

## Quarterly business survey (goods producing industries)

Note: As part of the program to harmonize European business surveys, the questionnaire for the quarterly industrial survey has undergone some marginal changes taking effect in January 2004. See the “Changes in survey questionnaire” section below.

### Survey description

The quarterly industry survey is conducted in January, April, July, and October. In these months, it supplements the monthly survey with a series of additional questions. For the common questions, please see the methodological description of the monthly survey. This fact sheet discusses only the indicators specific to the quarterly survey. The results of the latter are published separately in the INSEE bulletin *Informations Rapides*. Identical surveys are carried out in the other Member States of the European Union. Their results are published by the European Commission services.

### Main qualitative indicators specific to the quarterly survey

Each indicator is computed as the difference between the percentages of positive and negative responses.

- **Change in total orders (or demand) (domestic + export)**

Change in past three months:

... increase (+)                      ... no change                      ... decrease (-)

Likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

- **Change in export orders (or demand)**

Change in past three months:

... increase (+)                      ... no change                      ... decrease (-)

Likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

- **Change in total workforce**

Change in past three months:

... increase (+)                      ... no change                      ... decrease (-)

Likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

- **Change in length of workweek**

Change in past three months:

... increase (+)                      ... no change                      ... decrease (-)

Likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

- **Opinion on current productive capacity**

... more than adequate    ... adequate                      ... inadequate

- **General wage outlook**

Likely change in three months ahead:

... sharp increase (+)    ... weak increase                      ... no change (-)

### Ancillary questions

- **Change in finished-product inventories (products ready for sale)**

Change in past three months:

... increase (+)      ... no change      ... decrease (-)

- **Past change in delivery times**

Change in past three months:

... increase (+)      ... no change      ... decrease (-)

- **Overall export outlook**

Change in past three months:

... increase (+)      ... no change      ... decrease (-)

- **Change in inventories of raw materials and semi-finished products**

Change in past three months:

... increase (+)      ... no change      ... decrease (-)

### Main quantitative indicators

- **Production bottlenecks**

Proportion of enterprises that, if faced with an increase in orders, could not raise their production with their current capacity.

- **Supply and demand problems**

Proportion of enterprises prevented by supply and demand problems from raising their production to the desired level. Supply problems include inadequate equipment, financial straits, and labor and procurement shortages. Demand problems are due to slack order levels.

- **Supply problems only**

Proportion of enterprises prevented from raising their production to the desired level by supply problems only.

- **Demand problems only**

Proportion of enterprises prevented from raising their production to the desired level by demand problems only.

- **Production capacity utilisation rate**

Production capacity utilisation rate that could be obtained by hiring additional labor.

- **Cash-flow problems**

Proportion of enterprises reporting.

- **Hiring problems**

Proportion of enterprises reporting.

- **Selling prices**

Recent change in selling prices: percentage change in past quarter. Outlook for selling prices: percentage change in coming quarter.

- **Wages**

Percentage change in hourly wages in past quarter.

### Ancillary questions

- **Finished-product inventories (products ready for sale) measured in production weeks**

Number of production weeks represented by inventories of manufactured products.

- **Orders measured in production weeks**

Number of weeks of guaranteed operation at capacity.

- **Export prices**

Percentage change in export prices in past quarter.

## Changes in survey questionnaire

To ensure complete harmonization of European business surveys, the quarterly questionnaire for the French industrial survey has been slightly modified, effective January 2004:

- **Change in the wording of a question:**

The change concerns the question on the production capacity utilisation rate (CUR). Until now, the respondent was asked to evaluate the capacity margins available if additional labor were hired, and the production capacity utilisation rate was obtained with the following formula:

$$CUR = \frac{100}{1 + (Margins/100)}$$

Since 2004, business owners are asked for a direct estimate of their production capacity utilisation rate if they hired additional labor. The question is worded as follows:

*“Your enterprise is now working at ..... % of its available capacity.*

*(“available capacity” means the productive capacity that would be obtained by hiring additional labor if needed)”*

This change of wording has introduced a change in business managers’ answering practices to the CUR question. As from the publication of October 2016, the series has been adjusted to obtain perfectly comparable levels of CUR before and after January 2004.

- **Additional choice in response to one question:**

The question on factors restricting production now includes an additional choice of response: “financial constraints.”

<b>Factors currently restricting your production</b>
Are you currently prevented from raising your production to a desired level because of:
- weak demand
- inadequate plant and equipment
- labor shortage, which you are having trouble filling
- financial constraints
- procurement problems
- other (please specify)
- [question does not apply]

Note: the percentages of enterprises reporting financial constraints will not be published until the available time series is long enough to be seasonally adjusted.

- **Removal of one question:**

A question on the raw materials used by the enterprise has been removed (*“At your current production rate, how many weeks of consumption do your inventories of raw materials and semi-finished products represent?”*). The responses to the question were little used.

- **Other questions:**

Changes have been slight, if any. Questions on “demand” (past and expected, total and exports) now concern “orders (or demand)” (past and expected, total and exports). In addition, the questions now ask about “changes” rather than “trends.”

The above-mentioned changes in the survey questionnaire is fully harmonize it with the European industrial-survey questionnaire. As approximately European thirty institutes producing business surveys have done the same, the results obtained are more directly comparable.

## Detailed documentation

- The business survey in industry: presentation and methodology

<http://www.insee.fr/en/methodes/default.asp?page=sources/sou-eng-conj-indus.htm>