

Main Indicators

Quarterly business survey in industry – October 2017

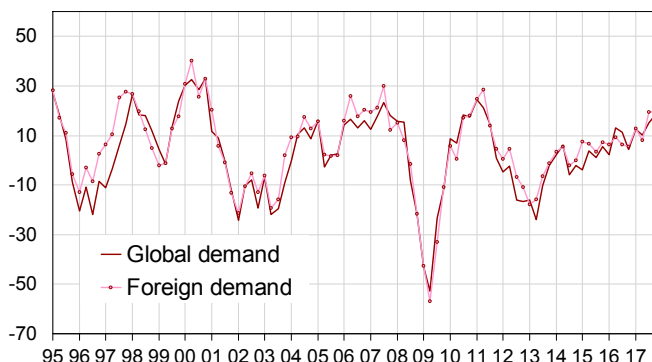
In October 2017, industrialists forecast a further increase in overall and foreign demand

More and more industrialists anticipate an increase in demand

In October 2017, the balances of industrialists' opinion on overall and foreign demand over the next three months have strongly increased compared to July. They reached their highest level since October 2000. Business managers remain upbeat on overall and foreign demand in the last three months; the corresponding balances remain considerably higher than their long-term average.

Balance of opinion on past change in demand

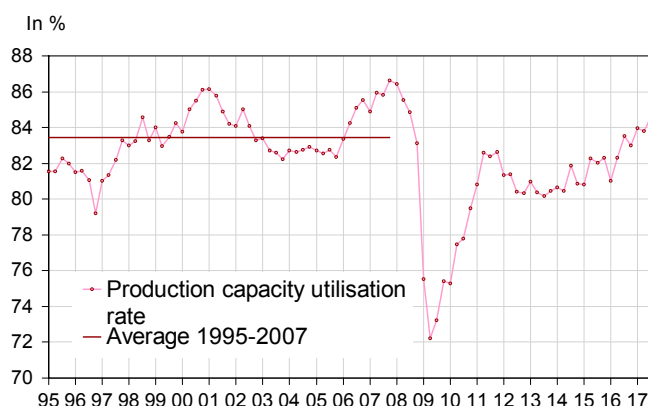
Balance of opinion, in %



Production equipment is operating at increasing capacity

In October 2017, the industrialists report that they have used their machinery and equipment slightly more than in July. The production capacity utilisation rate has increased by 0.3 points during the past three months: it reached 84.9%, steadily above its average between 1995 and 2007. More industrialists than in July 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 has increased substantially, that of industrialists reporting only difficulties of demand, already well below its long-term average, has continued to decline.

Production capacity utilisation rate



Industrialists' opinion: demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean	Jan. 17	April 17	July 17	Oct. 17
Overall demand					
Past change	0	12	10	15	18
Future change	1	9	8	11	17
Foreign demand					
Past change	2	13	8	20	20
Future change	4	9	11	12	21
Production factors					
Production bottlenecks (in %)	22	29	29	30	32
Assessment of productive capacity	14	9	4	2	-3
Production capacity utilisation rate (in %)	82,9	84,0	83,8	84,6	84,9
Difficulties of supply and demand (in %)					
Difficulties of supply and demand	8	9	7	9	9
Difficulties of supply only	19	20	21	22	34
Difficulties of demand only	44	34	32	31	27

*: 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

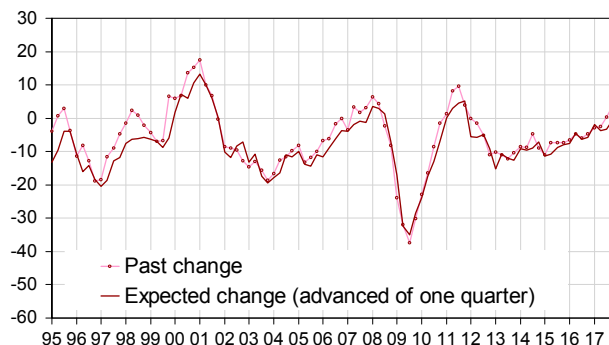
The balances of opinion on workforce size trends reach their highest level since July 2011

In October 2017, for the first time since the summer of 2011, more industrialists have reported an increase in their workforce size rather than a decrease in the last three months. More of them also forecast more job growth than job cuts over the next three months. Both corresponding balances have hit their highest level since July 2011.

Two out of five industrialists have experienced hiring difficulties; consistently increasing since the beginning of the year, this share reached its highest level since April 2008.

Opinion on workforce size in the manufacturing industry

Balance of opinion, in %



Slight increase in past selling prices

According to industrialists, selling prices in the manufacturing industry have slightly accelerated in Q3 2017 (+0.7% after +0.2%). Business managers forecast a further small increase in Q4 2017 (+0.1%).

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

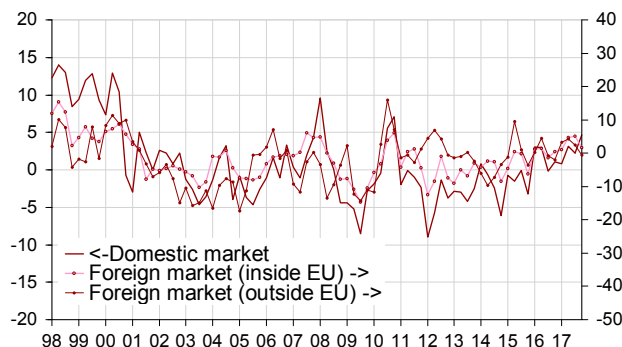
General exportation expectations have risen again

Industrialists are increasingly upbeat on general exportation expectations: the corresponding balance of opinion has continued to increase and is at its highest level since October 2000. Industrialists' opinion on their competitive position has improved regarding the domestic market, but it has faltered regarding foreign

markets (inside and outside the EU). These three balances remain above their long-term average.

Competitive position

Balance of opinion, in %



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

Balance of opinion, in %

Manufacturing industry	Mean	Jan. 17	April 17	July 17	Oct. 17
Workforce size					
Past change	-11	-3	-2	0	4
Expected change	-12	-4	-3	0	1
Difficulties hiring (in %)	28	27	31	40	42
Selling prices and cash-flow					
Past change on selling prices	0.1	0.4	0.3	0.2	0.7
Expected change on selling prices	0.2	0.2	0.1	0.2	0.1
Cash-flow problems (in %)	14	11	10	10	10
Competitive position					
On domestic market	1	1	3	2	5
On foreign markets inside EU	-1	1	5	5	2
On foreign markets outside EU	-2	3	4	2	-1
General exportation expectations	-9	3	-4	13	20

*: 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 October 24 2017, especially as regards 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>
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