

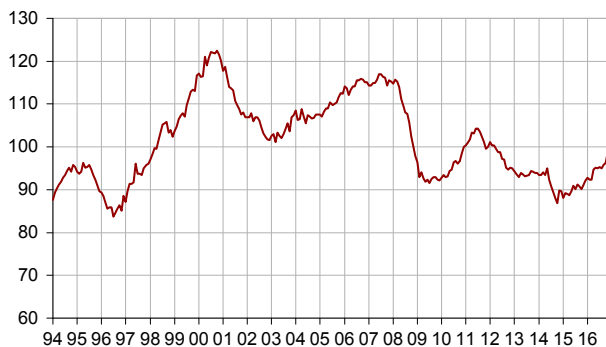
Monthly business survey in the building industry – December 2016

In December 2016, the economic climate weakens slightly in the building construction industry

According to the business managers in the building construction industry surveyed in December 2016, the business climate has slightly weakened. The composite indicator has lost one point and stands at 98, a shade below its long term average (100).

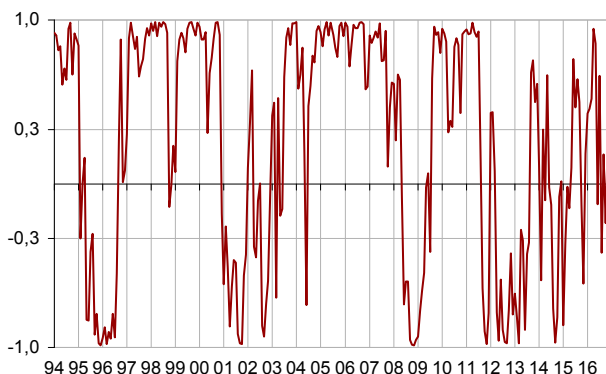
Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator remains in the uncertainty zone.

Turning-point indicator



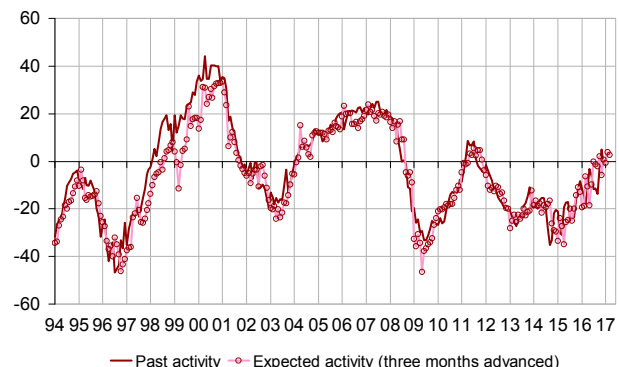
Note: close to 1 (respectively -1), it indicates a favourable climate (respectively unfavourable). Between +0,3 and -0,3: uncertainty area

Business managers' opinion about their past activity has deteriorated

In December 2016, more business managers than in November indicate a decrease in their past activity. The corresponding balance has decreased by 6 points but remains above its long-term average. The balance on expected activity has dipped slightly and remains well above its long-term average.

Activity tendency in building construction

Balances of opinion, in %, SA



Building industry economic outlook

Balances of opinion, in %, SA

	Mean *	Sept. 16	Oct. 16	Nov. 16	Dec. 16
Composite indicator	100	96	96	99	98
Past activity	-4	-14	-3	5	-1
Expected activity	-6	1	-1	4	3
Gen. business outlook	-19		-5		
Past employment	-6	-20	-21	-17	-18
Expected employment	-5	-9	-9	-14	-9
Opinion on order books	-24	-38	-40	-34	-39
Order books (in month)	5.4	6.9	6.9	6.8	6.8
Production capacity utilisation rate	88.5	86.6	86.7	87.2	86.9
Obstacles to production increase (in %)	32	22	24	25	26
- Because of workforce shortage (in %)	14.0	3.4	3.9	4.9	5.4
Recruiting problems (in %)	57		47		
Expected prices	-15	-19	-20	-20	-19
Cash-flow position	-10		-13		
Repayment period	30		36		

* Mean since September 1993.

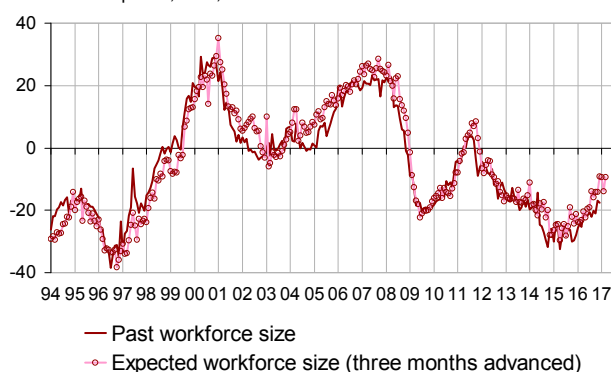
Source: INSEE, French business survey in the building industry

Less business managers plan to reduce their workforce

In December 2016, less business managers than in November have planned to reduce their staff size over the next three months. The corresponding balance of opinion has picked up but remains below its long term-average. The balance of opinion on past staff size is virtually stable, well below its long-term average.

Workforce size tendency in building construction

Balances of opinion, in %, SA

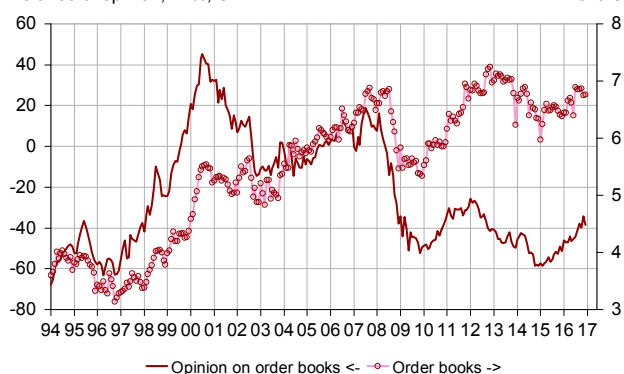


The order books still judged substantially less filled than normal

More business managers consider that their order books are poorly filled for the period. The corresponding balance stands far below its long-term average. With their staff size, business managers consider however that their order books provide 6.8 months of work, the same level as last month and above its long term average (5.4 months).

Order books

Balance of opinion, in %, SA



Production capacity is slightly less used

While recovering since early 2015, the production capacity utilisation rate has decreased slightly in December (-0.3 points, at 86.9%). It stands between its end-2015 level (84.6%) and its long-term average (88.5%). Otherwise, only one business manager out of four has reported difficulties in increasing output, compared to one out of three in average since 1993.

Production capacity utilisation rate



Prices mostly expected to drop

In December 2016, slightly less business managers than in November have announced that they were going to reduce their prices during the next three months. However, the corresponding balance, that has fluctuated weakly since September 2016, remains below its long-term average.

For further information:

The balance of opinion is calculated as the difference between the percentage of responses “increase” and the percentage of responses “decrease”.

- Additional information (long series, methodology, links, etc.) is available on the web page of this indicator: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=10>
- Historical data are available on the BDM: [G1273](#), [G1276](#), [G1274](#).
- Press contact: bureau-de-presse@insee.fr
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