

Quarterly business survey in industry – July 2015

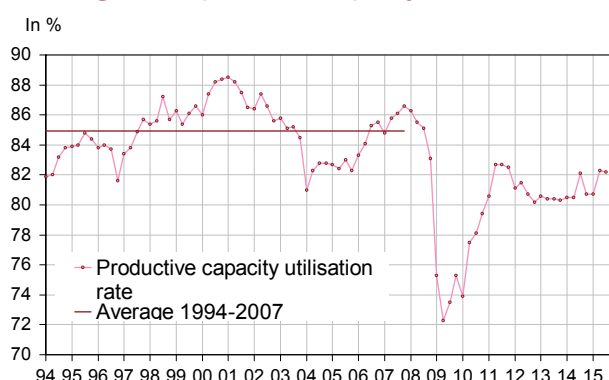
In the second quarter 2015, pressure on production capacity is virtually stable

Pressure on production capacity virtually stable

In July 2015, the industrialists consider that the pressure on production capacity is almost unchanged. The production capacity utilisation rate is virtually stable compared to the previous quarter (82.2%). Since the third quarter of 2008, production capacity has been less used in the manufacturing industry than there was on average between 1994 and 2007.

The balance on production bottlenecks is virtually stable, at a level slightly above its long-term average. The proportion of industrialists considering that their production capacity is “more than sufficient” is higher than that considering their capacity as insufficient. This gap has increased in July and the balance stands above its long-term average.

Change in the productive capacity utilisation rate



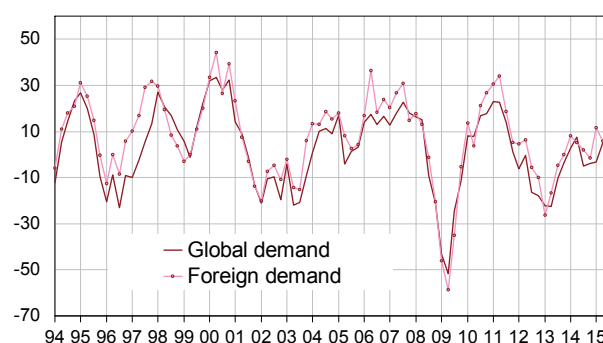
Better global expectations

In July 2015, a few more industrialists judge that global demand in the past months has fallen, however the corresponding balance remains slightly above its mean level. Conversely, the balance of opinion on foreign demand has slightly risen above its long-term average. Over the next three months, more industrialists anticipate an improvement of global and foreign demand; the corresponding balances of opinion remain

above the normal. In July, more industrialists have indicated difficulties of supply only (21% against 14% in April), the proportion reaching its highest level since the end of 2011.

Balance of opinion of past change in demand

Balance of opinion, in %



Industrialists' opinion : demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean	Oct. 14	Jan. 15	April 15	July 15
Global demand					
Past change	0	-4	-3	5	1
Future change	1	4	2	4	9
Foreign demand					
Past change	3	-2	12	6	8
Future change	5	2	5	12	13
Production factors					
Production bottlenecks (in %)	22	22	24	24	25
Assessment of productive capacity	14	18	14	14	20
Productive capacity utilisation rate (in %)	84,6	80,7	80,7	82,3	82,2
Difficulties of supply and demand					
Difficulties of supply and demand	8	11	9	12	11
Difficulties of supply	20	16	14	12	21
Difficulties of demand	44	49	44	39	37

* : Long-term average since 1976.

The results of the last survey are preliminary.

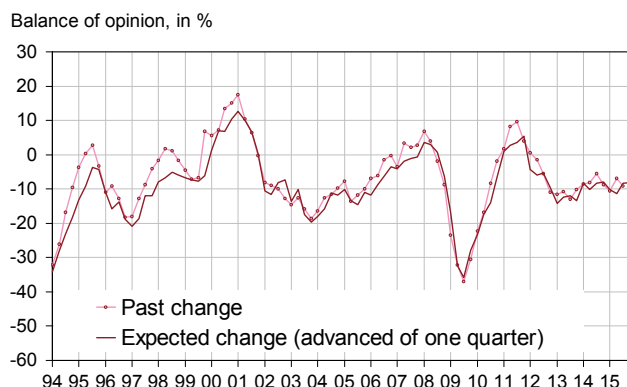
Source : Quarterly business survey - INSEE

More industrialists have announced a decrease of their workforce on the past

In July, more industrialist judge that workforce has diminished during the last months. However, the corresponding balance of opinion stays slightly above its long-term average. Over the next few months, industrialists are not more optimistic: the corresponding balance of opinion is stable and also remains above its historical level.

Less than a third of the industrialists have hiring difficulties, a part which has risen a little and is slightly above its long-term average.

Workforce size in the manufacturing industry



Slight increase in wages

According to the business managers in the manufacturing industry, wages have increased by 0.3% in the second quarter of 2015.

The balance of opinion on weekly working time is virtually stable. A few more industrialists anticipate a decrease of this working time over the next few months.

Near stagnation of selling prices

According to industrialists, selling prices in the manufacturing industry are virtually stable in the second quarter of 2015 (+0.1% after +1.0%); they forecast a virtual near stability for the next quarter (-0.1%).

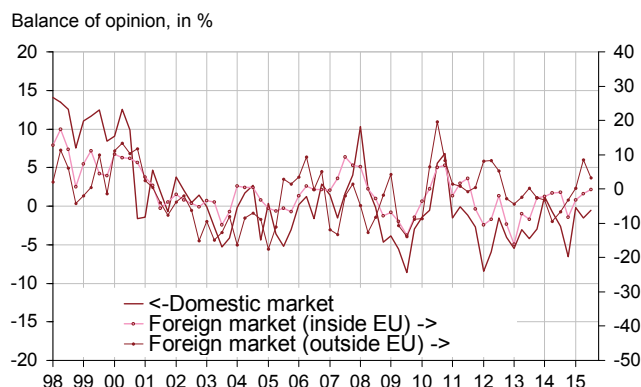
Almost as many industrialists of the manufacturing industry have experienced cash-flow problems as in the previous quarter (13%). This proportion stands below its mean level.

Deterioration of the opinion on exportation prospects

In July 2015, general exportation prospects have deteriorated. After an increase by 36 points since July 2014, the corresponding balance has lost 13 points but remains clearly above its long-term average.

A few more business managers judge that in the second quarter of 2015, their competitive position on domestic market and on European market has improved. Conversely, the balance of opinion on their competitive position outside EU has deteriorated, but stays above its long-term average.

Competitive position



Industrialists' opinion : employment, competitive position, cash-flow, wages and selling prices

Manufacturing industry	Mean	Balance of opinion, in %			
		Oct. 14	Jan. 15	April 15	July 15
Workforce size					
Past change	-11	-9	-10	-7	-9
Expected change	-13	-10	-11	-8	-8
Difficulties hiring	28	26	27	27	29
Working time					
Past change	-3	-2	0	2	1
Expected change	-5	-2	0	1	-1
Cash-flow and wages					
Cash-flow problems	15	13	12	12	13
Past wages	0,5	0,3	0,3	0,1	0,3
Selling prices					
Past change	0,1	-0,6	-1,2	1,0	0,1
Expected change	0,2	-0,5	-1,1	-0,2	-0,1
Competitive position					
On domestic market	1	-7	0	-2	-1
On foreign markets inside EU	-1	-8	-3	-1	0
On foreign markets outside EU	-1	-3	0	9	3
General exportation expectations	-10	-15	-2	13	0

* : Long-term average since 1976.

The results of the last survey are preliminary.

A quantitative question is asked about selling prices and past wage.

Source : Quarterly business survey - INSEE

For more information :

The quarterly survey completes the monthly survey published in the version dated July 22 2015, notably on demand and production factors.

- Complementary data (long series) and metadata (methodology . linked internet pages, etc.) are available on the web page of this index: <http://www.insee.fr/fr/themes/indicateur.asp?id=12>
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