

EUROPEAN ECONOMY

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

Supplement B — No 6 — June 1986

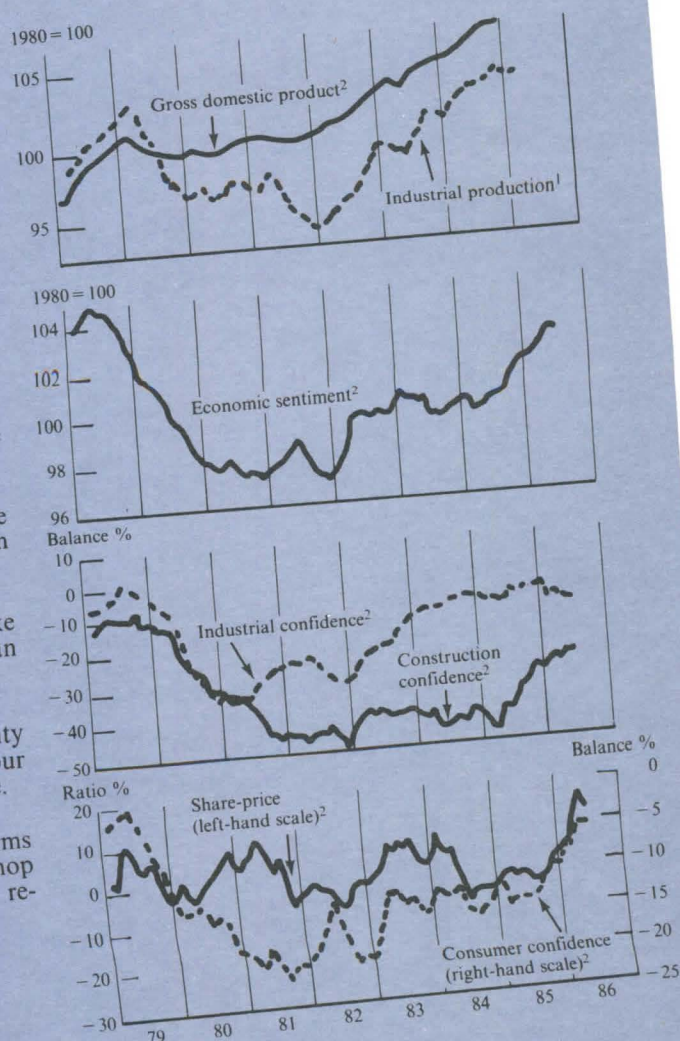
*In this number:
Consumer incomes and
labour market survey
in the retail trade*

Business and consumer survey results

THE MAIN POINTS IN BRIEF

- No further rise in the Community leading indicator in May (102.8 compared with 102.9 in April; 1980 = 100). Of the four components making up the composite indicator, that relating to the construction industry improved slightly, the industrial confidence indicator and the consumer climate showed no change and share prices were down.
- The financial situation of private households is improving in 1986 in all income groups.
- The readiness of Europeans to make purchases is still markedly less than in the United States.
- The retail trade sees the possibility of more employment if the labour market can be made more flexible.
- A third of Community retail firms consider the rules relating to shop opening hours to be in need of reform.

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



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

Scarcely any change in the Community leading indicator in May.

— In the absence of any new stimuli, the constant rise recorded by the leading indicator since the spring of 1985 did not continue in May. Of the four components of the composite indicator, industrial confidence (-10) and the consumer climate (-5) showed no change; the slight rise in the construction confidence indicator (-25 compared with -26) was not quite sufficient to compensate for the curbing effect of falling share prices on the calculation of the composite indicator.

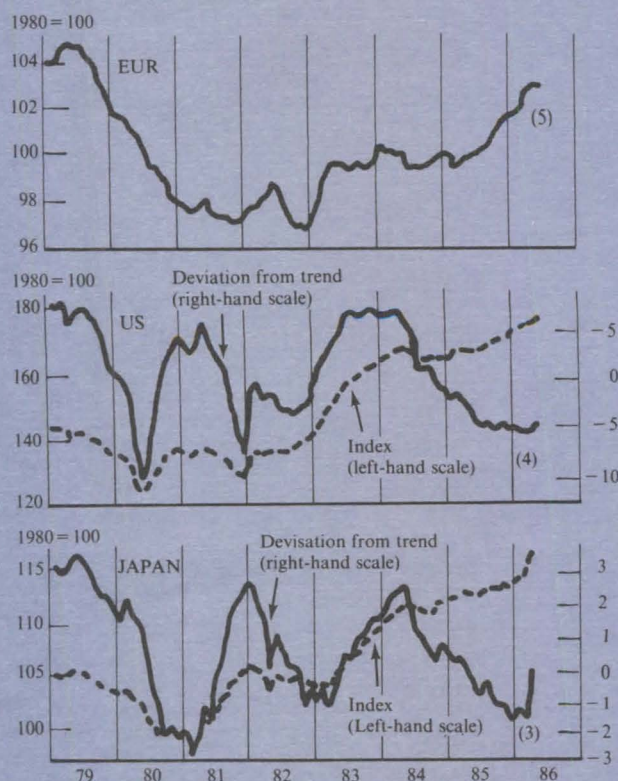
Broken down by member country, the leading indicator improved slightly in France, Italy, the Netherlands, Belgium and Ireland. The slight fall in the Federal Republic of Germany and the United Kingdom was due almost entirely to lower share prices, which are used in the composite indicator as a pointer to interest-rate and profits expectations. In Denmark, lower share prices and a less favourable consumer climate combined to depress the composite indicator somewhat.

If the course of the leading indicators is analysed not only on the basis of the last month's figures but also since the beginning of the year, the economic outlook for the Community for 1986 can still be assessed more favourably than in the United States and also in Japan, where signs of a recovery have become discernible only in recent months (see Graph 2).

Components of the Community leading indicator

No change in the industrial confidence indicator. — While the decline in the industrial confidence indicator was arrested in May at Community level, production plans for the months ahead are still less promising than in the second half of 1985. The level of demand in May clearly gave little encouragement to assess order levels more favourably than in the previous month (-20 compared to -21; balances).

GRAPH 2: Leading indicators for the European Community, USA and Japan¹



¹ EUR-leading indicator should be compared with deviations from long-term trend of leading indicators of the USA and Japan (thick curves).

Arabic number indicates latest month for which data are available ("5" = May).

Sources: Commission's Services, US Department of Commerce, Economic Planning Agency of the Japanese Government.

Broken down by branch, production prospects in Community industry are viewed most favourably in the electrical engineering, instrument engineering and vehicle manufacturing sectors. Among European car manufacturers, the French producers in particular viewed the order situation much more favourably in May.

The slight recovery in the construction industry continues.

— While the order-book situation in the construction industry is still much less favourable than in manufacturing industry, there have been unmistakable signs in recent months - except in Italy - of a slight cyclical upturn in demand. This is also reflected in the fact that, with the exception of Ireland, no member country is any longer anticipating a fall in building prices over the months ahead; the price trend everywhere is again directed upwards, although not markedly so in most cases. Widespread price increases are planned only in Greece and the United Kingdom. By far the most favourable situation in the construction industry is to be found again in Denmark and the Netherlands, where the building industry is not compelled to adjust its capacity to a smaller market volume to anywhere near the same extent as in the Federal Republic of Germany, for example (see Table 3).

Share prices curb the rise in the composite indicator. — Whereas in the last two years share prices at Community level have each month exercised a positive influence on the leading indicator, they caused it to fall slightly this month. Share prices fell appreciably in May, particularly in the Federal Republic of Germany, the United Kingdom, the Netherlands and Denmark. However, with renewed expectations of falling interest rates and improved profits over the months ahead, share prices at Community level may again have a favourable impact on the leading indicator.

No change in the consumer climate. — While the consumer climate remained bright in May, there was no improvement compared with the previous month. Whereas private households assessed the general economic outlook and their own financial situations somewhat more favourably than in 1980, the propensity to buy—measured on the basis of answers to the question of whether the time is ripe to make major purchases—is still much less marked than at that time (+1 compared with +22 in 1980; balances). This also points—for the months ahead—to less buoyant consumer demand than in previous upswings. Many European consumers clearly want to replenish their savings accounts to some extent first—accounts which have been particularly eroded by four years of decreasing real incomes—before they get involved again in purchases of consumer durables on a large scale.

The following picture emerges from the most recent surveys carried out in seven of the nine member countries which participate in the European Community harmonized consumer surveys (see Table 4)*.

While the consumer climate in the Federal Republic of Germany remained favourable in May, it deteriorated slightly compared with April. Although the general economic situation and the prospects on the labour market were assessed in a similar confident fashion to the previous survey, consumers were somewhat more cautious in their judgements of their own financial positions. Furthermore, somewhat fewer German consumers than in previous months considered the time ripe to make major purchases; this feeling was common to all income groups surveyed.

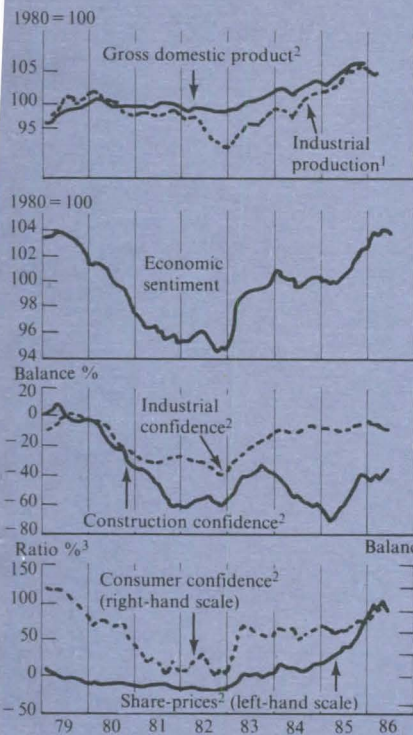
United Kingdom consumers were somewhat more confident in May regarding their assessments of the general economic situation in their country and their own financial position. Nevertheless, the consumer climate indicator stayed at the April level, since the lower and middle income groups showed rather less readiness to make purchases; this was not offset by the decreasing propensity to save in the upper income group.

In Italy, consumers' markedly more optimistic assessments of the general economic situation and of their own financial positions, which have been discernible since the beginning of 1986, continued in May. The fact that the propensity to make purchases did not increase more sharply (-9 compared with -11;

* The findings of the French and Irish consumer surveys in May are not available.

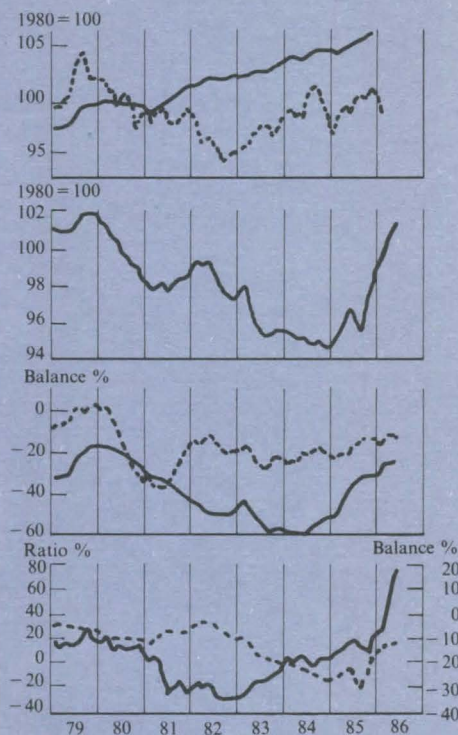
GRAPH 3-8: Indicators of output and economic sentiment

GRAPH 3: Federal Republic of Germany



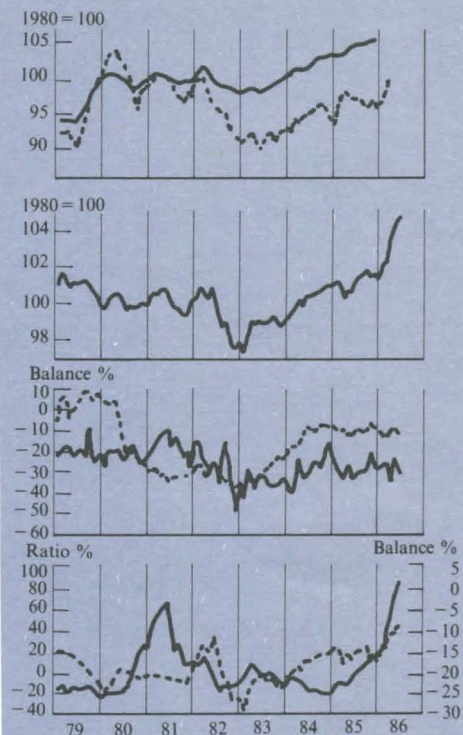
¹ Three-month moving average.
² See notes to Table 1.
³ Deviations from trend in %.

GRAPH 4: France



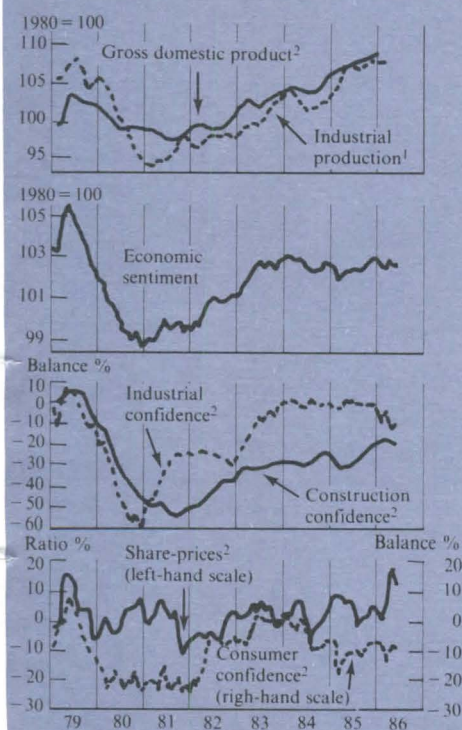
For explanations, see Graph 3.

GRAPH 5: Italy



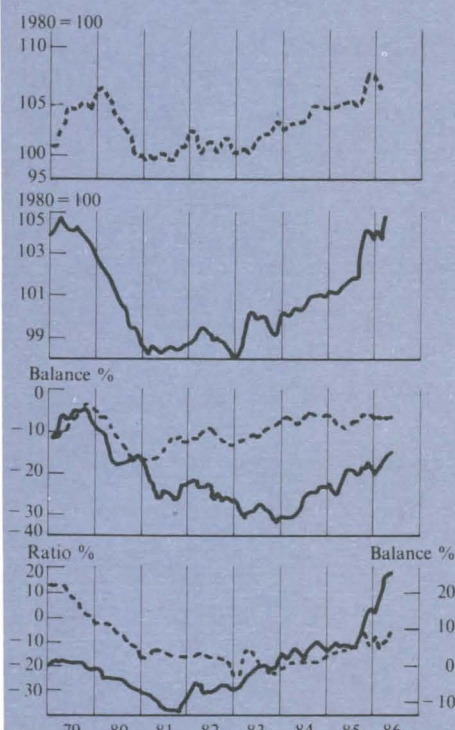
For explanations, see Graph 3.

GRAPH 6: United Kingdom



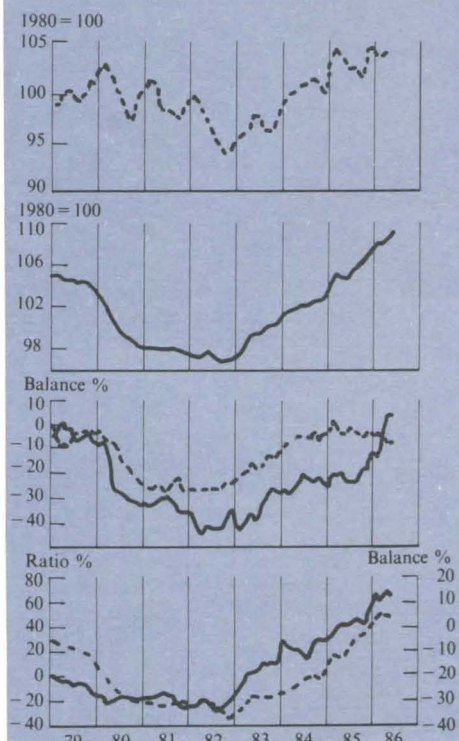
¹ Three-month moving average.
² See notes to Table 1.
³ Deviations from trend in %.

GRAPH 7: Belgium



For explanations, see Graph 6.

GRAPH 8: Netherlands



For explanations, see Graph 6.

TABLE 1: Indicators of output and economic sentiment

		Range		Range		1985	1985		1986	1985	1986				
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		III	IV	I	Dec.	Jan.	Feb.	March	April	May
B	gross domestic product	1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production		102,5	76,5	106,3	92,4	104,0	102,9	106,2	:	104,4	105,3	106,5	:	:
	1. industrial confidence indicator		+ 19	- 56	- 4	- 35	- 13	- 13	- 11	- 12	- 12	- 11	- 12	- 12	- 13
	2. construction confidence indicator		+ 9	- 36	- 7	- 65	- 40	- 38	- 36	- 36	- 37	- 38	- 35	- 34	- 31
	3. consumer confidence indicator (c)		7,0	- 18,0	- 7,0	- 31,0	- 21	- 21	- 19	- 20	- 21	- 18	- 22	- 20	- 19
	4. share-price index (c)		155,1	98,0	114,3	75,0	185,3	176,6	219,7	240,3	226,7	220,1	234,6	266,1	281,9
	= 5. economic sentiment indicator		107,9	99,4	103,0	97,5	101,6	101,7	103,0	103,1	102,6	103,1	102,6	103,7	104,3
DK	gross domestic product	1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production		:	:	107,7	95,5	121,2	124,2	126,5	124,4	122,4	128,7	125,5	119,0	:
	1. industrial confidence indicator		:	:	:	- 22	+ 13	+ 14	+ 9	+ 5	(+ 9)	+ 5	(+ 5)	(+ 5)	+ 1
	2. construction confidence indicator		:	:	:	- 36	+ 11	+ 15	+ 15	+ 15	(+ 15)	+ 15	(+ 15)	(+ 15)	+ 28
	3. consumer confidence indicator (c)		:	- 16	5,0	- 22	+ 4	3	7	7	(7)	7	(7)	(7)	- 1
	4. share-price index (c)		:	:	:	:	426,0	447,5	483,6	483,6	487,8	472,7	475,3	502,0	518,5
	= 5. economic sentiment indicator		:	:	:	:	103,5	103,6	103,3	102,9	(103,2)	102,9	(102,8)	(102,9)	102,7
D	gross domestic product(b)	1980 = 100	85,1	83,3	101,2	98,9	106,1	107,4	107,4	:	:	:	:	:	:
	index of industrial production		92,0	82,4	103,1	91,4	104,4	105,9	106,6	106,1	102,8	106,1	106,2	105,6	:
	1. industrial confidence indicator		+ 10	- 49	+ 2	- 40	- 6	- 6	- 2	- 4	- 1	- 3	- 4	- 6	- 7
	2. construction confidence indicator		- 4	- 72	+ 11	- 64	- 54	- 49	- 38	- 41	- 41	- 42	- 39	- 41	- 39
	3. consumer confidence indicator (c)		:	- 22,2	:	9,0	- 31,0	- 7	- 4	0	- 5	- 2	0	1	2
	4. share-price index (c)		109,0	75,2	115,6	97,6	209,4	213,8	256,3	295,3	268,0	299,9	287,9	298,2	315,8
	= 5. economic sentiment indicator		103,8	97,0	103,6	94,7	102,1	102,8	103,7	104,7	103,7	104,7	104,6	104,8	105,2
F	gross domestic product	1980 = 100	85,4	84,2	99,8	102,4	105,9	106,5	107,4	:	:	:	:	:	:
	index of industrial production		96,7	82,2	105,2	94,8	100,0	101,0	101,0	99,5	99,2	98,5	100,0	100,0	:
	1. industrial confidence indicator		+ 29	- 49	+ 5	- 39	- 17	- 15	- 13	- 15	- 12	- 18	- 15	- 12	- 12
	2. construction confidence indicator		:	:	- 17	- 57	- 38	- 32	- 32	- 27	(- 32)	- 27	(- 27)	(- 27)	- 24
	3. consumer confidence indicator (c)		:	- 9,0	3,0	- 27,0	- 23	- 30	- 17	- 12	(- 17)	- 12	(- 12)	(- 12)	- 11
	4. share-price index (c)		86,6	53,6	101,2	82,7	201,7	204,2	219,7	259,5	236,8	243,7	244,9	290,1	336,8
	= 5. economic sentiment indicator		107,8	97,6	101,8	95,1	96,6	96,0	98,1	99,7	98,9	99,0	99,6	100,4	101,0
IRL	gross domestic product	1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production		80,4	72,3	103,8	99,6	126,0	122,8	126,3	:	125,1	124,6	127,3	:	:
	1. industrial confidence indicator		:	- 41	+ 20	- 40	- 7	- 2	- 6	- 6	- 7	- 6	- 4	- 9	- 8
	2. construction confidence indicator		:	:	:	:	- 27	- 29	- 28	- 24	(- 28)	- 24	(- 24)	(- 24)	- 10
	3. consumer confidence indicator (c)		:	- 41,0	12,0	- 44,0	- 29	- 27	- 27	- 28	(- 27)	- 28	(- 28)	(- 28)	- 27
	4. share-price index (c)		85,8	29,9	112,2	79,4	148,9	155,0	169,8	234,8	183,8	191,3	189,8	223,2	239,3
	= 5. economic sentiment indicator		109,1	96,7	103,6	98,1	100,2	100,5	100,7	100,9	100,6	100,7	100,7	101,1	101,4
I	gross domestic product	1980 = 100	80,4	77,2	101,2	98,2	104,7	105,1	105,7	:	:	:	:	:	:
	index of industrial production		87,9	72,6	104,7	98,1	96,5	96,4	95,9	99,3	94,7	96,7	99,2	102,0	:
	1. industrial confidence indicator		+ 31	- 59	+ 13	- 41	- 10	- 10	- 8	- 12	- 8	- 11	- 14	- 12	- 9
	2. construction confidence indicator		- 8	- 56	- 5	- 51	- 29	- 29	- 26	- 29	- 28	- 27	- 26	- 34	- 24
	3. consumer confidence indicator (c)		:	- 39,0	- 12,1	- 29,6	- 12	- 10	- 14	- 8	- 16	- 9	- 10	- 5	- 5
	4. share-price index (c)		169,6	68,5	185,0	116,9	286,8	315,9	363,0	494,2	388,0	413,0	468,0	601,5	679,1
	= 5. economic sentiment indicator		103,8	97,4	101,6	97,6	101,7	102,2	101,8	103,1	101,5	102,6	102,6	104,2	104,9
NL	gross domestic product	1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production		94,8	87,1	117,5	90,7	104,0	101,7	104,3	105,7	100,0	105,0	108,0	104,0	:
	1. industrial confidence indicator		+ 12	- 44	+ 4	- 31	- 2	- 2	- 3	- 3	- 4	- 2	- 5	- 4	- 7
	2. construction confidence indicator		+ 3	- 47	+ 3	- 46	(- 19)	(- 20)	- 15	- 8	- 11	- 12	- 9	- 2	+ 5
	3. consumer confidence indicator (c)		6,0	- 15,0	5,0	- 37,0	- 7	- 4	- 1	+ 6	(- 1)	+ 6	(+ 6)	(+ 6)	+ 5
	4. share-price index (c)		:	86,3	122,8	92,8	255,1	259,3	275,8	304,0	287,4	308,1	298,0	305,9	317,4
	= 5. economic sentiment indicator		107,8	100,7	105,3	97,1	106,4	106,8	107,9	109,3	107,9	109,3	109,1	109,5	109,7
UK	gross domestic product	1980 = 100	94,6	91,0	102,5	97,7	109,0	109,1	110,2	:	:	:	:	:	:
	index of industrial production		92,7	89,6	110,0	93,8	108,0	108,5	108,4	108,9	107,4	108,1	109,4	109,3	:
	1. industrial confidence indicator		:	:	+ 9	- 60	0	0	0	- 6	0	- 8	- 2	- 7	- 12
	2. construction confidence indicator		:	:	+ 7	- 60	- 25	- 24	- 18	- 15	(- 18)	- 15	(- 15)	(- 15)	- 19
	3. consumer confidence indicator (c)		:	- 32,5	14,4	- 25,5	- 10	- 10	- 7	- 11	- 7	- 7	- 14	- 11	- 8
	4. share-price index (c)		78,5	23,3	111,6	104,4	242,3	237,5	256,7	280,3	259,3	260,3	273,0	307,6	315,0
	= 5. economic sentiment indicator		103,8	97,7	104,9	98,8	102,3	102,4	102,9	102,7	103,0	102,7	102,7	102,8	102,8
EUR	gross domestic product (a)(b)	1980 = 100	85,1	85,5	101,1	101,0	106,4	107,1	107,6	:	:	:	:	:	:
	index of industrial production		92,9	83,0	103,2	94,6	103,3	103,4	104,1	104,1	102,6	104,0	104,8	103,5	:
	1. industrial confidence indicator		+ 16	- 49	+ 3	- 36	- 7	- 7	- 5	- 8	- 5	- 9	- 8	- 8	- 10
	2. construction confidence indicator		:	:	- 1	- 48	- 38	- 34	- 29	- 26	(- 30)	- 27	(- 26)	(- 28)	- 26
	3. consumer confidence indicator (c)		4,6	- 16,7	0,8	- 22,0	- 13	- 13	- 10	- 7	- 10	- 8	- 8	- 6	- 5
	4. share-price index (c)		:	47,0	115,4	111,7	238,8	240,4	267,2	300,8	276,2	286,0	291,6	324,8	345,0
	= 5. economic sentiment indicator		107,5	96,6	104,1	97,4	101,1	101,8	101,6	102,2	101,7	101,9	102,0	102,6	102,9

(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 2: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator ^(a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		Range (b)		1985	1985		1986	1985	1986				
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		III	IV	I	Dec.	Jan.	Feb.	March	April	May
B	Production expectations	+31	-56	-4	-37	-6	-5	-4	-6	-5	-4	-8	-5	-5	-6
	order books	+13	-74	-14	-49	-24	-25	-20	-21	-21	-20	-20	-24	-28	-30
	export order-books	+15	-82	-19	-55	-27	-27	-28	-27	-28	-26	-27	-28	-34	-34
	stocks of finished products	-14	+37	+2	+18	+10	+9	+8	+8	+10	+8	+8	+7	+6	+2
	selling-price expectations	+64	-10	+39	+12	+19	+20	+13	+21	+11	+9	+8	+3	+4	+2
	industrial confidence indicator	+19	-56	-4	-35	-13	-13	-11	-12	-12	-11	-12	-12	-13	-13
DK	Production expectations	:	:	:	+8	+18	+17	+16	+11	:	+11	:	:	+4	:
	order books	:	:	:	-34	+25	+29	+22	+15	:	+15	:	:	+12	:
	export order-books	:	:	:	+14	+24	+30	+16	+2	:	+2	:	:	+1	:
	stocks of finished products	:	:	:	+24	+4	+5	+10	+12	:	+12	:	:	+14	:
	selling-price expectations	:	:	:	-22	+13	+14	+9	+5	:	+5	:	:	+1	:
	industrial confidence indicator	:	:	:	-22	+13	+14	+9	+5	:	+5	:	:	+1	:
D	Production expectations	+17	-32	+10	-30	+3	+2	+6	+4	+7	+7	+5	+1	+2	0
	order books	+5	-73	-6	-59	-14	-12	-9	-11	-7	-10	-10	-12	-17	-16
	export order-books	:	:	-14	-50	-9	-8	-7	-13	-8	-8	-15	-17	-16	-19
	stocks of finished products	-7	+43	-2	+31	+7	+7	+4	+6	+4	+6	+7	+6	+6	+6
	selling-price expectations	+55	+4	+38	+4	+17	+14	+15	+9	+16	+12	+9	+5	+1	+7
	industrial confidence indicator	+10	-49	+2	-40	-6	-6	-2	-4	-1	-3	-4	-6	-7	-7
GR	Production expectations	:	:	:	:	+21	+21	+19	+24	+19	+20	+28	+23	+30	+29
	order books	:	:	:	:	-24	-22	-18	-11	-16	-16	-5	-13	-18	-12
	export order-books	:	:	:	:	-33	-27	-30	-22	-26	-29	-14	-24	-16	-20
	stocks of finished products	:	:	:	:	+10	+8	+10	+10	+9	+6	+7	+16	+17	+9
	selling-price expectations	:	:	:	:	+32	+29	+42	+25	+46	+27	+33	+14	+15	+16
	industrial confidence indicator	:	:	:	:	-4	-3	-3	+1	-2	-1	+5	-2	-2	+3
F	Production expectations	+33	-29	+18	-20	-3	0	0	0	+1	-4	+3	0	-2	-1
	order books	+26	-69	0	-56	-30	-28	-24	-27	-21	-31	-28	-21	-23	-23
	export order-books	+24	-66	+10	-52	-20	-18	-22	-24	-24	-27	-30	-16	-29	-28
	stocks of finished products	-14	+50	+3	+42	+19	+16	+16	+18	+16	+19	+19	+16	+12	+14
	selling-price expectations	+76	+15	+62	+17	+29	+28	+19	+18	+14	+20	+16	+19	+15	+12
	industrial confidence indicator	+29	-49	+5	-39	-17	-15	-13	-15	-12	-18	-15	-12	-12	-13
IRL	Production expectations	:	-21	+40	-33	+6	+11	+7	+9	+4	+5	+11	+10	+19	+9
	order books	:	-68	+18	-55	-20	-14	-17	-16	-14	-15	-13	-21	-31	-29
	stocks of finished products	:	+35	-6	+33	+8	+3	+8	+12	+12	+9	+11	+15	+11	+13
	selling-price expectations	:	+64	+77	+20	+14	+12	+3	-1	+10	+2	+4	-9	-16	-13
	industrial confidence indicator	:	-41	+20	-40	-7	-2	-6	-6	-7	-6	-4	-9	-8	-11
	I	Production expectations	+40	-43	+24	-26	+8	+6	+13	+7	+17	+8	+7	+6	+17
order books		+30	-82	+7	-66	-21	-20	-21	-26	-22	-23	-29	-25	-27	-24
export order-books		+13	-67	-6	-59	-30	-30	-30	-30	-31	-34	-28	-29	-34	-39
stocks of finished products		-24	+53	-8	+32	+16	+15	+15	+18	+19	+19	+20	+16	+17	+19
selling-price expectations		+76	+10	+87	+37	+39	+36	+34	+26	+31	+29	+24	+25	+17	+15
industrial confidence indicator		+31	-59	+13	-41	-10	-10	-8	-12	-8	-11	-14	-12	-9	-11
L	Production expectations	+84	-80	+40	-66	-1	+3	-5	+1	-24	+12	-12	+3	+9	+2
	order books	:	:	+8	-70	+3	+6	+2	-5	-4	-10	-5	-1	-2	-3
	export order-books	:	:	+9	-80	-3	+9	-21	-18	-42	-22	-11	-16	-12	-15
	stocks of finished products	-14	+74	0	+58	+3	+2	+3	+1	-2	0	-7	+4	+12	0
	selling-price expectations	:	-46	+74	-38	+17	+24	+18	-20	+3	0	-22	-48	-60	-46
	industrial confidence indicator	:	:	+16	-65	0	+2	-2	-1	-9	+1	-3	+1	-2	0
NL	Production expectations	+26	-26	+20	-13	+4	+2	+3	+3	+2	+5	0	+3	0	+2
	order books	+7	-48	-5	-42	-5	-5	-8	-8	-7	-5	-8	-11	-12	-12
	stocks of finished products	-3	+57	+3	+39	+4	+3	+4	+5	+6	+5	+6	+5	+8	+6
	industrial confidence indicator	+12	-44	+4	-31	-2	-2	-3	-3	-4	-2	-5	-4	-7	-5
UK	Production expectations	:	:	+29	-52	+20	+19	+20	+11	+21	+9	+17	+8	+7	+12
	order books	:	:	-2	-85	-7	-5	-5	-12	-6	-13	-9	-14	-23	-21
	export order-books	:	:	-11	-72	-5	-5	-8	-15	-10	-15	-14	-15	-24	-16
	stocks of finished products	:	:	-1	+42	+14	+15	+15	+16	+15	+19	+13	+15	+19	+18
	selling-price expectations	:	:	+70	+7	+23	+20	+16	+14	+15	+15	+13	+14	+16	+13
	industrial confidence indicator	:	:	+9	-60	0	0	0	-6	0	-8	-2	-7	-12	-9
EUR	Production expectations	+24	-30	+15	-24	+7	+7	+9	+6	+10	+5	+8	+4	+4	+4
	order books	+15	-70	-7	-56	-17	-16	-14	-17	-12	-18	-17	-17	-21	-20
	export order-books	:	:	-12	-50	-15	-15	-16	-19	-17	-19	-20	-19	-25	-25
	stocks of finished products	-10	+48	-1	+31	+12	+11	+11	+13	+12	+14	+14	+12	+13	+13
	selling-price expectations	+64	+9	+53	+22	+25	+22	+21	+16	+19	+18	+15	+13	+10	+10
	industrial confidence indicator	+16	-49	+3	-36	-7	-7	-5	-8	-5	-9	-8	-8	-10	-10

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

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

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

TABLE 3: Survey of the construction industry

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

		Range (b)		Range (b)		1985	1985		1986	1985	1986				
		Peak 72/73	Trough 74/75	Peak 79/80	Trough 81/83		III	IV	I	Dec.	Jan.	Feb.	March	April	May
B	order-books	-13	-47	-20	-76	-55	-51	-53	-53	-56	-55	-52	-53	-51	-43
	employment expectations	+31	-24	+7	-53	-24	-24	-18	-18	-18	-21	-18	-14	-10	-15
	price expectations	+75	+25	+61	-18	+2	+1	+12	+8	+12	+10	+8	+6	+9	+3
	construction confidence indicator (a)	+9	-36	-7	-65	-40	-38	-36	-36	-37	-38	-35	-34	-31	-29
DK	order-books	:	:	:	-38	+13	+20	+16	+16	(+16)	+16	(+16)	(+16)	+39	(+39)
	employment expectations	:	:	:	-35	+9	+10	+13	+13	(+13)	+13	(+13)	(+13)	+17	(+17)
	price expectations	:	:	:	-37	+11	+15	+15	+15	(+15)	+15	(+15)	(+15)	+28	(+28)
	construction confidence indicator (a)	:	:	:											
D	order-books	-17	-84	+2	-75	-70	-69	-60	-63	-63	-64	-63	-61	-60	-55
	employment expectations	+10	-60	+20	-53	-38	-29	-18	-18	-19	-19	-15	-21	-18	-14
	price expectations	+48	-37	+48	-49	-14	-6	+4	+3	+5	+4	+6	0	0	+9
	construction confidence indicator (a)	-4	-72	+11	-64	-54	-49	-39	-41	-41	-42	-39	-41	-39	-35
GR	order-books	:	:	:	-78	-48	-47	-50	-48	(-50)	-48	(-48)	(-48)	-63	(-63)
	employment expectations	:	:	:	-77	+3	-11	0	-35	(0)	-35	(-35)	(-35)	-33	(-33)
	price expectations	:	:	:	+9	+8	+4	+9	+24	(+9)	+24	(+24)	(+24)	+50	(+50)
	construction confidence indicator (a)	:	:	:	-78	-23	-30	-25	-42	(-25)	-42	(-42)	(-42)	-48	(-48)
F	order-books	:	:	-26	-73	-52	-48	-44	-41	(-44)	-41	(-41)	(-41)	-36	(-36)
	employment expectations	:	:	-8	-47	-24	-15	-20	-12	(-20)	-12	(-12)	(-12)	-12	(-12)
	price expectations	:	:	-17	-57	-38	-32	-32	-27	(-32)	-27	(-27)	(-27)	-24	(-24)
	construction confidence indicator (a)	:	:												
IRL	order-books	:	:	:	-44	-34	-36	-30	-35	(-30)	-35	(-35)	(-35)	-19	(-19)
	employment expectations	:	:	:	-39	-19	-22	-20	-13	(-20)	-13	(-13)	(-13)	-1	(-1)
	price expectations	:	:	:	:	-16	-18	-16	-10	(-16)	-10	(-10)	(-10)	-7	(-7)
	construction confidence indicator (a)	:	:	:	-42	-27	-29	-25	-24	(-25)	-24	(-24)	(-24)	-10	(-10)
I	order-books	-25	-68	-8	-62	-36	-34	-38	-38	-39	-33	-39	-42	-42	-46
	employment expectations	+10	-44	-2	-39	-21	-23	-13	-19	-16	-20	-12	-26	-5	-18
	price expectations	+85	+30	+79	+2	+14	+12	+19	+13	+15	+17	+12	+11	+11	+10
	construction confidence indicator (a)	-8	-56	-5	-51	-29	-29	-26	-29	-28	-27	-26	-34	-24	-33
L	order-books	+21	-50	+15	-79	-60	-63	-50	-36	-51	-36	-35	-36	-25	-1
	employment expectations	+31	-39	+46	-75	-42	-36	-26	-11	-15	-11	-13	-9	+1	+6
	price expectations	+82	+11	+81	-49	-10	-2	-2	-4	-6	-1	-6	-6	+12	+9
	construction confidence indicator (a)	+26	-45	+31	-77	-51	-50	-38	-24	-33	-24	-24	-23	-12	+3
NL	order-books	-8	-81	-10	-61	(-32)	(-34)	-23	-18	-15	-21	-20	-13	-6	-7
	employment expectations	+14	-13	+15	-31	(-6)	(-5)	-7	+3	-6	-2	+2	+10	+16	+17
	price expectations	+3	-47	+3	-46	(-19)	(-20)	-15	-8	-11	-12	-9	-2	+5	+5
	construction confidence indicator (a)														
UK	order-books	:	:	-1	-71	-37	-37	-35	-27	(-35)	-27	(-27)	(-27)	-30	(-30)
	employment expectations	:	:	+15	-49	-12	-10	-1	-3	(-1)	-3	(-3)	(-3)	-7	(-7)
	price expectations	:	:	+74	-22	+11	+9	+12	+23	(+12)	+23	(+23)	(+23)	+23	(+23)
	construction confidence indicator (a)	:	:	+7	-60	-25	-24	-18	-15	(-18)	-15	(-15)	(-15)	-19	(-19)
EUR	order-books	:	:	-9	-63	-51	-49	-45	-42	(-45)	-42	(-41)	(-42)	-41	(-40)
	employment expectations	:	:	+7	-33	-24	-19	-13	-12	(-14)	-12	(-10)	(-13)	-10	(-10)
	price expectations	:	:	-1	-48	-38	-34	-29	-27	(-30)	-27	(-26)	(-28)	-26	(-25)
	construction confidence indicator (a)	:	:												

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

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

Source: European Community business surveys.

balance) is certainly due to some extent to the expected price stability, which is encouraging more saving.

In the *Netherlands*, the consumer confidence indicator reached a new high in May since the introduction of these surveys in 1972. The main reason for this was the optimistic assessments of the general economic situation. However, Dutch consumers' assessments of their own financial positions and their increasing readiness to make purchases reflect their greater confidence and point to further buoyant consumer demand. It remains to be seen, however, how far this trend will be influenced in the coming months by the economy measures announced by the Government.

According to the new survey, far fewer *Danish* consumers than in April currently consider it appropriate to make large purchases (-3 compared with +15 in April; balance). The somewhat less favourable assessment which consumers had of their own financial positions also helped to bring about a deterioration in the consumer climate in Denmark. This was triggered primarily by the recent measures taken by the Danish Government to curb the growth in private consumption (various sales taxes introduced or increased). This should slow down import

growth and thus help to reduce the balance of payments deficit. The consumer survey findings of the next few months will show whether the recent deterioration in the consumer climate is symptomatic of a decline in the propensity to make purchases or whether it is merely a temporary phenomenon.

In *Greece*, the slight improvement in the consumer climate in April was shortlived, the negative trend of the previous months was again in evidence in May. This was reflected both in assessments of the general economic situation and in private households' views concerning their own financial positions.

Purchasing power of private households rises in 1986 in all income groups. — The situation with regard to real incomes is currently regarded by private households in the Community as markedly more favourable than at any time in the previous seven years (see Graph 9). This survey finding is supported by the Commission services' forecasts, according to which the real disposable incomes of wage and salary earners in the Community will increase by some 3% in 1986 (see Table 5).

This situation should be viewed all the more positively in that the rate of inflation (consumer prices) will fall in 1986 in the Community to 3.5%, the lowest level for 20 years.

TABLE 4: Consumer opinion on economic and financial conditions

		1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1985			1986				
												Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May
B	Consumer Confidence (a)	-5	-8	-8	-10	-20	-27	-27	-28	-27	-21	-17	-20	-21	-18	-22	-20	-19	-17
	Financial situation of households																		
	over last 12 months	-11	-12	-11	-11	-15	-19	-25	-29	-31	-23	-19	-16	-18	-16	-18	-16	-15	-15
	over next 12 months	0	-3	-3	-3	-6	-9	-12	-15	-18	-13	-10	-10	-7	-4	-10	-8	-6	-4
	General economic situation																		
DK	over last 12 months	-49	-47	-47	-44	-58	-69	-68	-62	-57	-33	-14	-25	-27	-27	-32	-30	-29	-27
	over next 12 months	-15	-25	-28	-29	-45	-51	-43	-38	-33	-17	-2	-9	-13	-9	-17	-14	-11	-14
	Major purchases (at present)	48	46	46	38	23	15	13	6	6	-18	-37	-40	-38	-34	-35	-33	-34	-24
	Consumer Confidence (a)	2	-3	-1	-2	-19	-17	-12	0	6	4	7	:	:	7	:	:	-1	-5
	Financial situation of households																		
D	over last 12 months	7	3	2	1	-10	-12	-7	-4	-2	-3	2	:	:	1	:	:	-3	-4
	over next 12 months	9	6	6	3	-8	-4	-2	0	3	3	4	:	:	5	:	:	1	-1
	General economic situation																		
	over last 12 months	-35	-43	-31	-34	-56	-47	-42	-4	4	2	5	:	:	8	:	:	-12	-11
	over next 12 months	-14	-26	-21	-24	-42	-29	-23	3	6	4	7	:	:	5	:	:	-6	-6
GR	Major purchases (at present)	46	43	41	42	21	10	16	7	14	14	18	:	:	17	:	:	15	-3
	Consumer Confidence (a)	5	1	5	6	-5	-22	-26	-15	-10	-7	-3	-5	-5	-2	0	1	2	1
	Financial situation of households																		
	over last 12 months	-4	-2	1	2	-4	-16	-18	-14	-11	-8	-4	-7	-7	-2	-2	-3	-1	-2
	over next 12 months	1	0	2	2	-3	-12	-14	-9	-6	-4	-1	-3	-2	-1	0	0	2	0
I	General economic situation																		
	over last 12 months	-4	-11	-5	3	-18	-46	-51	-29	-14	-11	-5	-6	-4	-1	0	3	4	5
	over next 12 months	8	-5	-1	1	-19	-33	-32	-14	-10	-6	-3	-2	-3	-1	0	2	3	3
	Major purchases (at present)	26	24	31	25	18	-1	-17	-8	-9	-8	-4	-7	-8	-3	1	5	3	0
	Consumer Confidence (a)	:	:	:	:	:	:	0	-11	-4	-5	-16	:	:	-13	-16	-19	-18	-21
GR	Financial situation of households																		
	over last 12 months	:	:	:	:	:	:	-2	-13	-8	-8	-15	:	:	-18	-19	-21	-22	-24
	over next 12 months	:	:	:	:	:	:	15	0	6	2	-11	:	:	-6	-6	-12	-7	-11
	General economic situation																		
	over last 12 months	:	:	:	:	:	:	-2	-11	-4	-10	-24	:	:	-23	-26	-26	-24	-26
I	over next 12 months	:	:	:	:	:	:	25	6	10	3	-14	:	:	-3	-5	-12	-6	-12
	Major purchases (at present)	:	:	:	:	:	:	-35	-35	-24	-20	-18	:	:	-16	-22	-26	-29	-29
	Consumer Confidence (a)	-32	-25	-18	-17	-22	-22	-18	-24	-15	-12	-15	-12	-16	-9	-10	-5	-5	-3
	Financial situation of households																		
	over last 12 months	-25	-20	-14	-13	-14	-14	-13	-15	-12	-10	-10	-10	-12	-6	-8	-7	-6	-5
NL	over next 12 months	-13	-11	-6	-7	-10	-8	-6	-8	-3	-2	-5	-3	-4	1	-1	0	1	1
	General economic situation																		
	over last 12 months	-75	-61	-45	-43	-57	-60	-51	-57	-36	-26	-30	-27	-30	-24	-22	-16	-11	-8
	over next 12 months	-29	-23	-14	-19	-30	-30	-24	-25	-9	-8	-16	-9	-16	-3	-5	6	4	7
	Major purchases (at present)	-18	-12	-10	-3	2	4	1	-13	-15	-15	-13	-13	-18	-13	-15	-9	-11	-9
UK	Consumer Confidence (a)	-5	-2	-1	-8	-25	-31	-32	-30	-22	-7	-1	:	:	6	:	:	5	9
	Financial situation of households																		
	over last 12 months	-3	0	4	1	-9	-18	-20	-28	-26	-17	-11	:	:	-6	:	:	-4	-3
	over next 12 months	-7	0	1	1	-9	-13	-14	-21	-17	-6	-1	:	:	2	:	:	1	3
	General economic situation																		
EUR 9*	over last 12 months	-42	-31	-23	-30	-55	-64	-64	-54	-19	8	16	:	:	24	:	:	18	25
	over next 12 months	-14	-15	-16	-26	-48	-42	-42	-28	-5	10	12	:	:	24	:	:	13	19
	Major purchases (at present)	40	38	28	13	-2	-17	-21	-18	-44	-29	-23	:	:	-13	:	:	-2	-1
	Consumer Confidence (a)	-15	-8	8	-4	-18	-21	-12	-3	-4	-10	-7	-7	-7	-7	-14	-11	-8	-8
	Financial situation of households																		
UK	over last 12 months	-30	-34	-10	-11	-24	-30	-27	-15	-15	-16	-13	-14	-12	-11	-17	-16	-17	-16
	over next 12 months	-11	-7	3	-1	-13	-15	-9	-2	-3	-5	-2	-4	-2	-4	-7	-6	-5	-3
	General economic situation																		
	over last 12 months	-56	-38	0	-33	-55	-62	-40	-23	-25	-37	-31	-30	-27	-31	-44	-37	-31	-28
	over next 12 months	-7	6	5	-16	-24	-23	-10	-5	-10	-16	-13	-13	-12	-16	-25	-20	-13	-12
EUR 9*	Major purchases (at present)	29	35	43	43	28	26	25	32	31	24	25	24	17	27	24	23	24	21
	Consumer Confidence (a)	-6	-6	0	-3	-13	-19	-17	-15	-14	-12	-9	:	:	-7	:	:	-5	-5
	Financial situation of households																		
	over last 12 months	-11	-11	-4	-5	-11	-17	-16	-15	-15	-12	-9	:	:	-7	:	:	-8	-8
	over next 12 months	-3	-2	2	0	-6	-9	-8	-7	-6	-4	-2	:	:	0	:	:	0	0
EUR 9*	General economic situation																		
	over last 12 months	-32	-29	-16	-22	-41	-51	-44	-37	-31	-28	-23	:	:	-18	:	:	-15	-14
	over next 12 months	-8	-11	-8	-16	-30	-30	-24	-21	-18	-14	-12	:	:	-6	:	:	-5	-4
	Major purchases (at present)	26	25	29	27	22	12	6	5	0	-3	-1	:	:	-1	:	:	2	1

(a) 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.

* The EUR 9 results are derived from interpolated figures for France and Ireland.

Source: European Community consumer survey.

All income groups are benefitting from the increase in purchasing power in real terms in 1986. This is shown in Graph 10, where, for four member countries (Federal Republic of Germany, France, Belgium and the Netherlands), private households' assessments of their own financial positions are broken down by three income groups (lower and upper quarters of the income pyramid and the middle income groups). These graphs at the same time demonstrate the unsocial nature of inflation: following the first oil shock, the rate of inflation (consumer prices) rose in the Community to 14% (1974). It brought with it even sharper wage rises; at the highest, the increase in wages per person employed in the Community reached 18% (1975). However, the price/wage spiral led to a real rise in purchasing power only in the upper quarter of the income pyramid. The bulk of private households, particularly those in the lower quarter of the income pyramid, had to endure marked income losses in real terms.

When, in 1978, the real income position of private households had again stabilized to some extent, the second oil shock caused

even more pronounced losses of purchasing power. This time, monetary and fiscal policies prevented a rise in inflation similar to that following the first oil shock and thus created a situation in which the real adjustment to the reduced distributional scope was imposed more quickly and evenly on all income groups. It was not until 1984 that private households again achieved a real increase in incomes at Community level. This positive trend has improved spectacularly in 1986, since, thanks to the fall in oil prices and the US dollar, the rate of increase of private consumer prices will fall from 5.8% in 1985 to a forecast 3.5% in 1986. As indicated at the outset, real wages in the Community will increase by 2.6% and real disposable incomes by as much as 3% per employee in 1986.

Despite the considerable improvement in real incomes, real labour costs in the Community will rise only moderately in 1986 (0.6%; see Table 5). This ideal combination has been brought about by the fact that the improvement in the terms of trade has markedly increased the distributional scope in most member countries.

TABLE 5: Forecast trend of wage and salary incomes and of wage costs in the Community in 1986 (Change per employee compared with 1985 as %)

	Total gross wages and salaries per employee		Real disposable income per employee (a,b)	Real wage costs per employee (c)
	nominal	real (a)		
B	3,0	1,8	3,1	-1,0
DK	3,1	0,6	-1,5	-1,5
D	4,0	4,0	4,3	1,3
GR	15,2	-5,9	-5,3	-5,5
E	8,6	0,6	1,5	-2,2
F	4,3	1,8	3,3	-0,1
IRL	6,6	3,6	3,1	0,5
I	7,6	1,9	3,5	-1,4
L	4,2	3,4	2,9	-1,8
NL	2,2	2,3	2,6	2,2
P	17,2	4,6	5,8	-0,7
UK	7,7	3,6	3,3	3,9
EUR 12	6,1	2,6	3,0	0,6

(a) Adjusted for price changes, applying the private consumer price deflator.

(b) Including taxes and transfer payments made and received.

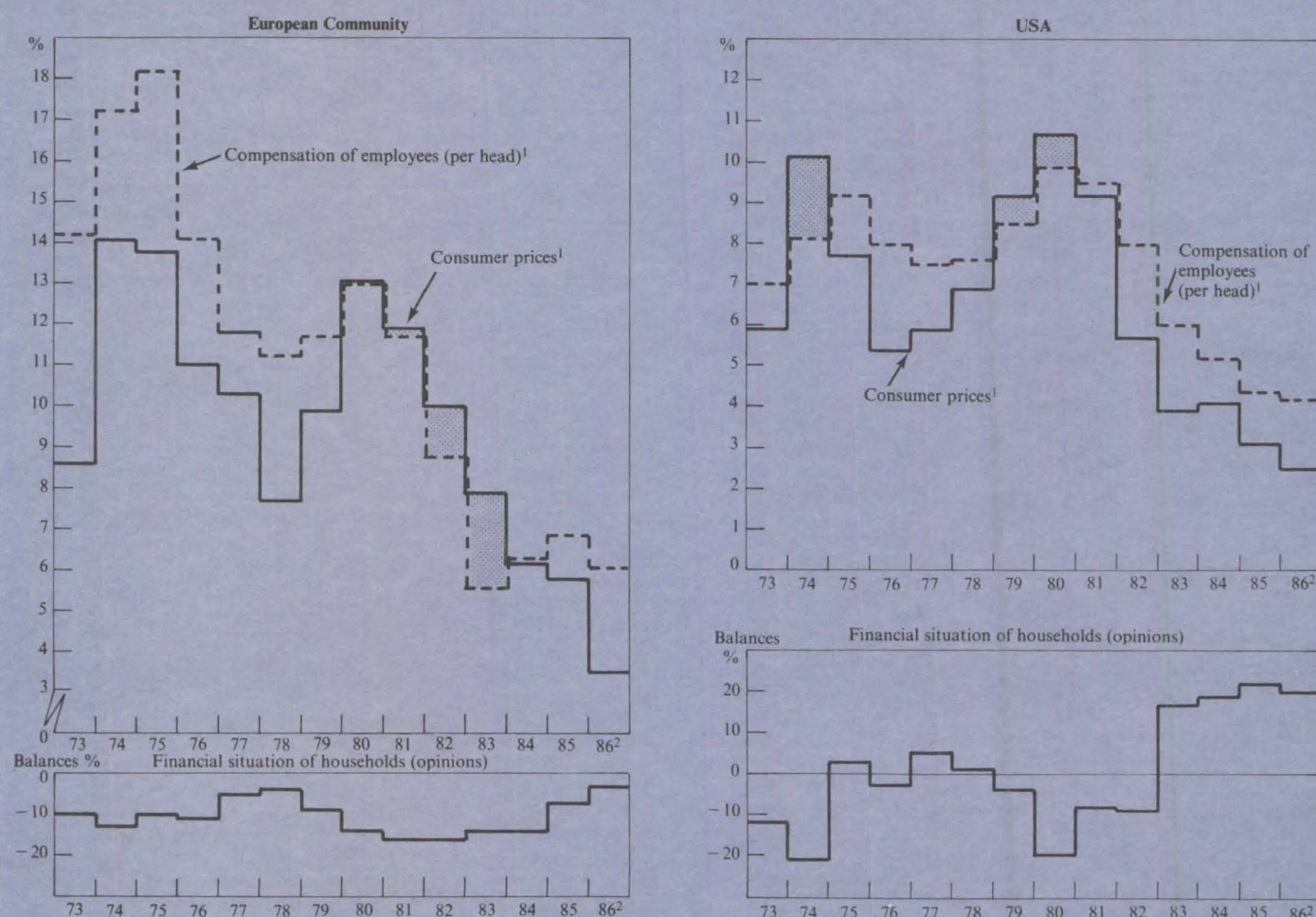
(c) Total wages and salaries per employee (including employers' social security contributions), adjusted for price changes, applying the GDP price deflator.

Sources: Commission services' economic forecasts (May 1986).

Such externally-induced gains in purchasing power are not expected next year in the Community, or only to a slight extent. Price stabilization must therefore mainly take place internally. This emphasizes the need to allow real wages to rise only slowly in 1987.

The considerable benefits to be drawn by private households in the longer term from a moderate wage trend—supplemented by tax cuts—are demonstrated by the example of the United States since 1983. Despite wage agreements which provided smaller nominal increases than in the Community, the assessments of households in the United States concerning real incomes in the last four years have improved even more sharply than those in the Community (see Graph 9). These confident assessments of the incomes trend continue to be reflected strongly in purchasing behaviour in the United States. On balance at the end of May, 58% of households in the United States considered the time ripe to make major purchases; this percentage is close to the all-time high achievement in more than 30 years of these surveys in the United States (+68 in January 1986). In the Community, the corresponding figure for this question is currently +1 (balance) compared with a high of +29 in 1978 (see Table 4).

GRAPH 9: Prices and incomes in the European Community and in the United States of America



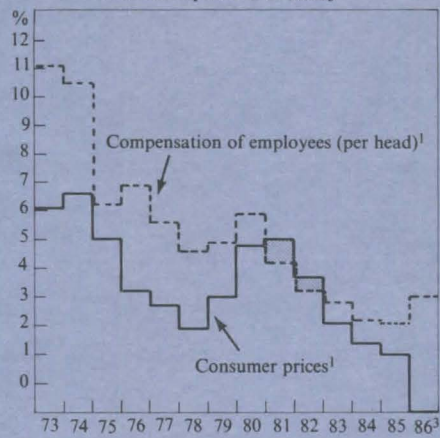
¹ Percentage change on preceding year.

² 1986: estimation.

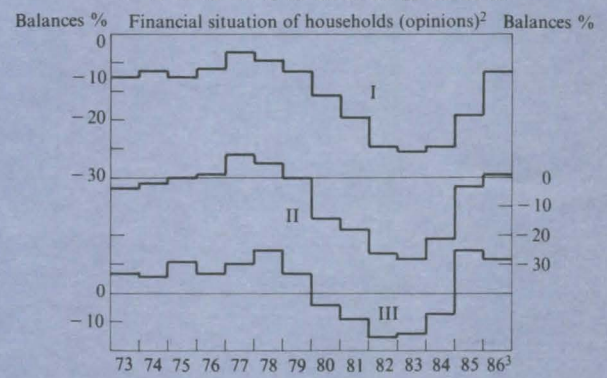
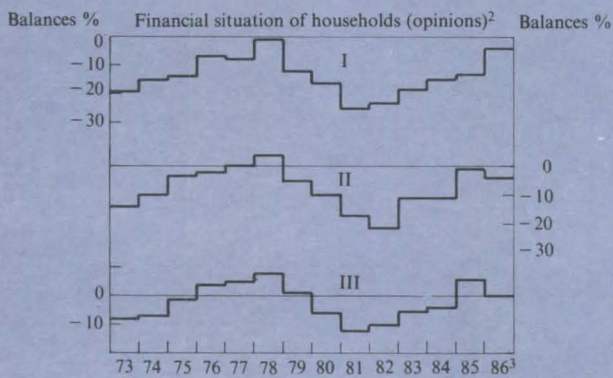
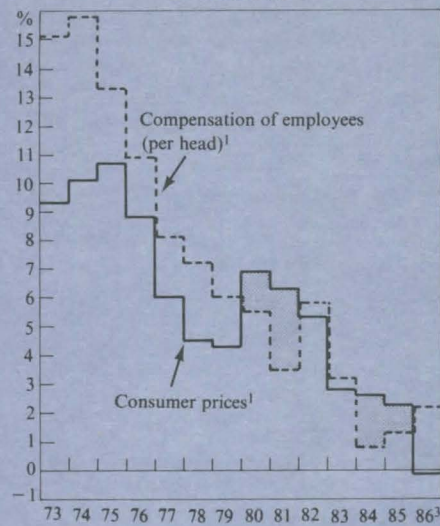
Source: Eurostat, Commission; European Community consumer survey; Survey Research Center of the University of Michigan, USA.

GRAPH 10: Consumer prices and incomes in four member countries

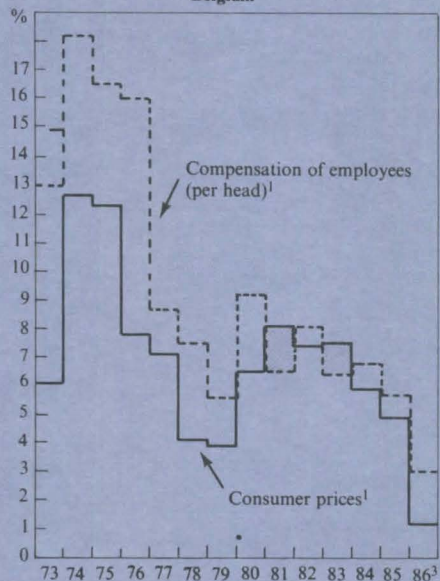
Federal Republic of Germany



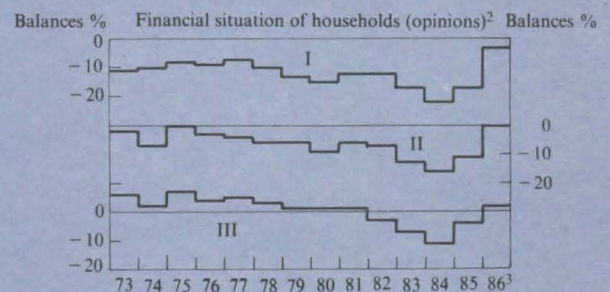
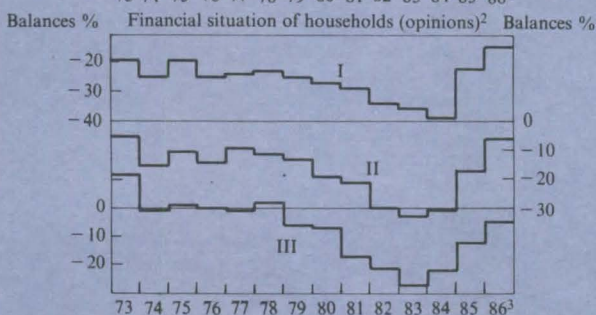
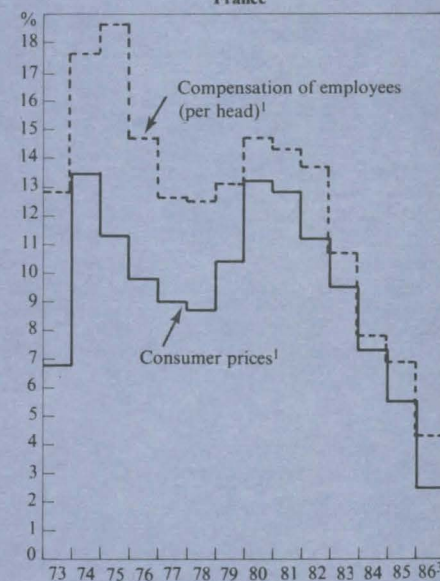
Netherlands



Belgium



France



¹ Percentage change on preceding year.

² I = lower income classes (left-hand scale)
II = middle income classes (right-hand scale)
III = upper income classes (left-hand scale)

³ 1986: estimation.

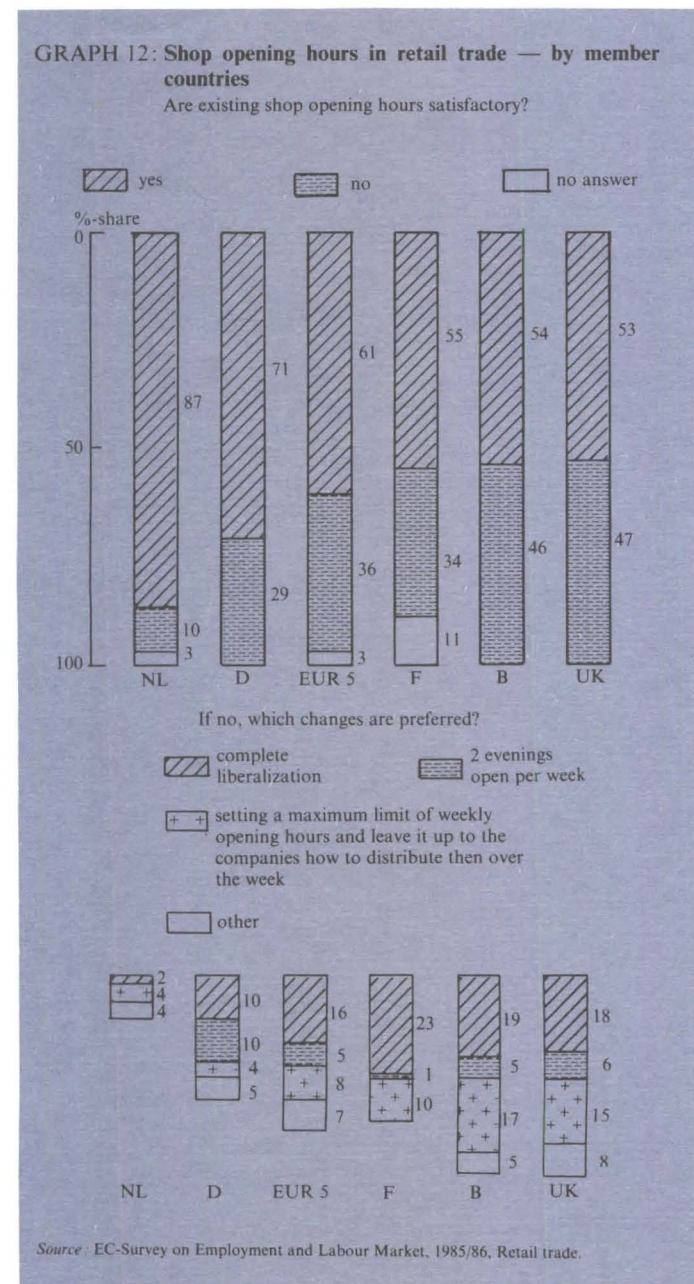
Sources: Eurostat; Commission; European Community consumer survey.

Survey on labour market flexibility in European retail trade

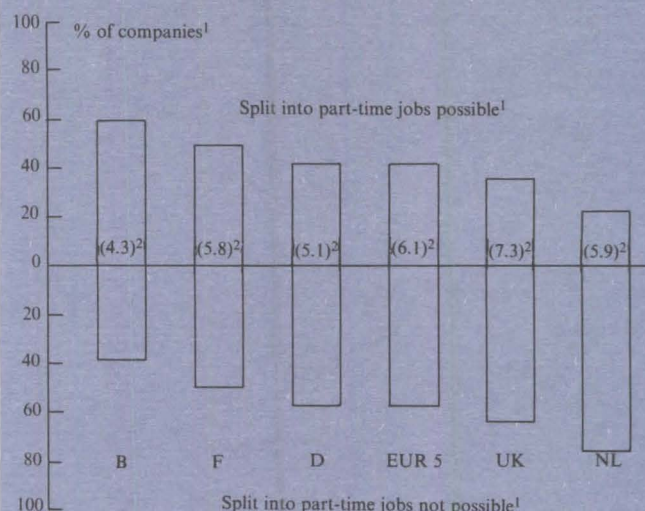
The Commission services have organized two special surveys in the member countries on labour market issues. First results of the surveys addressed to employees and industrial companies have already been published¹. In this contribution summary results of the survey in European retail trade are presented. The results are based on the replies of a representative sample of retail firms in 5 member countries (Belgium, France, Ireland, the Republic of Germany, the Netherlands and the United Kingdom). The full report on the survey in industry, retail- and wholesale trade as well as the one directed to employers will be published in European Economy no. 27 (July 1986).

- In the retail trade, the firms surveyed expect only a slight increase in their workforces at Community level over the next twelve months. The increase in employment resulting from the anticipated growth in turn-over is thus too small to be able on its own to make any significant contribution to solving the labour market problem. This emphasizes once again the need for additional measures on the labour market.
- The three key measures that would induce firms to take on more staff than planned are: *lower starting pay, shorter periods of notice and simpler legal procedures in the event of*

¹ See European Economy, Supplement B, October 1985 and April 1986.



GRAPH 11: Split of full-time jobs into part-time jobs possible in retail trade by member countries



¹ % of companies being able/not able to split full-time jobs into part-time jobs.
² % of full-time jobs, which would be split into part-time jobs (average).

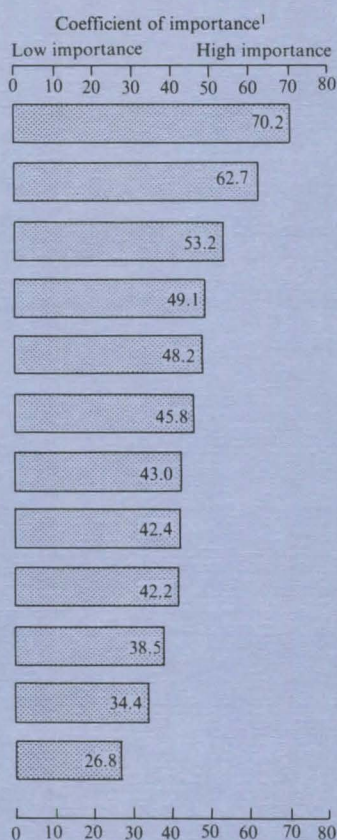
Source: EC-Survey on Employment and Labour Market, 1985/86, Retail trade.

redundancies and dismissals, and wider wage differentials. More flexible working time arrangements are also regarded as being of major importance for the level of employment (ranked fourth; in France, actually marked first). In contrast to industry, the item 'better trained job seekers' was marked only in the lower half of the list. Obviously, the distributive trades have fewer problems than industry in finding suitably skilled workers; firms in the distributive trades - and no doubt also in other service sectors - regard changes in wage structure as being more important. The retail trade also attaches much less significance than industry to more frequent use of temporary contracts; this may be due to the fact that, in the retail trade at any rate, the proportion of workers on temporary contracts is already relatively high (5% compared with 2% in industry).

- By contrast, the distributive trades and industry are both equally sceptical of the impact which a reduction in standard weekly working hours—even if cost-neutral—and a functional improvement in public employment offices would have on the level of employment: firms in the distributive trades consider that both measures would have relatively little direct effect on employment (see Graphs 13 and 14).
- If the changes on the labour market desired by firms in the distributive trades were put into effect, retailers would revise their employment plans for the next twelve months upwards by 3.2%.
- The retail trade believes there is still considerable scope for splitting full-time jobs into part-time jobs, (6.1% of full-time jobs in the retail trade as against 3.3% in industry; see Graph 11). It must be borne in mind here, however, that in the retail trade, a large proportion of total employment is already accounted for by part-time workers (36% in the retail trade as against 6% in industry). Nevertheless, even if the number of full-time jobs which firms think could be split is expressed as a proportion of all jobs, there is still considerable potential available in the retail trade (3.9% as against 2.9% in industry).
- One third of European retailers think that changes are needed in shop opening hours. The main change preferred is complete liberalization of opening hours (see Graph 12). Only among smaller retail firms (fewer than 20 employees), just one fifth of whom thought opening hours should be changed, was a maximum limit of weekly opening hours the main change preferred. 39% of retailers thought that more flexible opening hours would have a positive impact on employment and only 7% thought they would have a nega-

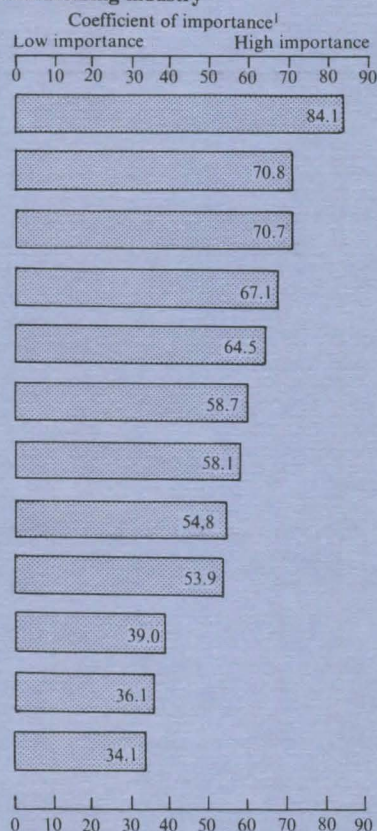
GRAPHS 13-14: Importance of changes in the labour market in industry and retail trade at Community level — ranked according to expected impact on employment plans

GRAPH 13: Retail trade



- I. Introduction of "initial wage rates" (i.e. lower wages/salaries for new starters)
- II. Shorter periods of notice and simpler legal procedure in case of redundancies and dismissals
- III. Introduction of wider wage differentials according to skills and working conditions
- IV. More flexible working time arrangements at company level
- V. (Higher) temporary employment subsidies
- VI. More frequent use of temporary contracts (fixed term, interim work, etc.)
- VII. Introduction of (more) profit-oriented components in contractual salaries
- VIII. More flexible shop opening hours
- IX. Better trained job seekers
- X. Reduction of redundancy payments that may have to be paid
- XI. Reduction in standard weekly working hours (cost-neutral)
- XII. Functional improvement of public employment offices

GRAPH 14: Manufacturing industry



- I. Shorter periods of notice and simpler legal procedure in case of redundancies and dismissals
- II. More frequent use of temporary contracts (fixed term, interim work, etc.)
- III. Better trained job seekers
- IV. Introduction of wider wage differentials according to skills and working conditions
- V. Greater emphasis on productivity in determining wages and salaries
- VI. Introduction of "initial wage rates" (i.e. lower wages/salaries for new starters)
- VII. More flexible working time arrangements at company level
- VIII. Reduction of redundancy payments that may have to be paid
- IX. (Higher) temporary employment subsidies
- X. Functional improvement of public employment offices
- XI. Reduction in standard weekly working hours (cost-neutral)
- XII. Introduction of (more) profit-oriented components in contractual salaries

¹ The coefficient is calculated as difference of weighted positive impact ("significant positive impact" weight +2, "little positive impact" weight +1 and negative impact (weight -1)).
Source: EC-Survey on Employment and Labour market, 1985/86 Industry.

tive impact. Nevertheless, the retail trade ranked this point eight amongst the twelve proposed changes. However, there were distinct differences between countries. It was precisely in those member countries in which shop opening hours in the retail trade are already the most liberal (e.g. Belgium) that the desire for greater flexibility and also the expected impact on employment were greatest. This lends weight to

the assumption that the lack of practical experience with more flexible shop opening hours is in many cases, for example in the Federal Republic of Germany and the Netherlands, partly to blame for the widespread scepticism of firms on this point.

20 June 1986

Institutes carrying out the surveys					
Country	Survey: Manufacturing industry	Construction	Investment	Retail sale	Consumer survey
Belgium	BNB Banque Nationale de Belgique	BNB	BNB	BNB	DIMARSO Gallup Belgium
Denmark	DS Danmark Statistik	DS	DS	—	DS
Federal Republic of Germany	IFO Institut für Wirtschafts- forschung	IFO	IFO	IFO	GfK Gesellschaft für Konsumforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSS National Statistical Service
France	INSEE Institut National de la Statistique et des Études Économiques	INSEE	INSEE	INSEE	INSEE
Ireland	CII and ESRI Confederation of Irish Industries and Economic and Social Research Institute	CIF Construction Industry Federation	CII and ESRI	—	AI Agricultural Institute
Italy	ISCO Istituto per lo Studio della Congiuntura	ISCO	ISCO	ISCO	ISCO
Luxembourg	STATEC Service Central de la Statistique et des Études Économiques	STATEC	STATEC	—	—
Netherlands	CBS Centraal Bureau voor de Statistiek	EIB Economisch Instituut voor de bouw en nijverheid	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
'European Economy' (4 issues per year)	36.76	1 650	26.50	21.75	30	The annual subscription runs from 1 January to 31 December of each year.
Supplements						
Series A — 'Economic trends' (11 issues per year)	12.26	550	8.75	7.25	11	Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.
Series B — 'Business and consumer survey results' (11 issues per year)	16.71	750	12	10	14	
Complete series of supplements	27.85	1 250	20	16.50	23	These are surface mail rates; for air subscription rates please apply to the agents
Combined subscription — 'European Economy' and supplements	49.01	2 200	35	29	40	



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg



CB-AT-86-006-EN-C