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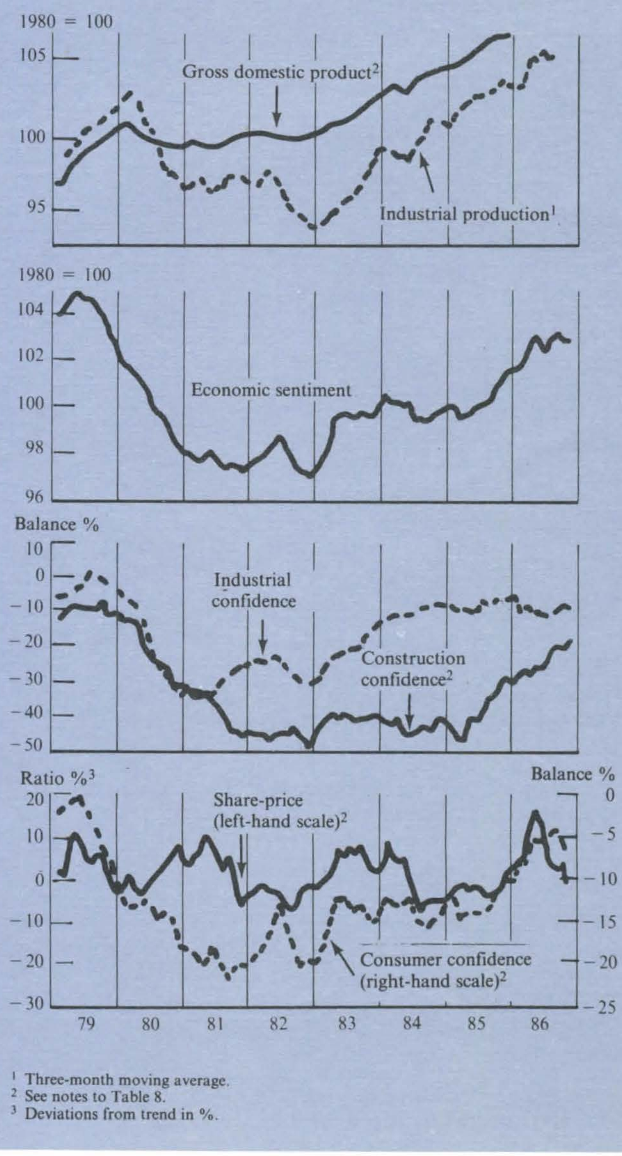
Export expectations in industry

Business and consumer survey results

THE MAIN POINTS IN BRIEF

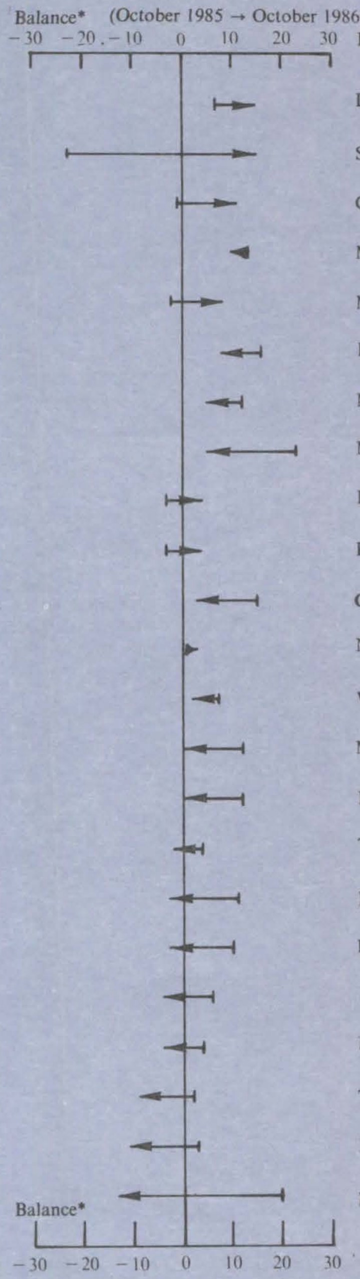
- European industry is expecting a slight revival in exports in the coming three to four months, especially of basic materials.
- A disproportionately strong improvement was recorded in the export expectations of British industry, probably a result of sterling's recent depreciation.
- Capacity utilization in industry has dipped slightly since the middle of the year (from 82.5 % in July to 82.1 % in October), the decline being concentrated in the capital goods industry.
- The European leading indicator was unchanged in October. A somewhat brighter consumer climate and a continuing improvement in economic confidence in building and construction were offset by a somewhat more unfavourable industrial indicator and by falling share prices.

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: **Export volume expectations of the industry at Community level; comparison between October 1986 and October 1985**



* Difference between the percentages of respondents giving positive and negative replies to the question on export volume expectations for the next months.

Export expectations in industry show further slight improvement but are still gloomier than a year earlier. — Industrial firms in Europe expect exports to recover a little in the coming three to four months (balance +2 compared with +1 in July). The survey does not reveal whether the anticipated boost will translate mainly into somewhat brisker trade within the Community or whether exports to third countries will again rise. However, compared with export prospects last October, the present survey data for most branches of industry paint a slightly less favourable picture (see Graph 2).

Export expectations in industry in the United Kingdom showed a disproportionately marked improvement (+16 compared with +1 in July; balance). This was probably due in large measure to the recent depreciation of sterling. Export expectations in Italy, the Netherlands and Greece remained comparatively cautious. Although industry in France still does not look to any increase in exports in volume terms in the coming months, the pessimism that still prevailed at the time of the previous survey has largely dissipated (−4 compared with −17; balance). In the Federal Republic of Germany, export expectations have worsened steadily since the spring of 1985 and are now the gloomiest in the Community, with the exception of Luxembourg (balance −6) [1].

Taking the breakdown by branch of industry, the slight revival expected in exports is confined essentially to the *basic materials sector* (+4 compared with −3 in the third quarter; balance). A comparison with export expectations in October last year also points to a slight improvement. Especially where chemicals and mineral-oil products are concerned, there are renewed prospects of a rise in exports following the contraction in the first half of the year. Clearly, stocks of primary and intermediate products which were partly run down in the spring, are being replenished to some extent.

In the *consumer goods industry*, firms take the view that the slight improvement in the trend of exports will continue (balance +3). However, the upward trend is expected to gather momentum for the most part only in the leather industry (balance +15).

In the *investment goods industries*, the growth in exports has slackened distinctly since the beginning of the year; firms expect the trend to become even more pronounced in the months ahead (balance −3). At a more detailed level, this is also the feeling in electrical engineering, in mechanical engineering, and in instrument engineering, optics and the like. Against this, firms see a further improvement in export opportunities in the office and data-processing machinery sectors. Even shipbuilding, which is facing severe structural difficulties, is expecting to pick up a little but the vast majority of firms in the industry continue to regard the level of demand as inadequate.

Capacity utilization in industry down a little. — Even after the recent decline (from 82.5 % in July to 82.1 % in October), the degree of capacity utilization remains comparatively high on a longer-term view. It must not, however, be forgotten that industrial activity in the Community has been slackening since mid−1985, especially in the European *investment goods* industry, where capacity utilization at Community level fell from 83.8 % in mid−1985 to 81.5 % recently. Alongside weaker demand, especially from third countries, this reflects the expansion of capacity that has taken place in the last two years in most branches of the industry. The proportion of European investment goods manufacturers taking the view that their capacity is too large in relation to the expected rate of intake of new orders in the coming twelve months rose from 19 % in April to 25 % in October (balance). In line with past experience, the *consumer goods industry* presents a more cheerful picture although in spite of buoyant final demand, capacity utilization is also down a little on July (from 84.0 % to 83.2 %) but is still decidedly higher than a year earlier. The overall improvement in the situation in the consumer goods industry is also reflected in the fact that the proportion of firms fearing over-capacity in the coming twelve months has fallen markedly (22 % compared with 28 % in July; balance). Particularly noteworthy are the results for the French motor vehicle industry, where the hitherto predominant reports of excessive manufacturing capacities have virtually disappeared. In the *basic materials industry*, output again showed some signs of consolidation following the contraction in demand in the spring (capacity utilization of 81.9 % compared with 81.3 % in July). However, the number of firms in the industry experiencing problems with capacity utilization, mainly on account of the structural difficulties in the steel industry, was still disproportionally high (27 %; balance).

In October, the United Kingdom was the sole exception to the generally slight downward trend in capacity utilization (85.7 % compared with 84.8 %). Clearly, sterling's depreciation in recent months has led to an improvement in the price competitiveness of UK industry.

Judging by the production expectations of industrial firms, the degree of capacity utilization in the months ahead will probably rise in the United Kingdom and Ireland especially although it is likely to fall further in Belgium and Luxembourg.

[1] According to the most recent but still provisional figures, however, this downward trend in export expectations in the Federal Republic of Germany did not continue in November.

Overall, an unchanged or, at least, slowly rising level of capacity utilization in European industry is in prospect for the coming three to four months. Whereas, taking the average for European industry, around one quarter of firms described their manufacturing capacities as being excessive, firms in the Netherlands, Denmark and Luxembourg continue to expect few, if any problems in this connection.

Since the pressure on plant capacities and even more so, strains on the labour market in the Community are much less marked than in the later phases of previous cycles, no pressures have as yet built up on the prices front. However, industrial firms' expectations regarding selling prices in the coming three months point to a continuing small increase.

European leading cyclical indicator unchanged in October. — The decline in September could not be made up in October. The impact of the continuing slight improvement in the consumer climate and of the further rise in economic confidence in building and construction was nullified in the calculation of the composite indicator by the somewhat less favourable industrial indicator and by falling share prices. It was only in the United Kingdom and, to a lesser extent, in Ireland that the overall indicator picked up. In most other Member States, it remained roughly unchanged although something of a decline was recorded in France and Belgium.

Retail trade and consumer surveys. — The distinctly more buoyant consumer climate since 1986 (according to Commission estimates, private consumers' spending rose by over 3.5 % in real terms in 1986) was also reflected in a noticeable recovery in retail sales in Europe. This can be seen in Graphs 9 to 12, which show for four Member States[2] by how much European retailers' assessments of their business situation in the course of 1986 were more optimistic or more pessimistic than in the corresponding month a year earlier. In the Federal Republic of Germany, France and Belgium the assessments made in most of the months this year were much more cheerful in all five product groups surveyed than in 1985. The United Kingdom, where the consumer climate was already very buoyant last year, with private consumption growing in real terms by 3.5 % compared with an average of 2.2 % for the Community as a whole, is the only Member State in which the business situation so far this year has, if anything, weakened slightly, especially in the textile and household appliance sectors. The vast majority of retail firms in all four Member States surveyed expect sales to be higher in the months ahead than in the corresponding period a year earlier.

Consumer survey — The consumer confidence indicator for the Community showed a further small improvement in October after dipping slightly in September but the level recorded in the

[2] Business surveys in the retail trade are conducted on a harmonized basis in the Federal Republic of Germany, France, the United Kingdom, Belgium, the Netherlands and Italy. It is only in the first four Member States mentioned that the survey series go back far enough to permit a year-on-year comparison.

TABLE 1: **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)		1985	1986	1985				1986			
	Peak 1979	Trough 1981/82			J	A	J	O	J	A	J	O
D	+6	−15	+8	−3	+8	+11	+6	+6	−1	−3	−3	−6
GR	:	−13	+27	+20	+27	+24	+33	+23	+20	+21	+19	+18
F	+13	−23	+1	−7	+3	−2	−5	+6	0	−6	−17	−4
IRL	:	−8	+12	+16	+8	+8	+7	+24	+16	+19	+22	+6
I	+16	−14	+9	+9	+11	+6	+6	+12	+1	+11	+14	+11
L	+62	−67	+2	−34	+6	−6	+1	+7	+10	−41	−48	−55
NL	+20	−11	+4	+6	+3	+3	+1	+8	+6	0	+8	+8
UK	:	−4	+15	+9	+22	+16	+14	+9	+4	+14	+1	+16
EUR (c)	+11	−11	+7	+1	+7	+7	+4	+7	0	0	+1	+2

TABLE 2: **Assessment of export order books and export volume expectations in manufacturing industry European Community** (s.a.)
Balances: i.e., differences between the percentages of respondents giving positive and negative replies

Industries	Assessment of export ordre books							Export volume expectations						
	1985			1986				1985			1986			
	A	J	O	J	A	J	O	II	III	IV	I	II	III	IV
Industry as a whole	−15	−14	−15	−19	−25	−25	−26	+7	+4	+7	0	0	+1	+2
Consumer goods	−16	−14	−13	−12	−19	−14	−16	+13	+6	+15	+2	+8	+6	+3
Investment goods	−18	−17	−17	−21	−25	−29	−34	+7	+9	+11	+2	+5	+1	−3
Intermediate goods	−12	−14	−17	−23	−29	−30	−30	+1	−2	−3	−1	−5	−3	+4
Textile industry	−20	−16	−20	−27	−35	−42	−42	+3	+3	+2	−4	−14	−10	−9
Footwear and clothing	−17	−18	−26	−28	−33	−29	−31	+8	−4	+3	−8	−1	+4	−11
Timber/wooden furniture	−38	−30	−34	−31	−44	−42	−40	−1	+4	+4	+1	−4	+4	−2
Manufacture of paper, paper products, printing	−7	−26	−26	−16	−21	−18	−24	+5	−4	−3	+6	+3	+3	+4
of which: manufacture of paper*	−14	−31	−35	−20	−9	−9	−24	+1	−8	−2	+15	+9	+4	+8
Leather	−21	−3	−48	−31	−37	−36	−40	−3	+14	+7	−13	+15	+7	+15
Plastics	−19	−21	−27	−20	−20	−21	−14	+12	+10	+16	+8	+2	+4	+8
Mineral-oil refining	−18	−38	−8	−25	+5	+9	−6	+22	−9	+13	+4	−6	−13	+10
Metals	−26	−23	−29	−45	−54	−53	−46	−12	−6	+6	−7	−13	−18	−4
Non-metallic mineral products	−12	−19	−22	−23	−29	−29	−26	+7	−2	+1	−9	+1	−3	+3
Chemical industry	0	+3	0	−6	−9	−14	−16	+10	+6	−1	+1	−2	−2	+11
Metal articles	−33	−25	−25	−28	−34	−38	−43	+3	+7	+4	+1	+1	−3	−4
Mechanical engineering	−17	−15	−12	−15	−21	−23	−28	+9	+11	+12	+3	+5	+3	0
of which: machines tools	−9	−7	−4	−7	−4	0	−9	+5	+16	+12	+10	+6	+3	+5
Office & data processing machinery*	−13	−20	−57	−29	−16	−27	−18	+37	+57	+39	+11	+42	+11	+39
Electrical engineering	−15	−12	−15	−17	−28	−27	−30	+4	+11	+10	+7	+7	+8	−3
Motor vehicles	−15	−14	−1	+3	−5	+6	−1	+20	+5	+23	+1	+15	+6	+5
Shipbuilding	−86	−77	−64	−70	−51	−55	−58	−32	−27	−23	−25	+1	−2	+15
Rubber products	−18	−21	−19	−16	−27	−25	−27	+15	+20	+20	+7	+15	0	−13
Instrument engineering	−10	−10	−17	−12	−17	−18	−25	+18	+15	+12	+19	+13	+9	0

* Not seasonally adjusted as time-series too short.
(a) The data are collected in January, April, July and October each year.
(b) These are the extreme (high and low) values reached in the period 1979-82.
(c) Weighted total of available country data.
Source: European Community business surveys.

TABLE 3: **New orders in manufacturing industry** (a) (s.a.)
Balances: i.e., differences between the percentages of respondents giving positive and negative replies

	Range (b)		1985	1986	1985				1986			
	Peak 1979	Trough 1981/82			J	A	J	O	J	A	J	O
B	+8	−22	−1	−6	−4	−1	−1	+2	−7	−13	−1	−4
DK	:	−14	+21	+10	+31	+15	+27	+11	+18	+16	+13	−6
D	+17	−26	−1	+1	−11	−6	+4	+9	0	−12	+11	+3
F	+14	−35	−14	−8	−17	−16	−13	−9	−11	−8	−9	−5
IRL	:	−46	−8	−12	−7	−10	−6	−10	−10	−17	−19	−2
I	+7	−25	+6	+7	+6	−5	+3	+19	+4	+8	+7	+7
L	+45	−67	+12	−22	+5	+31	+6	+6	+3	−22	−29	−39
NL	+9	−6	+4	+1	−1	+5	+11	0	−3	−1	+4	+5
UK	:	−21	+15	−5	+15	+15	+12	+16	0	−11	−9	−1
EUR (c)	+14	−27	+2	−1	−2	−2	+3	+10	−1	−6	+1	+1

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

	Range		Range		1985	1986	1985		1986			
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			III	IV	I	II	III	IV
B	4,5	2,8	3,7	3,0	3,4	3,3	3,5	3,4	3,3	3,3	3,2	3,4
D	3,3	2,8	3,4	2,6	2,9	2,8	2,9	2,9	2,9	2,8	2,8	2,8
GR	:	:	:	5,0	5,1	5,9	5,0	4,9	6,0	5,3	6,1	6,1
F	3,5	2,7	4,2	3,3	3,1	2,8	3,2	3,1	2,9	2,7	2,9	2,8
IRL	2,2	1,8	2,6	1,5	2,0	1,9	1,8	1,9	1,9	2,2	1,8	1,8
I	4,7	3,7	5,3	3,8	4,4	4,0	4,3	4,4	4,1	4,1	3,8	3,8
L	3,5	1,4	2,4	1,7	1,9	2,5	2,0	1,9	2,7	2,7	2,3	2,4
NL	4,7	2,6	4,2	2,5	3,1	3,2	3,0	3,3	3,2	3,3	3,2	3,2
UK	:	:	4,2	1,9	3,7	3,9	4,0	4,5	3,6	3,9	3,8	4,3
EUR (c)	3,7	3,0	3,9	3,0	3,4	3,3	3,5	3,6	3,3	3,3	3,3	3,4

TABLE 5: **Capacity utilization in manufacturing industry** (%) (a) (s.a.)

	Range (b)		Range (b)		1985	1986	1984	1985				1986			
	Peak 1973	Trough 1975	Peak 1979/80	Trough 1982/83			O	J	A	J	O	J	A	J	O
B	85,4	70,4	79,1	74,4	78,8	79,4	77,0	78,0	78,4	78,3	80,4	80,9	79,4	78,7	78,7
D	88,1	74,8	86,0	75,3	83,7	84,7	82,3	82,4	82,6	84,9	84,9	85,2	83,5	85,4	84,8
F	87,8	76,6	85,3	81,1	82,8	83,3	82,3	82,5	82,2	83,0	83,3	83,3	83,5	83,2	83,0
IRL	:	:	68,1	56,8	67,3	73,0	63,3	65,9	61,8	72,7	68,8	74,8	76,2	73,0	69,1
I	78,8	68,0	77,3	69,1	74,0	75,2	73,5	73,8	74,3	74,3	73,5	74,2	75,5	75,9	75,1
L	:	:	83,0	66,5	80,9	84,2	81,6	79,0	82,6	82,6	79,5	87,8	83,3	83,6	82,2
NL	86,0	76,0	83,0	75,8	83,8	83,4	83,6	83,5	84,0	84,0	83,6	83,6	83,0	83,7	83,3
UK (e)	90,6	75,5	87,6	73,0	85,8	85,1	84,5	84,9	84,4	87,4	86,6	85,4	84,3	84,8	85,7
EUR (c)	86,4	75,0	83,9	76,4	81,6	82,2	80,6	81,0	80,9	82,4	82,0	82,4	81,8	82,5	82,1

TABLE 6: **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)		1985	1986	1985		1986			
	Peak 1973	trough 1975	Peak 1979/80	Trough 1982/83			J	O	J	A	J	O
B	−12	+58	+35	+53	+29	+26	+32	+26	+24	+26	+26	+29
DK	:	:	+10	+38	+3	+8	+4	−2	0	+8	+13	+9
D	−3	+56	+12	+49	+17	+13	+16	+14	+12	+11	+13	+16
F	−24	+45	+11	+48	+37	+31	+42	+32	+33	+34	+33	+23
IRL	:	+34	+2	+40	+25	+18	+21	+17	+20	+18	+16	+18
I	+1	+63	+17	+58	+37	+37	+38	+39	+41	+35	+33	+37
L	−72	+73	+37	+62	+12	+2	+4	0	−4	+3	+6	+4
NL	−3	+60	+14	+51	+4	+4	+2	+4	+2	+4	+6	+5
UK	:	:	:	+63	+23	+28	+22	+19	+28	+27	+28	+27
EUR	−7	+54	+14	+50	+26	+24	+27	+24	+25	+24	+24	+24

TABLE 7: **Degree of capacity utilization and expected capacity constraints by sector European Community** (a) (s.a.)

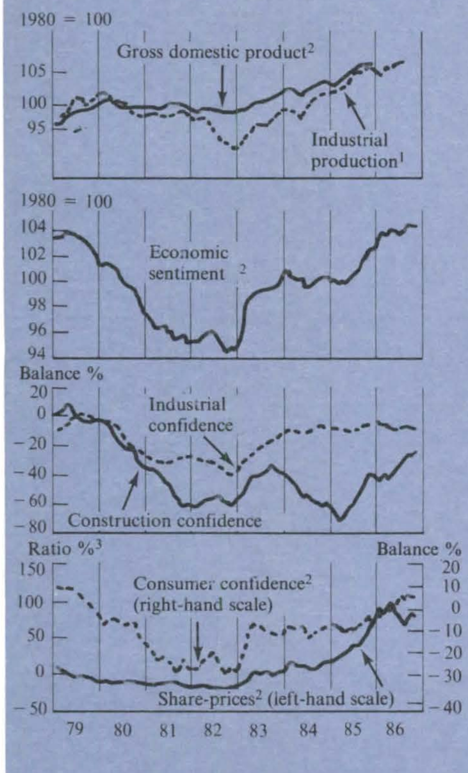
Industries	Degree of capacity utilization in %							Expected capacity constraints; balances excess capacity (+), capacity too small (—)						
	1985	1986	1985	1986				1985	1986	1985	1986			
			O	J	A	J	O			O	J	A	J	O
Industry as a whole	81,6	82,2	82,0	82,4	81,8	82,5	82,1	+26	+24	+24	+25	+24	+24	+24
Consumer goods	81,7	82,9	81,8	82,2	82,3	84,0	83,2	+31	+27	+30	+28	+29	+28	+22
Investment goods	82,2	82,5	83,6	82,8	82,8	83,0	81,5	+22	+23	+19	+23	+19	+23	+25
Intermediate goods	80,9	81,7	80,8	82,2	81,2	81,3	81,9	+27	+26	+25	+24	+28	+26	+27

(a) The data are collected in January, April, July and October each year.
(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the periods 1973-1975 and 1979-1983 respectively.
(c) Weighted total of available country data.
(d) Answers to the questions whether, taking into account the level of order-books or production, capacity is more than sufficient (+), sufficient (=) or less than sufficient (−). Thus, negative balances (capacity less than sufficient) indicate high levels of capacity utilization and positive balances (capacity more than sufficient) are associated with low levels of capacity utilization.
(e) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

Source: European Community business surveys.

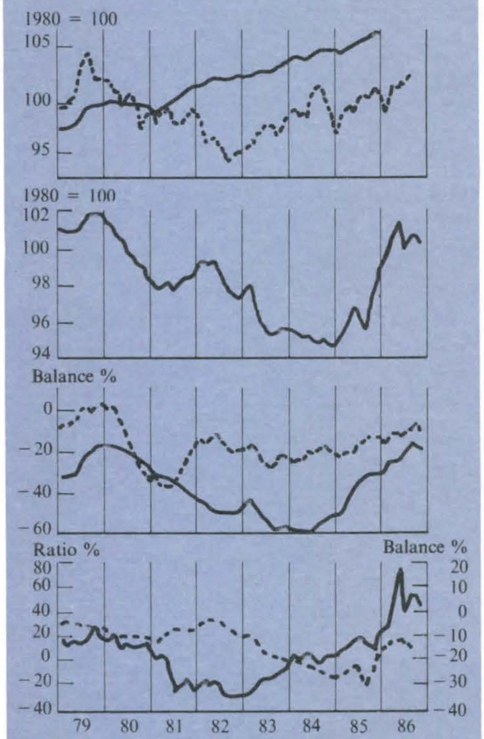
GRAPHS 3-8: **Indicators of output and economic sentiment**

GRAPH 3: **Federal Republic of Germany**



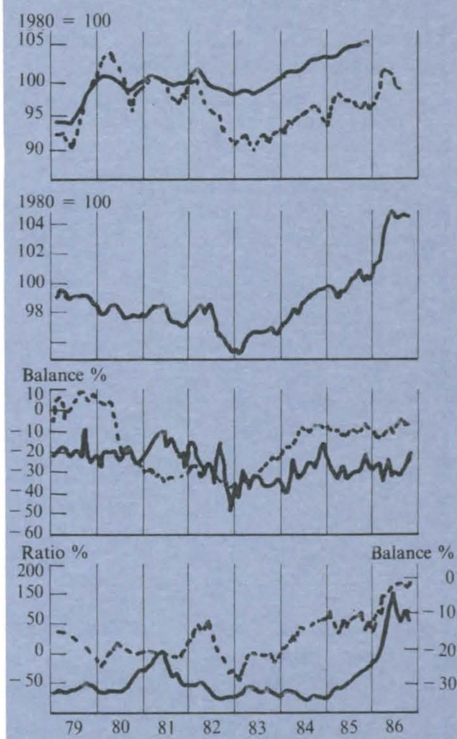
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %.

GRAPH 4: **France**



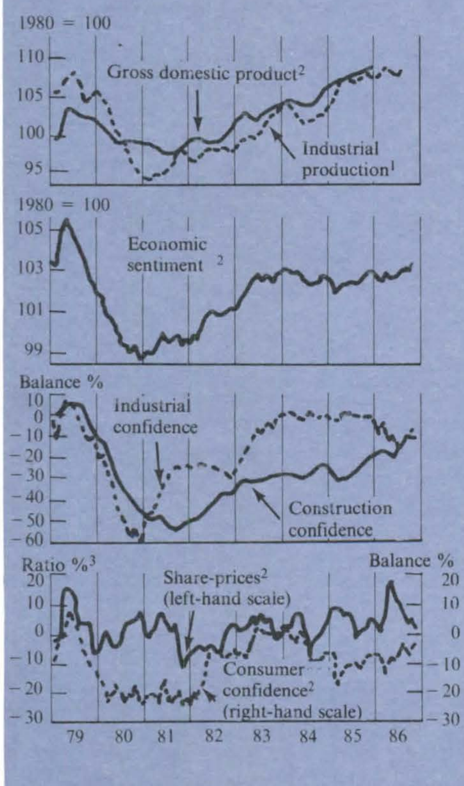
For explanations, see Graph 3.

GRAPH 5: **Italy**



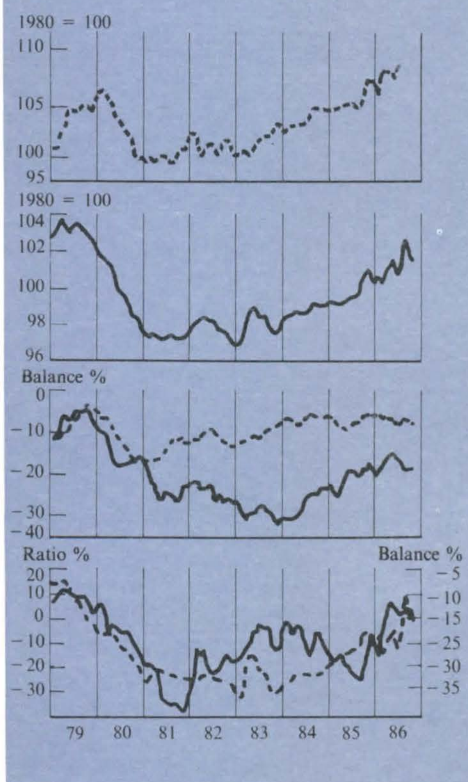
For explanations, see Graph 3.

GRAPH 6: **United Kingdom**



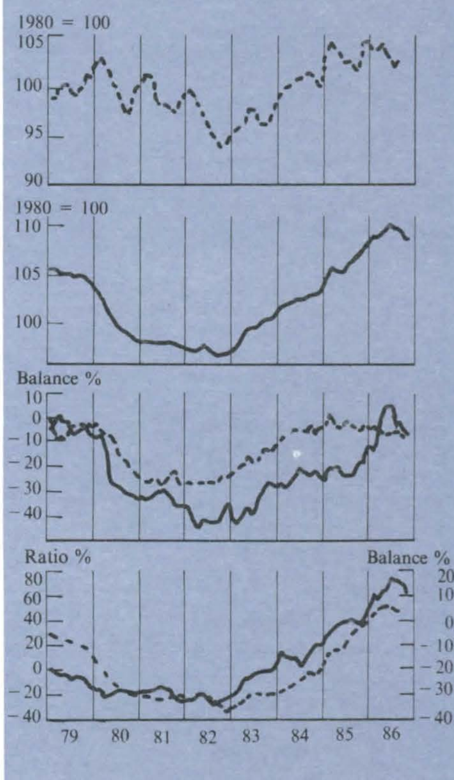
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %.

GRAPH 7: **Belgium**



For explanations, see Graph 6.

GRAPH 8: **Netherlands**



For explanations, see Graph 6.

TABLE 8: **Indicators of output and economic sentiment**

		Range (b) Peak 1972/73	Range (b) Trough 1974/75	Range (b) Peak 1979/80	Range (b) Trough 1981/83	1985	1986 I	1986 II	1986 III	1986 May	1986 June	1986 July	1986 Aug.	1986 Sept.	1986 Oct.
B	*gross domestic product* 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	102,5	76,5	106,3	92,4	104,0	106,8	107,5	:	107,3	108,2	111,1	:	:	:
	1. industrial confidence indicator	+ 19	− 56	− 4	− 35	− 13	− 12	− 13	− 14	− 12	− 14	− 15	− 13	− 13	− 15
	2. construction confidence indicator	+ 9	− 36	− 7	− 65	− 40	− 36	− 30	− 35	− 30	− 31	− 33	− 37	− 36	− 36
	3. consumer confidence indicator (c)	7,0	− 18,0	− 7,0	− 31,0	− 21	− 20	− 19	− 14	− 17	− 21	− 17	− 10	− 14	− 15
	4. share-price index (c)	155,1	98,0	114,3	75,0	185,3	240,0	278,2	291,5	280,6	276,4	283,2	289,0	302,3	293,7
	= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	99,7	100,6	101,1	102,0	101,6	100,6	101,3	102,7	102,0	101,5
DK	*gross domestic product* 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	:	:	107,7	95,5	121,2	124,1	129,8	:	126,6	126,7	125,8	122,8	:	:
	1. industrial confidence indicator	:	:	:	− 22	+ 13	+ 5	+ 1	− 1	(+ 1)	(+ 1)	− 1	(− 1)	(− 1)	− 2
	2. construction confidence indicator	:	:	:	− 36	+ 11	+ 15	+ 28	+ 14	(+ 21)	(+ 21)	+ 14	(+ 14)	(+ 14)	+ 6
	3. consumer confidence indicator (c)	:	− 16	5,0	− 22	4	7	− 4	− 5	− 5	− 6	− 6	− 2	− 8	− 4
	4. share-price index (c)	:	:	:	:	415,9	463,0	458,4	398,4	456,8	436,1	412,8	395,6	386,8	383,4
	= 5. economic sentiment indicator	:	:	:	:	103,8	103,1	102,5	101,7	102,4	102,1	101,8	101,8	101,5	101,4
D	*gross domestic product* 1980 = 100	85,1	83,3	101,2	98,9	106,1	:	:	:	:	:	:	:	:	:
	index of industrial production	92,0	82,4	103,1	91,4	104,4	106,0	107,3	:	105,0	107,9	108,8	108,6	:	:
	1. industrial confidence indicator	+ 10	− 49	+ 2	− 40	− 6	− 4	− 7	− 6	− 7	− 8	− 6	− 6	− 7	− 8
	2. construction confidence indicator	− 4	− 72	+ 11	− 64	− 54	− 41	− 35	− 27	− 35	− 32	− 28	− 26	− 26	− 23
	3. consumer confidence indicator (c)	:	− 22,2	9,0	− 31,0	− 7	0	3	5	1	5	4	6	5	6
	4. share-price index (c)	109,0	75,2	115,6	97,6	209,4	295,7	302,2	292,4	296,2	288,6	272,2	296,0	308,9	301,6
	= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	100,9	104,5	104,0	104,3	103,7	104,0	103,8	104,6	104,5	104,4
F	*gross domestic product* 1980 = 100	85,4	84,2	99,8	102,4	105,9	:	:	:	:	:	:	:	:	:
	index of industrial production	96,7	82,2	105,2	94,8	100,0	99,7	101,3	:	97,7	102,3	103,0	103,0	:	:
	1. industrial confidence indicator	+ 29	− 49	+ 5	− 39	− 17	− 15	− 13	− 9	− 13	− 13	− 11	− 9	− 6	− 11
	2. construction confidence indicator	:	:	− 17	− 57	− 38	− 27	− 24	− 18	(− 24)	(− 24)	− 18	(− 18)	(− 18)	− 19
	3. consumer confidence indicator (c)	:	− 9,0	3,0	− 27,0	− 23	− 12	− 12	− 14	− 11	− 15	− 14	− 14	− 15	− 15
	4. share-price index (c)	86,6	53,6	101,2	82,7	201,7	267,7	322,9	325,5	339,7	295,5	312,7	329,6	334,2	324,0
	= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	96,5	99,7	100,5	100,5	100,9	99,7	100,3	100,6	100,5	100,1
IRL	*gross domestic product* 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	80,4	72,3	103,8	99,6	128,3	130,0	129,5	:	125,8	129,2	123,3	:	:	:
	1. industrial confidence indicator	:	− 41	+ 20	− 40	− 7	− 6	− 10	− 9	− 11	− 12	− 14	0	− 14	− 8
	2. construction confidence indicator	:	:	:	:	− 31	− 50	− 37	− 32	(− 37)	(− 37)	− 32	(− 32)	(− 32)	− 30
	3. consumer confidence indicator (c)	:	− 41,0	12,0	− 44,0	− 29	− 28	− 27	− 26	(− 27)	(− 27)	− 24	− 26	− 28	− 29
	4. share-price index (c)	85,8	29,9	112,2	79,4	148,9	234,8	240,0	240,5	248,7	231,9	249,6	246,6	225,2	231,1
	= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,0	100,2	100,7	100,9	100,8	100,6	101,1	101,2	100,4	100,5
I	*gross domestic product* 1980 = 100	80,4	77,2	101,2	98,2	104,7	:	:	:	:	:	:	:	:	:
	index of industrial production	87,9	72,6	104,7	98,1	96,5	98,9	100,4	:	96,6	101,2	98,8	94,0	:	:
	1. industrial confidence indicator	+ 31	− 59	+ 13	− 41	− 10	− 12	− 9	− 7	− 11	− 8	− 6	− 8	− 6	− 7
	2. construction confidence indicator	− 8	− 56	− 5	− 51	− 29	− 29	− 27	− 29	− 33	− 30	− 32	− 30	− 25	− 25
	3. consumer confidence indicator (c)	:	− 39,0	− 12,1	− 29,6	− 12	− 8	− 3	− 2	− 3	− 2	− 2	− 2	− 3	− 2
	4. share-price index (c)	169,6	68,5	185,0	116,9	286,8	489,3	714,5	691,2	786,0	660,0	644,6	708,2	720,8	704,1
	= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	101,5	103,3	105,5	105,4	105,9	105,3	105,2	105,5	105,5	105,5
NL	*gross domestic product* 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	94,8	87,1	117,5	90,7	104,3	106,7	103,7	:	99,0	104,0	105,0	104,0	:	:
	1. industrial confidence indicator	+ 12	− 44	+ 4	− 31	− 2	− 3	− 6	− 6	− 5	− 6	− 4	− 5	− 7	− 5
	2. construction confidence indicator	+ 3	− 47	+ 3	− 46	(− 19)	− 8	+ 6	− 3	+ 5	+ 6	− 3	− 2	− 4	− 6
	3. consumer confidence indicator (c)	6,0	− 15,0	5,0	− 37,0	− 7	+ 6	+ 7	+ 4	+ 9	+ 7	+ 6	+ 4	+ 2	+ 3
	4. share-price index (c)	:	86,3	122,8	92,8	255,1	304,0	329,4	346,5	323,6	344,0	342,2	349,1	348,2	331,2
	= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	105,8	109,0	110,1	109,4	110,3	110,4	109,8	109,5	108,9	108,8
UK	*gross domestic product* 1980 = 100	94,6	91,0	102,5	97,7	109,0	:	:	:	:	:	:	:	:	:
	index of industrial production	92,7	89,6	110,0	93,8	108,0	109,2	108,9	:	108,4	107,5	109,8	110,4	:	:
	1. industrial confidence indicator	:	:	+ 9	− 60	0	− 6	− 12	− 10	− 9	− 15	− 13	− 9	− 9	− 6
	2. construction confidence indicator	:	:	+ 7	− 60	− 25	− 15	− 19	− 11	(− 19)	(− 19)	− 11	(− 11)	(− 11)	− 11
	3. consumer confidence indicator (c)	:	− 32,5	14,4	− 25,5	− 10	− 11	− 7	− 5	− 8	− 6	− 3	− 5	− 6	− 3
	4. share-price index (c)	78,5	23,3	111,6	104,4	242,3	280,6	308,6	305,5	304,1	307,7	303,9	301,7	310,8	302,4
	= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	102,6	102,7	102,8	103,2	102,8	102,8	103,1	103,2	103,2	103,4
EUR	*gross domestic product* 1980 = 100	85,1•	85,5	101,1	101,0	106,4	:	:	:	:	:	:	:	:	:
	index of industrial production	92,9	83,0	103,2	94,6	103,3	103,8	106,1	:	103,6	106,6	106,3	104,5	:	:
	1. industrial confidence indicator	+ 16	− 49	+ 3	− 36	− 7	− 8	− 10	− 8	− 10	− 10	− 9	− 8	− 7	− 8
	2. construction confidence indicator	:	:	− 1	− 48	− 38	− 27	− 25	− 20	(− 25)	(− 24)	− 20	(− 20)	(− 19)	− 18
	3. consumer confidence indicator (c)	4,6	− 16,7	0,8	− 22,0	− 13	− 7	− 5	− 5	− 5	− 6	− 4	− 4	− 6	− 5
	4. share-price index (c)	:	47,0	115,4	111,7	238,8	300,5	336,6	330,9	339,1	326,0	321,6	331,6	339,5	330,4
	= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	100,5	102,2	102,7	103,0	102,8	102,4	103,0	103,1	102,8	102,8

(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.
(b) For the Federal Republic of Germany, gross national product for quarterly data.
(c) Not seasonally adjusted.

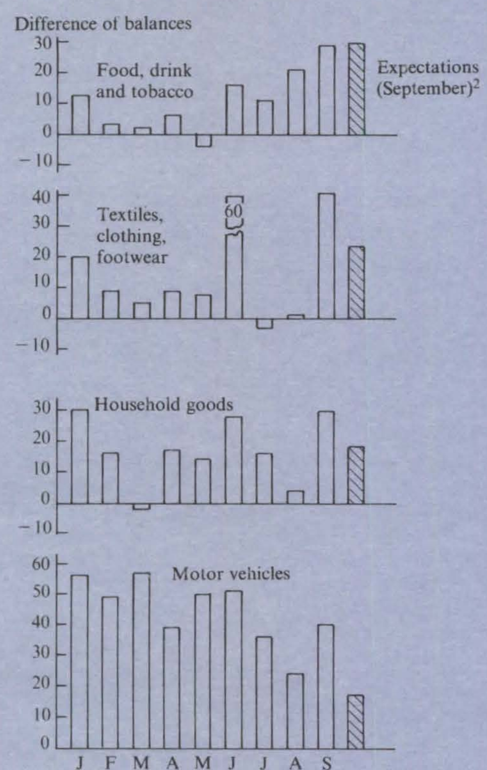
TABLE 9: **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		Range (b)		1985	1986			1986					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	May	June	July	Aug.	Sept.	Oct.
B	production expectations	+31	-56	-4	-37	-6	-6	-6	-8	-6	-8	-12	-7	-4	-8
	order-books	+13	-74	-14	-49	-24	-21	-29	-25	-30	-29	-26	-23	-25	-27
	export order-books	+15	-82	-19	-55	-27	-27	-35	-29	-35	-34	-33	-26	-27	-32
	stocks of finished products	-14	+37	+2	+18	+10	+8	+5	+8	+2	+6	+7	+8	+10	+9
	selling-price expectations	+64	-10	+39	+12	+19	+21	+2	0	+2	+0	-2	+3	0	-3
	industrial confidence indicator	+19	-56	-4	-35	-13	-12	-13	-14	-13	-14	-15	-13	-13	-15
DK	production expectations	:	:	:	+8	+18	+11	+4	+4	:	:	+4	:	:	+7
	order-books	:	:	:	-34	+25	+15	+12	+9	:	:	+9	:	:	0
	export order-books	:	:	:	+14	+24	+2	+1	-2	:	:	-2	:	:	-9
	stocks of finished products	:	:	:	+24	+4	+12	+14	+15	:	:	+15	:	:	+14
	industrial confidence indicator	:	:	:	-22	+13	+5	+1	-1	:	:	-1	:	:	-2
D	production expectations	+17	-32	+10	-30	+3	+4	+1	+2	0	+2	+1	+2	+3	+3
	order-books	+5	-73	-6	-59	-14	-11	-16	-14	-16	-16	-14	-14	-15	-17
	export order-books	:	:	-14	-50	-9	-13	-18	-20	-19	-20	-16	-20	-23	-26
	stocks of finished products	-7	+43	-2	+31	+7	+6	+7	+6	+6	+9	+5	+5	+9	+11
	selling-price expectations	+55	+4	+38	+4	+17	+9	+4	+8	+7	+5	+7	+10	+6	+10
	industrial confidence indicator	+10	-49	+2	-40	-6	-4	-7	-6	-7	-8	-6	-6	-7	-8
GR	production expectations	:	:	:	:	+21	+24	+28	+19	+29	+25	+23	+21	+19	+13
	order-books	:	:	:	:	-24	-11	-16	-20	-12	-18	-21	-20	-20	-22
	export order-books	:	:	:	:	-33	-22	-24	-27	-20	-36	-34	-27	-20	-20
	stocks of finished products	:	:	:	:	+10	+10	+10	+11	+9	+6	+13	+12	+9	+13
	selling-price expectations	:	:	:	:	+32	+25	+16	+15	+16	+15	+16	+14	+14	+12
	industrial confidence indicator	:	:	:	:	-4	+1	+1	-4	+3	0	-4	-4	-3	-7
F	production expectations	+33	-29	+18	-20	-3	0	-2	+7	-1	-3	+5	+7	+9	+2
	order-books	+26	-69	0	-56	-30	-27	-23	-20	-23	-22	-23	-20	-16	-22
	export order-books	+24	-66	+10	-52	-20	-24	-29	-28	-28	-30	-32	-28	-24	-32
	stocks of finished products	-14	+50	+3	+42	+19	+18	+14	+16	+14	+15	+15	+13	+11	+12
	selling-price expectations	+76	+15	+62	+17	+29	+18	+13	+14	+12	+11	+14	+14	+14	+13
	industrial confidence indicator	+29	-49	+5	-39	-17	-15	-13	-9	-13	-13	-11	-9	-6	-11
IRL	production expectations	:	-21	+40	-33	+6	+9	+14	+9	+9	+13	+6	+21	0	+10
	order-books	:	-68	+18	-55	-20	-16	-29	-24	-29	-26	-28	-13	-31	-22
	stocks of finished products	:	+35	-6	+33	+8	+12	+16	+13	+13	+24	+19	+9	+11	+13
	selling-price expectations	:	+64	+77	+20	+14	-1	-16	-10	-13	-19	-18	-13	+2	+9
	industrial confidence indicator	:	-41	+20	-40	-7	-6	-10	-9	-11	-12	-14	0	-14	-8
I	production expectations	+40	-43	+24	-26	+8	+7	+13	+10	+9	+12	+15	+6	+9	+5
	order-books	+30	-82	+7	-66	-21	-26	-23	-21	-24	-19	-23	-19	-20	-20
	export order-books	+13	-67	-6	-59	-30	-30	-33	-29	-39	-27	-34	-28	-26	-25
	stocks of finished products	-24	+53	-8	+32	+16	+18	+18	+10	+19	+18	+10	+12	+7	+7
	selling-price expectations	+76	+10	+87	+37	+39	+26	+15	+9	+15	+13	+11	+6	+11	+6
	industrial confidence indicator	+31	-59	+13	-41	-10	-12	-9	-7	-11	-8	-6	-8	-6	-7
L	production expectations	+84	-80	+40	-66	-1	+1	-7	-38	+2	-33	-35	-38	-41	-41
	order-books	:	:	+8	-70	+3	-5	-2	-1	-3	-2	+4	-5	-1	-1
	export order-books	:	:	+9	-80	-3	-18	-14	-10	-15	-14	-2	-16	-12	-46
	stocks of finished products	-14	+74	0	+58	+3	+1	+6	+3	0	+6	+2	+5	+1	+6
	selling-price expectations	:	-46	+74	-38	+17	-20	-48	-20	-46	-39	-51	-39	+30	-25
	industrial confidence indicator	:	:	+16	-65	0	-1	-5	-14	0	-14	-11	-16	-14	-16
NL	production expectations	+26	-26	+20	-13	+4	+3	+2	+4	+2	+3	+7	+5	0	+6
	order-books	+7	-48	-5	-42	-5	-8	-12	-13	-12	-13	-13	-13	-14	-14
	stocks of finished products	-3	+57	+3	+39	+4	+5	+7	+7	+6	+7	+7	+7	+8	+7
	industrial confidence indicator	+12	-44	+4	-31	-2	-3	-6	-5	-5	-6	-4	-5	-7	-5
UK	production expectations	:	:	+29	-52	+20	+11	+9	+8	+12	+7	+4	+9	+12	+15
	order-books	:	:	-2	-85	-7	-12	-24	-22	-21	-28	-24	-20	-22	-20
	export order-books	:	:	-11	-72	-5	-15	-21	-24	-16	-23	-27	-22	-22	-19
	stocks of finished products	:	:	-1	+42	+14	+16	+20	+17	+18	+23	+19	+15	+16	+13
	selling-price expectations	:	:	+70	+7	+23	+14	+13	+15	+13	+9	+16	+14	+16	+16
	industrial confidence indicator	:	:	+9	-60	0	-6	-12	-10	-9	-15	-13	-9	-9	-6
EUR	production expectations	+24	-30	+15	-24	+7	+6	+4	+6	+4	+5	+5	+6	+8	+6
	order-books	+15	-70	-7	-56	-17	-17	-21	-19	-20	-21	-21	-18	-19	-20
	export order-books	:	:	-12	-50	-15	-19	-25	-24	-25	-24	-25	-23	-23	-26
	stocks of finished products	-10	+48	-1	+31	+12	+13	+14	+11	+13	+15	+11	+11	+11	+11
	selling-price expectations	+64	+9	+53	+22	+25	+16	+10	+10	+10	+8	+10	+10	+11	+11
	industrial confidence indicator	+16	-49	+3	-36	-7	-8	-10	-8	-10	-10	-9	-8	-7	-8

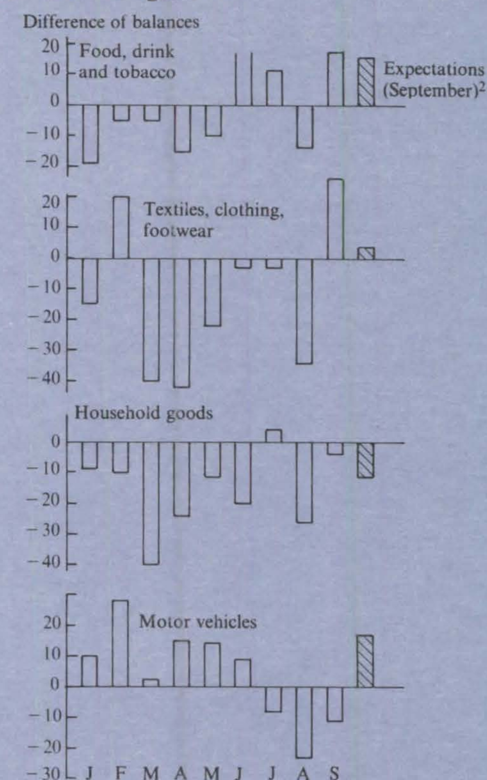
(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).
(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.
Note: (s.a.) = seasonally adjusted. : = not available. ( ) = estimated. *Source:* European Community business surveys.

GRAPHS 9-12: Present business situation in the retail trade in 1986 — as compared with the situation in the corresponding month of 1985[1]

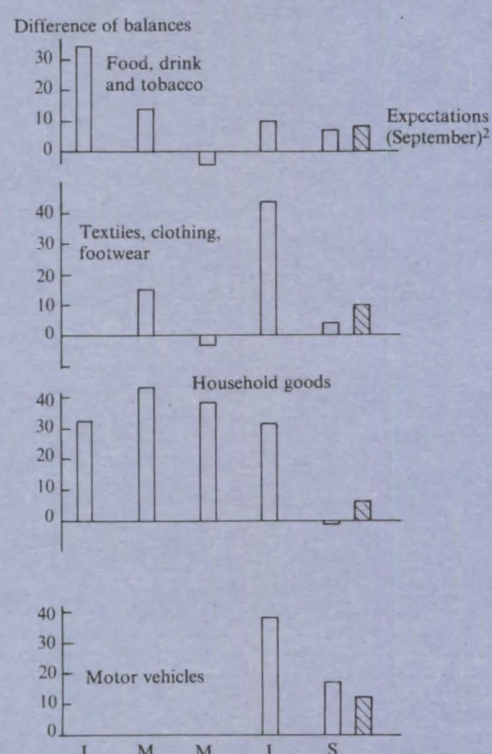
GRAPH 9: Federal Republic of Germany



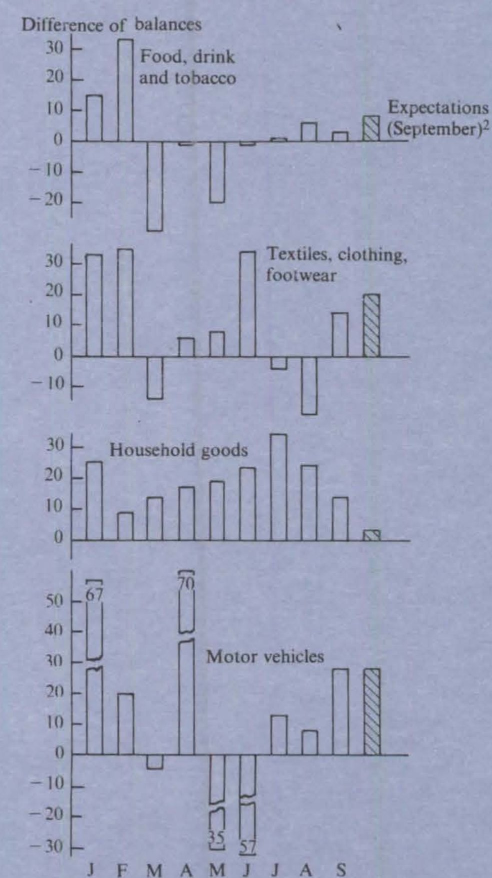
GRAPH 10: United Kingdom



GRAPH 11: France



GRAPH 12: Belgium



[1] The balance, i.e. the difference between the percentages of respondents giving positive and negative replies, in month t in 1986 minus the balance in month t in 1985.
[2] In the Federal Republic of Germany and in Belgium, the expectations refer to the business trend over the next 6 months; in the United Kingdom and in France to the expectations of orders placed with suppliers during the next 3 months.

summer months could not quite be attained (−5 compared with −4). Once again, consumers viewed most favourably the economic situation in the Federal Republic of Germany (+6), followed by that in the Netherlands (+3).

Ireland and Greece (−29 and −21) are still at the bottom of the league table of consumer confidence indicators, while France and Belgium (−15 in each case) remain a good way below the Community average. A particularly pleasing aspect of the latest survey data is the further decline in inflationary expectations in the Community (15 compared with 18 in September and with a yearly average of 32 in 1985). Taking the latest survey results, the picture in the individual Member States is as follows.

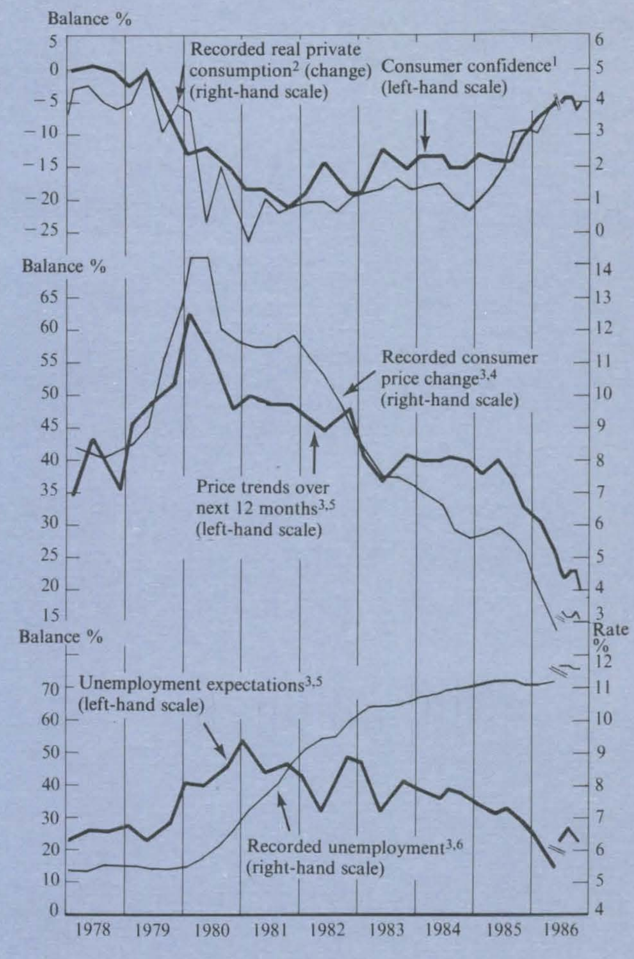
Consumers in *Belgium* continue to take a gloomy view of their own financial situation. Their assessments of the general economic situation were even more markedly pessimistic than in September. As a result, the confidence indicator slipped back further in October although the decline was less pronounced than in September in response to somewhat firmer purchasing intentions.

In *Denmark*, the overall picture resulting from the views and expectations of consumers was again brighter in October. This contrasts with September, when all the components of the consumer confidence indicator had registered a decline. However, the recovery in October was not sufficient to make up for all of the decline.

After wavering a little in September, consumer confidence in the *Federal Republic of Germany* perked up again somewhat in October, mainly because consumers were much more willing to make major purchases (including cars). With the sharp rise in real incomes, the slight fall in the propensity to save and the positive expectations of retailers, the overall attitude towards making purchases in the Federal Republic of Germany can be viewed favourably. The latest movements in the other components of consumer behaviour are a further reason for taking a generally positive view. For instance, concern that unemployment would continue to climb diminished significantly. It is worth noting that, since November 1985, consumers have each month been more optimistic about the general economic situation (except for July, when they were slightly more pessimistic).

As in September, consumers in *Greece* were a little more cheerful as regards the general economic situation and their own financial situation. This did not, however, show up in the consumer confidence indicator since another component, the propensity to make purchases, fell back somewhat.

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



For notes, Table 11.
Sources: European Community consumer survey and Eurostat.

Relatively pessimistic assessments by private households of their financial situation but especially a weakening propensity to make purchases led to a slight decline in the consumer confi-

TABLE 10: **Results of business surveys in the retail trade** (a)(b)

		1985						1986									
		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.(f)	Oct.
B	present business situation	−18	−7	0	6	5	8	16	7	−8	0	−19	−7	−13	−8	10	11
	volume of stocks	12	2	3	0	−3	5	1	0	11	5	4	12	6	2	0	0
	intentions of placing orders	1	3	5	2	−7	−5	14	17	−3	−9	−14	−16	−4	3	11	−3
	expected business situation	13	25	12	5	−2	−15	17	26	9	−6	9	−6	21	23	25	10
D	present business situation	−22	−22	−33	−21	−8	−11	−8	−22	−19	−10	−7	−6	−10	−10	−1	−11
	volume of stocks	26	23	20	19	22	19	24	29	28	29	26	27	20	20	24	28
	intentions of placing orders	−15	−8	−19	−16	−13	−11	−11	−14	−13	−15	−15	−14	−6	−1	0	−1
	expected business situation	−7	−6	−11	1	3	−1	1	1	−5	−3	−3	0	4	2	12	−2
F (c)	present business situation	−30	:	−10	:	−22	:	5	:	−6	:	−16	:	−6	:	−11	:
	volume of stocks	18	:	9	:	18	:	7	:	4	:	19	:	13	:	8	:
	intentions of placing orders	−35	:	−20	:	−18	:	−25	:	−15	:	−24	:	−28	:	−12	:
I (c)(d)	present business situation	:	:	:	−4	:	:	−2	:	−7	:	2	:	−7	:	7	:
	volume of stocks	:	:	:	21	:	:	28	:	25	:	24	:	31	:	20	:
	intentions of placing orders	:	:	:	−13	:	:	−16	:	−14	:	−18	:	−14	:	2	:
	expected business situation	:	:	:	4	:	:	3	:	9	:	9	:	10	:	21	:
NL	present business situation	:	:	:	:	:	:	41	34	41	43	51	48	51	51	55	45
	volume of stocks	:	:	:	:	:	:	7	8	10	10	7	9	8	2	8	7
	intentions of placing orders	:	:	:	:	:	:	31	22	24	17	16	19	21	25	20	18
	expected business situation	:	:	:	:	:	:	47	44	43	41	34	41	38	45	40	39
UK	present business situation(e)	25	49	17	13	18	31	20	31	13	5	7	19	24	29	24	17
	volume of stocks	22	18	18	18	21	18	19	18	27	27	20	21	17	9	4	16
	intentions of placing orders	29	35	27	19	12	23	29	24	17	21	26	23	23	31	38	27
	expected business situation	:	35	:	:	32	:	:	36	:	:	34	:	:	34	:	:

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

Source: EC business survey in retail trade.

dence indicator in *Spain* that was less marked, however, than the decline recorded the previous month.

The consumer climate showed little change in both Spain and *France*. In particular, consumer assessments of their own financial situation have remained virtually unchanged since June. The weakening trend discernible since June in the propensity to purchase did, it is true, come to a halt in October. On the other hand, purchasing intentions declined that month after strengthening in September. Similarly, little change was noted in the propensity to save and in saving intentions.

Since July, the composite consumer confidence indicator for *Ireland* has been pointing downwards and in terms of the Community as a whole the level recorded in October was very low. Closer analysis of the results of the October survey does, however, show that the decline recorded in the indicator can be attributed entirely to the substantial fall in the propensity to purchase, which appeared though to have been staging something of a revival since July. Even so, most of the other components of consumer behaviour pointed in October to a slight pick-up in confidence following the pessimistic mood that prevailed in previous months.

After a not inconsiderable decline in the propensity to purchase in September, *Italian* consumers were more willing in October to make major purchases. However, the positive impact this had on the confidence indicator was almost entirely offset by the gloomy assessments of the most recent developments in the general economic situation. This mood, perhaps engendered in part by the feeling that something of a rekindling of inflation has been taking place in recent months, has also heightened concern that unemployment will rise.

The steady decline in the consumer confidence indicator in the *Netherlands* in the period from June to September was due solely to the increasingly more pessimistic assessments being made of the present economic situation and of the economic situation in the months ahead. In October, however, consumers were once again more optimistic on both scores, the result being that, with the other components of the indicator remaining virtually unchanged, a revival was discernible after four months of waning confidence.

Primarily in response to a decided improvement in the propensity to purchase, consumer confidence in *Portugal* picked up again in October. Purchasing intentions, however, appear to have been depressed in recent months in spite of the relatively favourable assessments made by consumers of the financial situation of private households in the coming months.

As in the Federal Republic of Germany and Italy, the brighter consumer climate in the United Kingdom in October stemmed first and foremost from significantly stronger willingness to make purchases.

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

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

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

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

(a) The sum of thee 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.
[1] The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.
[2] Quarterly data; percentage change on corresponding quarter of preceding year.
[3] Quarterly data; monthly from May 1986 onwards.
[4] Percentage changes on corresponding quarter resp. month of preceding year.
[5] See table 11 for data and notes.
[6] Seasonally adjusted.
[7] EUR 10 up to May 1986; EUR 12 from June 1986 onwards.
Source: European Community consumer survey.

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

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

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD
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