

EUROPEAN ECONOMY

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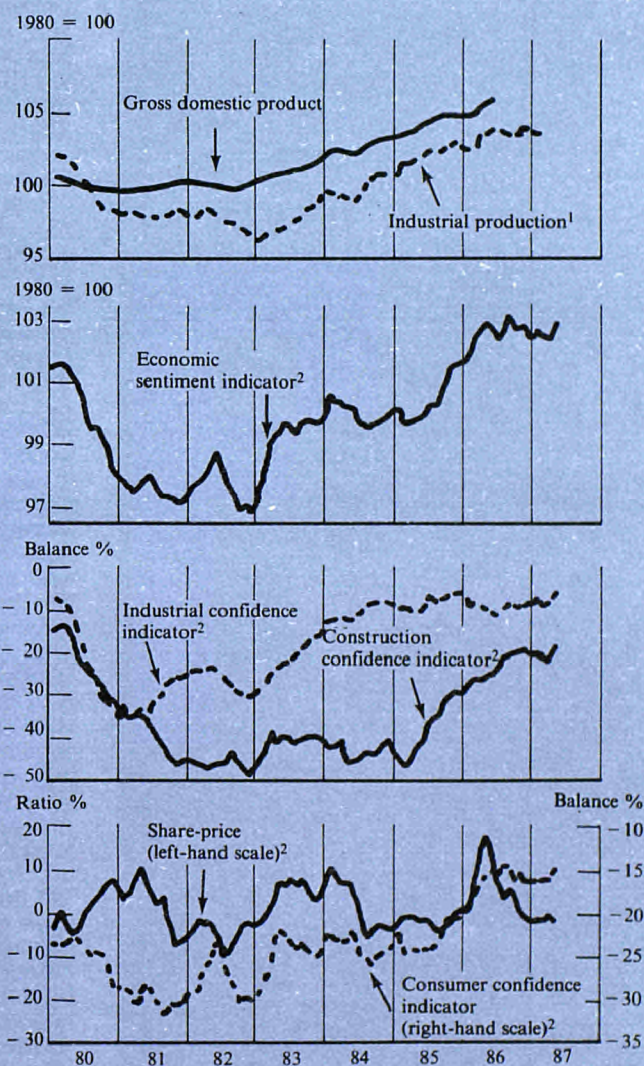
*In this number:
Capacity utilization and
reserves of orders on hand*

Business and consumer survey results

THE MAIN POINTS IN BRIEF

- Although capacity utilization was down slightly in European industry (from 82.9 % to 82.7 %), it was still relatively high. Problems in this regard are concentrated in the capital goods sphere; in the consumer goods branches, the degree of capacity utilization remained high, while in the basic industries sector the cyclical recovery continued.
- The order-book situation was judged at Community level to be somewhat more favourable than in the previous month (-16 compared with -18; balance). British industry provided easily the most favourable assessments of the order-book situation.
- The somewhat more favourable production expectations failed to have a positive impact on the employment plans of industrial firms. The negative trends have even intensified somewhat, particularly in the Federal Republic of Germany.
- The consumer climate indicator was up in almost all member countries; it showed a slight fall only in Italy and Ireland. At Community level, the greater propensity to purchase consumer durables was the main factor contributing to the rise in the indicator.
- The Community leading indicator of the economic trend improved markedly in April (from 102.4 to 103.0; 1980=100), returning to the level it was at in July of last year. While the rise in the leading indicator by no means points to the beginning of a new upswing in the Community, there also appears to be no evidence of an impending cumulative downswing.

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

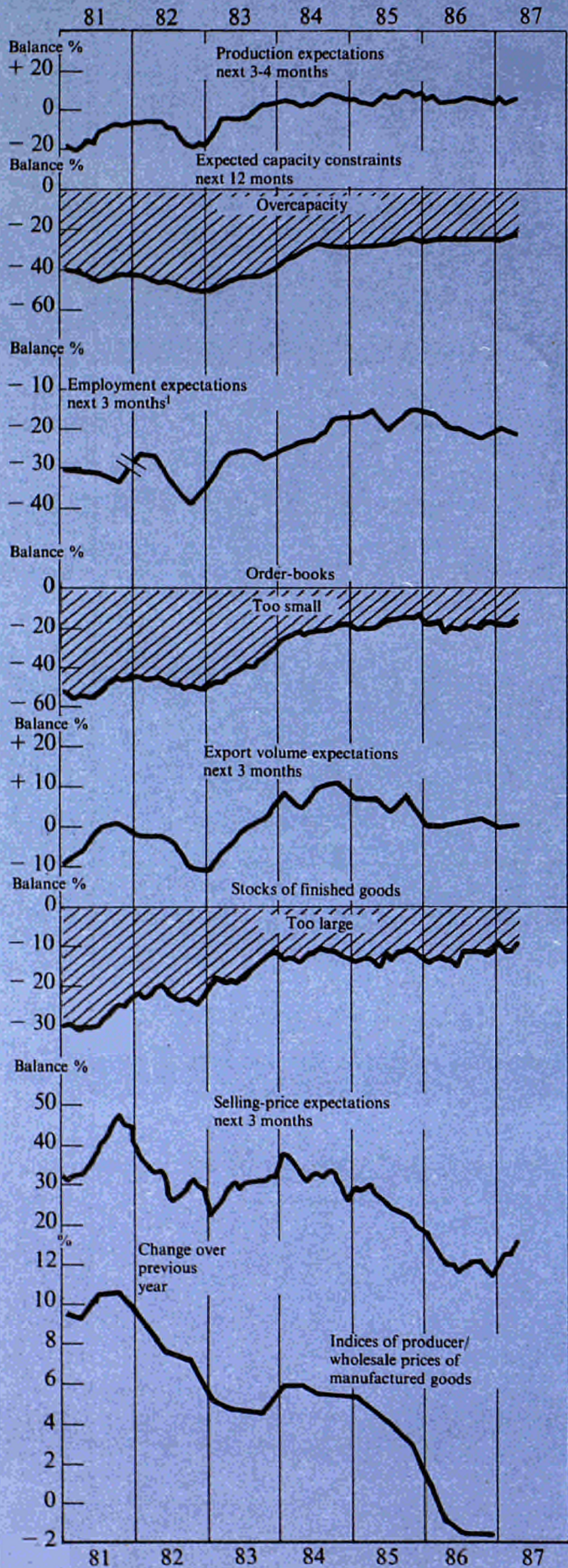


¹ Three-month moving average.

² See notes to Table 8.

³ Deviations from trend in %.

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



¹ Quarterly data since 1982; before twice-yearly.

Capacity utilization in industry down slightly but still relatively high — In April the level of capacity utilization in European industry was somewhat below that at the beginning of the year (82.7 % compared with 82.9 %). However, the current level is still higher than the average levels for 1985 and 1986 (81.6 % and 82.2 % respectively). A comparison with the two previous economic cycles also shows that there is no question of a general capacity utilization problem in European industry at the present time. However, the situation differs appreciably according to member country and branch.

The highest level of capacity utilization is currently to be found in British industry, although even that level is down somewhat compared with January (87.0 % as against 87.8 %). There was a sharp improvement in Irish industry, with the degree of capacity utilization reaching a new peak of 80.8 %. In Italy too, the upward trend continued. The level measured in April was close to the high point reached in the previous upswing in 1979/80 (77.2 % compared with 77.3 %); compared with other countries, however, capacity utilization in Italy is still relatively low, which suggests structural problems with capital stock. In France, the degree of capacity utilization has fluctuated only slightly around the 83 % mark since mid-1985; in April, this average value was exceeded slightly (83.2 %).

By contrast, the level of capacity utilization showed a downward trend in the Federal Republic of Germany (83.8 % compared with 84.2 %), in Belgium (78.2 % compared with 78.7 %) and in the Netherlands (83.0 % compared with 83.6 %); in these three member countries a higher proportion of firms than hitherto also described their production capacity as too great both for the current trend of sales and for that anticipated over the twelve months to come. In the United Kingdom and Italy, by contrast, more firms expect to make greater use over the months ahead of what had previously been judged to be surplus capacity (see Table 3).

Broken down by branch, capacity utilization in the consumer goods industry at Community level remained practically unchanged at the high level recorded at the beginning of the year (83.8 % as against 84.0 %). In the capital goods sphere, however, the degree of utilization returned - following a temporary improvement - to the October 1986 level (81.5 %) and is thus well below that recorded in 1985 and the first half of 1986. There was a more favourable picture in the basic industries sector, where the cyclical improvement in the level of capacity utilization noted since the autumn of 1986 continued (82.9 % compared with 82.2 % in January 1987; Table 4).

Despite a reduction in the length of time needed for working off orders on hand, the order-book situation is judged to be somewhat more favourable - on average, the reserves of orders on hand in European industry were equivalent to 3.3 months' production and were thus somewhat down compared with the beginning of the year (3.4 months). The differing cyclical situation from one branch to another is also reflected in the length of time needed for working off orders on hand: while in the consumer goods sector of European industry reserves of orders continued to grow (from 2.7 to 2.9 months, the corresponding figure in April 1986 being 2.3 months), the downward trend in the capital goods sector continued (from 5.4 to 5.3 months; the corresponding figure in April 1986 was 5.8 months). In the basic industries sector, orders on hand remained almost unchanged (2.3 months compared with 2.4 months at the beginning of the year). In assessing reserves of orders, it should be noted that, because of the longer production time involved, the length of time needed for working off orders on hand in the capital goods sector is always markedly greater than in the consumer goods and basic industries sectors. Where, as is currently the case in Europe, there is a switch of cyclical impetus from capital goods to consumer goods, reserves of orders on hand may therefore fall on average without that necessarily indicating a cyclical deterioration in the overall demand situation. For that reason, it is advisable to take account also of firms' assessments of their order-book situations. These show that, in the Federal Republic of Germany for example, the length of time needed for working off orders on hand has contracted almost to the same low point (2.7 months; see Table 1) as that recorded in the trough of the two previous cycles (1974/75 and 1982/83), whereas firms' assessments, despite showing a clear downward trend, are still well above the low points reached at those times (-27* compared with -78 and -59 respectively). In April, easily the most favourable assessments of order-book situations were made by British industry (+1). Although, at overall Community level,

* All the following figures in the text represent net balances of positive and negative replies.

TABLE 1: Estimated number of months' production assured by orders on hand in manufacturing industry (a)(s.a.)

	Range		Range		1985	1986	1986				1987	
	Peak 1973	Trough 1975	Peak 1979	Trough 1982/83			I	II	III	IV	I	II
B	4,5	2,8	3,7	3,0	3,4	3,3	3,3	3,3	3,2	3,4	3,2	3,3
D	3,3	2,8	3,4	2,6	2,9	2,8	2,9	2,8	2,8	2,8	2,8	2,7
GR	.	.	.	5,0	5,1	5,9	6,0	5,2	6,1	6,0	6,1	6,2
F	3,5	2,7	4,2	3,3	3,1	2,8	2,9	2,7	2,9	2,8	3,2	3,4
IRL	2,2	1,8	2,6	1,5	2,0	1,9	1,9	2,2	1,8	1,8	1,5	1,5
I	4,7	3,7	5,3	3,8	4,4	4,0	4,1	4,1	3,8	3,8	4,0	3,7
L	3,5	1,4	2,4	1,7	1,9	2,5	2,7	2,7	2,3	2,4	2,1	2,2
NL	4,7	2,6	4,2	2,5	3,1	3,2	3,2	3,3	3,2	3,2	3,2	3,1
UK	.	.	4,2	1,9	3,7	3,9	3,6	3,9	3,8	4,3	3,8	3,5
EUR(c)	3,7	3,0	3,9	3,0	3,4	3,3	3,3	3,3	3,3	3,4	3,4	3,3

TABLE 2: Capacity utilization in manufacturing industry (%) (a)(s.a.)

	Range (b)		Range (b)		1985	1986	1985			1986			1987		
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			A	J	O	J	A	J	O	J	A
B	85,4	70,4	79,1	74,4	78,8	79,4	78,4	78,3	80,4	80,9	79,4	78,7	78,7	78,7	78,2
D	88,1	74,8	86,0	75,3	83,7	84,7	82,6	84,9	84,9	85,2	83,5	85,4	84,8	84,2	83,8
GR	.	.	.	74,4	75,5	77,0	74,1	76,2	76,4	77,1	76,3	77,3	77,3	79,0	76,8
F	87,8	76,6	85,3	81,1	82,8	83,3	82,2	83,0	83,3	83,3	83,5	83,2	83,0	83,0	83,2
IRL	.	.	68,1	56,8	67,3	73,0	61,8	72,7	68,8	74,8	76,2	73,0	69,1	71,7	80,8
I	78,8	68,0	77,3	69,1	74,0	75,2	74,3	74,3	73,5	74,2	75,5	75,9	75,1	76,7	77,2
L	.	.	83,0	66,5	80,9	84,2	82,6	82,6	79,5	87,8	83,3	83,6	82,2	78,1	78,9
NL	86,0	76,0	83,0	75,8	83,8	83,4	84,0	84,0	83,6	83,6	83,0	83,7	83,3	83,6	83,0
UK(e)	90,6	75,5	87,6	73,0	85,8	85,1	84,4	87,4	86,6	85,4	84,3	84,8	85,7	87,8	87,0
EUR(c)	86,4	75,0	83,9	76,4	81,6	82,2	80,9	82,4	82,0	82,4	81,8	82,5	82,1	82,9	82,7

TABLE 3: Expected capacity constraints in manufacturing industry: i.e. balance of respondents expecting capacity to be more than sufficient in relation to production expectations (a)(d)(s.a.)

	Range (b)		Range (b)		1985	1986	1986				1987	
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			J	A	J	O	J	A
B	-12	+58	+35	+53	+29	+26	+24	+26	+26	+26	+25	+27
DK	.	.	+10	+38	+3	+8	0	+8	+13	+9	+20	.
D	-3	+56	+12	+49	+17	+13	+12	+11	+13	+16	+18	+20
F	-24	+45	+11	+48	+37	+31	+33	+34	+33	+23	+32	+26
IRL	.	+34	+2	+40	+25	+18	+20	+18	+16	+18	+20	+19
I	+1	+63	+17	+58	+37	+37	+41	+35	+33	+37	+30	+24
L	-72	+73	+37	+62	+12	+2	-4	+3	+6	+4	+4	+16
NL	-3	+60	+14	+51	+4	+4	+2	+4	+6	+5	+5	+8
UK	.	.	.	+63	+23	+28	+28	+27	+28	+27	+23	+17
EUR(c)	-7	+54	+14	+50	+26	+24	+25	+24	+24	+24	+24	+21

TABLE 4: Degree of capacity utilization and orders on hand by industrial branches—European Community (s.a.)

Industries	Degree of capacity utilization in %						Orders on hand (months of production)							
	1985		1986		1986		1987		1985		1986		1987	
			A	J	O	J	A			A	J	O	J	A
Industry as a whole	81,6	82,2	81,8	82,5	82,1	82,9	82,7	3,4	3,3	3,3	3,3	3,3	3,4	3,3
Consumer goods	81,7	82,9	82,3	84,0	83,2	84,0	83,8	2,6	2,5	2,3	2,6	2,5	2,7	2,9
Investment goods	82,2	82,5	82,8	83,0	81,5	82,5	81,5	5,7	5,7	5,8	5,5	5,6	5,4	5,3
Intermediate goods	80,9	81,7	81,2	81,3	81,9	82,2	82,9	2,6	2,3	2,4	2,3	2,1	2,4	2,3
Textile industry	83,3	82,0	82,9	80,3	81,1	81,6	81,6	2,5	2,4	2,5	2,4	2,2	2,4	2,4
Footwear and clothing	87,3	85,5	85,2	84,7	84,9	87,0	87,4	3,0	3,0	3,1	2,9	2,8	2,9	3,2
Timber/wooden furniture	78,3	79,9	79,2	80,2	80,8	83,0	82,5	1,7	1,7	1,8	1,7	1,6	1,6	1,9
Manufacture of paper, paper products, printing of which:	85,9	85,2	84,0	85,6	86,0	87,5	86,8	1,9	1,7	1,6	1,7	1,7	1,9	1,7
manufacture of paper*	89,5	89,7	89,6	90,8	89,5	90,0	91,6	1,9	1,7	1,1	1,2	1,1	1,0	1,1
Leather	82,3	81,0	79,0	81,6	80,6	79,8	76,3	2,4	2,6	2,0	2,8	2,6	2,5	2,3
Plastics	80,5	81,2	81,5	80,4	82,5	80,9	84,2	1,7	1,9	1,8	1,7	1,7	1,6	1,9
Mineral-oil refining	75,7	82,6	83,2	83,0	84,7	84,1	87,2
Metals	78,8	78,9	78,3	79,5	78,0	76,5	79,7	2,3	2,0	2,0	1,9	2,2	2,1	2,0
Non-metallic mineral products	76,8	77,4	76,5	76,8	78,9	80,1	80,3	2,2	2,2	2,2	2,1	2,4	2,5	2,4
Metal articles	78,6	80,5	81,1	81,1	79,0	80,4	79,4	3,2	3,4	3,5	3,2	3,4	3,2	3,2
Mechanical engineering of which:	82,2	82,8	83,4	82,5	81,6	81,4	81,6	4,6	4,5	4,5	4,5	4,5	4,7	4,3
machines tools	85,9	87,9	88,3	86,5	87,7	87,8	87,3	6,0	6,4	6,2	6,6	6,7	7,0	5,9
Office & data processing machinery	85,3	82,6	82,0	83,4	83,2	80,9	79,1	4,1	3,6	3,6	2,9	4,4	3,6	3,9
Electrical engineering	83,9	82,3	83,0	82,8	84,1	83,4	81,8	6,1	5,4	5,7	5,1	5,4	5,5	5,9
Shipbuilding	67,6	70,9	69,0	74,4	65,5	68,9	67,3	8,3	8,4	8,9	8,0	7,7	7,4	7,4
Rubber products	81,1	81,6	81,9	82,5	80,1	81,0	81,2	2,4	2,2	2,8	1,8	2,0	2,9	1,6
Instrument engineering	85,0	83,4	83,2	84,2	82,4	83,0	81,0	3,9	3,9	3,7	4,2	3,6	3,3	4,5

* 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 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.

negative assessments of order-book situations continued to predominate, the margin has narrowed somewhat (-16 compared with -18). This is all the more remarkable in that the export situation was still adjudged by industrial firms in the member countries to be almost as unfavourable (-27 compared with -28) and firms' export expectations suggest only a slight increase over the months ahead (+1; see Table 7).

Production plans show a somewhat more marked improvement — European industrial firms expect output to pick up slightly over the next three months (+7 compared with +5). This trend is common to almost all member countries, albeit to markedly differing degrees. The United Kingdom continues to show the sharpest increase in production plans, although not quite as clearly as in March (+24 as compared with +27). A more sharply increasing level of output is also anticipated by firms in Ireland (+22 compared with +14), Italy (+11 compared with +6) and, to a lesser extent, in France (+5 compared with +1). Although firms in Germany, Belgium and Luxembourg still anticipate a declining production trend, this is less marked than in March (the respective figures being -5 as against -7, -8 as against -15 and -35 as against -20).

A slight worsening of employment plans in industry — The somewhat more positive assessment of the future production trend was not reflected in more favourable employment plans. Judging by firms' plans, the downward trend in the numbers of persons employed will intensify slightly (-21 compared with -20 in January). In the Federal Republic of Germany and Luxembourg

in particular, staffing plans are showing a more marked downward trend (-18 as opposed to -14 and -33 as opposed to +2 respectively). In the Netherlands too, employment prospects have deteriorated, although an increase in the number of persons employed is still anticipated there (+2 compared with +12). The slight downward adjustment in employment plans in the United Kingdom (from -5 to -10) is somewhat surprising given that production plans are showing a clear upward trend there; this suggests a sharp increase in productivity. In Italy, however, a considerable improvement in employment plans was recorded (from -23 to -17; see Table 5).

Prices to increase somewhat more rapidly — Industrial firms intend to increase their selling prices somewhat more sharply than hitherto over the months ahead (+16 compared with +13). This is virtually a general trend but was particularly marked in France and Italy in April (from +9 to +16 and from +11 to +16 respectively). The planned price increases in the United Kingdom and Greece are even more marked (+25 and +27 respectively). However, this does not indicate any appreciable acceleration compared with previous expectations. In the Federal Republic of Germany, price expectations were roughly static (+10), while in Luxembourg there was a further downward trend (-23).

A slight recovery in the construction industry — The confidence indicator in the European construction industry rose by 3 points (from -21 to -18). An upturn was noted in almost all member countries; there was a slight deterioration only in the Nether-

TABLE 5: Employment expectations in manufacturing industry (a) (s.a.)
Balance of respondents expecting employment up, unchanged, down

	Range (b)		Range (b)		1985		1986		1987				
	Peak 1973	Trough 1975	Peak 1979	Through 1982/83	IV	I	II	III	IV	I	II		
B	+12	-26	-2	-17	-9	-12	-7	-8	-10	-14	-17	-17	-16
DK	:	:	:	-14	+4	-3	+1	-1	-3	-5	-3	-6	:
D	+13	-34	+2	-38	-4	-3	+2	+1	+1	-2	-10	-14	-18
GR	:	:	:	:	-3	-3	-3	-1	-1	-5	-5	-8	-8
F	+17	-35	-23	-48	-43	-41	-45	-40	-44	-47	-50	-50	-47
IRL	+15	-34	+4	-35	-7	-8	+7	-11	-7	-8	-8	+3	-2
I	+13	-26	+3	-39	-33	-35	-29	-35	-38	-34	-31	-23	-17
L	+75	-67	-1	-62	+1	+1	-3	+6	+5	-2	-6	+2	-33
NL	+4	-32	-6	-36	+11	+11	+13	+17	+15	+16	+16	+12	+2
UK	:	:	:	-43	-3	-13	-4	-7	-15	-15	-14	-5	-10
EUR	+12	-31	-6	-40	-17	-17	-14	-16	-19	-20	-22	-20	-21

TABLE 6: 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		1987	
	Peak 1979	Trough 1981/82	J	O	J	A	J	O	J	A	J	A
B	+8	-22	-1	-6	-1	+2	-7	-13	-1	-4	-7	-12
DK	:	-14	+21	+10	+27	+11	+18	+16	+13	-6	-1	:
D	+17	-26	-1	+1	+4	+9	0	-12	+11	+3	-2	-3
F	+14	-35	-14	-8	-13	-9	-11	-8	-9	-5	-10	-11
IRL	:	-46	-8	-12	-6	-10	-10	-17	-19	-2	-19	+9
I	+7	-25	+6	+7	+3	+19	+4	+8	+7	+7	+9	+12
L	+45	-67	+12	-22	+6	+6	+3	-12	-29	-39	-32	-17
NL	+9	-6	+4	+1	+11	0	-3	-1	+4	+5	0	+2
UK	:	-21	+15	-5	+12	+16	0	-11	-9	-1	+13	+18
EUR (c)	+14	-27	+2	-1	+3	+10	-1	-6	+1	+1	+2	+3

TABLE 7: 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		1987	
	Peak 1979	Trough 1981/82	J	O	J	A	J	O	J	A	J	A
D	+6	-15	+8	-3	+6	+6	-1	-3	-3	-5	-7	-9
GR	:	-13	+27	+20	+33	+23	+20	+21	+19	+18	+8	+11
F	+13	-23	+1	-7	-5	+6	0	-6	-17	-4	-15	-7
IRL	:	-8	+12	+16	+7	+24	+16	+19	+22	+6	+12	+11
I	+16	-14	+9	+9	+6	+12	+1	+11	+14	+11	+13	+9
L	+62	-67	+2	-34	+1	+7	+10	-41	-48	-55	-58	-10
NL	+20	-11	+4	+6	+1	+8	+6	0	+8	+8	+10	+9
UK	:	-4	+15	+9	+14	+9	+4	+14	+1	+16	+17	+16
EUR (c)	+11	-11	+7	+1	+4	+7	0	0	+1	+3	0	+1

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

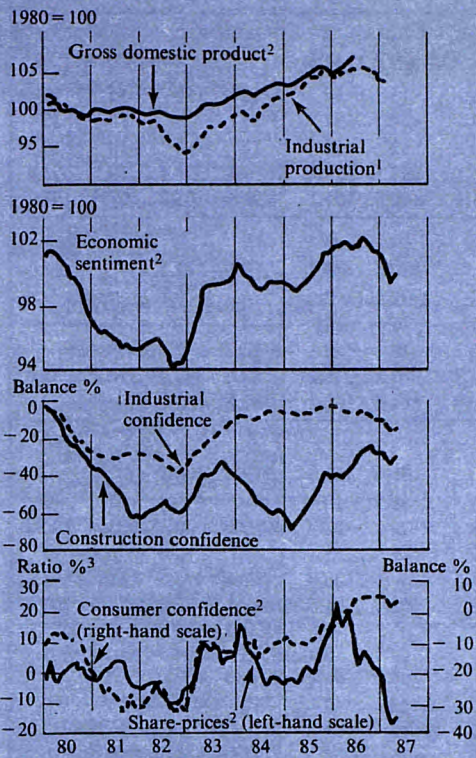
(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the periods 1973-1975 and 1979-1983 respectively.

(c) Weighted total of available country data.

Source: European Community business surveys.

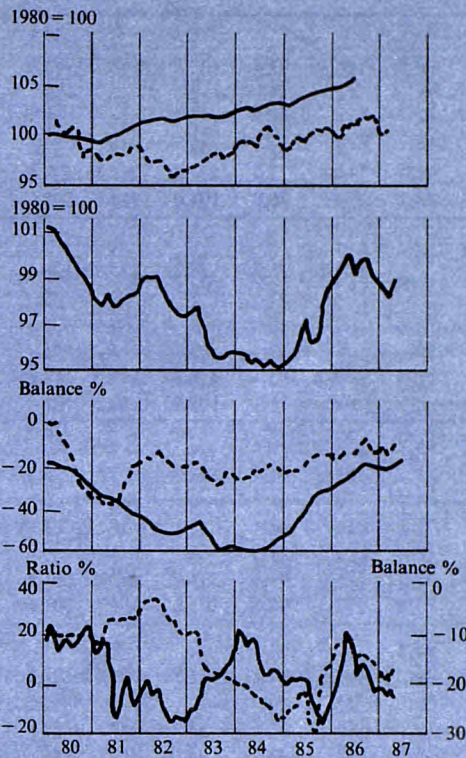
GRAPHS 3-8: Indicators of output and economic sentiment

GRAPH 3: Federal Republic of Germany



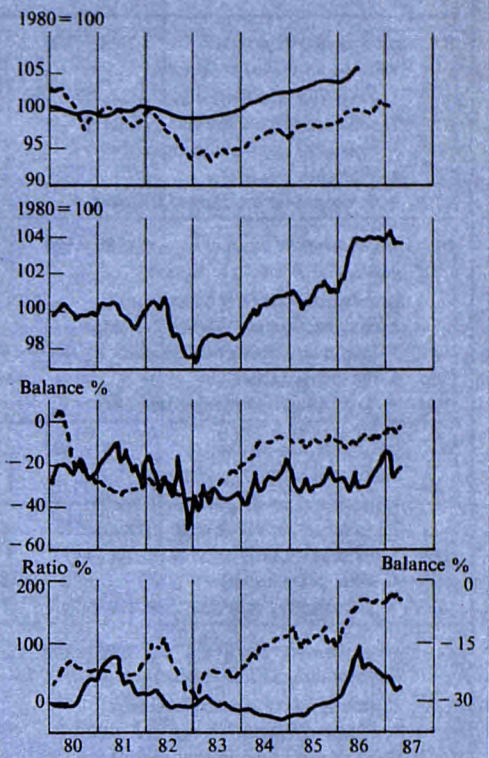
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %

GRAPH 4: France



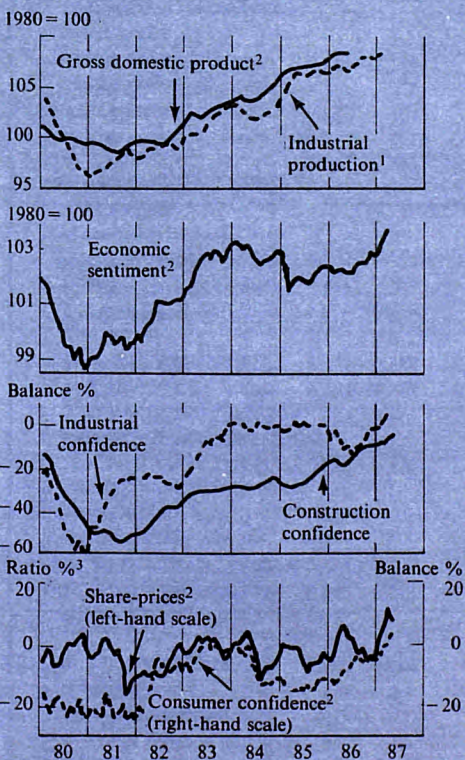
For explanations, see Graph 3.

GRAPH 5: Italy



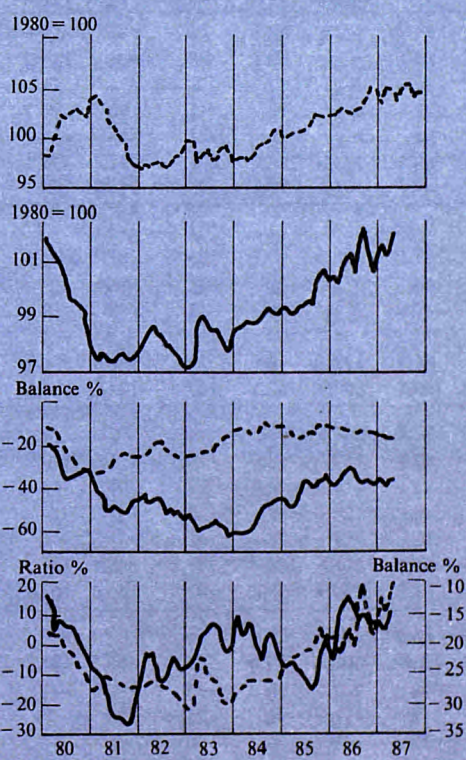
For explanations, see Graph 3.

GRAPH 6: United Kingdom



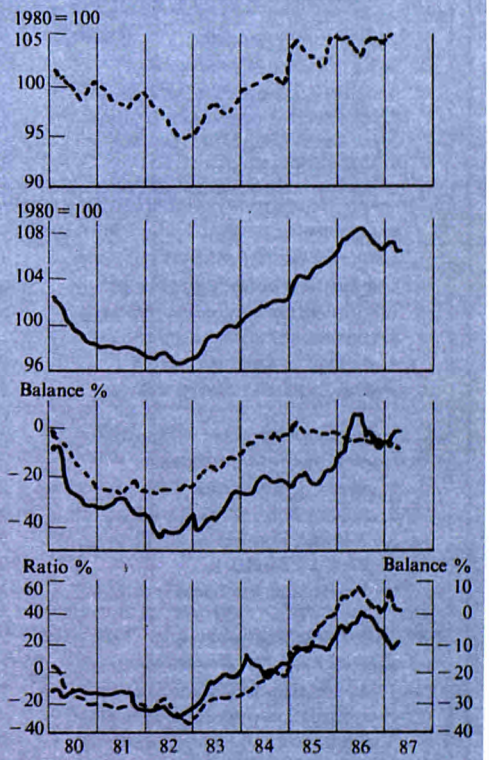
¹ Three-month moving average.
² See notes to Table 8.
³ Deviations from trend in %

GRAPH 7: Belgium



For explanations, see Graph 6.

GRAPH 8: Netherlands



For explanations see Graph 6.

TABLE 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)		1986		1986		1987		1986		1987		
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83			III	IV	I	Nov.	Dec.	Jan.	Feb.	March	Apr.
B															
production expectations	+31	-56	-4	-37	-7	-8	-9	-12	-8	-10	-12	-8	-15	-8	
order-books	+13	-74	-14	-49	-25	-25	-26	-27	-25	-26	-27	-29	-24	-31	
export order-books	+15	-82	-19	-55	-30	-29	-30	-27	-30	-29	-28	-26	-26	-34	
stocks of finished products	-14	+37	+2	+18	+7	+8	+8	+7	+7	+7	+6	+9	+6	+9	
selling-price expectations	+64	-10	+39	+12	+5	0	-4	-6	-2	-8	-13	-4	0	+2	
industrial confidence indicator	+19	-56	-4	-35	-13	-14	-14	-15	-13	-14	-15	-15	-15	-15	
DK															
production expectations	:	:	:	+8	+7	+4	+7	+5	:	:	+5	:	:	:	
order-books	:	:	:	-34	+9	+9	0	-12	:	:	-12	:	:	:	
export order-books	:	:	:	+14	-2	-2	-9	-16	:	:	-16	:	:	:	
stocks of finished products	:	:	:	+24	+14	+15	+14	+15	:	:	+15	:	:	:	
industrial confidence indicator	:	:	:	-22	+1	-1	-2	-7	:	:	-7	:	:	:	
D															
production expectations	+17	-32	+10	-30	+2	+2	+1	-5	-1	0	-1	-6	-7	-5	
order-books	+5	-73	-6	-59	-15	-14	-19	-25	-19	-20	-22	-25	-27	-27	
export order-books	:	:	-14	-50	-20	-20	-27	-30	-28	-26	-26	-29	-36	-36	
stocks of finished products	-7	+43	-2	+31	+7	+6	+10	+11	+10	+9	+8	+13	+12	+12	
selling-price expectations	+55	+4	+38	+4	+7	+8	+7	+8	+7	+4	+4	+9	+11	+11	
industrial confidence indicator	+10	-49	+2	-40	-7	-6	-9	-13	-10	-10	-10	-15	-15	-15	
GR															
production expectations	:	:	:	:	+21	+19	+11	+10	+13	+7	+8	+10	+13	+15	
order-books	:	:	:	:	-16	-20	-25	-27	-26	-27	-26	-28	-26	-24	
export order-books	:	:	:	:	-24	-24	-24	-32	-26	-26	-31	-35	-30	-29	
stocks of finished products	:	:	:	:	+12	+11	+15	+9	+19	+12	+14	+8	+6	+4	
selling-price expectations	:	:	:	:	+16	+15	+8	+16	+8	+3	-1	+24	+25	+27	
industrial confidence indicator	:	:	:	:	-3	-4	-10	-9	-11	-11	-11	-9	-6	-4	
F															
production expectations	+33	-29	+18	-20	+1	+7	0	+1	0	-1	+2	-1	+1	+5	
order-books	+26	-69	0	-56	-23	-20	-23	-24	-24	-23	-22	-24	-26	-22	
export order-books	+24	-66	+10	-52	-28	-28	-30	-32	-30	-27	-29	-35	-32	-26	
stocks of finished products	-14	+50	+3	+42	+15	+16	+13	+14	+14	+12	+11	+16	+14	+9	
selling-price expectations	+76	+15	+62	+17	+14	+14	+9	+11	+7	+4	+13	+10	+9	+16	
industrial confidence indicator	+29	-49	+5	-39	-12	-9	-12	-12	-13	-12	-10	-14	-13	-9	
IRL															
production expectations	:	-21	+40	-33	+10	+9	+8	+18	+6	+9	+14	+27	+14	+22	
order-books	:	-68	+18	-55	-22	-24	-20	-19	-20	-17	-36	-21	0	-1	
stocks of finished products	:	+35	-6	+33	+13	+13	+10	+9	+7	+10	+14	+9	+4	+7	
selling-price expectations	:	+64	+77	+20	-5	-10	+8	+2	+13	+3	+3	+1	+1	+5	
industrial confidence indicator	:	-41	+20	-40	-8	-9	-7	-3	-7	-6	-12	-1	+3	+5	
I															
production expectations	+40	-43	+24	-26	+9	+10	+7	+8	+10	+7	+11	+8	+6	+11	
order-books	+30	-82	+7	-66	-22	-21	-17	-10	-17	-13	-11	-11	-9	-10	
export order-books	+13	-67	-6	-59	-30	-29	-27	-24	-26	-29	-21	-24	-27	-23	
stocks of finished products	-24	+53	-8	+32	+14	+10	+10	+9	+10	+13	+7	+10	+11	+7	
selling-price expectations	+76	+10	+87	+37	+15	+9	+8	+11	+7	+10	+12	+11	+11	+16	
industrial confidence indicator	+31	-59	+13	-41	-9	-7	-6	-3	-6	-6	-2	-4	-5	-2	
L															
production expectations	+84	-80	+40	-66	-20	-38	-36	-43	-37	-30	-40	-49	-40	-35	
order-books	:	:	+8	-70	-3	-1	-3	-34	+1	-9	-11	-47	-44	-44	
export order-books	:	:	+9	-80	-22	-10	-45	-63	-36	-52	-64	-64	-60	-55	
stocks of finished products	-14	+74	0	+58	+3	+3	+1	-1	-2	-2	-5	+4	-2	+4	
selling-price expectations	:	-46	+74	-38	-30	-20	-31	-40	-29	-40	-53	-56	-12	-23	
industrial confidence indicator	:	:	+16	-65	-5	-14	-13	-25	-11	-12	-15	-33	-27	-28	
NL															
production expectations	+26	-26	+20	-13	+4	+4	+6	0	+7	+4	-1	+1	-1	+1	
order-books	+7	-48	-5	-42	-12	-13	-15	-16	-15	-16	-16	-15	-16	-20	
stocks of finished products	-3	+57	+3	+39	+6	+7	+6	+6	+6	+6	+6	+6	+5	+5	
industrial confidence indicator	+12	-44	+4	-31	-5	-5	-5	-7	-5	-6	-8	-7	-7	-8	
UK															
production expectations	:	:	+29	-52	+11	+8	+15	+22	+17	+14	+19	+21	+27	+24	
order-books	:	:	-2	-85	-18	-22	-14	-8	-10	-12	-13	-6	-5	+1	
export order-books	:	:	-11	-72	-19	-24	-15	-11	-13	-13	-13	-10	-11	-10	
stocks of finished products	:	:	-1	+42	+16	+17	+12	+8	+12	+10	+9	+7	+7	+7	
selling-price expectations	:	:	+70	+7	+15	+15	+18	+23	+18	+20	+21	+25	+24	+25	
industrial confidence indicator	:	:	+9	-60	-8	-10	-4	+2	-2	-3	-1	+3	+5	+6	
EUR															
production expectations	+24	-30	+15	-24	+5	+6	+5	+5	+5	+4	+7	+4	+5	+7	
order-books	+15	-70	-7	-56	-19	-19	-18	-18	-18	-17	-18	-18	-18	-16	
export order-books	:	:	-12	-50	-23	-24	-25	-27	-24	-24	-26	-26	-28	-27	
stocks of finished products	-10	+48	-1	+31	+12	+11	+11	+10	+12	+11	+9	+11	+11	+9	
selling-price expectations	+64	+9	+53	+22	+12	+10	+10	+12	+8	+7	+10	+13	+13	+16	
industrial confidence indicator	+16	-49	+3	-36	-9	-8	-8	-8	-8	-8	-7	-8	-8	-6	

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

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

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

TABLE 10: Survey of the construction industry

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

	Range (b)		Range (b)		1986		1986		1987		1986		1987	
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83	III	IV	I	Nov.	Dec.	Jan.	Feb.	March	Apr.	
B order-books	-13	-47	-20	-76	-48	-44	-47	-51	-47	-47	-50	-51	-52	-52
employment expectations	+31	-24	+7	-53	-22	-26	-27	-22	-28	-20	-23	-25	-18	-18
price expectations	+75	+25	+61	-18	+1	-2	-5	-1	-5	-4	-3	-2	+2	-2
construction confidence indicator (a)	+9	-36	-7	-65	-35	-35	-37	-37	-38	-34	-37	-38	-35	-35
DK order-books	:	:	:	-38	+18	+18	+13	+4	(+13)	(+13)	+4	(+4)	(+4)	+12
employment expectations	:	:	:	-35	+10	+9	-1	-2	(-1)	(-1)	-2	(-2)	(-2)	+11
price expectations	:	:	:	-37	+14	+14	+6	+1	(+6)	(+6)	+1	(+1)	(+1)	+12
construction confidence indicator (a)	:	:	:	-37	+14	+14	+6	+1	(+6)	(+6)	+1	(+1)	(+1)	+12
D order-books	-17	-84	+2	-75	-53	-45	-47	-53	-48	-49	-51	-52	-57	-50
employment expectations	+10	-60	+20	-53	-12	-7	-6	-8	-9	-6	-7	-8	-9	-9
price expectations	+48	-37	+48	-49	+7	+10	+8	+2	+7	+5	+1	+2	+2	+3
construction confidence indicator (a)	-4	-72	+11	-64	-33	-27	-27	-31	-29	-28	-29	-30	-33	-30
GR order-books	:	:	:	-78	-62	-72	-63	-67	(-63)	(-63)	-67	(-67)	(-67)	-56
employment expectations	:	:	:	-77	-32	-33	-25	-22	(-25)	(-25)	-22	(-22)	(-22)	-21
price expectations	:	:	:	+9	+34	+32	+31	+25	(+31)	(+31)	+25	(+25)	(+25)	+27
construction confidence indicator (a)	:	:	:	-78	-47	-53	-44	-45	(-44)	(-44)	-45	(-45)	(-45)	-39
F order-books	:	:	-26	-73	-33	-26	-27	-28	(-27)	(-27)	-28	(-28)	(-28)	-22
employment expectations	:	:	-8	-47	-11	-8	-11	-14	(-11)	(-11)	-14	(-14)	(-14)	-12
price expectations	:	:	-17	-57	-22	-18	-19	-21	(-19)	(-19)	-21	(-21)	(-21)	-17
construction confidence indicator (a)	:	:	-17	-57	-22	-18	-19	-21	(-19)	(-19)	-21	(-21)	(-21)	-17
IRL order-books	:	:	-58	-40	-36	-37	-48	(-37)	(-37)	-48	(-48)	(-48)	-44	
employment expectations	:	:	-61	-35	-28	-23	-17	(-23)	(-23)	-17	(-17)	(-17)	-17	
price expectations	:	:	-14	-17	-27	-11	(-27)	(-27)	-11	(-11)	(-11)	(-11)	-22	
construction confidence indicator (a)	:	:	-60	-38	-32	-30	-33	(-30)	(-30)	-33	(-33)	(-33)	-31	
I order-books	-25	-68	-8	-62	-37	-41	-27	-27	-27	-22	-25	-30	-25	-26
employment expectations	+10	-44	-2	-39	-14	-17	-9	-16	-15	-3	-7	-23	-19	-14
price expectations	+85	+30	+79	+2	+12	+9	+13	+10	+25	+10	+3	+9	+17	+25
construction confidence indicator (a)	-8	-56	-5	-51	-26	-29	-18	-22	-21	-13	-16	-27	-22	-20
L order-books	+21	-50	+15	-79	-9	+3	+7	+14	+8	+4	+13	+16	+12	+10
employment expectations	+31	-39	+46	-75	0	+5	-2	+20	-6	-1	+12	+18	+29	+22
price expectations	+82	+11	+81	-49	+14	+27	+20	+11	+19	+16	+12	+16	+5	+20
construction confidence indicator (a)	+26	-45	+31	-77	-5	+4	+3	+17	+1	+2	+13	+17	+21	+16
NL order-books	-8	-81	-10	-61	-11	-9	-11	-11	-11	-11	-10	-11	-11	-9
employment expectations	+14	-13	+15	-31	+5	+3	-4	+4	-7	-2	-4	+6	+9	+6
price expectations	+3	-47	+3	-46	-3	-3	-8	-4	-9	-7	-7	-3	-1	-2
construction confidence indicator (a)	+3	-47	+3	-46	-3	-3	-8	-4	-9	-7	-7	-3	-1	-2
UK order-books	:	:	-1	-71	-24	-23	-14	-19	(-14)	(-14)	-19	(-19)	(-19)	-16
employment expectations	:	:	+15	-49	-3	+2	-5	+3	(-5)	(-5)	+3	(+3)	(+3)	+7
price expectations	:	:	+74	-22	+25	+22	+30	+38	(+30)	(+30)	+38	(+38)	(+38)	+47
construction confidence indicator (a)	:	:	+7	-60	-14	-11	-10	-8	(-10)	(-10)	-8	(-8)	(-8)	-5
EUR order-books	:	:	-9	-63	-36	-32	-30	-33	(-30)	(-32)	-32	(-33)	(-34)	-30
employment expectations	:	:	+7	-33	-9	-7	-8	-8	(-10)	(-8)	-7	(-8)	(-8)	-6
price expectations	:	:	-1	-48	-23	-20	-19	-21	(-20)	(-20)	-20	(-21)	(-21)	-18
construction confidence indicator (a)	:	:	-1	-48	-23	-20	-19	-21	(-20)	(-20)	-20	(-21)	(-21)	-18

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

(b) These are the extrem (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.

lands and Luxembourg, although the situation in the construction industry in those two countries had for a long time been markedly more favourable than the Community average. By contrast to industry, the European construction industry's assessments of both the order-book situation and employment prospects showed some improvement. In most member countries the price expectations of building firms showed only a slight increase; in the United Kingdom, by contrast, the increase was more marked (from +38 to +47). In Ireland, however, building firms anticipating price reductions were in an even greater majority than hitherto (see Table 10).

Rise in the Community leading indicator — For the first time since the middle of last year, the leading indicator again rose appreciably (from 102.4 to 103.0; 1980 = 100). However, it would be premature to see this as a clear signal that the period of weak economic growth in Europe is coming to an end and that a new upturn is about to commence. That would require the indicator to continue its upward trend for a number of months. However, the indicator is not at any rate pointing to an impending cumulative downturn - a danger which, given the considerable imbalances in the world economy, does not appear to be totally out of the question. The main positive sign is that there has been an improvement in the indicator in almost all member countries and that the upward trend is therefore regionally broadly based. At Community level, three of the four components - namely, the consumer climate and the confidence indicators in industry and construction - contributed to the rise in the composite indicator; only share prices had a slight contracting effect. As the analysis of the survey results in industry has shown, the recovery is concentrated on the consumer goods sector; in the capital goods sector there are still no signs of an upturn in demand. The economic recovery process is unlikely to acquire a stronger basis until the propensity to invest increases once again.

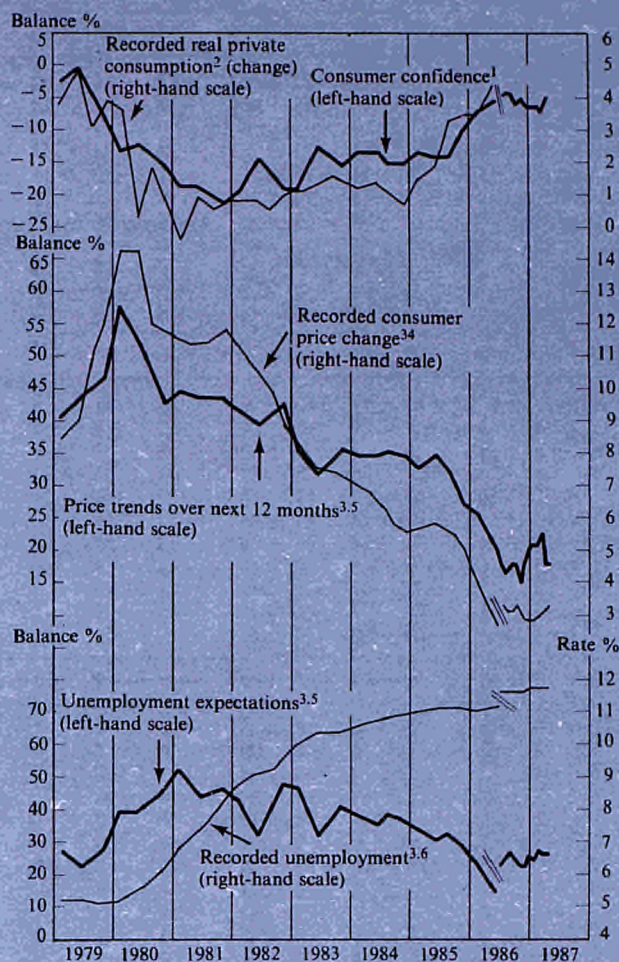
Rise in the consumer climate indicator — In April, Community consumers were more confident in their assessments of the economic trend than in previous months; the consumer climate indicator in the Community rose by two points compared with March (from -7 to -5).

The more favourable picture was due primarily to the generally somewhat more optimistic assessments in the United Kingdom (which rose from 0 to +4), in Belgium (from -14 to -10) and also in Greece (from -31 to -27). Optimism also grew, albeit to a somewhat lesser extent, among consumers in Spain (from -14 to -13), in the Federal Republic of Germany (from 0 to +2) and in France (from -19 to -17). By contrast, the confidence indicator fell somewhat in Ireland (from -27 to -29) and in Italy (from 0 to -2); there was no change in the indicator in the Netherlands and Portugal (+1 and -2 respectively).

A closer analysis shows that the rise in the Community consumer climate indicator in April was due primarily to increased readiness to make purchases (from -4 to 0). Despite this improvement, however, the readiness to make purchases is still far below the levels recorded at the time of previous cyclical peaks (1973: +25; 1978: +29). However, the somewhat more favourable assessments by households of their own financial situations and of the general economic situation (from -8 to -6 and from -15 to -13 respectively) also contributed to the slight improvement in the consumer climate in the Community in April.

The somewhat more optimistic assessments of consumers have already shown up in the April results of the business surveys in the retail trade, although these are available only for four member countries. According to them, the business situation has improved particularly in Germany (from -6 to +3) and in the Netherlands (from +38 to +47); while assessments in the United Kingdom were still positive, they did not quite reach the high level of the previous month (+13 as against +20 in March). The expectations of retail firms for the months ahead

GRAPH 9: Consumer survey results and objective economic indicators — European Community⁷



For notes, Table 11.

Sources: European Community consumer survey and Eurostat.

decline in the level of optimism hitherto expressed (from +6 to +1 and from +4 to +1 respectively). By contrast, economic prospects have improved according to consumers in the United Kingdom (+6 compared with +3), in Belgium (-5 compared with -10), in France (-24 compared with -27) and in Spain (-7 compared with -8).

The most striking result of the April survey was the increased readiness to purchase consumer durables. This trend was particularly marked in the United Kingdom (+22 instead of +19), in the Netherlands (+4 instead of -4) and in the Federal Republic of Germany (+8 instead of +2) but there was also an improvement in France and Spain (from -10 to -5 and from -23 to -20 respectively). In Ireland, by contrast, the opposite trend was noted (-18 compared with -12). Italian and Portuguese consumers were also somewhat more cautious concerning their purchasing intentions (-8 compared with -6 and -20 compared with -18 respectively).

In a number of member countries, there were increased fears among consumers that unemployment would rise again over the next 12 months. Particular concern was felt by consumers in Spain (+39 as against +36); in the Netherlands too, however, these fears increased somewhat (from +3 to +7).

While consumers' expectations concerning inflation remained unchanged at Community level (+18), there were considerable changes in individual countries: French consumers were less concerned than in the previous month that the rate of inflation would accelerate (+9 compared with +17). A similar trend was also recorded in Belgium (+14 compared with +18), in Ireland (+22 compared with +25) and in the United Kingdom (+33 compared with +36). By contrast, inflationary expectations increased among Spanish consumers in particular (from +15 to +24). Dutch consumers consider that the fall in the rate of inflation is coming to an end (-6 compared with -12) and German consumers are now predicting a slight increase in prices (+4 as against +1).

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point to buoyant sales levels in the United Kingdom; in Germany, in the Netherlands and in Belgium, by contrast, the retail trade's expectations have deteriorated somewhat (see Table 12). The markedly more favourable assessments made by United Kingdom consumers in April concerning their own financial situations (-5, as opposed to -12, i.e. a new peak) was a major contributory factor in the improvement referred to in this component of the consumer climate indicator at Community level. Consumers were also more optimistic about their financial situations in Belgium (-6 compared with -8), in Spain (-11 compared with -13), in Portugal (-1 compared with -3) and in Ireland (-30 compared with -32).

In almost all member countries, consumers assessed the general economic situation somewhat more positively than in March. This was particularly the case in the United Kingdom (-8 as against -16) and in Belgium (-16 as against -24). The figure for the United Kingdom in April (-8) represents the most favourable assessment since May 1983 (this also applies to consumers' assessments of their own financial situations). Portuguese consumers too were more confident than hitherto in their assessments of the general economic situation over the last 12 months (+8 compared with +2). Slight improvements were also recorded in Greece (from -36 to -32), in France (from -42 to -39), in Spain (from -27 to -25) and in the Netherlands (from +4 to +5). German consumers were unchanged in their generally relatively favourable assessments of the general economic situation (+2), while Italian consumers were more pessimistic than hitherto on this question (-3 compared with 0).

The pattern of consumers' expectations concerning the general economic situation over the next 12 months is less uniform. In Ireland and the Netherlands in particular, more consumers were sceptical on this subject than in March (-29 instead of -20 and -7 instead of -1). In Portugal and Italy there was a

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

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986				1987			
											Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.
CONSUMER CONFIDENCE INDICATOR ^(b)	B	-8	-10	-20	-27	-27	-28	-27	-21	-17	-14	-15	-19	-16	-12	-14	-14	-10
	DK	-1	-2	-19	-17	-12	0	6	4	-3	-8	-4	-16	-13	-11	-7	-13	-11
	D	5	6	-5	-22	-26	-15	-10	-7	3	5	6	5	5	5	1	0	2
	GR	:	:	:	:	0	-11	-4	-5	-20	-21	-21	-23	-26	-26	-29	-31	-27
	E	:	:	:	:	:	:	:	:	-9	-9	-10	-10	-10	-11	-10	-14	-13
	F^(d)	1	-5	-10	-9	-5	-15	-23	-21	-14	-15	-15	-16	-17	-19	-18	-19	-17
	IRL	8	-10	-22	-28	-34	-39	-33	-29	-28	-28	-29	-33	-35	-27	-31	-27	-29
	I	-18	-17	-22	-22	-18	-24	-15	-12	-4	-3	-2	-3	-3	0	-1	0	-2
	NL	-1	-8	-25	-31	-32	-30	-22	-7	5	2	3	0	1	7	6	1	1
	P	:	:	:	:	:	:	:	:	-7	-6	-4	-4	-9	-5	-4	-2	-2
	UK	8	-4	-18	-21	-12	-3	-4	-10	-7	-6	-3	-3	-6	-4	0	0	4
		EUR^(c)	0	-3	-13	-19	-17	-15	-14	-12	-6	-6	-5	-6	-6	-6	-6	-7
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-11	-15	-19	-25	-29	-31	-23	-14	-12	-14	-16	-12	-13	-11	-8	-6
	DK	2	1	-10	-12	-7	-4	-2	-3	-2	-2	0	-5	-1	-6	-1	-2	-2
	D	1	2	-4	-16	-18	-14	-11	-8	1	4	2	2	4	2	0	1	1
	GR	:	:	:	:	-2	-13	-8	-8	-24	-27	-26	-28	-31	-27	-31	-33	-32
	E	:	:	:	:	:	:	:	:	-10	-10	-12	-11	-9	-10	-9	-13	-11
	F^(d)	-2	-4	-7	-8	-7	-11	-15	-13	-11	-12	-12	-14	-14	-13	-14	-14	-14
	IRL	-9	-21	-32	-38	-41	-43	-42	-37	-34	-33	-34	-36	-36	-33	-37	-32	-30
	I	-14	-13	-14	-14	-13	-15	-12	-10	-6	-5	-5	-6	-6	-4	-4	-3	-4
	NL	4	1	-9	-18	-20	-28	-26	-17	-3	-2	-1	-3	-2	2	3	0	0
	P	:	:	:	:	:	:	:	:	-8	-6	-7	-6	-7	-6	-7	-3	-1
	UK	-10	-11	-24	-30	-27	-15	-15	-16	-13	-10	-10	-8	-11	-11	-8	-12	-5
		EUR^(c)	-4	-5	-11	-17	-16	-15	-15	-12	-8	-6	-7	-7	-7	-7	-7	-8
— over last 12 months	B	-3	-3	-6	-9	-12	-15	-18	-13	-5	-3	-3	-5	-3	-2	-1	-2	-1
	DK	6	3	-8	-4	-2	0	3	3	2	1	3	-4	0	4	4	0	3
	D	2	2	-3	-12	-14	-9	-6	-4	2	3	4	4	3	3	2	2	1
	GR	:	:	:	:	15	0	6	2	-12	-15	-14	-18	-24	-18	-18	-21	-18
	E	:	:	:	:	:	:	:	:	3	3	1	2	1	2	2	1	-1
	F^(d)	4	0	-2	0	0	-4	-7	-3	-2	-5	-5	-5	-6	-4	-5	-4	-3
	IRL	1	-13	-19	-24	-23	-26	-22	:	-15	-18	-15	-18	-18	-16	-13	-12	-14
	I	-6	-7	-10	-8	-6	-8	-3	-2	1	1	2	1	1	4	5	4	4
	NL	1	1	-9	-13	-14	-21	-17	-6	2	3	1	3	3	4	5	4	3
	P	:	:	:	:	:	:	:	:	2	3	6	3	-2	3	2	2	1
	UK	3	-1	-13	-15	-9	-2	-3	-5	-3	-2	-1	0	-1	0	3	5	7
		EUR^(c)	2	0	-6	-9	-8	-7	-6	-4	0	-1	0	0	-1	1	1	1
— over next 12 months	B	-28	-29	-45	-51	-43	-38	-33	-17	-12	-6	-13	-18	-15	-7	-8	-10	-5
	DK	-21	-24	-42	-29	-23	3	6	4	-7	-12	-10	-17	-16	-12	-11	-20	-19
	D	-1	1	-19	-33	-32	-14	-10	-6	3	3	4	2	2	1	-4	-4	-4
	GR	:	:	:	:	25	6	10	3	-13	-14	-15	-23	-26	-22	-19	-20	-17
	E	:	:	:	:	:	:	:	:	3	1	1	0	2	-4	-7	-8	-7
	F^(d)	-15	-29	-40	-27	-23	-36	-45	-34	-18	-16	-19	-21	-22	-27	-27	-27	-24
	IRL	2	-26	-35	-38	-42	-45	-29	-26	-26	-29	-29	-32	-31	-27	-23	-20	-29
	I	-14	-19	-30	-30	-24	-25	-9	-8	3	4	4	4	1	10	5	4	1
	NL	-16	-26	-48	-42	-42	-28	-5	10	12	-1	4	1	3	8	4	-1	-7
	P	:	:	:	:	:	:	:	:	5	9	9	9	0	8	9	6	1
	UK	5	-16	-24	-23	-10	-5	-10	-16	-14	-13	-10	-5	-9	-8	-2	3	6
		EUR^(c)	-8	-16	-30	-30	-24	-21	-18	-14	-5	-5	-5	-7	-6	-7	-7	-7
PRICE TRENDS	B	59	55	65	69	77	78	78	72	49	41	40	42	36	36	30	33	27
	DK	47	39	50	51	48	26	26	26	10	6	8	7	5	6	0	-5	1
	D	16	25	44	52	46	23	15	9	-15	-21	-24	-25	-26	-28	-23	-23	-20
	GR	:	:	:	:	15	30	24	26	39	42	39	36	38	41	39	41	41
	E	:	:	:	:	:	:	:	:	46	46	49	45	43	44	45	38	41
	F^(d)	60	70	79	77	62	55	58	44	12	9	4	8	5	7	18	19	14
	IRL	57	80	85	87	87	80	71	59	47	42	41	44	42	43	42	41	35
	I	67	72	80	79	72	69	55	49	36	29	31	32	33	26	25	27	24
	NL	47	43	62	68	63	43	41	22	-2	-14	-18	3	-7	-18	-27	-27	-26
	P	:	:	:	:	:	:	:	:	31	29	28	29	31	34	38	33	30
	UK	35	48	59	41	31	15	19	24	15	13	9	13	17	14	11	15	10
		EUR^(c)	42	49	63	62	53	40	37	30	13	10	9	11	10	8	10	11

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

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986				1987			
											Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.
PRICE TRENDS (cont.)	B	22	33	42	40	45	40	37	36	27	22	23	21	22	23	14	18	14
	DK	27	29	38	31	31	12	16	15	7	5	7	7	1	4	11	11	7
	D	33	44	51	50	43	30	28	25	5	-1	-3	-1	1	0	6	1	4
	GR	:	:	:	:	25	37	38	42	44	45	45	41	47	50	45	48	48
	E	:	:	:	:	:	:	:	:	19	24	21	20	22	22	23	15	24
	F (d)	41	46	50	39	42	37	32	27	19	10	7	14	18	24	29	17	9
	IRL	36	59	56	52	46	39	35	32	23	28	29	23	28	32	23	25	22
	I	44	56	60	58	56	54	46	48	35	34	33	36	37	32	38	34	35
	NL	36	48	61	52	50	38	25	17	6	7	-1	5	4	-2	-12	-12	-6
	P	:	:	:	:	:	:	:	:	14	11	11	12	21	14	16	17	17
	UK	21	34	43	31	29	27	40	43	32	33	30	35	38	36	35	36	33
	EUR (c)	34	44	51	44	42	35	35	32	20	18	15	18	21	21	23	18	18
UNEMPLOYMENT	B	42	42	57	67	60	57	44	37	33	29	36	40	37	35	36	40	37
	DK	29	22	39	37	29	30	5	-4	1	2	9	27	24	19	15	24	26
	D	10	3	20	43	43	30	20	16	4	5	-1	3	9	7	14	13	12
	GR	:	:	:	:	11	10	11	17	31	35	32	30	35	38	38	36	35
	E	:	:	:	:	:	:	:	:	26	24	24	26	33	40	39	36	39
	F (d)	30	44	47	43	30	41	62	50	33	38	37	35	35	38	44	47	47
	IRL	6	12	34	47	56	67	52	48	45	49	44	48	47	44	33	31	34
	I	42	41	51	52	56	57	49	47	39	36	37	37	41	34	40	37	40
	NL	42	35	59	72	72	67	36	0	-11	-4	-2	-6	-7	-4	3	3	7
	P	:	:	:	:	:	:	:	:	27	27	27	21	26	22	26	18	19
	UK	20	30	58	50	34	37	32	35	32	35	30	21	24	19	16	14	8
	EUR (c)	25	27	43	48	42	41	38	32	23	25	23	22	26	25	28	27	27
MAJOR PURCHASES	B	46	30	23	15	13	6	6	-18	-26	-24	-22	-22	-17	-21	-25	-24	-24
	DK	41	42	21	10	16	7	14	14	0	-3	4	-32	-25	-20	-13	-11	-14
	D	31	25	18	-1	-17	-8	-9	-8	4	3	7	5	7	10	6	2	8
	GR	:	:	:	:	-35	-35	-24	-20	-22	-19	-24	-13	-11	-31	-39	-45	-36
	E	:	:	:	:	:	:	:	:	-27	-24	-27	-23	-26	-23	-10	-23	-20
	F (d)	34	35	39	28	30	19	6	-4	-3	-8	-6	-4	-5	-9	-4	-10	-5
	IRL	49	46	30	24	13	-6	-9	-2	-10	-2	-9	-18	-23	2	-15	-12	-18
	I	-10	-3	2	4	1	-13	-15	-15	-8	-10	-5	-9	-6	-9	-8	-6	-8
	NL	28	13	-2	-17	-21	-18	-44	-29	-6	-1	-2	-9	-9	4	6	-4	4
	P	:	:	:	:	:	:	:	:	-28	-30	-27	-28	-30	-30	-27	-18	-20
	UK	43	43	28	26	25	32	31	24	24	23	30	18	15	24	24	19	22
	EUR (c)	29	27	22	12	6	5	0	-3	0	-3	1	-3	-3	-1	1	-4	0
— over next 12 months	B	-28	-29	-26	-28	-28	-30	-28	-30	-28	-27	-27	-27	-25	-23	-24	-24	-22
	DK	-9	-8	-14	-12	-10	-8	-7	-8	-12	-17	-12	-15	-12	-12	-12	-10	-10
	D	-15	-15	-19	-25	-28	-29	-28	-26	-20	-19	-19	-19	-18	-16	-20	-19	-20
	GR	:	:	:	:	-24	-33	-38	-33	-42	-50	-46	-38	-35	-39	-43	-51	-48
	E	:	:	:	:	:	:	:	:	-26	-22	-27	-27	-34	-28	-29	-24	-22
	F (d)	-13	-16	-18	-13	-9	-10	-10	-9	-3	0	0	0	0	0	0	-1	0
	IRL	-13	-17	-19	-22	-27	-31	-25	-22	-20	-18	-19	-21	-21	-22	-26	-26	-17
	I	-16	-10	-17	-18	-22	-22	-21	-21	-21	-19	-20	-19	-23	-21	-20	-21	-21
	NL	-14	-19	-23	-27	-27	-29	-27	-20	-15	-13	-16	-15	-14	-15	-12	-12	-10
	P	:	:	:	:	:	:	:	:	6	5	4	2	5	2	4	1	2
	UK	-9	-6	-14	-19	-18	-15	-12	-14	-12	-12	-12	-10	-12	-16	-14	-11	-9
	EUR (c)	-12	-12	-17	-20	-20	-21	-19	-18	-16	-14	-15	-15	-16	-15	-16	-15	-14
SAVINGS	B	35	40	38	41	40	46	46	46	43	45	38	44	54	41	50	53	50
	DK	7	11	15	23	26	40	41	50	46	39	47	47	49	55	46	48	53
	D	34	46	43	32	27	33	38	41	44	48	48	47	44	52	44	39	41
	GR	:	:	:	:	-25	-29	-20	-18	-31	-33	-34	-31	-32	-34	-43	-44	-40
	E	:	:	:	:	:	:	:	:	36	38	38	45	29	39	48	41	41
	F (d)	10	8	-3	-2	-5	0	6	11	12	7	6	11	13	17	17	20	20
	IRL	14	8	5	-3	-9	-3	-8	-1	-3	-15	-6	2	-7	-8	-3	-10	-2
	I	6	4	-6	-7	10	21	33	37	47	47	51	50	46	48	50	48	51
	NL	13	19	19	27	38	35	34	41	48	44	50	45	53	51	51	52	51
	P	:	:	:	:	:	:	:	:	-42	-46	-43	-43	-42	-49	-39	-36	-31
	UK	-10	-5	6	5	5	10	17	20	23	23	25	24	22	25	33	32	31
	EUR (c)	16	21	15	12	12	19	24	29	31	31	31	33	30	35	35	34	35
— over next 12 months	B	-14	-14	-20	-21	-25	-26	-27	-33	-9	-5	-10	-8	-2	-10	-3	-1	-2
	DK	-11	-12	-20	-19	-18	-12	-11	-7	-6	-8	-7	-12	-12	-9	-7	-8	-3
	D	43	46	44	23	-2	1	3	3	11	15	13	15	12	18	16	12	16
	GR	:	:	:	:	-37	-41	-39	-40	-47	-54	-53	-47	-52	-54	-52	-59	-54
	E	:	:	:	:	:	:	:	:	-36	-37	-37	-40	-32	-34	-34	-31	-39
	F (d)	-27	-29	-32	-32	-32	-35	-37	-36	-31	-32	-33	-33	-32	-34	-32	-35	-31
	IRL	-5	-11	-13	-19	-22	-25	-37	-28	-30	-29	-29	-28	-30	-25	-31	-34	-20
	I	-35	-34	-32	-30	-22	-27	-20	-17	-10	-9	-8	-9	-9	-5	-7	-6	-8
	NL	6	8	0	-1	-3	-8	-2	6	12	11	13	14	14	19	17	17	14
	P	:	:	:	:	:	:	:	:	-39	-32	-36	-39	-40	-39	-40	-36	-29
	UK	-4	-4	-16	-20	-17	-13	-12	-14	-12	-12	-10	-6	-12	-13	-7	-9	-4
	EUR (c)	1	2	-4	-11	-17	-17	-16	-15	-11	-12	-12	-11	-12	-11	-10	-11	-9

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

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1986				1987			
											Sept	Oct	Nov	Dec	Jan	Feb	March	Apr.
FINANCIAL SITUATION OF HOUSEHOLDS	B	11	12	9	7	6	5	6	5	13	15	13	11	14	13	13	15	16
	DK	10	9	4	4	4	8	8	11	10	8	12	9	9	8	10	7	11
	D	23	22	21	16	12	11	11	12	17	18	18	18	18	19	17	17	17
	GR	:	:	:	:	0	0	2	3	1	-2	-1	2	-1	0	-1	-1	-1
	E	:	:	:	:	:	:	:	:	5	5	4	4	7	3	7	8	1
	F (d)	10	10	8	8	8	6	4	3	3	3	2	2	1	1	1	0	2
	IRL	11	8	2	-4	-1	-1	-1	-1	-1	-2	0	-2	-2	0	-1	-2	4
	I	7	8	8	8	13	9	11	12	15	16	17	16	15	16	15	17	15
	NL	14	22	19	18	17	15	13	16	19	14	16	16	16	20	19	18	18
	P	:	:	:	:	:	:	:	:	2	5	2	2	3	6	3	7	10
UK	8	10	8	9	9	12	12	11	11	12	14	14	11	11	12	13	14	
	EUR (c)	14	15	12	11	10	9	9	9	11	11	11	11	11	11	11	11	11

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.
 (b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.
 (c) If monthly data are not available, the EUR-averages incorporate the most recent available results.
 (d) Data of an experimental nature from June 1986 onwards.
 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 12: Results of business surveys in the retail trade (a)(b)

		1985				1986								1987				
		Dec.	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr. (f)
B	present business situation	8	16	7	-8	0	-19	-7	-13	-8	10	11	-13	8	-5	-13	-3	-12
	volume of stocks	5	1	0	11	5	4	12	6	2	0	0	17	9	6	12	15	16
	intentions of placing orders	-5	14	17	-3	-9	-14	-16	-4	3	11	-3	-8	-10	6	10	1	-1
	expected business situation	-15	17	26	9	-6	9	-6	21	23	25	10	13	-4	16	32	19	-1
	employment outlook	0	1	8	6	-1	0	0	1	3	2	1	4	3	1	1	-1	6
D	present business situation	-11	-8	-22	-19	-10	-7	-6	-10	-10	-1	-11	-14	7	-10	-3	-6	3
	volume of stocks	19	24	29	28	29	26	27	20	24	28	31	25	23	24	23	27	27
	intentions of placing orders	-11	-11	-14	-13	-15	-15	-14	-6	-1	0	-1	-16	-9	-8	-1	-7	-8
	expected business situation	-1	1	1	-5	-3	-3	0	4	2	12	-2	-4	5	3	6	7	-1
	employment outlook	:	:	:	-2	:	:	0	:	:	-1	:	:	-4	:	:	-4	:
F (c)	present business situation	:	5	:	-6	:	-16	:	-6	:	-11	:	-11	:	-9	:	-9	:
	volume of stocks	:	7	:	4	:	19	:	13	:	8	:	15	:	19	:	8	:
	intentions of placing orders	:	-25	:	-15	:	-24	:	-28	:	-12	:	-9	:	-24	:	-17	:
	expected business situation	:	:	:	:	:	:	:	-17	:	-14	:	-20	:	-39	:	-34	:
	employment outlook	:	-21	:	-12	:	-7	:	0	:	-14	:	-4	:	-18	:	-10	:
I (c)(d)	present business situation	:	-2	:	-7	:	2	:	-7	:	7	:	3	:	6	:	-2	:
	volume of stocks	:	28	:	25	:	24	:	31	:	20	:	30	:	18	:	19	:
	intentions of placing orders	:	-16	:	-14	:	-18	:	-14	:	2	:	-1	:	-6	:	-6	:
	expected business situation	:	3	:	9	:	9	:	10	:	20	:	13	:	10	:	20	:
	employment outlook	:	-5	:	-10	:	-6	:	-5	:	-2	:	-9	:	-15	:	-5	:
NL	present business situation	:	41	34	41	43	51	48	51	51	55	45	48	56	36	39	38	47
	volume of stocks	:	7	8	10	10	7	9	8	2	8	7	12	4	12	9	8	10
	intentions of placing orders	:	31	22	24	17	16	19	21	25	30	18	14	20	24	28	19	17
	expected business situation	:	47	44	43	41	34	41	38	45	40	39	31	46	44	42	38	31
	employment outlook	:	14	8	12	10	10	11	9	12	10	7	6	9	14	11	9	12
UK	present business situation (e)	31	30	31	13	5	7	19	24	29	24	17	18	36	20	29	20	13
	volume of stocks	18	19	18	27	27	20	21	17	9	4	16	15	18	18	16	20	22
	intentions of placing orders	23	29	24	17	21	26	23	23	31	38	27	25	24	24	30	23	33
	expected business situation	:	:	36	:	:	34	:	:	34	:	:	34	:	:	39	:	:
	employment outlook	:	:	24	:	:	21	:	:	16	:	:	10	:	:	20	:	:

(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) United Kingdom: provisional figures.
 Source: EC business survey in retail trade.

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
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