

Informations *Rapides*

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■ Survey of the cash-flow situation in industry – June 2016

For the first half of 2016, more business managers than in the end of 2015 have deemed their operating balance satisfactory

In the industry as a whole, the operating balances have been once again deemed satisfactory

In the first half of 2016, more business managers than in the previous six months considered that their operating balance was satisfactory. The corresponding balance of opinion has increased by 6 points and has reached its highest level (+30) since 2007, significantly above its long-term average (+6). Sales volume, sourcing prices and financial expenses fostered these results. For the next six months, more industrialists than in December have expected a further improvement of operating balances. The corresponding balance of opinion has returned below its long-term average.

Opinion on the cash position has improved

A few more industrialists than in the previous half-year considered their cash position as easy. The corresponding balance of opinion has increased by 3 points and is at a level (–4) above normal (–8). More industrialists reported that the pace of capital spending and exceptional profits or losses had a negative impact on the cash flow during the past six months. For the next six months, more industrialists forecast an improvement of their cash position; the corresponding balance of opinion has become positive and is now above its mean. They were more numerous to intend to ramp up production, to raise investment expenditure and to increase their medium to long-term debt and more of them also have forecasted a decrease in selling prices.

More businesses have reported a reduction in their medium and long-term debt

More industrialists considered that medium to long-term debt dropped during the past six months. Conversely, they were more numerous to consider that short-term loans outstanding had increased and that they used more commercial paper. Regarding the level of equity capital of external origin, their opinion was stable.

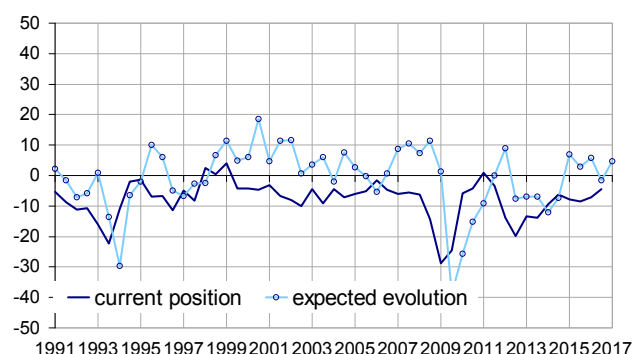
Opinion about cash position and operating balance in industry

	Balance of opinion, SA, in %			
	Ave.*	Jun15	Dec15	Jun16
Current cash position	–8	–8	–7	–4
Current operating balance	6	25	24	30
Expected change in cash position	–1	6	–2	5
Expected change in operating balance	8	2	10	4

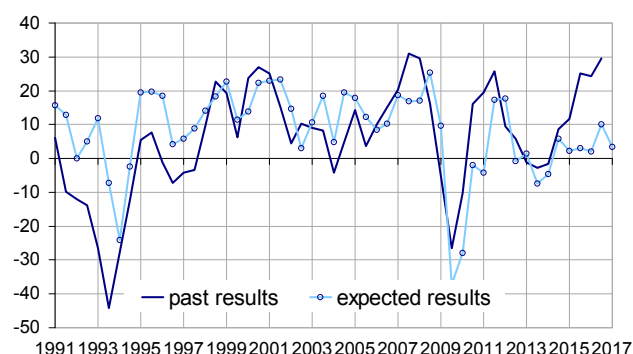
*: The average of the balances opinion since June 1990.

Source: Insee - Cash survey in industry

Cash position in industry



Operating balance



MAN. OF FOOD PRODUCTS AND BEVERAGES

In the first half of 2016, in the manufacture of food products and beverages, the balance of opinion on the operation balance dipped slightly but has remained significantly above normal; that on the cash position has been stable, very close to its long-term average. Business managers in this industry were more pessimistic in June 2016 than in December 2015 on the expected cash position and operating balance for the next six months.

MACHINERY AND EQUIPMENT GOODS

According to the business leaders of the manufacture of machinery and equipment goods, the cash position and the operating balance improved slightly again in the first half of 2016. The corresponding balances of opinion are above their long-term average. The business leaders were as optimistic as in the previous half-year on the expected operating balance and significantly more optimistic on the expected cash position.

MAN. OF TRANSPORT EQUIPMENT

Man. of motor vehicles, trailers and semi trailers

In the first half of 2016, the balance on the cash position in the manufacture of motor vehicles, trailers and semi trailers, were virtually stable, equal to normal. That on the operating balance, already significantly above its mean in December, improved again. For the next six months, the industrialists of this area were more upbeat than in December about the expected cash position and operating balance, the corresponding balances of opinion exceeding or reaching their long-term average.

Man. of other transport equipment

In the manufacture of other transport equipment, even more industrialists than in the previous six months considered that the operating balances were satisfactory. The balance on cash position improved slightly but has remained below normal. More industrialists considered that cash position and operating balance were likely to decreased in the next six months.

OTHER MANUFACTURING

In the other sectors of the manufacturing industry, the balances of opinion on the cash position and on the operating balances, already above their long-term average in the second half of 2015, improved again during the first half of 2016. For the next six months, a few more industrialists have forecasted an improvement of their cash position. However, they were less

optimistic than in the second half of 2015 on the expected trend of operating balance for the next six months.

Cash position and operating balance by sector- of activity

Balance of opinion, SA, in %				
NA* : (A17) et [A 38]	Ave.**	Jun15	Dec15	Jun16
(C1) Man. of food products and beverages				
Current cash position	-6	-2	-5	-5
Current operating balance	9	29	37	30
Expected change in cash position	3	-8	5	-2
Expected change in operating balance	10	-1	10	2
(C3) Machinery and equipment goods				
Current cash position	-8	-11	-7	-5
Current operating balance	7	7	15	17
Expected change in cash position	0	15	-18	9
Expected change in operating balance	11	5	6	6
(C4) Man. of transport equipment				
Current cash position	-7	-12	-16	-12
Current operating balance	7	37	38	54
Expected change in cash position	-3	0	-29	-14
Expected change in operating balance	8	15	6	-5
<i>Man. of motor vehicles, trailers and semi-trailers [CL1]</i>				
Current cash position	-8	-9	-10	-8
Current operating balance	-1	55	59	67
Expected change in cash position	-1	6	-44	5
Expected change in operating balance	9	8	2	9
<i>Man. of other transport equipment [CL2]</i>				
Current cash position	-4	-16	-21	-15
Current operating balance	6	17	18	43
Expected change in cash position	-9	-6	-14	-31
Expected change in operating balance	4	23	9	-18
(C5) Other manufacturing				
Current cash position	-10	-11	-8	-2
Current operating balance	3	9	12	15
Expected change in cash position	-3	0	-1	2
Expected change in operating balance	7	2	12	9


*NA: aggregated classification, based on the French classification of activities NAF rév. 2.

** Long-term average.

Source: Insee - Cash survey in industry

Warning: For the survey of June 2016, the seasonal coefficients have been updated. This has caused revisions in the set of results previously published in respect of this survey.

For more information:

- Complementary data (detailed balances of opinion, long series, metadata methodology, linked internet pages, etc.) are available on the web page of this index: <http://www.insee.fr/fr/themes/indicateur.asp?id=68>
- Historical data are available on the BDM: [G1260](#), [G1256](#), [G1259](#), [G1257](#), [G1258](#).
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