
***PART THREE:
INTERPRETATION AND DISSEMINATION OF SURVEY RESULTS***

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3.1. - Interpretation of Survey results

Indicators developed from business-survey results using very simple procedures provide timely signals on activity, employment, and other economic aggregates—such as consumption—of crucial importance to short-term economic analysis.

In this section we offer some examples of such indicators and, more generally, suggest “internal” and “external” guidelines for interpreting the Wholesale-Trade Survey results.

The “internal” guidelines consist in displaying the results in the most legible form possible (§3.1.1).

The “external” guidelines allow the indicators introduced in §3.1.1 to be interpreted with reference to an exogenous measure of the aggregates on which the Survey is designed to provide timely information. These aggregates include not only wholesale-trade production and workforce size, but also imports, investment, and prices of manufactured products abroad.

3.1.1. - Summary of surveyed enterprises’ responses to each question: balances of opinion

For each qualitative question asked, the Wholesale-Trade Survey directly supplies a distribution of enterprises into three groups: (1) enterprises giving a positive response (increasing, above normal, etc.), (2) enterprises giving an “intermediate” response (unchanged, normal, etc.), and (3) enterprises giving a negative response (decreasing, below normal, etc.). However, the simultaneous analysis of the changes in three percentages that sum to 100% is fairly inconvenient, whatever the visual representation chosen. This point is illustrated by Charts 1 and 2, taking the example of responses to the question on past sales volume.

Chart 1: Past sales volume (% of responses)
“Curve” display

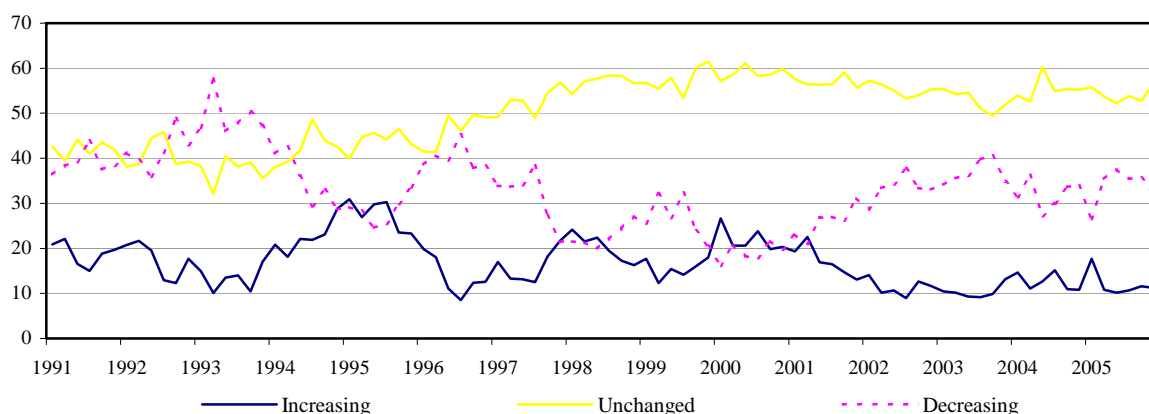
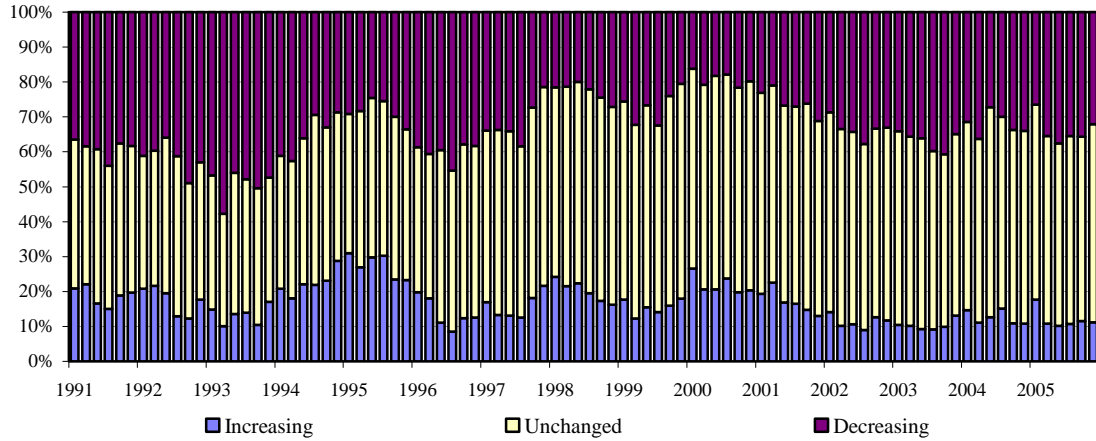
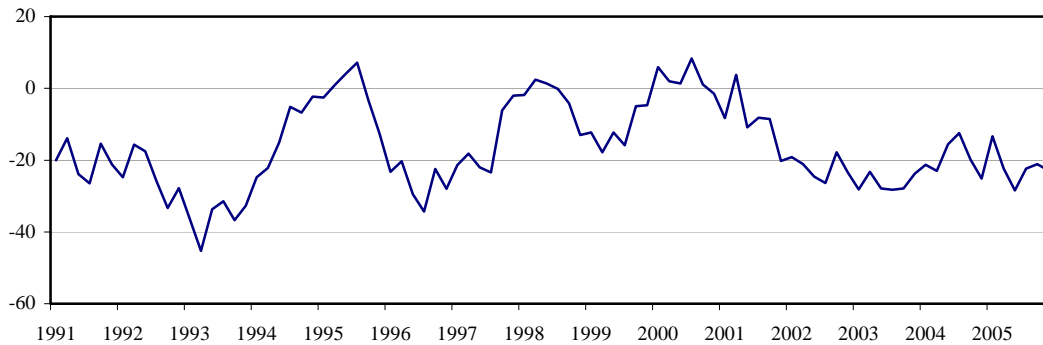


Chart 2: Past sales volume (% of responses)
“Bar ” display



Experience shows that we can simply focus—with a limited loss of information—on the algebraic difference between the two percentages concerning the diametrically opposing opinions (increase and decrease, above normal and below normal). This difference—i.e., the balance of opinion—is more legible and offers a fairly clear reflection of the business cycles (see Chart 3 and §3.1.3)¹.

Chart 3: Past sales volume (balance of opinion, SA)



In themselves, balances of opinion are abstract numbers: they can only be interpreted by referring to earlier balances or to their long-term averages. Only the changes in responses measured in several Surveys can give meaning to the balances. Correlatively, the interpretation of the balances must take account of the factors to which wholesalers refer when responding:

- Some wholesalers view their sales as satisfactory when they are increasing faster than a given rate. Consequently, the qualitative indicator may be negative for positive sales growth rates. More generally, the absolute value of balances may be affected by such “subjective biases”, which must be reduced by means of an appropriate method for reading the balances when interpreting the results.

¹ The construction of balances of opinion is discussed in detail in §2.4.3. For a justification of the concept of balance of opinion, see Fansten (1976).

- Other wholesalers fail to eliminate seasonal variations, hence the frequent need to observe seasonally adjusted (SA) series in order to assess the trends correctly (see §2.5).

Lastly, the information yielded by a change in an opinion balance is all the more reliable as the percentages of enterprises having responded positively (increasing, above normal, etc.) or negatively (decreasing, below normal, etc.) are sufficiently high. One must be cautious in interpreting a balance when the percentage of “intermediate” responses (unchanged, normal) is unusually large.

3.1.2. - The Wholesale-Trade Survey as a source of timely information on many macroeconomic aggregates

One of the main goals of the Wholesale-Trade Survey is to collect timely information on: (1) wholesalers’ purchases and sales in all markets and, more specifically, in foreign markets; (2) changes in the size of the wholesale trade workforce. Hence the importance of verifying the existence of a high correlation between the survey’s main results and the economic aggregates in the quarterly accounts that best represent the phenomena that the survey seeks to capture.

This is effectively illustrated by Charts 6 and 7 below. In particular, the balance of opinion on recent total wholesale sales captures with great accuracy the major trends in the quarterly growth rate of wholesale/retail production. Likewise, the balance of opinion on expected workforce size is a fairly satisfactory proxy for the quarterly change in the total wholesale/retail workforce.

It should be emphasised that the Wholesale-Trade Survey also provides extremely valuable information on changes in some of the major manufacturing aggregates. For example, the trend in the quarterly change in manufactured imports is captured with reasonable accuracy by the balance of opinion on merchandise received from abroad in non-food wholesaling (Chart 8). Likewise, the balance of opinion on ordering intentions for industrial capital goods gives useful indications on the broad trends in the quarterly growth rate of gross fixed capital formation (GFCF) by non-financial corporations and unincorporated enterprises (Chart 9). The balances of opinion on expected import purchase prices and export selling prices provide fairly good indicators of the changes in import and export prices, as Charts 10 and 11 suggest.

Chart 6: Quarterly change in wholesale production (by volume, at 2000 prices) and balance of opinion on wholesale sales volume

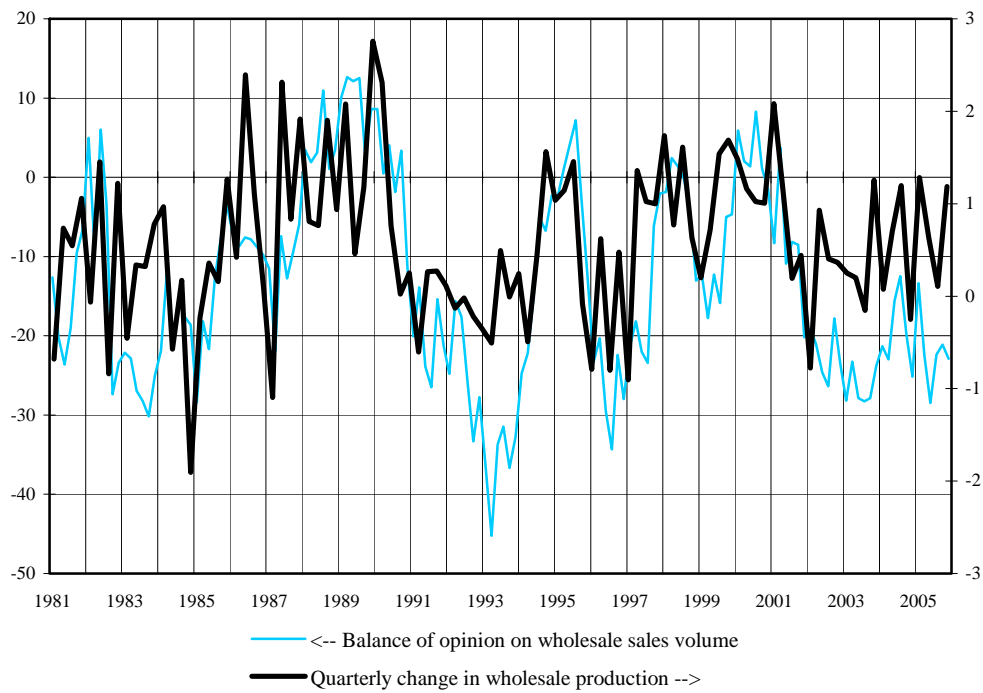


Chart 7: Quarterly change in total wholesale/retail trade workforce (end of quarter) and balance of opinion on expected wholesale workforce

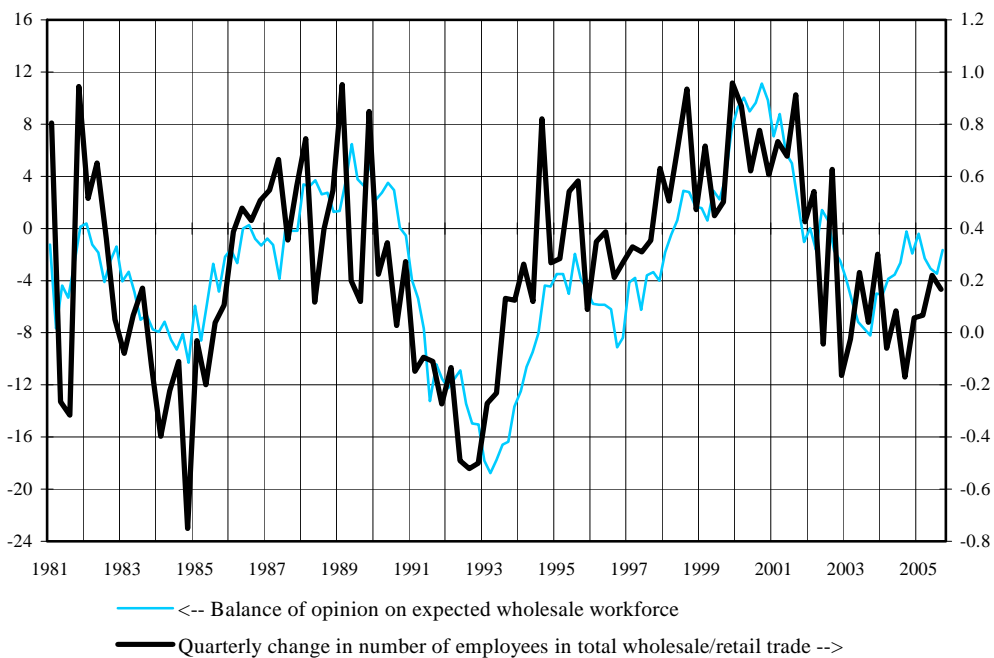


Chart 8: Quarterly change in manufactured imports (by volume, at 2000 prices) and balance of opinion on merchandise received from abroad in non-food wholesaling

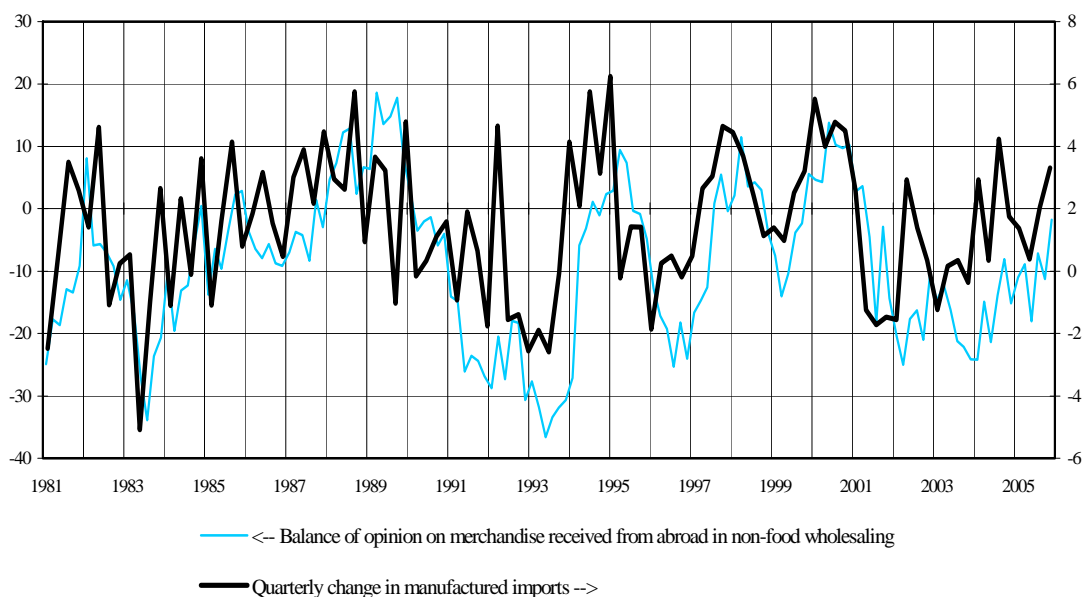


Chart 9: Quarterly change in GFCF by non-financial corporations and unincorporated enterprises (by volume, at 2000 prices) and balance of opinion on merchandise received in non-food wholesaling

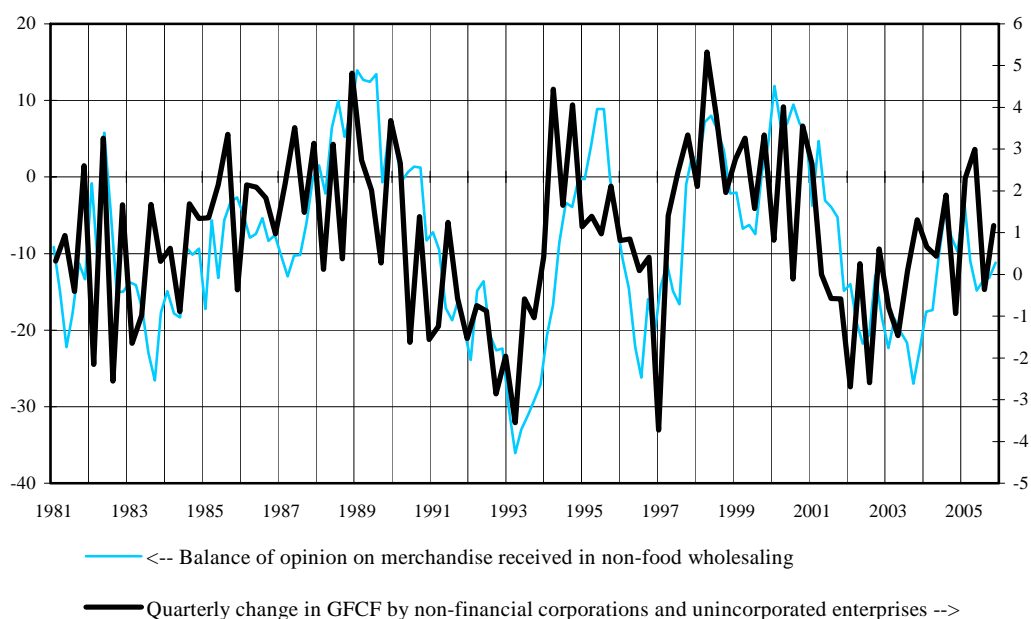


Chart 10: Quarterly change in price index of manufactured imports (2000 = 100) and balance of opinion on foreign suppliers' expected selling prices in non-food wholesaling

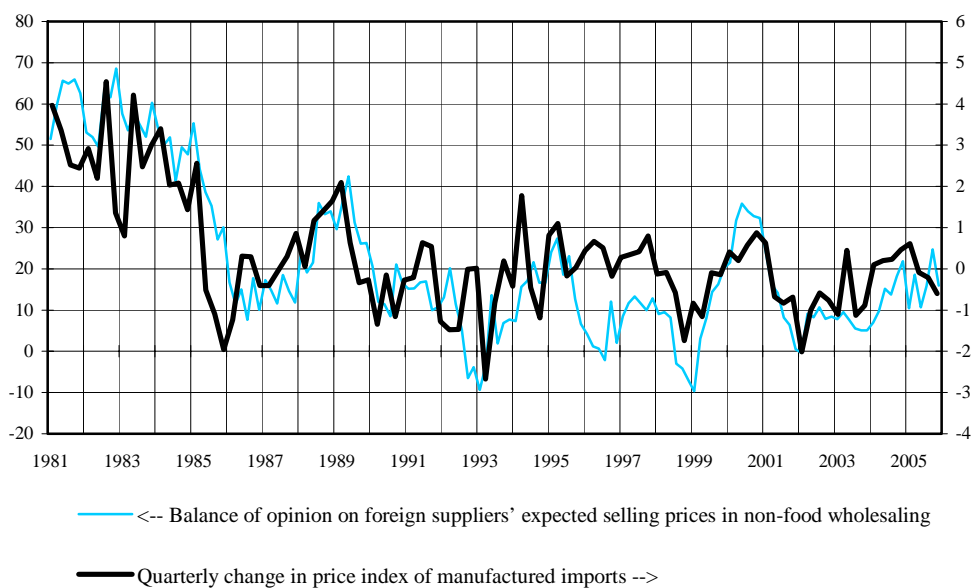
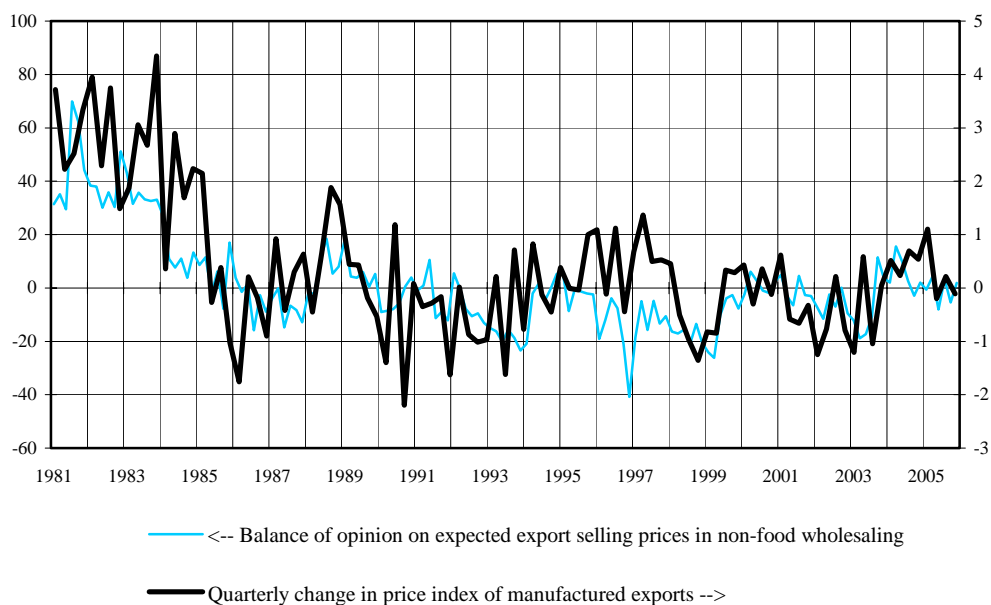


Chart 11: Quarterly change in price index of manufactured exports (2000 = 100) and balance of opinion on expected export selling prices in non-food wholesaling



In sum, thanks to the extreme abundance and outstanding diversity of the information that it provides, the Wholesale-Trade Survey is a source highly appreciated by economic analysts. The balances of opinion from the Survey serve as a basis for forecasting several essential economic aggregates—wholesale/retail employment, investment, manufactured imports—in the preparation of INSEE’s serial publications entitled *Notes de Conjoncture* and *Points de Conjoncture* (see Table 3).

We compare the investment forecasts derived from Survey results with those produced for the same aggregate from the results of the Industrial Investment Survey. The complementary perspectives on investment trends provided by these two short-term sources enable INSEE to refine and improve its forecasts for the aggregate. Another useful comparison is between the export forecasts derived from business surveys of wholesalers and industrial firms (supply side) with the forecasts based on a conventional behaviour model (representing the demand side).

Table 3: Selected aggregates for which short-term forecasts are prepared from Wholesale-Trade Survey results²

Aggregate forecast two quarters ahead	Balances of opinion used to prepare forecast ¹
Quarterly growth rate of workforce in wholesale/retail trade (end of quarter, source: INSEE Employment Division)	Balance of opinion on expected workforce size in wholesale trade (source: Wholesale-Trade Survey)
Quarterly growth rate of GFCF in manufactured products by NFCs-UEs (source: Quarterly National Accounts) ²	- Balance of opinion on ordering intentions in wholesale of industrial equipment - Balance of opinion on stocks in wholesale of capital goods (source: Wholesale-Trade Survey)
Half-year growth rate of GFCF in manufactured products by NFCs-UEs (source: Quarterly National Accounts)	Same balances as above, but expressed in half-year terms.
Quarterly growth rate of manufactured imports (source: Quarterly National Accounts)	- Balance of opinion on merchandise received in non-food wholesale trade (source: Wholesale-Trade Survey) - Balance of opinion on individual production outlook in intermediate-goods industry (source: Industrial Activity Survey ³) - Balance of opinion on stocks in intermediate-goods industry (source: Industrial Activity Survey)

1. Unless otherwise mentioned, balances of opinion are quarterly.
2. GFCF: Gross Fixed Capital Formation. NFCs-UEs: Non-Financial Corporations and Unincorporated Enterprises.
3. Standard designation of INSEE Survey on Situation and Outlook in Industry.

3.2. - Dissemination of Survey results

The Wholesale-Trade Survey is executed and published every two months. Since July 1999, the series have been presented using the French Classification of Economic Activities (Nomenclature d’Activités Française: NAF).

The results are released in three publications: *Informations Rapides*, *Tableaux de Bord Hebdomadaires*, and *Notes de Conjoncture* (plus their companion *Points de Conjoncture*).

² As suggested by Charts 6, 10, and 11, this small set of aggregates for which forecasts are compiled from Survey data certainly does not exhaust the full potential of this Survey, which offers a wealth of short-term information.

The wholesale-trade series (raw and seasonally adjusted) are also available in the INSEE Macroeconomic Database (Banque de Données Macroéconomiques: BDM), and the latest *Informations Rapides* is accessible on the INSEE website (www.insee.fr).

3.2.1. - Informations Rapides

At the end of the Survey execution month, the Survey's main results are published in an issue of *Informations Rapides*. This eight-page document is very widely distributed, in particular to business journalists and to Survey respondents who have specifically requested it. The text is also available on the INSEE website (see also §3.2.5).

3.2.2. - Tableaux de Bord Hebdomadaires

The *Tableaux de Bord Hebdomadaires* are weekly round-ups of the main short-term economic indicators. They are chiefly designed to summarise the information produced by INSEE (and published in the *Informations Rapides* series). This summary is complemented by a selection of the main indicators prepared by other organisations and by an overview of international economic developments. The *Tableaux de Bord Hebdomadaires* are thus a valuable tool for economic analysts and business journalists.

In particular, the *Tableaux de Bord Hebdomadaires* contain charts of the main series of the Wholesale-Trade Survey, along with a general commentary. They are available on the INSEE website³ (see also §3.2.5).

3.2.3. - Contribution to Notes de Conjoncture

The *Notes de Conjoncture* are issued three times a year in March, June, and December. A more concise *Point de Conjoncture* updates the June *Note* in October. Both publications present INSEE's short-term forecasts. Wholesale-trade activity and outlook are discussed three times a year in the "Production" section of the *Notes*.

3.2.4. - Macroeconomic Database (Banque de Données Macroéconomiques: BDM)

The main Wholesale-Trade Survey results are available in the BDM. The raw series go back to 1979; most are also shown in seasonally-adjusted form. At present, the database contains 888 wholesale-trade series, of which 738 are two-monthly series and 150 are six-monthly series. The series are accessed via scrolling menus using two alternative paths—"Statistiques françaises" [French statistics] or "Principaux indicateurs" [Main indicators]—in correlation with *Informations Rapides*. The BDM is the prime vehicle for public release of the Survey series. The database is open to INSEE and non-INSEE users.

3.2.5. - Data available on the Internet

The INSEE website (www.insee.fr) offers the public a very wide range of information. The short-term indicators section notably includes all issues of *Informations Rapides* (at least in the French version of the site), among them the most recent publication on the Wholesale-Trade Survey (to access the French version, click on "Les grands indicateurs" [main indicators] → "Indicateurs de conjoncture" [short-term indicators] → "Autres indicateurs" [other indicators] → "Enquête bimestrielle dans le commerce de gros" [two-monthly survey of wholesale trade])⁴.

³ At http://www.insee.fr/fr/indicateur/indic_conj/donnees/tbh.pdf.

⁴ http://www.insee.fr/fr/indicateur/indic_conj/donnees/comgros.pdf. At the time of writing (September 2005), the English version of the site did not yet carry the full series of *Informations Rapides*. In particular, the wholesale-trade results were available only in the French section.

As a complement to its national indicators and analyses and its links to sites presenting European indicators, the INSEE website offers the public a set of analyses of current economic conditions in French regions, prepared by several of the Institute's Regional Offices⁵. Some “dashboards” and analyses presented under the *conjoncture* [current economic conditions] heading of INSEE regional websites reproduce the results of the Wholesale-Trade Survey after weighting business owners' responses by coefficients reflecting the breakdown of the regional economy by industry⁶.

The introduction of an online data-collection procedure for the Wholesale-Trade Survey⁷ is accompanied by an enhanced information feedback to responding enterprises, as the sectoral results published online are more detailed than those currently released in *Informations Rapides*.

⁵ www.insee.fr, click on “Le portrait de votre région” [Portrait of your region]; select the region you want in order to reach the home page of the corresponding INSEE Regional Office. Then click on “La région en faits et chiffres” [The region in facts and figures], “Conjoncture” [Current economic conditions] heading.

⁶ The regional uses of the Wholesale-Trade Survey are listed in the summary technical description of the Survey, Appendix 1, item 9.

⁷ See §2.2.3.