

Informations *Rapides*

24 octobre 2017 - n° 276

Main indicators



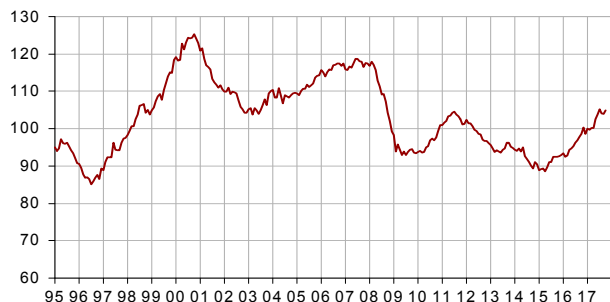
Monthly business survey in the building industry – October 2017

In October 2017, the economic climate improves again in the building construction industry

According to the business managers in the building construction industry surveyed in October 2017, the business climate has improved again. Stable in September, the composite indicator has risen by one point and has reached 105 in October, returning to its last July level, well above its long-term average (100).

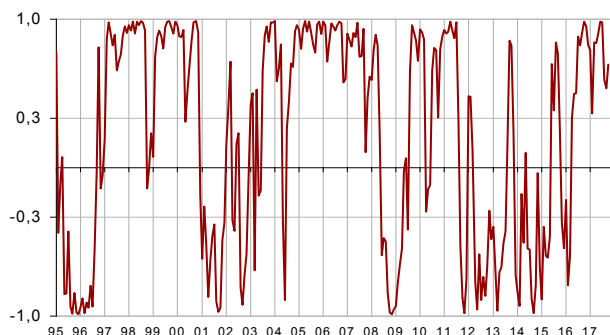
Business climate composite indicator

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). The uncertainty area is between -0.3 and +0.3.

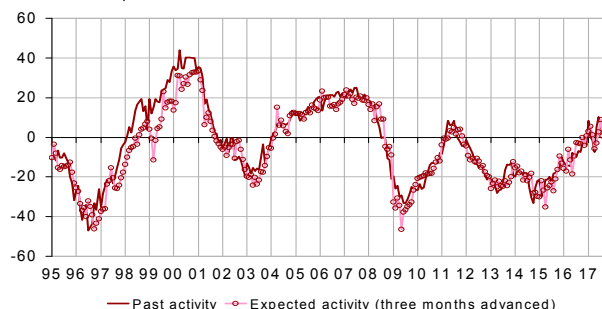
Activity prospects remain favourable in spite of a sharp downturn in the balance of opinion on past activity

In October 2017, far fewer business managers than in September have indicated an increase in their activity

over the last three months. The corresponding balance has fallen back sharply while remaining well above its long-term average. In contrast, the balance of opinion on expected activity is stable; it stands also well above its long-term average. Moreover, business managers remain optimistic about the general outlook: the corresponding balance, virtually stable, stands far 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*	July 17	Aug. 17	Sept. 17	Oct. 17
Composite indicator	100	105	104	104	105
Past activity	-4	5	2	7	0
Expected activity	-6	11	12	9	9
Gen. business outlook	-18	14			13
Past employment	-6	-2	-8	-7	-5
Expected employment	-5	6	3	4	3
Opinion on order books	-24	-21	-20	-22	-15
Order books (in month)	5.5	7.4	7.3	7.3	7.4
Production capacity utilisation rate	88.4	88.5	88.4	88.1	88.5
Obstacles to production increase (in %)	32	31	30	27	32
- Because of workforce shortage (in %)	13.8	9.4	9.7	8.8	10.0
Recruiting problems (in %)	57	56			58
Expected prices	-15	-6	-8	-6	-3
Cash-flow position	-10	-11			-7
Repayment period	29	21			30

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

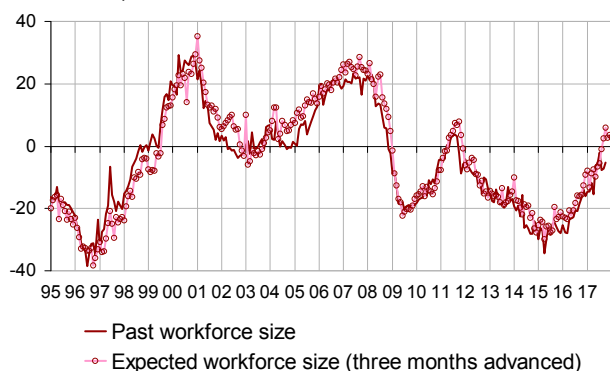
Source: INSEE, French business survey in the building industry

A few more business managers have indicated an increase in their past staff size

In October 2017, a few more business managers than in September have indicated an increase in their staff size over the last three months. The corresponding balance has moved just above its long-term average. The balance of opinion on expected employment is virtually stable, well above its long-term average.

Workforce size tendency in building construction

Balances of opinion, in %, SA

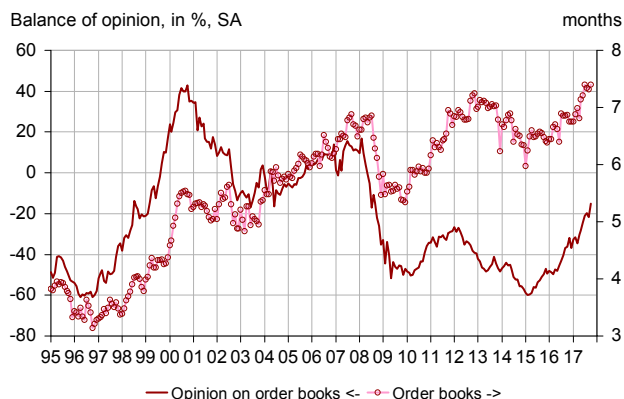


Order books are filling up

In October 2017, many more business managers than in September consider that their order books are well filled for the period. The corresponding balance of opinion has jumped and reached an level unseen since October 2008, well above its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work. This estimate has weakly hovered around this value since July and remains significantly above its long-term average (5.5 months).

Order books

Balance of opinion, in %, SA



Higher use of production capacity

The production capacity utilisation rate has recovered in October 2017 after two months of decrease. At 88.5%, it has returned to its July level and has slightly exceeded its long-term average (88.4%). At the same time, 32% of business managers have indicated production bottlenecks, much more than last month. This share has reached its long-term average (32%) for the first time since summer 2009. Moreover, 58% of business managers have encountered recruiting problems, a share larger than its long-term average (57%) for the first time in almost nine years.

Production capacity utilisation rate

in %



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

In October 2017, more business managers than in July have indicated an improvement in their cash-flow position. The corresponding balance has exceeded its long-term average. Nevertheless, many more business managers have reported that their customers' repayment period has been lengthening.

Furthermore, more business managers than in July have announced that they will increase their prices during the next three months. The corresponding balance stands well above its long-term average and at its highest level since October 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 are available on the BDM: <https://www.insee.fr/en/statistiques/series/102411948>
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