

Informations Rapides

Quarterly business survey in industry – January 2017

In the Q4 2016, production capacity is more used in the manufacturing industry

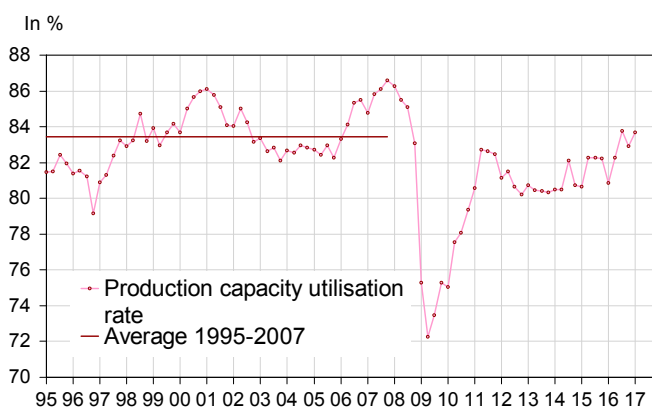
Warning: as from January 2017, the quarterly questionnaire of the business survey in industry has been slightly modified in order to reduce the statistical response burden on enterprises (see methodological note).

Increased use of production capacity

In January 2017, the industrialists have reported that they used more their machinery and equipment. The production capacity utilisation rate has increased by 0.8 points compared to the previous quarter. Production capacity is anew more used in the manufacturing industry than it was on average between 1995 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 supply remains close to normal and that of industrialists reporting difficulties of demand only remains below its long-term average.

Production capacity utilisation rate

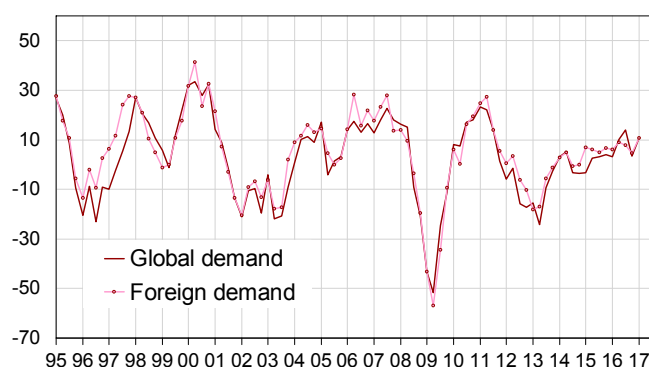


The balance of opinion on past demand has rebounded

Compared to the previous quarter, more industrialists judge that global and foreign demand increased in the past months. The corresponding balances are above their mean level. Industrialists are roughly as upbeat as in the previous quarter 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

Balance of opinion, in %



Industrialists' opinion: demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean	April 16	July 16	Oct. 16	Jan. 17
Global demand					
Past change	0	10	14	3	11
Future change	1	5	5	8	8
Foreign demand					
Past change	2	9	8	4	11
Future change	4	8	5	7	9
Production factors					
Production bottlenecks (in %)	22	25	26	27	28
Assessment of productive capacity	14	8	11	12	7
Production capacity utilisation rate (in %)	82,9	82,3	83,8	82,9	83,7
Difficulties of supply and demand (in %)					
Difficulties of supply and demand	8	9	7	10	9
Difficulties of supply only	20	14	18	18	19
Difficulties of demand only	44	39	39	36	35

* : Long-term average since 1976, except for questions on difficulties of supply and demand.

The results of the last survey are preliminary.

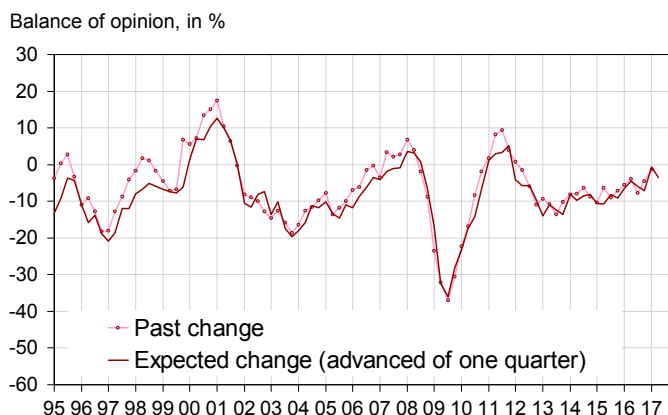
Source: INSEE - Quarterly business survey in industry

Fewer industrialists report recent staff cuts

In January 2017, fewer industrialists than in October have reported that they reduced workforce in the past three months. However, over the next few months, more industrialists than in the previous quarter forecast job losses. Both balances have remained above their long-term average since October 2013.

One out of four industrialists have experienced hiring difficulties; this part has dramatically decreased in January and is now just below its long-term average.

Workforce size in the manufacturing industry



Past increased in selling prices

According to industrialists, selling prices in the manufacturing industry have increased in Q4 2016 (+0.2%), for the first time since two years. Business managers forecast a further increase in Q1 2017 (+0.3%).

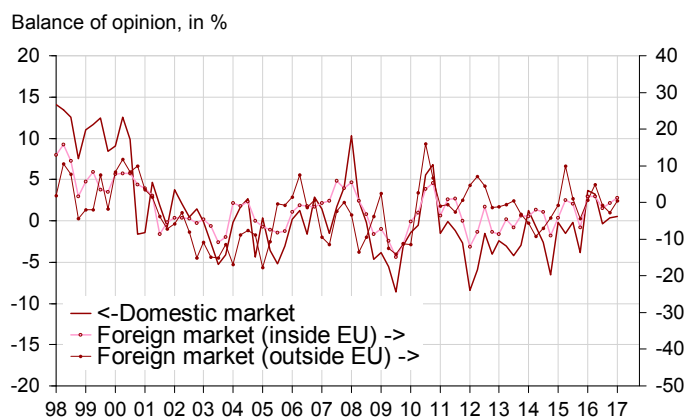
Almost as many industrialists as in the previous quarter have experienced cash-flow problems (11%). This proportion stands below its mean level (14%).

General exportation expectations have surged

In January 2017, the industrialists' opinion on their competitive position on domestic market or on foreign markets inside EU is almost unchanged. However, that on competitive position outside EU has slightly increased. These three balances are close to their long-term average. Nevertheless, industrialists are much more upbeat than in October on general exportation prospects: the corresponding

balance has reached its highest level since Q3 2015, significantly above normal.

Competitive position



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

		Balance of opinion, in %			
Manufacturing industry	Mean	April 16	July 16	Oct. 16	Jan. 17
Workforce size					
Past change	-11	-4	-8	-5	-1
Expected change	-12	-6	-7	-1	-3
Difficulties hiring (in %)	28	30	31	34	27
Selling prices and cash-flow					
Past change on selling prices	0,1	-0,6	-0,2	-0,1	0,2
Expected change on selling prices	0,2	-0,1	-0,1	0,2	0,3
Cash-flow problems (in %)	14	12	11	11	11
Competitive position					
On domestic market	1	3	0	0	1
On foreign markets inside EU	-2	2	-1	0	1
On foreign markets outside EU	-2	5	-1	-3	0
General exportation expectations	-10	-7	-1	0	6

* : Long-term average since 1991, except for workforce change (since 1976) and for competitive position by market (since 1997).

The results of the last survey are preliminary.


A quantitative question is asked about selling prices.

Nota bene: questions on past and expected change on working time and on past wages have been discontinued. However, those information are available in the [DARES](#) Labour Activity and Employment Conditions (ACEMO) survey.

Source: INSEE - Quarterly business survey in industry

For more information:

The quarterly survey completes the monthly survey published in the version dated January 25 2017, 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
-  Follow us on Twitter @InseeFr_News: https://twitter.com/InseeFr_News
- Historical data are available on the BDM: [G1267](#)

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