

# Quarterly business survey (goods producing industries)

*Warning: as a consequence of the removal of the biannual survey on the cash-flow situation in industry, the quarterly questionnaire of the business survey has been slightly modified as from January 2017 (see "Changes in survey questionnaire" below).*

## Survey description

The quarterly business tendency survey in industry 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 (-)

### Opinion on current productive capacity

... more than sufficient    ... sufficient      ... insufficient

### General wage outlook

Likely change in three months ahead:

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

### Change in cash-flow

Change in past three months:

... improvement      ... stability      ... deterioration

Likely change in three months ahead:

... improvement      ... no change      ... deterioration

### Change in operating balance

In the past three months, operating balances were:

... satisfactory      ... average      ... poor

Likely change in three months ahead:

... improvement      ... stability      ... deterioration

### 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 labour 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.

### Productive capacity utilization rate

Productive capacity utilization rate that could be obtained by hiring additional labour.

### 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.

### 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**

### ***January 2004***

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 productive capacity utilization rate. Until now, the respondent was asked to evaluate the capacity margins available if additional labour were hired, and the productive capacity utilization 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 productive capacity utilization rate if they hired additional labour. 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 labour 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.”

#### **Factors currently restricting your production**

Are you currently prevented from raising your production to a desired level because of:

- *insufficient demand*
- *shortage of material and/or equipment*
- *shortage of labour force that you are having trouble expanding*
- *financial constraints*
- *procurement problems*
- *other factors (please specify)*
- *not applicable*

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 are fully harmonized 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.

### **January 2017**

#### **•Removal of the biannual survey on the cash-flow situation in industry**

In order to reduce the statistical response burden on enterprises, the biannual survey on the cash-flow situation in industry has been discontinued. However, the questions on past variation and expected changes in cash position and in operating balance have been included in the quarterly questionnaire of the business tendency survey in industry. As from January 2017, four questions have been added to the block "Some indications on the current situation in your enterprise":

5. What has been, over the past three months and excluding seasonal factors, the change in your cash-flow situation?	improvement <input type="checkbox"/>	stability <input type="checkbox"/>	deterioration <input type="checkbox"/>
6. What will be, over the next three months and excluding seasonal factors, the likely change in your cash-flow situation?	improvement <input type="checkbox"/>	stability <input type="checkbox"/>	deterioration <input type="checkbox"/>
7. Over the last three months, do you think your operating balances were?	satisfactory <input type="checkbox"/>	average <input type="checkbox"/>	poor <input type="checkbox"/>
8. What will be, over the next three months and excluding seasonal factors, the likely change in your operating balance?	improvement <input type="checkbox"/>	stability <input type="checkbox"/>	deterioration <input type="checkbox"/>

#### **•Removal of questions on labour force**

In order to reduce the statistical response burden on enterprises, four questions, little used, were discontinued in the block of questions about labour force:

- The question on types of employees for which companies are experiencing hiring difficulties ("labourers and unskilled workers", "skilled workers and supervisory staff" and "technicians and managers");
- Questions on past and expected change in working time;
- The question on change in hourly wages in the past quarter.

However, information on working time and on wages by sector of activity are available in the quarterly Labour Activity and Employment Conditions (ACEMO) survey conducted by the [Research, Studies and Statistics Department \(Dares\)](#) of the Ministry for Labour.

### **Detailed documentation**

The business survey in industry: presentation and methodology

<https://www.insee.fr/en/metadonnees/source/s1043 - documentation>