

Main Indicators

Quarterly business survey in industry – July 2017

In July 2017, the industrialists' opinion on past change of global and foreign demand has significantly improved

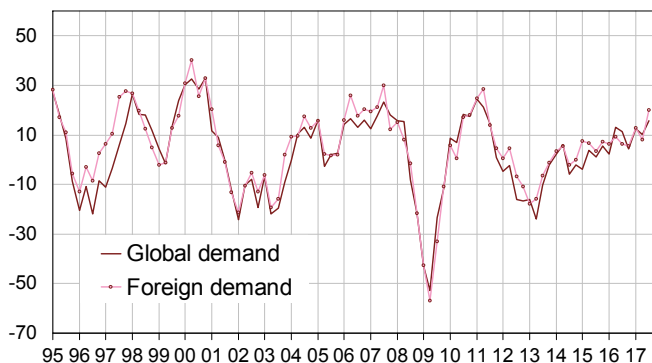
Warning: In the survey of July 2017, the weights used to aggregate the responses of the business managers have been updated. The seasonal coefficients have also been updated. Consequently, the set of results previously published in this quarterly survey is subject to slight revisions.

Much more industrialists have indicated an increase in past demand

In July 2017, the balances of opinion on past change of global and foreign demand have sharply increased compared to April. They have reached their highest level since April 2011, significantly above their normal. For the next three months, business managers remain upbeat on global and foreign demand; the corresponding balances remain above normal.

Balance of opinion of past change in demand

Balance of opinion, in %

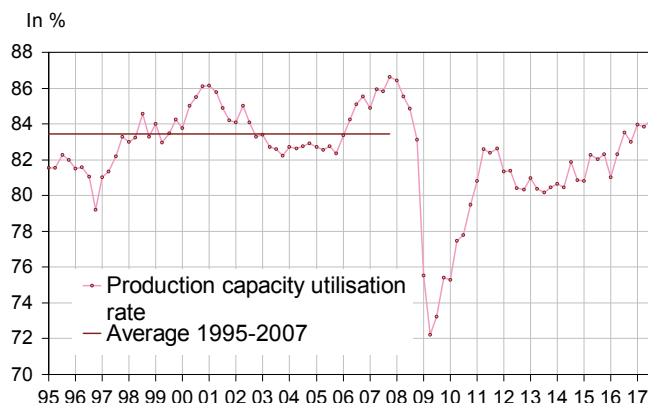


Slight increase in the use of production capacity

In July 2017, the industrialists have reported that they used slightly more their machinery and equipment than in April. The production capacity utilisation rate has increased by 0.4 points during the past three months. At 84.3%, it has exceeded its average between 1995 and 2007.

A few more industrialists than in April consider that they could not produce more if they received more orders: production bottlenecks have increased, the corresponding indicator is significantly above its long-term average. The proportion of industrialists indicating difficulties of supply remains close to normal, that of industrialists reporting difficulties of demand only remains below its long-term average.

Production capacity utilisation rate



Industrialists' opinion: demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean	Oct. 16	Jan. 17	April 17	July 17
Global demand					
Past change	0	4	12	10	16
Future change	1	8	9	8	10
Foreign demand					
Past change	2	6	13	8	20
Future change	4	7	9	11	12
Production factors					
Production bottlenecks (in %)	22	27	29	29	31
Assessment of productive capacity	14	11	9	4	3
Production capacity utilisation rate (in %)	82.9	83.0	84.0	83.9	84.3
Difficulties of supply and demand (in %)					
Difficulties of supply and demand	8	10	9	7	8
Difficulties of supply only	20	18	20	21	22
Difficulties of demand only	43	36	34	32	31

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

The results of the last survey are preliminary.

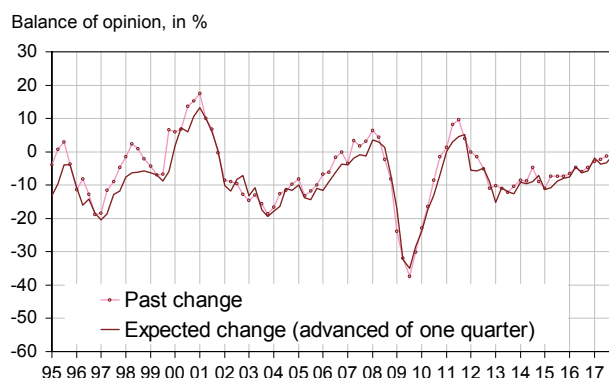
Source: INSEE - Quarterly business survey in industry

A few less industrialists than in April forecast job cuts

In July 2017, almost as industrialists as in April have reported that they reduced workforce in the past three months. Nevertheless, they are less to forecast job cuts in the next months. Both balances have been above their long-term average since October 2013.

Two out of five industrialists have experienced hiring difficulties; this part has significantly increased in July and has reached its highest level since July 2008, above its long-term average.

Workforce size in the manufacturing industry



Virtual stabilisation in past selling prices

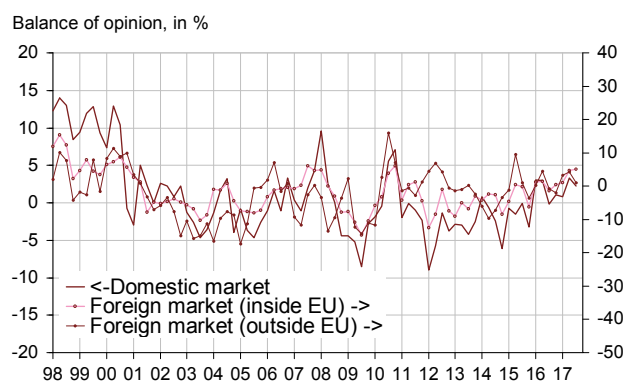
According to industrialists, selling prices in the manufacturing industry have barely increased in Q2 2017 (+0.2%). Business managers forecast a further small increase in Q3 2017 (+0.2%).

Only 10% of the industrialists have experienced cash-flow problems, a level virtually stable since April 2013, below its mean level (14%).

General exportation expectations have taken off

In July 2017, industrialists are much more upbeat than in April on general exportation expectations: the balance of opinion has bounced back to its highest level since October 2000, significantly above normal. The industrialists' opinion on their competitive position is almost unchanged on domestic market, stable on foreign markets inside EU but has faltered regarding outside EU markets. These three balances remains above their long-term average.

Competitive position



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

		Balance of opinion, in %			
Manufacturing industry	Mean	Oct. 16	Jan. 17	April 17	July 17
Workforce size					
Past change	-11	-5	-3	-2	-1
Expected change	-12	-2	-4	-3	-1
Difficulties hiring (in %)	28	34	27	31	39
Selling prices and cash-flow					
Past change on selling prices	0.1	-0.1	0.3	0.4	0.2
Expected change on selling prices	0.2	0.3	0.2	0.1	0.2
Cash-flow problems (in %)	14	11	11	10	10
Competitive position					
On domestic market	1	1	1	3	2
On foreign markets inside EU	-1	0	1	5	5
On foreign markets outside EU	-2	-2	3	4	1
General exportation expectations	-9	-1	3	-4	14

* : Long-term average since 1976, 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.

Source: INSEE - Quarterly business survey in industry

For more information:

The quarterly survey completes the monthly survey published in the version dated July 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: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=5>
- 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: <https://www.insee.fr/en/statistiques/series/102393833>