Informations Rapides

25 octobre 2016 - n° 277

Main indicators

Quarterly business survey in industry – October 2016

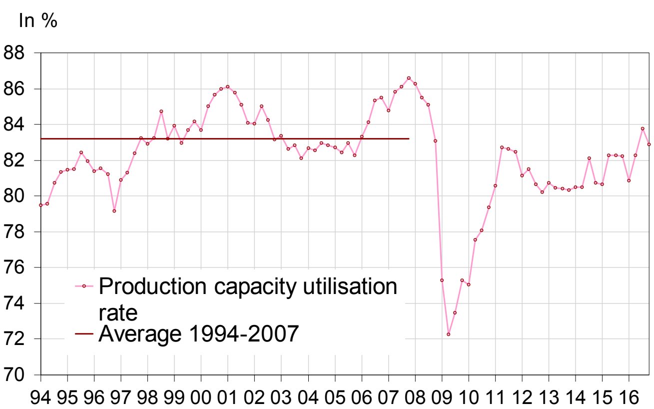
In the third quarter 2016, production capacity is less used in the manufacturing industry

Decline in production capacity utilisation

In October 2016, business managers in industry have reported that pressure on production capacity eased. The production capacity utilisation rate has decreased compared to the previous quarter (−0.9 points). Production capacity is anew less used in the manufacturing industry than it was on average between 1994 and 2007.

Almost as many industrialists as in the previous quarter consider that they could produce more if they received more orders: the balance on production bottlenecks is virtually stable, above normal. The proportion of industrialists indicating difficulties of demand only has decreased. However, almost as many industrialists have indicated difficulties of supply only, the corresponding proportion remaining close to its long-term mean.

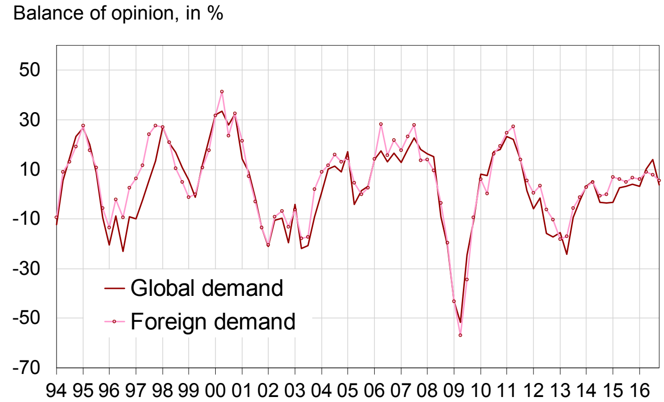
Production capacity utilisation rate



The opinion on past demand has deteriorated but prospects have improved

Compared to the previous quarter, less industrialists judge that global and foreign demand increased in the past months. However, the corresponding balances remain above their mean level. Industrialists are more upbeat on global and foreign demand over the next three months; the corresponding balances of opinion are above average.

Balance of opinion of past change in demand



Industrialists' opinion: demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean	Jan. 16	April 16	July 16	Oct. 16
Global demand					
Past change	0	3	10	14	4
Future change	1	6	5	5	8
Foreign demand					
Past change	2	6	9	8	6
Future change	4	12	8	5	9
Production factors					
Production bottlenecks (in %)	22	24	25	26	27
Assessment of productive capacity	14	11	8	11	13
Production capacity utilisation rate (in %)	82,9	80,9	82,3	83,8	82,9
Difficulties of supply and demand (in %)					
Difficulties of supply and demand	8	10	9	7	9
Difficulties of supply only	20	14	14	18	19
Difficulties of demand only	44	42	39	39	36

* : Long-term average since 1976.
The results of the last survey are preliminary.
Source: INSEE - Quarterly business survey in industry

Less industrialists report recent staff cuts

In October 2016, a few less industrialists than in July have reported that they reduced workforce in the past three months. Over the next few months, less industrialists than in the previous quarter forecast job losses. Both balances have been above their long-term average since October 2013.

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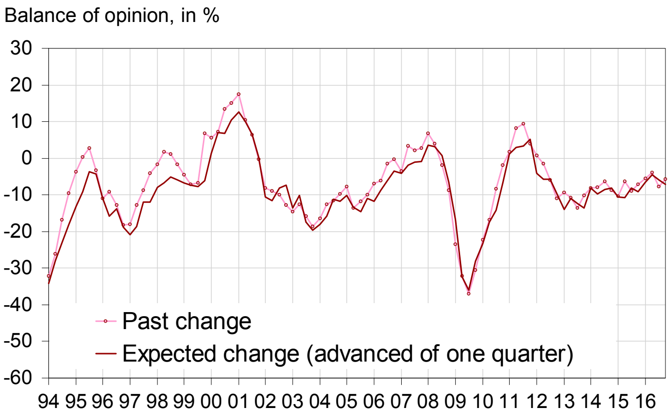
One out of three industrialists have experienced hiring difficulties; this part, already above its long-term average, has increased by 3 points in October.

Workforce size in the manufacturing industry



Slight increase in wages

According to the business managers in the manufacturing industry, wages increased moderately again in the past three months (+0.3% after +0.4%).

More industrialists consider that working time increased over the past months; it is also the case for the next months. Both balances are above normal.

Expected increased in selling prices

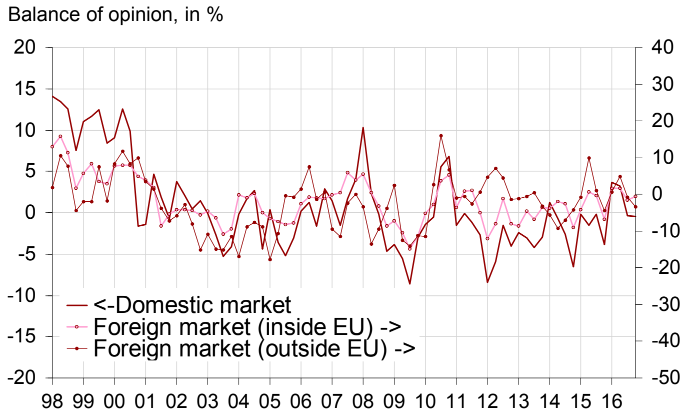
According to industrialists, selling prices in the manufacturing industry decreased again in Q3, at the same pace than in the previous quarter (−0.2%). However, business managers forecast an increase in Q4 (+0.2%), for the first time since Q2 2014.

As many industrialists as in the previous quarter have experienced cash-flow problems (11%). This proportion stands below its mean level (14%).

Opinion on competitive position broadly at a normal level

In October 2016, as many industrialists as in July judge that their competitive position have deteriorated, whether on domestic market or in European Union. However, the balance of opinion on competitive position on foreign markets outside European Union has slightly decreased. These three balances are almost equal to their long-term average. Industrialists are slightly more upbeat than in October on general exportation prospects: the corresponding balance, already above normal, has increased by 1 point.

Competitive position



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

Balance of opinion, in %

Manufacturing industry	Mean	Jan. 16	April 16	July 16	Oct. 16
Workforce size					
Past change	–11	–6	–4	–8	–6
Expected change	–13	–5	–6	–7	–2
Difficulties hiring (in %)	28	30	30	31	34
Working time					
Past change	–3	2	2	–1	3
Expected change	–5	–1	–1	–2	0
Cash-flow and wages					
Cash-flow problems (in %)	14	11	12	11	11
Past wages	0,5	0,3	0,2	0,4	0,3
Selling prices					
Past change	0,1	–0,6	–0,6	–0,2	–0,2
Expected change	0,2	–0,5	–0,1	–0,1	0,2
Competitive position					
On domestic market	1	4	3	0	0
On foreign markets inside EU	–2	2	2	–1	–1
On foreign markets outside EU	–2	1	5	–1	–3
General exportation expectations	–10	2	–7	–1	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: INSEE - Quarterly business survey in industry

Revisions

Most of the indicators published in July 2016 have been revised, due to the integration of late answers. In particular, the production capacity utilisation rate in industry has been raised by 0.4 points. Moreover, in the long series file released along with this publication, the series of the production capacity utilisation rate have been revised over the period 1976-2004: this correction neutralises better the impact of the change, occurred in January 20004, in the wording of the question asked to business managers (see the methodological note for details).

For more information:

The quarterly survey completes the monthly survey published in the version dated October 25 2016, 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
- Press contact: bureau-de-presse@insee.fr
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- Historical data are available on the BDM: G1267

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