

EUROPEAN ECONOMY

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

Supplement B

Business and consumer
survey results

No 8/9 – August/September 1993

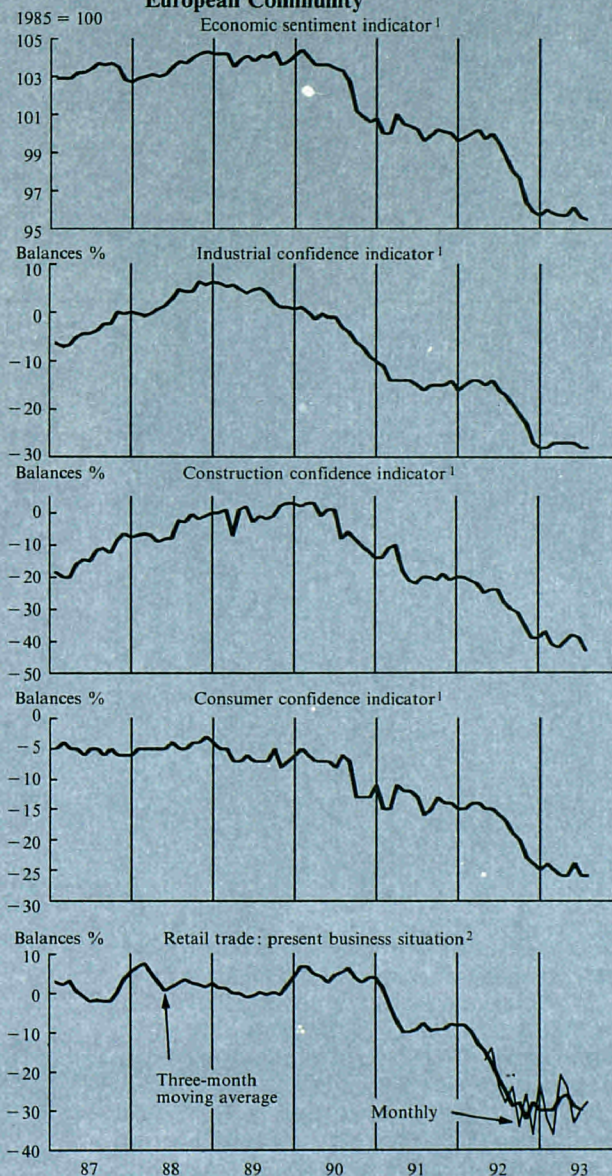


*In this number:
Capacity utilization
in industry*

THE MAIN POINTS IN BRIEF

- The economic climate in the Community has deteriorated further, albeit at a markedly slower pace in recent months. There are still very few signs of a cyclical turning point being reached.
- In July and August, *consumers* were just as pessimistic as in recent months. In Belgium, Spain and France, the decline in confidence has even accelerated further. Without the growing optimism in the United Kingdom, the loss of confidence would have been even more marked in the Community.
- While the current climate in *industry* has not worsened any further, and the number of firms intending to cut *output* over the next few months did not rise again in July compared with the previous month, *order-book* levels are still viewed by Community firms as highly unsatisfactory; nor was there any change in the negative assessments of stock levels.
- According to the most recent business surveys, capacity utilization by industrial firms in the Community was still only 77.2 % in July. The degree of capacity utilization fell by a further 0.7 of a percentage point compared with the previous quarter. The level of capacity utilization has thus closed to within 0.8 of a percentage point of that recorded at the time of the last cyclical low in January 1983.

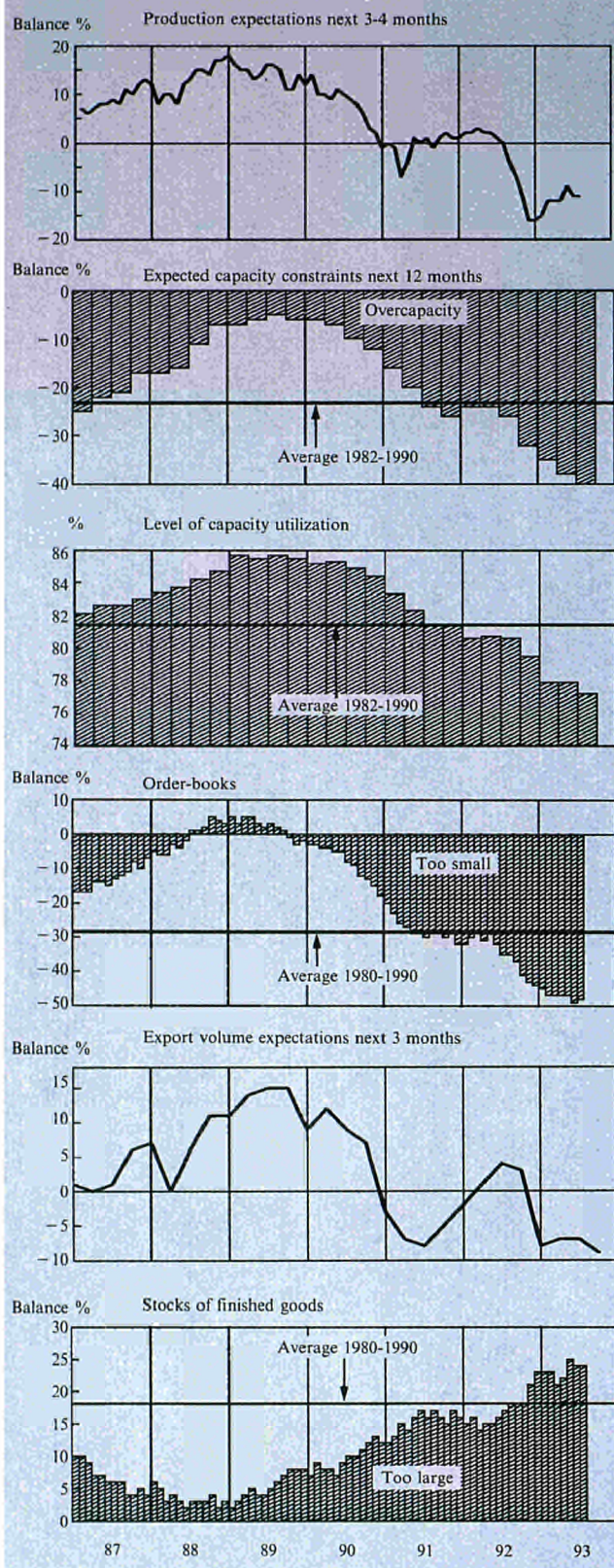
GRAPH 1: Indicators of economic sentiment – European Community



¹ See notes to Table 8.

² Not seasonally adjusted.

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



The economic climate in the Community has deteriorated further.

— The economic situation in the Community is still marked by a low level of activity. However, the economic climate has shown only a very slight further deterioration in the last few months. There are still very few signs of a cyclical turning point being reached. In the vast majority of member countries, the business surveys conducted in July/August showed only a very slight change in the depressed mood in industry, in the retail trade and among consumers; in the construction industry, managers are even viewing the future trend with increasing concern. The Community economy is continuing to suffer from sluggish

domestic demand, and economic activity is still well below the potential level of production.

In July and August, consumers were just as pessimistic as in previous months. In Belgium, Spain and France, consumer confidence has fallen even further. Without the growing optimism in the United Kingdom, the overall loss of confidence in the Community would have been greater. On average in the Community, consumers viewed their current and future financial situations just as unfavourably as in previous months; by contrast, their concern about the general economic situation, and particularly about the future economic trend, diminished markedly in August.

In July, retailers were no longer quite as sceptical about their economic situation as in previous months. The findings available for a number of countries suggest that this improvement could have continued in August. The surveys conducted in both July and August show — where results are available — less pessimistic assessments of developments over the next six months.

In the construction industry, by contrast, the climate has worsened markedly, with the climate indicator reaching a new low in July. Both the order-book situation and the future employment trend are again viewed more unfavourably. The main contributory factors here are probably the measures to rein back public spending and the weak investment trend.

The current climate in industry has not deteriorated further, and the number of firms intending to reduce their output over the next few months showed no further increase in July compared with the preceding month. Indeed, a majority of firms in the United Kingdom, Denmark, Greece and recently also Italy intend to expand production. Initial findings for August confirm that this majority in the United Kingdom is increasing markedly and that the upturn there is also becoming stronger in the industrial sphere. Community firms still view order-book levels as highly unsatisfactory and stock levels as far too high. The continuing poor order-book situation is reflected in the diminishing period of production covered by orders on hand. That period was assessed by firms in July at just 2.7 months (compared with 2.9 months in April). This is probably one of the causes of the planned further reduction in employment. In the quarterly survey (see Table 5), by contrast, the trend of incoming orders was viewed markedly less negatively than in April; the less pessimistic assessments in Belgium, Germany and Denmark, but particularly the 9 and 13 percentage-point improvements in assessments in the Netherlands and the United Kingdom respectively, have had a favourable impact on the Community average. In contrast to the other Community countries, the balance of replies is now even positive in the Netherlands and the United Kingdom; a majority of firms there are therefore expecting to see a rise in incoming orders. However, the export trend over the next few months is viewed more sceptically, even in the United Kingdom and the Netherlands. The uncertainty on foreign-exchange markets is most likely playing a key role here.

Capacity utilization in industry has declined further.

— According to the most recent business surveys, capacity utilization by industrial firms in the Community was still only 77.2% in July. There was a fall of 0.7 of a percentage point compared with the previous quarter. The gap between the present level of capacity utilization and that recorded at the time of the last cyclical low in January 1983 has thus narrowed to 0.8 of a percentage point. Given existing production plans, the degree of utilization is likely to fall further, although capacity is growing more slowly as a result of the continuing decline in the volume of investment. The weak demand for investment goods caused the level of capacity utilization in the investment goods industries to fall by as much as 1.2 percentage points in July compared with April. Capacity utilization also fell in the other two main industrial sectors, albeit to a markedly lesser extent. With regard to assessments of anticipated spare capacity, the number of pessimists again rose in investment goods industries, whereas it fell slightly in both the consumer goods industries and the basic materials and producer goods industries.

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

	Range (b)		1990	1991	1992	1991	1992				1993		
	Trough 81/83	Peak 88/90					IV	I	II	III	IV	I	II
B	73,8	82,2	81,1	79,4	77,4	78,5	77,7	77,8	77,6	76,4	75,3	74,5	74,5
DK	:	82,4	81,6	80,5	79,2	79,9	79,4	79,2	79,2	78,9	77,5	75,4	77,0
D	75,6	89,5	89,2	88,2	84,8	86,6	85,9	85,4	84,9	82,9	80,5	79,2	78,5
GR	73,5	78,9	77,0	77,2	78,3	76,9	78,4	79,0	76,8	78,8	77,8	76,7	74,4
E	:	81,7	79,9	77,6	76,6	77,7	76,4	75,3	78,1	76,4	73,9	73,9	71,1
F	81,1	86,8	87,7	84,2	82,5	83,5	83,1	82,1	82,6	82,1	81,2	79,4	78,9
IRL	55,7	78,7	76,7	75,5	77,1	77,2	77,4	78,5	75,8	76,7	71,6	74,9	73,5
I	69,0	80,0	79,9	77,3	76,4	77,1	76,4	77,8	75,9	75,0	74,4	74,6	74,3
L	66,5	86,8	83,3	82,1	79,8	82,0	80,4	80,6	79,9	78,3	80,0	80,5	81,0
NL	75,8	86,2	86,0	84,6	83,5	83,7	83,3	83,4	84,1	83,1	82,2	81,1	80,3
P	:	84,4	80,6	79,1	77,3	79,0	77,4	77,5	77,5	76,9	75,2	75,0	72,9
UK (d)	71,4	94,8	86,4	78,6	77,9	77,7	76,6	77,8	78,8	78,5	76,7	80,8	80,4
EUR	76,4	86,3	85,0	82,1	80,4	81,4	80,6	80,7	80,6	79,5	77,9	77,9	77,2

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

Industries	Degree of capacity utilization in %									Expected capacity constraints: balances overcapacity (+) capacity too small (-)								
	1991	1992	1992			1993			1991	1992	1992			1993				
			II	III	IV	I	II	III			II	III	IV	I	II	III		
Industry as a whole	82,1	80,4	80,7	80,6	79,5	77,9	77,9	77,2	+22	+27	+24	+26	+32	+35	+38	+40		
Consumer goods (e)	83,4	81,5	81,6	81,5	81,0	79,8	79,9	79,5	+19	+25	+24	+28	+30	+29	+36	+35		
Investment goods (e)	81,6	78,9	79,2	78,8	78,0	77,2	77,0	75,8	+27	+28	+34	+38	+43	+43	+42	+50		
Intermediate goods (e)	81,5	80,6	81,1	80,8	79,7	78,1	77,9	77,3	+25	+7	+22	+24	+33	+37	+43	+40		
Textile industry	80,0	79,9	81,2	79,2	78,8	77,7	76,8	77,7	+28	+26	+27	+24	+22	+31	+35	+36		
Footwear and clothing	85,0	83,0	83,3	81,9	82,6	80,8	79,9	80,4	+20	+25	+24	+30	+26	+29	+30	+33		
Timber/wooden furniture	81,5	79,8	79,4	79,6	79,4	78,3	76,8	77,3	+19	+24	+21	+27	+28	+29	+30	+32		
Manufacture of paper, paper products, printing of which:	83,6	82,5	83,7	82,4	82,1	80,6	80,2	81,1	+18	+27	+25	+23	+31	+28	+33	+32		
manufacture of paper	89,8	87,3	88,9	87,8	85,7	85,3	86,1	84,3	+10	+32	+24	+32	+38	+38	+37	+43		
Leather	79,6	76,8	76,8	77,2	74,6	73,0	73,7	74,5	+25	+33	+29	+26	+38	+32	+31	+41		
Plastics	81,5	79,5	80,0	79,3	77,9	76,9	75,5	76,5	+16	+20	+19	+18	+21	+35	+42	+39		
Mineral-oil refining	88,2	90,3	91,5	90,2	90,8	87,8	90,5	90,9	+3	+4	-2	+11	0	-1	-6	-7		
Metals	80,4	80,6	81,0	82,8	78,0	75,0	77,0	74,3	+29	+29	+19	+32	+40	+46	+53	+56		
Non-metallic mineral products	81,3	80,0	80,9	79,5	78,2	76,7	76,8	76,3	+20	+32	+30	+28	+39	+42	+42	+40		
Metal articles	80,3	76,8	77,8	76,8	74,8	74,3	73,2	72,8	+21	+32	+30	+32	+36	+42	+41	+46		
Mechanical engineering of which:	80,7	77,8	77,4	78,2	77,6	76,7	75,4	74,7	+32	+42	+38	+44	+47	+43	+51	+55		
machines tools	82,8	77,0	76,0	76,6	77,6	73,9	73,9	73,2	+21	+40	+32	+45	+51	+53	+53	+53		
Office and data processing machinery	82,2	80,1	83,5	77,2	78,2	74,8	74,0	75,6	+28	+44	+25	+47	+69	+74	+66	+59		
Electrical engineering	81,4	79,2	79,7	78,9	78,6	78,8	80,2	77,6	+24	+32	+30	+32	+37	+35	+35	+41		
Shipbuilding	77,0	74,0	77,0	73,1	72,4	67,1	70,3	75,3	+37	+55	+54	+51	+44	+60	+51	+38		
Rubber products	81,1	84,0	85,4	83,1	82,2	78,9	79,8	79,2	+40	+7	+1	+1	+12	+31	+38	+42		
Instrument engineering	82,9	82,5	83,8	82,4	81,2	80,3	80,4	80,7	+22	+28	+26	+27	+36	+44	+39	+46		

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)(c) (s.a.)

	Range (b)		1990	1991	1992	1991	1992				1993		
	Trough 81/83	Peak 88/90					IV	I	II	III	IV	I	II
B	+51	+9	+12	+24	+33	+28	+29	+32	+35	+37	+46	+49	+54
DK	+34	+10	+15	+23	+28	+24	+29	+28	+28	+26	+31	+33	+30
D	+46	-6	-3	+5	+18	+13	+12	+12	+17	+29	+36	+43	+44
GR	+32	+8	+10	+10	+11	+12	+12	+12	+10	+9	+12	+14	+17
E	:	+3	+11	+14	+14	+15	+12	+15	+16	+11	+12	+20	+17
F	+48	-6	+2	+18	+25	+20	+20	+23	+25	+32	+39	+46	+52
IRL	+34	+1	+8	+19	+11	+19	+14	+7	+14	+10	+20	+21	+30
I	+56	+12	+18	+33	+35	+36	+36	+35	+33	+37	+37	+37	+40
L	+64	-5	+3	+13	+32	+16	+25	+22	+41	+38	+42	+45	+45
NL	+51	-4	-1	+3	+7	+7	+6	+5	+7	+11	+14	+16	+16
P	:	-4	+5	+10	+22	+10	+14	+15	+19	+21	+29	+34	+40
UK	+66	+1	+25	+47	+48	+50	+48	+42	+48	+52	+45	+37	+37
EUR	+49	+5	+9	+22	+27	+26	+24	+24	+26	+32	+35	+38	+40

* Used data-signs in the tables: (s.a.) = seasonally adjusted ; = not available.

The figures for the Federal Republic of Germany refer to Western Germany, if not mentioned otherwise.

Source, unless stated otherwise: European Community business surveys.

(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 period 1981-1990.

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

(d) 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.

(e) The three major groups do not cover all the sectors of industry as a whole.

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

	Range (b)		1990	1991	1992	1991				1992				1993		
	Trough 81/83	Peak 88/90				IV	I	II	III	IV	I	II	III			
B	3,0	4,3	4,2	3,7	3,5	3,6	3,6	3,5	3,5	3,4	3,3	3,1	3,0			
DK	:	2,9	2,3	2,0	2,0	2,0	2,0	1,9	2,0	2,9	1,3	1,8				
D	2,5	3,3	3,3	3,2	2,8	3,0	2,9	2,9	2,8	2,6	2,4	2,5	2,3			
GR	5,0	6,9	6,1	5,7	5,5	6,0	5,8	6,0	5,1	5,2	5,2	5,8	5,8			
E	:	3,5	2,5	2,3	2,5	2,4	2,3	2,5	3,0	2,3	2,6	1,6	2,0			
F	2,9	3,7	3,4	3,0	3,0	2,9	2,9	3,3	2,7	3,0	3,0	3,1	2,3			
IRL	1,5	2,2	2,2	1,9	2,3	2,1	2,4	2,5	2,2	2,1	2,0	1,9	2,2			
I	3,6	4,7	4,5	4,1	4,1	3,9	4,0	4,0	3,9	4,3	4,1	4,0	3,9			
L	1,7	3,0	2,4	2,4	2,2	2,2	2,2	2,3	2,1	2,0	2,3	2,1	1,9			
NL	2,5	3,9	3,2	3,0	2,8	2,8	2,7	2,8	2,9	2,6	2,4	2,3	2,2			
P	:	4,4	4,1	3,8	3,6	3,7	3,5	3,6	3,6	3,8	3,4	3,7	3,3			
UK	2,9	4,1	3,3	3,1	3,1	3,3	3,2	3,1	3,1	3,1	2,9	3,0	2,8			
EUR	3,0	3,6	3,5	3,3	3,2	3,3	3,1	3,4	3,1	3,1	3,0	2,9	2,7			

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

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

	Range (b)		1990	1991	1992	1991				1992				1993		
	Trough 81/83	Peak 88/90				IV	I	II	III	IV	I	II	III			
B	-22	+10	-1	-11	-12	-13	-11	-12	-13	-13	-15	-21	-13			
DK	-14	+19	+7	+4	-1	+8	-3	+13	-5	-8	-15	-18	-5			
D	-23	+18	+8	-2	-10	-8	-7	-7	-5	-19	-21	-17	-13			
E	:	+12	+2	+5	+1	+4	+5	+3	+1	-6	+1	-8	-9			
F	-32	+21	0	-26	-15	-21	-20	-2	-11	-27	-30	-40	-45			
IRL	-42	+20	+3	-11	-5	-10	+2	-1	+15	-7	-11	0	-5			
I	-21	+23	+8	-1	-4	0	-1	+4	-5	-13	-10	-6	-6			
L	-67	+14	-3	-34	-35	-42	-35	-34	-32	-39	-48	-12	-25			
NL	-11	+17	+10	+4	+5	+4	+6	+4	+7	+4	+1	-2	+7			
P	:	+28	-2	-10	-17	-13	-12	-11	-20	-25	-31	-35	-37			
UK	-26	+31	-5	-40	-23	-33	-36	-20	-15	-20	-10	-4	+9			
EUR	-23	+19	+3	-12	-10	-12	-12	-5	-7	-17	-16	-16	-13			

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

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

	Range (b)		1990	1991	1992	1991				1992				1993		
	Trough 81/83	Peak 88/90				IV	I	II	III	IV	I	II	III			
B	:	+13	-2	-14	-10	-19	-7	-7	-12	-12	-11	-18	-10			
D	-13	+15	+5	-11	-4	-6	+1	+2	+3	-20	-17	-15	-14			
GR	-15	+29	+21	+18	+17	-18	-19	-19	-18	+13	+21	+16	+19			
E	:	+8	-1	+1	+3	0	+1	+2	+8	-2	+6	-8	-4			
F	-24	+14	+4	-11	-3	-7	-2	-2	+4	-11	-23	-25	-30			
IRL	-35	+38	+10	+12	-1	+23	-14	+22	+19	-29	+1	-10	-28			
I	-13	+27	+15	+6	+7	+8	+5	+9	+6	+6	+2	+11	+10			
L	-67	+15	+2	-39	-38	-52	-40	-41	-25	-46	-42	-6	-26			
NL	-11	+19	+6	+6	+8	+4	+16	+7	+3	+6	+4	+3	-2			
P	:	+30	+9	+5	-3	+1	-2	+7	-6	-11	-24	-22	-25			
UK	-6	+23	+6	-4	+6	+8	-2	+13	+6	+9	+20	+15	+4			
EUR	-14	+16	+6	-5	0	-2	+1	+4	+3	-8	-7	-7	-9			

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

Balance of respondents expecting employment up, unchanged, down

	Range (b)		1990	1991	1992	1991				1992				1993		
	Trough 81/83	Peak 88/90				IV	I	II	III	IV	I	II	III			
B	-17	+3	-3	-10	-14	-8	-8	-14	-16	-18	-22	-25	-26			
DK	-11	+2	-6	-5	-7	-8	-9	-3	-6	-11	-17	-21	-7			
D	-37	+8	+9	-7	+27	-12	-19	-21	-25	-41	-48	-52	-51			
GR	-14	+3	-3	-7	-4	-1	-1	0	-10	-6	-4	-4	:			
E	:	-9	-14	-18	-20	-20	-18	-17	-21	-23	-41	-52	-47			
F	-44	-11	-13	-30	-40	-35	-40	-39	-40	-40	-44	-49	-53			
IRL	-32	+13	-1	-15	-18	-15	-25	-10	-4	-33	-19	-29	-30			
I	-38	+7	-4	-12	-23	-15	-20	-21	-23	-27	-24	-20	-21			
L	-59	+6	-40	-41	-35	-53	-40	-30	-36	-40	-43	-44	-41			
NL	36	+14	+7	-8	-14	-10	-9	-15	-13	-17	-25	-29	-26			
P	:	+1	-6	-12	-21	-16	-18	-21	-21	-23	-29	-34	-32			
UK	-44	+13	-27	-43	-35	-37	-18	-32	-30	-40	-32	-26	-28			
EUR	-32	-3	-7	-19	-28	-22	-25	-25	-26	-34	-36	-38	-39			

(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 period 1981-1990.

TABLE 8: Indicators of output and economic sentiment

			Ranges		1990	1991	1992	1992	1993			1993					
			Trough 81/83	Peak 88/90					IV	I	II	Feb.	March	April	May	June	July
B	<i>index of industrial production</i>	1985 = 100	:	:	117,7	115,1	115,2	112,7	109,5	:	111,9	105,9	:	:	:	:	
	1. industrial confidence indicator		-33	2	-3	-15	-20	-27	-31	-32	-31	-29	-33	-30	-31	-30	
	2. construction confidence indicator		-63	7	-3	-7	-13	-16	-19	-23	-18	-22	-24	-23	-23	-19	
	3. consumer confidence indicator		-29	5	-1	-7	-12	-17	-21	-26	-22	-21	-27	-25	-27	-30	
	4. share-price index (a)		:	:	184,6	177,4	175,3	167,8	178,5	179,9	177,8	186,3	182,6	177,2	179,8	191,5	
	= 5. economic sentiment indicator		96,5	106,6	105,9	103,4	101,7	103,2	99,3	98,2	99,1	99,4	98,0	98,5	98,1	97,9	
DK	<i>index of industrial production</i>	1985 = 100	:	:	108,1	110,0	112,2	109,6	108,3	105,5	106,5	113,3	105,5	99,6	111,0	:	
	1. industrial confidence indicator		-22	5	-2	-8	-7	-11	-17	-10	:	:	-20	:	:	-10	
	2. construction confidence indicator		-37	12	-24	-32	-22	-23	-32	-27	:	:	-27	:	:	-23	
	3. consumer confidence indicator		-20	-4	-8	-2	-2	-6	-8	-7	-7	-10	-9	-8	-4	-4	
	4. share-price index (a)		:	:	146,1	157,9	144,7	129,3	139,2	139,8	140,5	136,8	137,3	139,0	143,1	143,5	
	= 5. economic sentiment indicator		95,3	99,0	97,7	97,2	97,4	96,6	96,3	96,8	96,4	96,2	96,3	96,3	96,8	97,2	
D	<i>index of industrial production</i>	1985 = 100	:	:	117,9	121,4	118,9	115,1	110,2	:	109,0	111,5	109,0	109,2	:	:	
	1. industrial confidence indicator		-38	11	8	0	-18	-30	-35	-37	-34	-36	-37	-38	-36	-35	
	2. construction confidence indicator		-63	3	-1	-5	-15	-19	-25	-28	-26	-27	-27	-27	-29	-29	
	3. consumer confidence indicator		-32	6	1	-12	-20	-25	-29	-27	-28	-29	-26	-26	-28	-30	
	4. share-price index (a)		:	:	156,0	141,3	137,5	124,3	134,7	137,3	135,6	140,3	138,5	135,4	138,0	145,1	
	= 5. economic sentiment indicator		93,9	104,2	103,8	101,2	98,5	96,6	95,8	95,8	95,9	95,8	96,0	95,8	95,7	95,8	
E	<i>index of industrial production</i>	1985 = 100	:	:	116,3	114,8	113,0	110,8	107,7	:	108,4	110,7	105,1	:	:	:	
	1. industrial confidence indicator		:	0	-14	-22	-25	-35	-40	-37	-37	-38	-39	-37	-35	-36	
	2. construction confidence indicator		:	32	15	-8	-37	-52	-52	-45	-46	-57	-46	-35	-55	-38	
	3. consumer confidence indicator		:	5	-2	-6	-20	-31	-33	-33	-34	-35	-32	-31	-36	-33	
	4. share-price index (a)		:	:	303,2	311,2	270,0	244,7	270,0	297,3	257,9	282,7	286,2	301,3	304,4	316,2	
	= 5. economic sentiment indicator		:	104,6	102,2	101,2	99,4	97,7	97,4	97,7	97,4	97,3	97,6	97,9	97,5	97,8	
F	<i>index of industrial production</i>	1985 = 100	:	:	112,9	113,1	113,2	111,6	110,1	108,3	111,1	110,7	108,2	108,7	108,1	:	
	1. industrial confidence indicator		-38	12	-7	-20	-21	-28	-32	-36	-34	-33	-33	-35	-40	-40	
	2. construction confidence indicator		-59	2	-6	-16	-43	-55	-59	-56	:	:	-56	:	-58		
	3. consumer confidence indicator		-27	-9	-13	-21	-22	-21	-24	-25	-24	-25	-22	-26	-26	-28	
	4. share-price index (a)		:	:	223,7	208,6	217,2	203,8	223,8	229,7	224,1	235,6	234,9	226,0	228,3	236,5	
	= 5. economic sentiment indicator		98,5	106,1	104,3	101,4	99,8	98,6	97,9	97,8	97,8	97,9	98,4	97,7	97,3	97,1	
IRL	<i>index of industrial production</i>	1985 = 100	:	:	143,9	148,6	162,2	164,3	171,5	:	171,2	172,8	174,6	171,3	:	:	
	1. industrial confidence indicator		-36	14	0	-9	-4	-11	-13	-13	-17	-10	-10	-9	-22	-15	
	2. construction confidence indicator		-60	30	6	-22	-11	-24	-30	-29	-29	-33	-33	-38	-16	-29	
	3. consumer confidence indicator		-46	-3	-7	-18	-21	-21	-22	-15	-24	-26	-16	-16	-13	-10	
	4. share-price index (a)		:	:	269,2	241,4	223,9	207,4	240,9	270,9	229,8	261,2	263,0	267,9	281,8	289,4	
	= 5. economic sentiment indicator		97,3	104,7	103,3	100,9	100,6	100,0	99,8	100,6	99,5	99,5	100,6	100,5	100,8	101,1	
I	<i>index of industrial production</i>	1985 = 100	:	:	117,9	115,1	113,8	110,5	111,4	110,5	111,3	110,7	109,1	112,1	110,3	:	
	1. industrial confidence indicator		-38	13	-1	-13	-15	-19	-22	-19	-22	-21	-18	-19	-19	-18	
	2. construction confidence indicator		-51	21	6	-7	-16	-34	-44	-40	-54	-50	-48	-41	-32	-68	
	3. consumer confidence indicator		-28	0	-6	-13	-19	-28	-31	-33	-30	-33	-36	-30	-33	-32	
	4. share-price index (a)		:	:	194,3	156,4	136,9	130,5	152,1	163,7	154,4	156,3	159,2	168,3	163,7	169,6	
	= 5. economic sentiment indicator		95,8	103,7	102,1	100,2	98,9	97,2	96,8	96,9	96,8	96,6	96,3	97,4	97,1	96,8	
NL	<i>index of industrial production</i>	1985 = 100	:	:	109,3	113,1	113,5	111,9	112,6	:	113,2	113,2	110,2	110,7	:	:	
	1. industrial confidence indicator		-27	3	0	-4	-6	-10	-11	-12	-11	-10	-12	-12	-11	-10	
	2. construction confidence indicator		-45	9	-1	-6	-15	-18	-15	-17	-11	-18	-18	-18	-17	-18	
	3. consumer confidence indicator		-36	11	3	-10	-10	-10	-16	-19	-15	-21	-19	-20	-19	-21	
	4. share-price index (a)		:	:	131,1	136,0	142,4	137,7	147,6	156,4	146,9	154,2	156,1	154,3	158,7	164,4	
	= 5. economic sentiment indicator		93,3	103,4	101,7	99,4	99,0	98,6	98,0	97,5	98,1	97,3	97,5	97,3	97,6	97,5	
UK	<i>index of industrial production</i>	1985 = 100	:	:	109,3	106,1	105,8	106,9	107,0	107,9	107,9	106,8	106,8	108,7	108,1	:	
	1. industrial confidence indicator		-57	21	-18	-32	-24	-26	-16	-11	-15	-13	-12	-10	-12	-15	
	2. construction confidence indicator		-57	42	-28	-64	-50	-53	-40	-40	-39	-40	-40	-38	-41	-36	
	3. consumer confidence indicator		-24	7	-26	-17	-15	-23	-16	-15	-17	-16	-18	-11	-16	-14	
	4. share-price index (a)		:	:	173,3	190,3	198,1	205,4	220,2	220,8	220,0	224,4	220,0	220,0	222,4	219,9	
	= 5. economic sentiment indicator		97,0	103,8	98,2	97,2	98,1	97,3	98,7	98,9	98,7	98,9	98,7	99,2	98,8	98,9	
EUR	<i>index of industrial production</i>	1985 = 100	:	:	114,7	114,5	113,5	111,3	109,8	:	109,8	110,5	108,2	109,5	:	:	
	1. industrial confidence indicator		-35	6	-4	-14	-19	-26	-27	-27	-27	-27	-27	-27	-28	-28	
	2. construction confidence indicator		-50	3	-4	-18	-28	-37	-40	-39	-41	-42	-40	-38	-39	-43	
	3. consumer confidence indicator		-22	3	-9	-14	-18	-24	-25	-25	-25	-26	-26	-24	-26	-26	
	4. share-price index (a)		:	:	174,8	174,9	177,1	173,4	187,7	190,7	187,9	193,4	191,3	189,5	191,4	194,9	
	= 5. economic sentiment indicator		96,1	104,4	102,7	99,9	98,2	96,0	95,8	95,8	95,8	95,7	95,7	96,1	95,6	95,5	

(a) 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.)

		Ranges		1990	1991	1992	1992	1993			1993				
		Trough 81/83	Peak 88/90					IV	I	II	March	April	May	June	July
INDUSTRIAL CONFIDENCE INDICATOR	B	-33	2	3	-15	-20	-27	-31	-31	-29	-33	-30	-31	-30	-31
	DK	-22	5	-2	-8	-7	-11	-17	-20	.	-20	.	.	-10	.
	D	-38	11	8	0	-18	-30	-35	-37	-36	-37	-38	-36	-35	-36
	GR	.	5	-2	-7	-4	-5	-7	-6	-5	-4	-7	-6	-4	.
	E	.	0	-14	-22	-25	-35	-40	-37	-38	-39	-37	-35	-36	.
	F	-38	12	-8	-20	-21	-28	-32	-36	-33	-33	-35	-40	-40	.
	IRL	-36	14	0	-9	-4	-11	-13	-14	-10	-10	-9	-22	-15	-13
	I	-38	13	-1	-13	-15	-19	-22	-19	-21	-18	-19	-19	-18	.
	L	-67	11	-4	-24	-28	-24	-29	-22	-24	-22	-20	-23	-21	-28
	NL	-27	3	0	-5	-6	-10	-10	-12	-10	-12	-12	-11	-10	-12
	P	.	5	-5	-7	-12	-19	-25	-27	-27	-26	-27	-28	-28	-25
	UK	-57	21	-18	-32	-24	-25	-16	-11	-13	-12	-10	-12	-15	-7
	EUR	-35	6	-3	-14	-19	-26	-27	-27	-27	-27	-28	-28	.	
PRODUCTION EXPECTATIONS	B	-37	12	0	-12	-16	-25	-27	-33	-26	-36	-28	-34	-31	-32
	DK	-12	15	11	8	7	1	-5	0	.	0	.	.	12	.
	D	-27	14	11	3	-10	-26	-25	-25	-23	-27	-25	-22	-20	-21
	GR	.	29	21	18	25	22	22	21	24	21	21	20	21	.
	E	.	16	4	-1	-4	-17	-16	-10	-13	-14	-11	-6	-6	.
	F	-20	23	4	-4	-4	-16	-21	-20	-21	-19	-16	-24	-27	.
	IRL	-37	27	14	4	1	-6	-6	-3	-2	2	-3	-9	-8	-2
	I	-22	28	15	8	1	-8	-10	-3	-8	-4	-2	-2	2	.
	L	-66	19	5	-27	-28	-20	-31	-12	-14	-15	-10	-12	-4	-8
	NL	-13	12	7	5	4	-1	0	-2	0	-4	-2	-1	3	-3
	P	.	18	13	9	3	-2	-8	-9	-11	-10	-9	-9	-9	-9
	UK	-44	34	-7	-14	-1	-6	9	10	9	8	15	8	2	14
	EUR	-24	28	7	0	-4	-14	-13	-11	-12	-12	-9	-11	-11	
ORDER-BOOKS	B	-49	-1	-6	-26	-33	-39	-47	-49	-47	-48	-51	-48	-44	-46
	DK	-32	11	-2	-14	-17	-23	-32	-45	.	-45	.	.	-36	.
	D	-54	12	10	-4	-29	-43	-52	-58	-57	-58	-59	-58	-58	-59
	GR	.	-7	-14	-23	-21	-20	-26	-28	-27	-27	-28	-29	-27	.
	E	.	-3	-23	-39	-43	-55	-61	-62	-61	-60	-61	-64	-60	.
	F	-56	16	-11	-35	-39	-47	-51	-59	-52	-53	-59	-65	-62	.
	IRL	-57	16	-9	-22	-8	-17	-23	-24	-19	-23	-14	-36	-18	-19
	I	-64	12	-6	-28	-30	-37	-43	-40	-44	-40	-39	-42	-42	.
	L	-70	16	-13	-38	-44	-41	-45	-40	-47	-36	-40	-43	-40	-50
	NL	-42	1	-4	-11	-15	-20	-23	-23	-22	-22	-24	-24	-23	-24
	P	.	0	-14	-21	-30	-40	-47	-50	-49	-50	-50	-51	-52	-49
	UK	-57	26	-30	-56	-49	-48	-37	-26	-30	-29	-25	-25	-26	-17
	EUR	-56	5	-8	-28	-35	-43	-46	-48	-47	-47	-47	-49	-48	
EXPORT ORDER- BOOKS	B	-55	-3	-10	-30	-36	-42	-48	-53	-52	-52	-56	-51	-47	-51
	DK	10	17	6	-4	-9	-20	-23	-39	.	-39	.	.	-25	.
	D	-48	1	-6	-32	-39	-48	-59	-63	-61	-62	-64	-62	-64	-67
	GR	.	-16	-22	-24	-26	-24	-27	-31	-27	-33	-30	-31	-23	.
	E	.	-17	-27	-33	-38	-44	-51	-51	-49	-53	-46	-54	-53	.
	F	-52	24	-13	-34	-32	-40	-50	-56	-50	-50	-58	-60	-62	.
	IRL	.	29	-15	-20	2	-12	-7	-20	-1	-17	-4	-40	-13	-7
	I	-57	0	-15	-33	-35	-38	-38	-30	-34	-30	-27	-33	-24	.
	L	-80	52	-33	-47	-51	-59	-36	-32	-31	-24	-36	-37	-44	-54
	P	.	1	-21	-24	-29	-44	-53	-54	-58	-58	-51	-53	-53	-48
	UK	-65	12	-11	-35	-35	-34	-27	-16	-20	-22	-11	-15	-15	-15
		EUR	-50	0	-11	-32	-35	-41	-47	-48	-47	-47	-47	-49	-47
STOCKS OF FINISHED PRODUCTS	B	19	-1	4	7	12	16	19	13	14	16	12	12	14	15
	DK	23	-1	14	18	11	10	14	15	.	15	.	.	5	.
	D	27	-9	-4	0	15	22	27	29	27	27	30	29	26	29
	GR	.	1	12	14	15	18	16	9	12	6	13	8	7	.
	E	.	8	22	26	27	34	42	40	40	43	40	36	43	.
	F	42	-3	15	21	19	21	25	30	25	28	29	32	31	.
	IRL	29	-6	5	8	5	9	11	13	10	8	10	20	19	18
	I	28	-4	12	19	17	13	12	13	10	11	15	12	13	.
	L	58	-10	3	7	11	10	11	13	12	14	11	15	18	26
	NL	39	0	4	8	7	7	9	9	9	9	10	8	9	9
	P	.	0	14	10	9	14	19	21	20	18	21	25	22	17
	UK	41	4	17	26	20	23	21	18	17	14	21	18	20	17
	EUR	31	2	9	15	17	21	22	24	21	22	25	24	24	
SELLING-PRICE EXPECTATIONS	B	12	24	7	2	-3	-16	-10	-9	-10	-14	-8	-4	-5	-1
	D	2	26	16	14	10	3	-2	-2	-1	0	-4	-3	-1	1
	GR	.	41	31	28	28	27	23	18	23	21	13	21	21	.
	E	.	21	5	0	-5	-5	-14	-13	-14	-18	-11	-11	-10	.
	F	17	34	16	11	8	2	2	-6	8	2	-8	-11	-4	.
	IRL	1	23	1	-1	-4	-16	-13	-3	-10	0	-4	-5	1	4
	I	6	32	20	16	13	14	9	14	9	14	14	14	10	.
	L	-38	62	-6	-32	-14	-26	-28	7	-5	12	4	5	9	14
	P	.	28	21	17	10	0	3	3	2	4	4	2	-1	8
	UK	9	34	23	5	-1	-3	7	9	10	7	9	10	4	3
		EUR	22	28	17	11	7	2	1	2	3	3	1	1	1

(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).

TABLE 10: Survey of the construction industry

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

		Ranges		1990	1991	1992	1992	1993		1993						
		Trough 81/83	Peak 88/90					I	II	March	April	May	June	July	Aug.	
CONSTRUCTION CONFIDENCE INDICATOR (a)	B	-63	7	-3	-7	-14	-17	-19	-23	-22	-24	-23	-23	-19	-17	
	DK	-37	12	-24	-32	-23	-23	-32	-27	:	-27	:	:	-23	:	
	D	-63	3	-1	-5	-15	-20	-26	-28	-27	-27	-27	-29	-29	-31	
	GR	-73	-12	-23	-32	-13	-11	-15	-20	:	-20	:	:	-27	:	
	E	:	31	15	-9	-37	-53	-52	-45	-57	-46	-35	-55	-38	:	
	F	-59	2	-6	-17	-43	-55	-59	-56	:	-56	:	:	-58	:	
	IRL	-60	30	6	-22	-12	-24	-31	-29	-33	-33	-38	-16	-29	-23	
	I	-51	21	6	-7	-16	-34	-44	-40	-50	-48	-41	-32	-68	:	
	L	-75	24	10	-4	-24	-41	-42	-57	-49	-55	-56	-59	-56	-65	
	NL	-45	9	-1	-7	-15	-18	-15	-18	-18	-18	-18	-17	-18	:	
	P	:	12	-13	-22	-32	-36	-47	-47	-45	-46	-44	-51	-48	-51	
	UK	-57	42	-28	-64	-50	-54	-40	-40	-40	-40	-38	-41	-36	-33	
		EUR	-50	3	-6	-18	-28	-38	-40	-39	-42	-40	-38	-39	-43	:
TREND OF ACTIVITY COMPARED WITH PRECEDING MONTH	B	-31	36	-4	-7	-6	-9	1	-8	3	-12	-2	-10	-7	-7	
	D	-54	19	-5	-11	-17	-20	-20	-23	-29	-29	-18	-21	-24	-26	
	GR	-30	30	-12	-7	8	6	-10	-8	:	-8	:	:	1	:	
	E	:	45	26	9	-24	-30	-22	-4	-34	-1	-4	-8	-12	:	
	F	-47	32	7	-13	-38	-51	-62	-57	:	-57	:	:	-63	:	
	IRL	-49	24	5	-17	-10	-11	-14	-23	-6	-19	-25	-7	-31	2	
	I	-27	32	7	-9	-5	-12	-28	-25	-50	-43	-12	-19	-36	:	
	L	-60	39	-6	-15	-17	-30	-31	-58	-39	-54	-57	-62	-39	-63	
	NL	-39	35	0	-3	-9	-12	-8	-12	-6	-17	-13	-6	-13	:	
	P	:	25	-5	-2	-15	-13	-17	-12	-24	-12	-5	-20	-21	-15	
	UK	-49	50	-16	-42	-19	-23	-14	0	-4	3	-2	-4	-7	-7	
		EUR	-28	20	2	-13	-18	-25	-28	-24	-34	-28	-20	-23	-29	:
	ORDER-BOOKS	B	-76	-6	-14	-17	-26	-28	-29	-28	-31	-29	-28	-28	-26	-24
DK		-36	13	-33	-43	-32	-28	-38	-41	:	-41	:	:	-34	:	
D		-75	-7	13	-15	-26	-32	-34	-38	-36	-37	-37	-40	-40	-41	
GR		-78	-39	-48	-54	-45	-53	-41	-54	:	-54	:	:	-59	:	
E		:	45	25	-11	-37	-57	-43	-40	-46	-42	-27	-52	-27	:	
F		-73	4	-14	-27	-55	-66	-69	-65	:	-65	:	:	-73	:	
IRL		-58	30	3	-18	-12	-23	-39	-44	-38	-42	-54	-37	-41	-33	
I		-62	17	5	-4	-17	-34	-47	-56	-52	-57	-63	-47	-78	:	
L		-79	12	4	-8	-22	-45	-38	-58	-43	-48	-62	-65	-69	-73	
NL		-61	2	-7	-11	-22	-25	-21	-24	-23	-24	-25	-23	-25	:	
P		:	-6	-36	-46	-49	-50	-65	-65	-66	-65	-61	-68	-66	-70	
UK		-74	35	-31	-78	-71	-71	-67	-65	-69	-65	-64	-66	-62	-57	
		EUR	-66	-2	-13	-26	-38	-47	-49	-51	-51	-51	-51	-55	:	
EMPLOYMENT EXPECTATIONS	B	-53	19	8	4	-1	-5	-8	-18	-12	-18	-17	-18	-12	-9	
	DK	-35	11	-14	-21	-13	-18	-26	-19	:	-19	:	:	-12	:	
	D	-53	19	11	6	-4	-7	-16	-17	-17	-17	-16	-18	-18	-20	
	GR	-77	20	3	-10	20	31	12	15	:	15	:	:	6	:	
	E	:	30	5	-6	-36	-47	-60	-49	-67	-49	-42	-57	-48	:	
	F	-47	8	3	-5	-31	-44	-49	-46	:	-46	:	:	-42	:	
	IRL	-61	37	9	-26	-11	-25	-21	-13	-27	-23	-21	5	-17	-13	
	I	-39	25	7	-11	-15	-34	-41	-25	-47	-38	-19	-17	-57	:	
	L	-75	36	16	0	-25	-36	-46	-55	-54	-62	-49	-53	-43	-57	
	NL	-31	16	5	-2	-8	-10	-8	-11	-12	-12	-10	-10	-10	:	
	P	:	28	11	2	-15	-21	-28	-29	-24	-26	-27	-33	-30	-31	
	UK	-50	51	-25	-50	-28	-35	-14	-14	-11	-15	-12	-15	-10	-8	
		EUR	-36	12	2	-10	-18	-27	-31	-26	-33	-29	-24	-26	-31	:
PRICE EXPECTATIONS	B	-18	28	17	11	2	-2	-8	-7	-9	-7	-9	-4	-6	-6	
	D	-49	45	31	12	-6	-18	-22	-22	-25	-21	-23	-21	-23	-23	
	GR	9	26	12	-4	8	15	-28	-24	:	-24	:	:	-11	:	
	E	:	70	33	19	12	11	1	2	3	11	-4	0	10	:	
	IRL	:	38	10	-30	-12	-16	-16	-17	-5	-18	-22	-12	-7	-9	
	I	2	63	44	25	25	9	-8	3	-7	2	9	-1	-16	:	
	L	-49	23	11	1	-31	-46	-52	-59	-54	-50	-67	-60	-64	-60	
	NL	:	64	55	34	28	16	9	11	3	9	12	11	10	:	
	P	:	70	41	30	14	-5	-22	-12	-23	-18	-10	-8	2	-8	
	UK	-21	70	-31	-32	-8	-11	5	4	5	3	4	4	4	4	
		EUR	:	39	21	9	7	-3	-8	-5	-9	-5	-5	-6	-9	:

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

TABLE 11: Consumer opinion on economic and financial conditions

		1986	1987	1988	1989	1990	1991	1992	1992	1993							
									Dec.	Jan.	Feb.	March	April	May	June	July	Aug.
CONSUMER CONFIDENCE INDICATOR (b)	B	-16	-11	-6	1	0	-7	-12	-17	-20	-22	-21	-27	-25	-27	-30	-30
	DK	-3	-9	-14	-14	-8	-2	-1	-6	-8	-7	-10	-9	-8	-4	-4	-5
	D	3	-1	-4	1	1	-12	-20	-27	-29	-28	-29	-26	-26	-28	-30	-28
	GR	-19	-28	-20	-13	-25	-27	-31	-33	-33	-31	-32	-29	-32	-31	-29	:
	E	-5	-8	-2	1	-2	-6	-20	-33	-30	-34	-35	-32	-31	-36	-33	-39
	F	-13	-17	-11	-11	-13	-21	-22	-23	-24	-24	-25	-22	-26	-26	-28	:
	IRL	-27	-28	-16	-7	-7	-18	-21	-18	-16	-24	-26	-16	-16	-13	-10	-9
	I	-4	-3	-4	-6	-6	-13	-19	-28	-30	-30	-33	-36	-30	-33	-32	:
	NL	4	-2	1	9	3	-10	-10	-13	-11	-15	-21	-19	-20	-19	-21	-17
	P	-4	0	-7	-10	-2	3	-5	-13	-11	-17	-23	-21	-24	-28	-29	-25
	UK	-7	4	2	-18	-26	-17	-15	-22	-15	-17	-16	-18	-11	-16	-14	-10
	EUR (c)	-5	-5	-5	-6	-9	-14	-18	-25	-24	-25	-26	-26	-24	-26	-26	-26
FINANCIAL SITUATION OF HOUSEHOLDS	B	-14	-8	-5	-2	-1	-3	-4	-4	-9	-10	-8	-11	-10	-9	-12	-11
	DK	-1	-1	-4	-5	-2	-1	3	2	2	1	1	0	-1	-2	-2	-1
	D	1	1	0	0	2	-7	-15	-18	-18	-18	-19	-17	-18	-18	-18	-18
	GR	-24	-32	-21	-13	-32	-34	-39	-41	-43	-42	-42	-41	-42	-40	-37	:
	E	-6	-9	-4	-3	-4	-4	-12	-19	-18	-20	-21	-21	-20	-23	-22	-25
	F	-11	-14	-9	-7	-7	-10	-10	-8	-10	-10	-9	-9	-10	-10	-12	:
	IRL	-34	-31	-23	-17	-17	-21	-22	-20	-21	-25	-25	-20	-21	-17	-15	-15
	I	-6	-4	-3	-4	-3	-5	-9	-14	-16	-18	-19	-21	-19	-21	-20	:
	NL	-3	0	2	7	10	4	1	3	1	1	1	1	-3	-2	1	-2
	P	-5	-2	-5	-8	-3	-1	-5	-8	-9	-11	-16	-14	-20	-21	-20	-16
	UK	-13	-5	-6	-17	-27	-22	-20	-24	-22	-21	-20	-24	-20	-24	-21	-20
	EUR (c)	-7	-6	-5	-6	-7	-9	-12	-15	-15	-16	-16	-17	-16	-18	-17	-17
— over last 12 months	B	-5	-1	2	3	4	2	0	-2	-2	-4	-3	-6	-4	-5	-6	-6
	DK	2	2	1	0	4	7	8	10	10	10	10	7	8	10	11	10
	D	2	1	-1	1	2	-6	-9	-14	-15	-14	-13	-11	-11	-13	-14	-12
	GR	-11	-20	-12	-2	-15	-23	-26	-24	-28	-26	-27	-24	-26	-26	-25	:
	E	1	2	5	5	4	3	-7	-16	-13	-14	-13	-9	-7	-12	-8	-14
	F	-2	-4	0	1	0	-2	-1	-1	-4	-2	-2	-1	-8	-6	-9	:
	IRL	-14	-14	-9	-5	-6	-8	-8	-8	-8	-13	-10	-5	-6	-6	-4	-4
	I	1	2	2	2	1	-1	-5	-11	-12	-13	-13	-15	-11	-12	-11	:
	NL	2	2	4	8	6	0	2	1	2	3	3	0	-3	-2	-2	-1
	P	1	4	-1	-2	4	7	1	-6	-7	-8	-13	-11	-15	-16	-14	-13
	UK	-3	4	1	-9	-13	-1	-1	-8	-3	-5	-5	-8	-5	-9	-7	-6
	EUR (c)	-1	1	1	0	-1	-2	-4	-9	-8	-8	-8	-8	-9	-10	-10	-10
— over next 12 months	B	-12	-8	-6	2	-2	-11	-22	-27	-33	-37	-36	-43	-40	-42	-45	-44
	DK	-6	-13	-19	-15	-9	-1	-2	-9	-8	-10	-10	-10	-9	-3	-2	-6
	D	2	-7	-12	-1	-1	-16	-24	-41	-40	-37	-41	-35	-37	-39	-40	-36
	GR	-12	-20	-13	-6	-7	-15	-20	-20	-22	-18	-20	-19	-21	-20	-19	:
	E	1	-2	2	2	4	-6	-24	-37	-28	-33	-31	-24	-18	-28	-22	-30
	F	-16	-23	-11	-13	-17	-29	-26	-29	-29	-28	-31	-16	-30	-29	-30	:
	IRL	-24	-28	-10	2	-1	-18	-18	-20	-16	-26	-29	-12	-12	-11	-11	-5
	I	3	-2	-2	-6	-6	-18	-23	-32	-33	-30	-38	-39	-24	-31	-26	:
	NL	10	-7	-3	8	-8	-29	-24	-31	-24	-30	-42	-37	-35	-36	-39	-29
	P	2	7	-2	-6	2	9	-5	-15	-12	-16	-25	-21	-27	-29	-31	-28
	UK	-13	3	-5	-19	-2	-5	-7	-21	-7	-15	-16	-15	-4	-12	-11	-1
	EUR (c)	-5	-7	-7	-7	-10	-16	-20	-31	-28	-28	-32	-27	-25	-29	-28	-25
GENERAL ECONOMIC SITUATION	B	-27	-19	-16	-1	-2	-20	-32	-37	-43	-47	-47	-56	-51	-57	-58	-61
	DK	-9	-20	-28	-24	-15	-1	0	-18	-16	-16	-27	-24	-21	-13	-12	-13
	D	7	-2	-9	4	7	-18	-34	-50	-51	-52	-53	-50	-51	-54	-57	-55
	GR	-27	-33	-22	-22	-43	-32	-36	-40	-40	-37	-37	-36	-38	-38	-36	:
	E	-8	-17	-9	-4	-7	-11	-30	-47	-43	-52	-52	-52	-51	-55	-55	-62
	F	-34	-39	-28	-26	-28	-43	-46	-47	-51	-52	-55	-50	-50	-53	-56	:
	IRL	-57	-58	-30	-11	-8	-31	-44	-44	-46	-54	-59	-43	-39	-35	-32	-31
	I	-10	-6	-12	-18	-16	-30	-47	-61	-65	-66	-72	-74	-70	-71	-71	:
	NL	17	-1	1	18	4	-23	-26	-34	-33	-43	-57	-52	-49	-50	-54	-49
	P	-3	5	-5	-13	-1	10	-4	-14	-12	-20	-28	-24	-29	-36	-41	-36
	UK	-29	-4	-4	-36	-52	-52	-50	-64	-54	-55	-52	-52	-41	-46	-37	-31
	EUR (c)	-14	-13	-13	-14	-18	-30	-40	-51	-51	-53	-55	-54	-51	-54	-54	-53
— over last 12 months	B	-12	-8	-6	2	-2	-11	-22	-27	-33	-37	-36	-43	-40	-42	-45	-44
	DK	-6	-13	-19	-15	-9	-1	-2	-9	-8	-10	-10	-10	-9	-3	-2	-6
	D	2	-7	-12	-1	-1	-16	-24	-41	-40	-37	-41	-35	-37	-39	-40	-36
	GR	-12	-20	-13	-6	-7	-15	-20	-20	-22	-18	-20	-19	-21	-20	-19	:
	E	1	-2	2	2	4	-6	-24	-37	-28	-33	-31	-24	-18	-28	-22	-30
	F	-16	-23	-11	-13	-17	-29	-26	-29	-29	-28	-31	-16	-30	-29	-30	:
	IRL	-24	-28	-10	2	-1	-18	-18	-20	-16	-26	-29	-12	-12	-11	-11	-5
	I	3	-2	-2	-6	-6	-18	-23	-32	-33	-30	-38	-39	-24	-31	-26	:
	NL	10	-7	-3	8	-8	-29	-24	-31	-24	-30	-42	-37	-35	-36	-39	-29
	P	2	7	-2	-6	2	9	-5	-15	-12	-16	-25	-21	-27	-29	-31	-28
	UK	-13	3	-5	-19	-2	-5	-7	-21	-7	-15	-16	-15	-4	-12	-11	-1
	EUR (c)	-5	-7	-7	-7	-10	-16	-20	-31	-28	-28	-32	-27	-25	-29	-28	-25
— over next 12 months	B	25	17	19	32	34	32	36	43	38	38	41	41	41	36	39	37
	DK	6	5	4	0	-7	-18	-11	-25	-28	-25	-23	-26	-28	-26	-27	-30
	D	5	12	23	27	42	53	46	51	51	49	47	46	43	45	48	46
	GR	42	45	34	40	54	51	51	48	50	51	51	50	46	49	48	:
	E	10	15	12	22	24	22	27	17	15	11	11	8	9	8	5	13
	F	17	11	6	17	24	26	12	10	6	5	9	14	31	16	20	:
	IRL	22	24	20	27	26	28	24	20	9	28	30	16	16	22	17	12
	I	33	39	43	50	50	54	53	54	49	42	49	51	47	47	48	:
	NL	6	2	12	19	31	48	36	32	31	27	35	28	34	28	32	26
	P	6	14	27	35	30	33	41	40	36	33	43	38	37	40	34	27
	UK	31	34	47	51	48	34	24	28	26	26	33	33	36	34	35	35
	EUR (c)	19	22	26	33	38	39	34	33	31	28	32	32	34	31	33	33

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

		1986	1987	1988	1989	1990	1991	1992	1992	1993							
									Dec.	Jan.	Feb.	March	April	May	June	July	Aug.
UNEMPLOYMENT	B	30	33	21	8	9	27	41	47	51	53	56	60	60	59	55	60
	DK	1	27	33	28	23	27	22	38	33	31	40	36	34	26	25	29
	D	4	18	25	11	27	33	33	47	47	43	49	48	49	51	57	56
	GR	26	31	22	19	36	44	49	50	50	47	45	47	46	46	43	:
	E	13	27	18	7	14	27	47	63	67	61	64	62	52	66	58	62
	F	31	38	27	16	20	52	54	58	63	64	60	44	59	62	62	:
	IRL	44	44	32	17	14	43	50	46	49	46	52	36	42	43	42	37
	I	36	38	39	29	32	42	53	64	65	65	70	71	63	65	64	:
	NL	-10	8	13	-1	6	24	31	47	51	61	77	70	64	71	72	75
	P	12	12	8	4	4	9	26	34	40	50	57	58	59	66	70	64
	UK	31	7	-3	4	29	47	41	52	45	51	51	46	29	31	33	24
	EUR (c)	22	25	22	14	24	39	43	52	54	55	58	53	52	55	57	55
MAJOR PURCHASES	B	-23	-18	-4	3	-1	-5	-4	-12	-13	-12	-13	-18	-18	-20	-28	-27
	DK	0	-13	-18	-26	-18	-14	-13	-18	-27	-20	-22	-19	-18	-14	-14	-16
	D	3	3	-1	0	-4	-13	-16	-13	-20	-20	-18	-16	-16	-18	-20	-20
	GR	-20	-34	-32	-20	-28	-31	-35	-38	-34	-32	-31	-26	-33	-30	-28	:
	E	-13	-12	-3	4	0	-14	-25	-45	-49	-51	-59	-55	-60	-64	-57	-61
	F	-3	-7	-6	-8	-11	-21	-26	-30	-29	-27	-29	-33	-31	-30	-32	:
	IRL	-8	-10	-7	-6	-2	-10	-11	5	11	-1	-8	2	-3	3	10	8
	I	-7	-7	-5	-7	-6	-9	-14	-23	-23	-25	-22	-30	-26	-30	-30	:
	NL	-5	-3	0	6	6	-1	-3	-3	2	-4	-7	-7	-8	-9	-10	-2
	P	-14	-14	-22	-23	-9	-9	-13	-19	-18	-30	-33	-32	-30	-37	-37	-34
	UK	21	20	20	-8	-16	-5	5	9	12	9	13	8	13	12	5	10
	EUR (c)	0	-1	0	-4	-8	-12	-14	-17	-19	-19	-19	-21	-20	-21	-23	-23
— at present	B	-25	-18	-14	-13	-13	-12	-12	-14	-13	-13	-14	-9	-13	-11	-17	-15
	DK	-11	-11	-12	-13	-11	-10	-8	-9	-14	-11	-11	-11	-11	-7	-7	-8
	D	-16	-15	-16	-15	-15	-19	-22	-26	-26	-24	-25	-26	-25	-28	-29	-28
	GR	-40	-43	-37	-32	-31	-28	-41	-47	-45	-39	-34	-39	-34	-40	-37	:
	E	-13	-21	-20	-20	-24	-27	-29	-34	-32	-33	-42	-31	-33	-16	-41	-43
	F	-3	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	:
	IRL	-19	-17	-12	-8	-10	-12	-15	-14	-15	-18	-16	-18	-20	16	-12	-12
	I	-20	-20	-20	-19	-19	-19	-20	-21	-19	-21	-21	-20	-20	-22	-21	:
	NL	-14	-11	-11	-10	-11	-13	-13	-14	-13	-10	-11	-10	-15	-12	-13	-10
	P	3	4	3	6	8	5	3	7	-9	-12	-6	-13	-10	-12	-20	-23
	UK	-12	-9	-10	-13	-17	-18	-19	-22	-20	-20	-20	-19	-20	-19	-18	-17
	EUR (c)	-13	-13	-13	-13	-14	-15	-17	-19	-18	-18	-19	-17	-18	-17	-20	-19
— over next 12 months	B	41	49	54	57	61	60	61	64	58	60	61	56	57	54	51	49
	DK	44	48	46	48	55	62	55	73	71	77	75	79	77	72	72	68
	D	40	39	31	40	48	42	35	32	35	34	32	34	35	34	34	31
	GR	-29	-38	-35	-25	-39	-42	-43	-42	-36	-41	-41	-38	-39	-40	-39	:
	E	20	42	42	45	37	40	42	49	52	48	52	51	51	53	43	34
	F	11	20	24	30	37	43	48	46	48	48	50	49	48	49	50	:
	IRL	-3	-7	1	10	13	10	9	12	12	11	-2	7	11	10	15	19
	I	44	46	45	44	46	48	45	41	44	39	39	38	40	40	41	:
	NL	46	48	52	57	56	52	56	58	61	60	61	61	60	58	57	58
	P	-22	-24	-35	-39	-26	-19	-23	-33	-28	-33	-41	-37	-38	-39	-41	-32
	UK	20	27	27	31	33	26	15	2	5	0	0	-5	6	-1	-1	-6
	EUR (c)	28	33	32	36	40	39	36	33	36	33	34	33	35	34	33	31
— over next 12 months	B	-9	-3	2	6	10	10	11	11	3	6	6	13	7	2	0	4
	DK	-6	-5	-7	-7	0	10	11	18	15	16	14	12	10	12	12	16
	D	10	12	12	16	20	13	5	0	1	4	2	3	2	2	1	0
	GR	-47	-56	-48	-38	-48	-49	-53	-54	-54	-55	-56	-55	-54	-54	-54	:
	E	-20	-33	-32	-30	-29	-24	-25	-26	-26	-27	-27	-27	-25	-33	-26	-29
	F	-30	-33	-28	-26	-25	-27	-27	-28	-26	-26	-29	-23	-29	-30	-33	:
	IRL	-29	-30	-25	-20	-20	-25	-26	-29	-28	-30	-32	-24	-29	-23	-24	-22
	I	-8	-5	-3	-5	-3	-1	-6	-15	-16	-19	-19	-26	-20	-23	-20	:
	NL	12	17	24	29	32	32	35	34	37	36	40	36	30	36	35	35
	P	-21	-24	-27	-33	-29	-23	-25	-31	-28	-31	-37	-33	-34	-38	-36	-30
	UK	-12	-7	-7	-12	-19	-16	-17	-18	-20	-18	-20	-20	-20	-21	-22	-18
	EUR (c)	-10	-10	-8	-7	-6	-7	-10	-13	-13	-13	-14	-14	-14	-16	-15	-16
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	13	15	16	16	16	18	18	16	17	16	20	17	15	15	14
	DK	10	10	11	12	14	12	15	20	18	17	21	19	18	17	17	28
	D	16	16	17	20	21	18	13	12	13	11	12	12	12	11	11	12
	GR	1	-2	2	5	3	5	3	3	3	1	2	2	4	3	2	:
	E	3	5	7	8	7	8	10	9	7	8	8	8	8	6	7	8
	F	3	1	2	3	4	5	5	7	5	5	6	7	6	5	3	:
	IRL	-1	-1	2	4	-4	-3	-3	-3	-4	1	0	-3	-3	-4	-5	-6
	I	15	16	17	16	18	19	17	13	14	11	11	8	10	9	10	:
	NL	16	18	20	23	24	25	24	23	22	24	23	25	22	24	23	22
	P	1	7	6	6	-8	-5	11	7	10	9	7	5	9	5	6	9
	UK	11	14	15	10	6	7	6	5	5	6	7	6	6	5	5	5
	EUR (c)	11	11	12	13	12	12	11	10	10	9	10	10	9	8	8	9

(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.

ASSESSING BUSINESS CYCLES BY QUALITATIVE SURVEY DATA

Introduction

The decision to undertake a harmonized programme of qualitative surveys was taken by the Commission of European Communities in 1961. The first business survey in manufacturing industry was conducted in 1962. The Investment survey, Business survey in the construction industry, Consumer survey and Survey in retail trade appeared in 1963, 1966, 1972 and 1984 respectively. The variables which form the basis of the EC-harmonized questionnaires are set out as follows:

- **Business Survey in Manufacturing Industry:**
 - Production: present level and future tendency;
 - Demand/order-books, Total: present level and future tendency;
 - Demand/order-books, Export: present level and future tendency;
 - Stocks of finished goods: present level;
 - Stocks of raw materials: present level;
 - Selling prices (rate of change): future tendency;
 - Employment: future tendency;
 - Limits to production: present situation;
 - Production Capacity: present situation;
 - Degree of capacity utilization: present level;
 - Period of secured production: months.
- **Investment Survey:**
 - Investment (rate of change): present situation and future tendency;
 - Type of investment: planned situation;
 - Factors affecting investment: planned situation.
- **Business Survey in Construction Industry:**
 - Business activity: actual trend;
 - Limits to production: present situation;
 - Order-books (contracts): present level;
 - Employment: future tendency;
 - Output prices: future tendency;
 - Period of secured production: months.
- **Consumer Survey:**
 - Financial situation of household: present situation and future tendency;
 - General economic situation: present situation and future tendency;
 - Cost of living (rate of change): present situation and future tendency;
 - Employment: future tendency;
 - Major purchases (furniture, electrical appliances, etc.): present situation and future tendency;
 - Household's savings: present situation and future tendency;
 - Financial position of household (running into debt, making ends meet, saving, etc.): present situation;
 - Car purchase: future tendency;
 - House purchase: future tendency;
 - House improvements spending: future tendency.
- **Business Survey in Retail Trade:**
 - Business situation: present situation and future tendency;
 - Stocks: present level;
 - Orders placed with suppliers: future tendency;
 - Employment: future tendency.

For most of these variables the Directorate General for Economic and Financial Affairs receives monthly results from all EC member countries, which are regularly published.

Although interpretation of survey results is often complicated by the subjective nature of the replies, they have proved to be a good basis for assessing cycles. Indeed, many of the indicators stemming from the survey results when treated as 'balances' (i.e., differences between the percentages of positive and negative replies) are leading indicators and can therefore be used for predicting turning-points. Such is the case, for example, with industrialists' production forecasts or order-book assessments (for further details, see *European Economy*, Suppl. B, Special Edition, July 1991).

Thus, composite cyclical indicators may be calculated for each EC-harmonized survey. Such indicators, usually called *confidence indicators*, consist of the averages of the replies to the main questions of each survey.

Industrial Confidence Indicator: is defined as the average of the business survey results in manufacturing industry relating to production trend, order-books and stocks of finished goods. It is a good proxy for the industrial production index and thus provides a reliable forward indicator of industrial trends in the Community.

Construction Confidence Indicator: is an average of the replies to the questions concerning order-books and employment expectations within the construction survey. It is used largely to identify the trend of activity in the construction industry.

Consumer Confidence Indicator: is based on the consumer survey results concerning the financial situation of households (present situation and future tendency), the general economic situation (present situation and future tendency) and major purchases (present situation). It is highly correlated with the change in private consumption at the Community level.

Finally, the various survey-specific indicators may be usefully combined with the share price index to calculate an 'economic sentiment' indicator which takes into account the important interactions which link the stock market trend with the general economic climate.

Recent trends

The economic situation in the Community continues to be marked by a low level of activity and signs of economic recovery are still not in evidence. The results of the latest EC-harmonized qualitative surveys (July/August) and the confidence indicators based on these, point to a marked deterioration in the business climate in the construction industry as well as to a continuing low level of confidence among manufacturers and consumers. Indeed, these indicators currently are at record low levels.

A weakening of demand continues to characterize the economic situation at the Community level. Despite the slight improvements in export order books recorded in those countries that were able to take advantage of recent events in the currency markets (e.g., Italy), all information concerning domestic demand provided by the EC-harmonized qualitative surveys highlight a lack of demand which makes any recovery hard to generate. Graph 3 shows the demand indicators specific to each survey together with the demand global indicator.

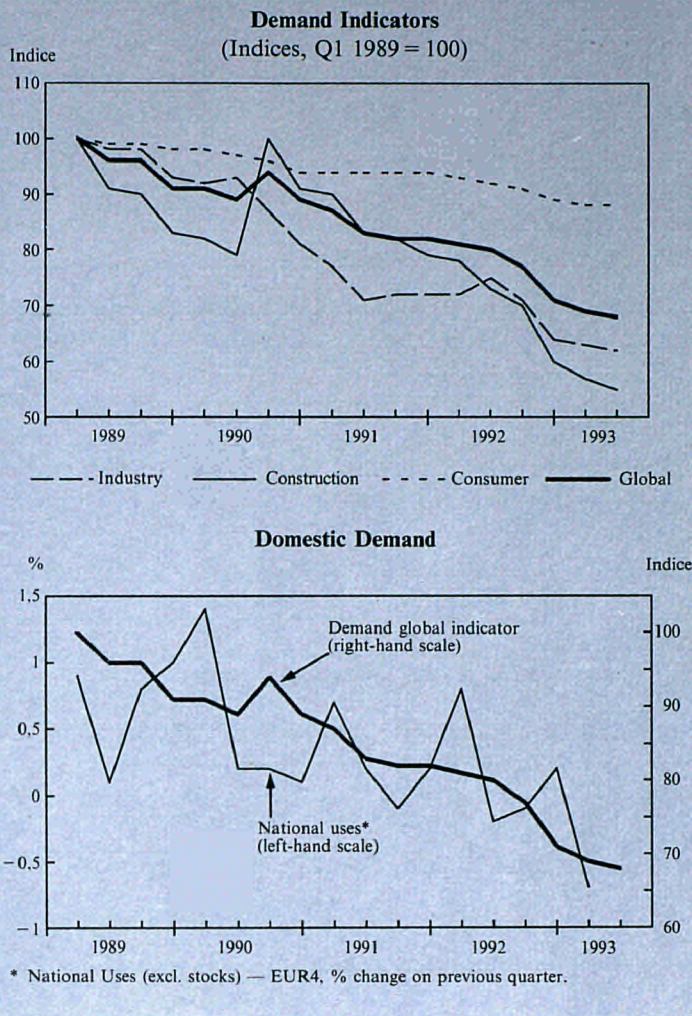
Industry demand indicator: is an average index of the business survey results about order-books and expected new orders, for manufacturing industry.

Construction demand indicator: is based on the replies to the question concerning production schedules (order-books) within the construction survey.

Consumer demand indicator: is an index calculated from the average of the consumer survey results relating to present and forecast purchases of durables by households.

Demand global indicator: is derived from the above as an average index of the specific replies. It serves as a good proxy for the short-term trend in domestic demand.

**GRAPH 3: European Community —
Short Term Demand Trends**



Economic agents started viewing the demand-side of the economy more unfavourably from the second quarter of 1992 onwards, mainly because of the worsening of entrepreneurs' assessments of actual and incoming orders.

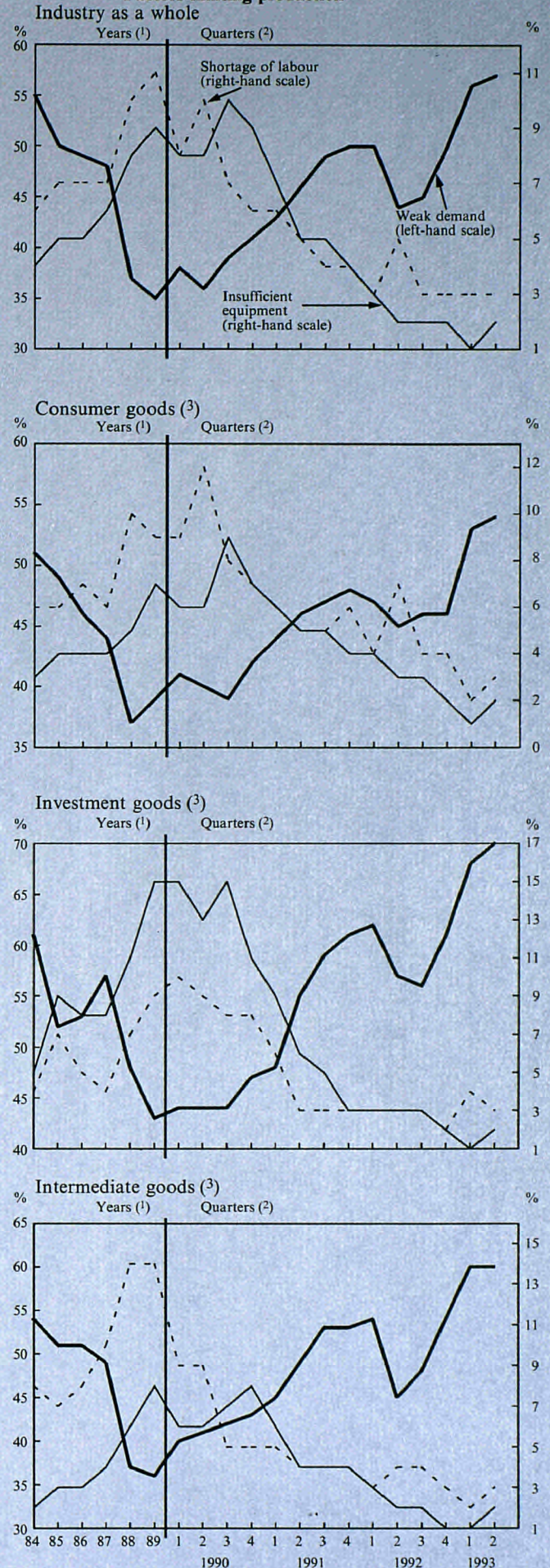
The industry demand indicator had already fallen in 1990 as the result of the increasing uncertainties caused by the Gulf War. It did not, however, reflect a loss of confidence to the degree of that observed more recently. As Graph 4 shows, complaints of a lack of demand for industrial goods have been increasing significantly, especially in the investment goods sector.

In the construction industry the situation appears even worse. Order-books have been regarded as more and more inadequate especially in Germany¹ and Italy. Consequently the trend of activity has declined overall in the Community despite some isolated bright spots.

The apparent relative stability in demand on the consumers' side arises mainly because of the nature of the products involved (consumer durables). However, there are significant divergencies between member countries due to different households' views concerning their financial situation. The consumer demand indicator has been declining for Italy and France, rising in United Kingdom whilst remaining virtually unchanged for Germany, in recent months.

¹ It is worthwhile noting that all figures for the Federal Republic of Germany refer to Western Germany, unless otherwise stated.

**GRAPH 4: European Community (s.a.) —
Factors limiting production**



The role of United Kingdom

In the context of such a gloomy overall economic situation, the United Kingdom deserves special attention, since latest economic statistics, both quantitative and qualitative, provide evidence of economic recovery.

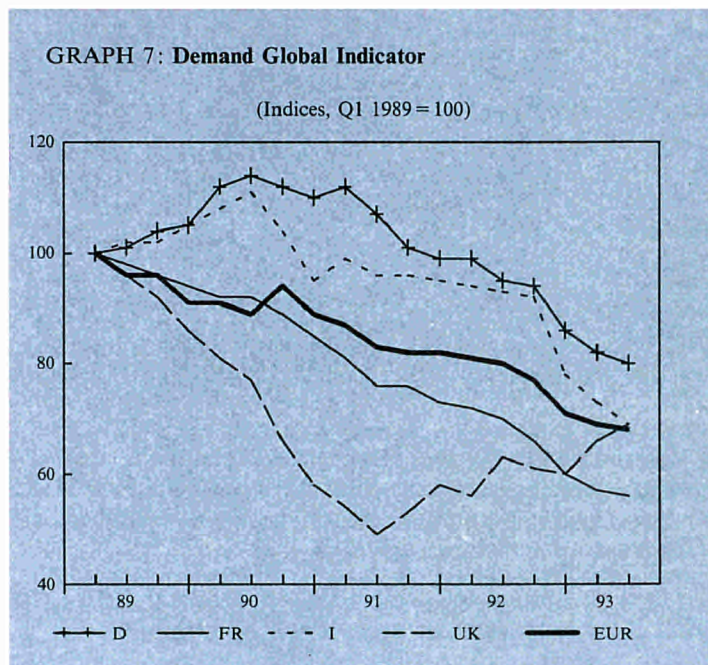
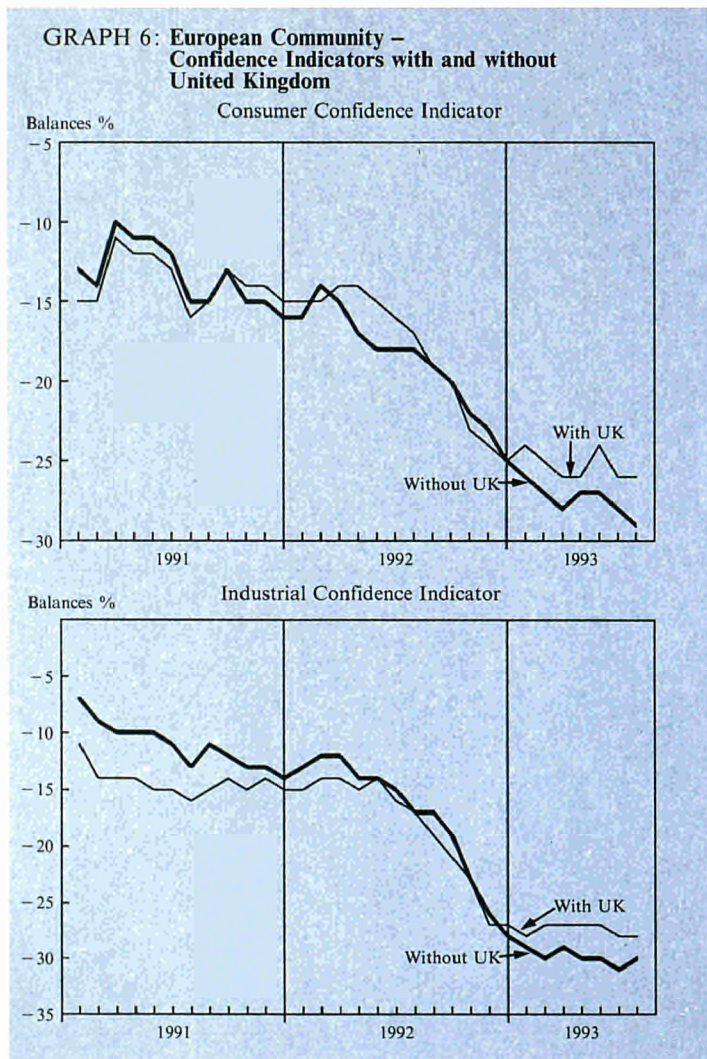
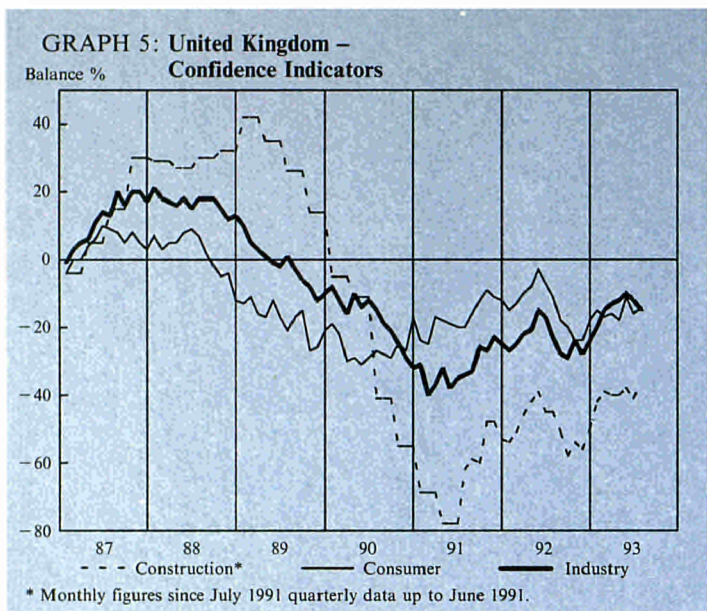
All confidence indicators — calculated on the basis of the EC-harmonized qualitative surveys — show an upward trend starting from the autumn of last year.

In contrast to the 'false dawn' in the autumn of 1991 there is now plenty of evidence which reinforces the improvement in optimism highlighted by EC-harmonized qualitative surveys. In particular, both leading and coincident indices calculated by the British Central Statistical Office continue to rise from the trough, dated provisionally in the spring of last year.

All confidence indicators calculated at the Community level clearly reflect the economic improvement in the United Kingdom. Without such data both consumer and industrial confidence indicators at Community level show an even more pronounced downward trend.

Latest qualitative survey results for the United Kingdom reveal strong gains in domestic demand prospects especially in comparison with the other major EC countries.

Indeed, in July, export order-books, in the manufacturing industry, have weakened while total order-books remained broadly unchanged. However, both remained in a stronger position than at any other time over the past three years.



As far as households' attitudes about the general economic situation are concerned, British respondents to the EC-harmonized consumer survey appear somewhat more optimistic than in other countries. However, despite improvements, uncertainties remain with regard to the financial situation of households. It seems likely that, although the private consumption trend is positive, the strength of any recovery will remain uncertain because of the weakening in key markets in Europe for British exports.

14 September 1993

