

Informations Rapides

25 juillet 2017 - n° 190

Main indicators



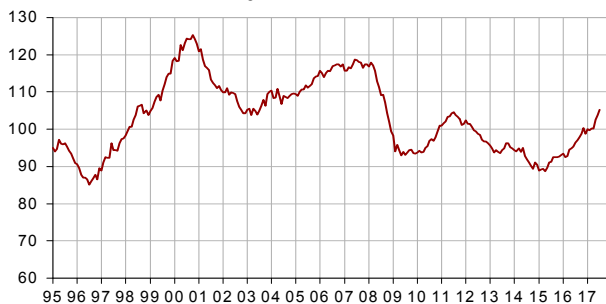
Monthly business survey in the building industry – July 2017

In July 2017, the economic climate continues to improve in the building construction industry

According to the business managers in the building construction industry surveyed in July 2017, the business climate has improved again. The composite indicator has risen by one point and has reached 105, its highest level since September 2008. It has improved regularly since early 2015 and now stands well above its long-term average (100).

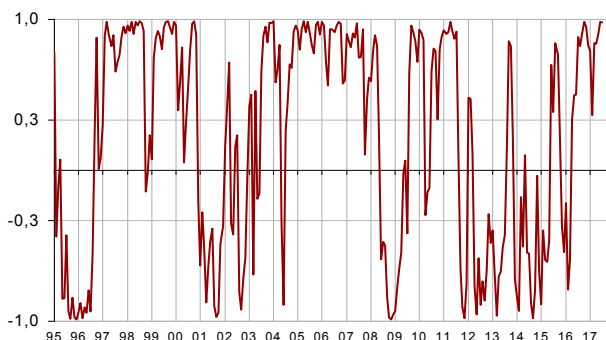
Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator remains in the favourable outlook 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

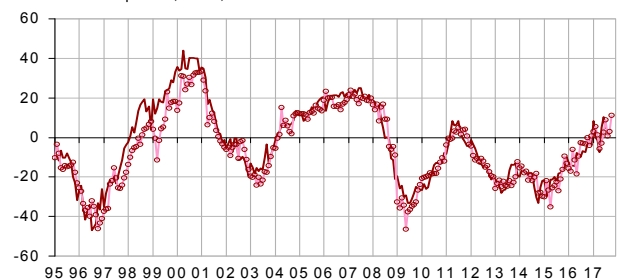
General business outlook has improved again markedly

In July 2017, fewer business managers than in June have indicated an increase in their activity over the last

three months. The corresponding balance has fallen back while remaining well above its long-term average. In contrast, the balance of opinion on expected activity has increased steeply. It has reached its highest level since March 2008, well above its long-term average. Likewise, business managers' opinion about the general outlook has improved sharply. The corresponding balance of opinion stands well above its long-term average.

Activity tendency in building construction

Balances of opinion, in %, SA



— Past activity —○— Expected activity (three months advanced)

Building industry economic outlook

Balances of opinion, in %, SA

	Mean*	April 17	May 17	June 17	July 17
Composite indicator	100	100	103	104	105
Past activity	-4	-8	5	10	5
Expected activity	-6	9	1	3	11
Gen. business outlook	-18	4			13
Past employment	-6	-15	-6	-5	-2
Expected employment	-5	-5	-1	3	6
Opinion on order books	-24	-30	-28	-24	-21
Order books (in month)	5.5	6.8	7.1	7.2	7.3
Production capacity utilisation rate	88.4	87.7	87.8	87.9	88.2
Obstacles to production increase (in %)	32	29	29	29	31
- Because of workforce shortage (in %)	13.8	6.6	7.3	7.1	9.0
Recruiting problems (in %)	57	53			55
Expected prices	-15	-13	-16	-13	-6
Cash-flow position	-10	-13			-9
Repayment period	29	34			20

* Mean since April 1975 for the composite indicator and since September 1993 for the balances of opinion.

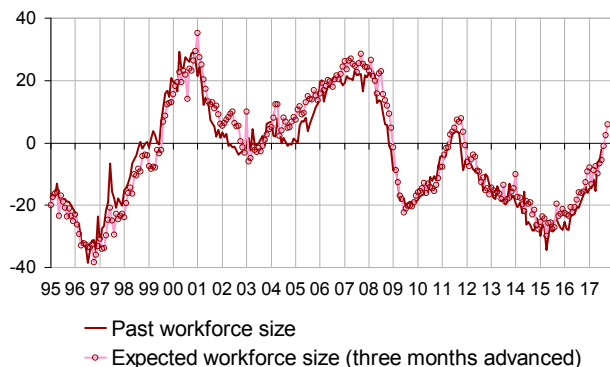
Source: INSEE, French business survey in the building industry

More business managers have indicated an increase in their past and expected staff size

In July 2017, more business managers than in June have indicated an increase in their staff size over the last three months. The corresponding balance stands well above its long-term average. The balance of opinion on expected employment, already significantly higher than its long-term average, has continued to increase.

Workforce size tendency in building construction

Balances of opinion, in %, SA

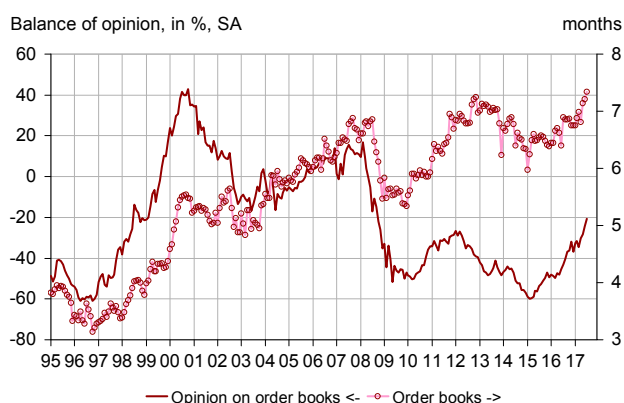


Order books continue to fill up

In July 2017, more business managers than in June consider that their order books are well filled for the period. The corresponding balance of opinion has continued on the upward trend started two years ago and has exceeded its long-term average for the first time since October 2008. With their present staff size, business managers consider that their order books provide 7.3 months of work, a level slightly higher than last month and significantly above its long-term average (5.5 months).

Order books

Balance of opinion, in %, SA



Production capacity utilisation close to normal

The production capacity utilisation rate has risen regularly since March 2017. In July 2017, it has increased slightly further to 88.2% and has approached its long-term average (88.4%). The part of business managers indicating production bottlenecks is 31%, a level close to its long-term average (32%). Moreover, 55% of business managers have encountered recruiting problems, a larger share than in April 2017, but still less than on long-term average (57%).

Production capacity utilisation rate




More business managers have announced an increase in the cash-flow position

In July 2017, more business managers than in April have indicated an increase in their cash-flow position. The corresponding balance has slightly exceeded its long-term average. At the same time, far fewer business managers have reported an increase in their customers' repayment period.

In addition, many more business managers than in June have announced that they will increase their prices during the next three months. The corresponding balance stands well above its long-term average, at its highest level since September 2008.

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 is available on the BDM: <https://www.insee.fr/en/statistiques/series/102411948>
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