14	-5	-8	-7	-5	-4	-7	-7	-7	-7	-5	-8	-6
PRICE TRENDS	B	65	69	77	78	78	72	49	32	24	23	23	26	26	26	25	26	28	35
	DK	50	51	48	26	26	26	10	0	3	6	4	:	4	6	-1	-2	0	-1
	D	44	52	46	23	15	9	-15	-14	-2	-3	-1	1	1	-2	-1	-1	5	10
	GR	:	:	15	30	24	26	39	42	26	22	26	25	25	22	25	26	30	25
	E	:	:	:	:	:	:	46	35	29	20	20	23	23	35	39	37	39	39
	F(d)	79	77	62	55	58	44	12	12	5	1	5	8	:	9	10	7	10	9
	IRL	85	87	87	80	71	59	47	35	28	30	31	30	28	25	25	27	28	31
	I	80	79	72	69	55	49	36	29	34	35	34	33	:	33	34	31	35	35
	NL	62	68	63	43	41	22	-2	-19	-12	-13	-10	-14	-15	-9	-6	-8	-2	-9
	P	:	:	:	:	:	:	31	30	45	42	40	40	48	48	46	47	51	51
	UK	59	41	31	15	19	24	15	11	18	13	13	17	19	24	25	28	27	29
	EUR (c)	63	62	53	40	37	30	13	11	14	11	12	14	14	16	17	17	20	21
-- over next 12 months	B	42	40	45	40	37	36	27	19	21	17	20	22	24	28	26	25	29	34
	DK	38	31	31	12	16	15	7	6	4	4	6	:	4	5	0	1	0	-5
	D	51	50	43	30	28	25	5	12	24	21	26	30	28	22	22	24	29	31
	GR	:	:	25	37	38	42	44	47	35	35	36	36	32	31	33	36	38	39
	E	:	:	:	:	:	:	19	18	14	4	5	11	12	18	20	22	24	23
	F(d)	50	39	42	37	32	27	19	12	7	-1	11	12	:	8	12	10	15	12
	IRL	56	52	46	39	35	32	23	25	20	17	20	22	22	18	19	21	25	26
	I	60	58	56	54	46	48	35	42	45	46	43	47	:	46	45	39	46	53
	NL	61	52	50	38	25	17	6	2	14	12	12	18	13	22	20	15	19	10
	P	:	:	:	:	:	:	14	17	30	23	24	32	40	39	31	32	42	42
	UK	43	31	29	27	40	43	32	36	48	42	45	52	54	53	51	55	56	53
	EUR (c)	51	44	42	35	35	32	20	22	26	22	26	30	30	28	28	28	32	33
UNEMPLOYMENT	B	57	67	60	57	44	37	33	35	22	22	21	22	23	24	16	11	11	12
	DK	39	37	29	30	5	-4	1	29	36	23	30	:	36	43	37	40	46	37
	D	20	43	43	30	20	16	4	19	26	26	22	26	27	25	15	17	17	17
	GR	:	:	11	10	11	17	31	36	25	26	28	28	21	23	21	24	21	24
	E	:	:	:	:	:	:	26	31	21	17	16	17	19	16	14	19	20	15
	F(d)	47	43	30	41	62	50	33	39	28	19	33	36	:	36	31	15	19	10
	IRL	34	47	56	67	52	48	45	45	33	35	33	32	31	33	32	22	20	21
	I	51	52	56	57	49	47	39	40	42	45	43	43	:	39	40	36	38	31
	NL	59	72	72	67	36	0	-11	8	14	7	11	16	14	18	8	8	9	4
	P	:	:	:	:	:	:	27	15	11	10	10	9	15	10	4	3	6	6
	UK	58	50	34	37	32	35	32	7	-3	-5	-8	-6	-6	-9	-3	-1	1	-2
	EUR (c)	43	48	42	41	38	32	23	26	23	20	22	24	24	23	19	17	19	14

TABLE 11 (continued): Consumer opinion on economic and financial conditions^(a)

		1980	1981	1982	1983	1984	1985	1986	1987	1988	1988							1989		
												May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
MAJOR PURCHASES	B	23	15	13	6	6	-18	-26	-21	-5	0	-7	-5	-2	-2	-4	-3	-1	-3	
	DK	21	10	16	7	14	14	0	-15	-21	-27	-15	:	-27	-32	-16	-28	-37	-39	
	D	18	-1	-17	-8	-9	-8	4	4	-1	-4	-3	-1	1	0	2	4	-3	2	
	GR	:	:	-35	-35	-24	-20	-22	-36	-34	-32	-36	-39	-31	-30	-32	-32	-31	-22	
	E	:	:	:	:	:	:	-27	-14	-4	-4	-11	-1	9	5	13	3	-3	5	
	F(d)	39	28	30	19	6	-4	-3	-8	-6	-9	-6	-6	:	-7	-8	-9	-8	-3	
	IRL	30	24	13	-6	-9	-2	-10	-11	-8	-9	-9	-6	-11	-5	-7	-12	-13	-1	
	— at present	I	2	4	1	-13	-15	-15	-8	-8	-6	-6	-9	-4	:	-8	-4	-5	-6	-4
	NL	-2	-17	-21	-18	-44	-29	-6	-3	0	3	1	9	7	1	-6	-9	-19	12	
	P	:	:	:	:	:	:	-28	-17	-26	-27	-29	-42	-40	-41	-21	-12	-10	-30	
	UK	28	26	25	32	31	24	24	24	23	33	33	31	24	10	11	14	-5	-6	
		EUR (c)	22	12	6	5	0	-3	0	-1	0	0	0	2	2	-2	0	-1	-6	-2
	— over next 12 months	B	-26	-28	-28	-30	-28	-30	-28	-20	-17	-17	-13	-19	-18	-12	-18	-16	-16	-20
DK		-14	-12	-10	-8	-7	-8	-12	-11	-13	-11	-13	:	-16	-15	-11	-12	-13	-9	
D		-19	-25	-28	-29	-28	-26	-20	-20	-21	-21	-21	-23	-20	-18	-19	-20	-20	-21	
GR		:	:	-24	-33	-38	-33	-42	-45	-39	-39	-39	-43	-39	-32	-30	-30	-32	-28	
E		:	:	:	:	:	:	-26	-23	-22	-22	-25	-25	-18	-19	-25	-21	-18	-24	
F(d)		-18	-13	-9	-10	-10	-9	-3	0	0	-1	0	0	:	0	0	0	0	0	
IRL		-19	-22	-27	-31	-25	-22	-20	-19	-12	-12	-12	-11	-11	-8	-14	-12	-8	-7	
— at present		I	-17	-18	-22	-22	-21	-21	-21	-21	-22	-23	-22	:	-20	-20	-24	-21	-20	
NL		-23	-27	-27	-29	-27	-20	-15	-12	-12	-12	-13	-11	-14	-14	-13	-9	-10	-10	
P		:	:	:	:	:	:	6	5	4	-3	-9	2	2	0	4	10	13	16	
UK		-14	-19	-18	-15	-12	-14	-12	-10	-11	-6	-6	-8	-9	-14	-12	-11	-14	-15	
		EUR (c)	-17	-20	-20	-21	-19	-18	-16	-14	-14	-14	-14	-15	-14	-14	-14	-14	-14	-15
SAVINGS		B	38	41	40	46	46	46	43	52	57	57	56	56	59	59	56	59	62	57
	DK	15	23	26	40	41	50	46	50	48	45	47	:	43	48	55	49	41	57	
	D	43	32	27	33	38	41	44	43	34	32	38	34	30	38	39	37	37	33	
	GR	:	:	-25	-29	-20	-18	-51	-40	-36	-35	-41	-38	-32	-32	-34	-28	-30	-27	
	E	:	:	:	:	:	:	36	43	43	46	43	40	47	44	44	43	43	50	
	F(d)	-3	-2	-5	0	6	11	12	20	25	23	27	24	:	26	27	27	30	33	
	IRL	5	-3	-9	-3	-8	-1	-3	-7	1	-3	4	5	8	5	-7	10	5	9	
	— at present	I	-6	-7	10	21	33	37	47	49	48	46	50	46	:	48	47	55	48	47
	NL	19	27	38	35	34	41	48	50	54	55	50	53	55	58	57	58	58	58	
	P	:	:	:	:	:	:	-42	-27	-40	-32	-39	-43	-45	-51	-42	-37	-39	-42	
	UK	6	5	5	10	17	20	23	31	30	23	29	31	30	34	33	32	29	42	
		EUR (c)	15	12	12	19	24	29	31	35	34	32	35	33	33	36	36	37	36	38
	— over next 12 months	B	-20	-21	-25	-26	-27	-33	-9	-3	2	4	0	6	-1	1	-4	5	4	-1
DK		-20	-19	-18	-12	-11	-7	-6	-5	-7	-7	-9	:	-8	-3	-7	-11	-15	-3	
D		44	23	-2	1	3	3	11	13	13	9	11	12	15	14	16	14	15	12	
GR		:	:	-37	-41	-39	-40	-47	-57	-48	-46	-47	-50	-45	-47	-49	-46	-49	-40	
E		:	:	:	:	:	:	-39	-35	-33	-26	-33	-32	-25	-35	-34	-38	-36	-31	
F(d)		-32	-32	-32	-35	-37	-36	-31	-34	-29	-29	-28	-28	:	-28	-29	-30	-28	-24	
IRL		-13	-19	-22	-25	-37	-28	-30	-31	-25	-24	-18	-25	-25	-28	-31	-19	-21	-26	
— at present		I	-32	-30	-22	-27	-20	-17	-10	-6	-3	-7	1	-1	:	-1	-3	0	-5	-2
NL		0	-1	-3	-8	-2	6	12	17	25	23	25	25	28	22	23	30	24	27	
P		:	:	:	:	:	:	-39	-27	-30	-32	-31	-30	-27	-31	-30	-27	-31	-36	
UK		-16	-20	-17	-13	-12	-14	-12	-6	-6	-7	-8	-3	-5	-5	-5	-7	-13	-5	
		EUR (c)	-4	-11	-17	-17	-16	-15	-11	-10	-8	-9	-8	-7	-6	-7	-8	-8	-9	-7
FINANCIAL SITUATION OF HOUSEHOLDS		B	9	7	6	5	6	5	13	14	17	17	19	19	17	16	16	16	17	16
	DK	4	4	4	8	8	11	10	10	11	10	9	:	11	14	12	12	11	13	
	D	21	16	12	11	11	12	17	17	18	16	17	17	20	19	19	18	20	19	
	GR	:	:	0	0	2	3	1	-2	2	3	4	4	4	5	5	2	4	3	
	E	:	:	:	:	:	:	5	5	7	8	7	7	8	8	6	5	6	8	
	F(d)	8	8	8	6	4	3	3	0	2	2	3	3	:	3	2	0	1	2	
	IRL	2	-4	-1	-1	-1	-1	-1	-1	2	3	1	4	3	3	2	5	4	2	
	— indicator of net acquisition of financial assets	I	8	8	13	9	11	12	15	16	18	16	20	17	:	20	17	20	16	17
	NL	19	18	17	15	13	16	19	19	21	19	21	21	22	21	20	21	20	21	
	P	:	:	:	:	:	:	2	8	7	6	8	7	7	9	8	6	4	9	
UK	8	9	9	12	12	11	11	14	14	14	14	16	15	15	15	14	14	14		
	EUR (c)	12	11	10	9	9	9	11	11	12	12	13	13	13	14	13	12	12	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.

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 Wirtschaftsforschung	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	—	INTERGALLUP S.A. and INTERCAMPO S.A.
France	INSEE Institut National de la Statistique et des Etudes Economiques	INSEE	INSEE	INSEE	INSEE
Ireland	CII and ESRI Confederation of Irish Industries and Economic and Social Research	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 Etudes Economiques	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.

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 see technical note in the December 1982 issue of Supplement C.

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