

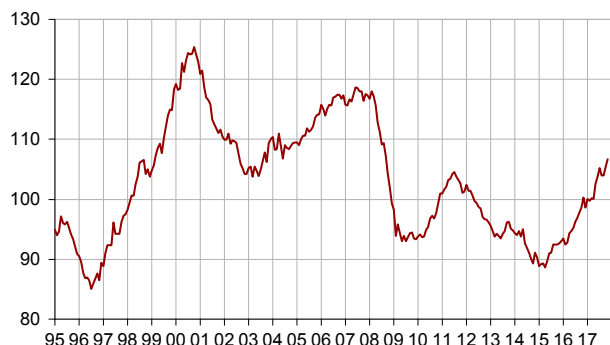
■ Monthly business survey in the building industry – November 2017

In November 2017, the business climate improves markedly in the building construction industry

According to the business managers in the building construction industry surveyed in November 2017, the business climate has improved markedly. After increasing by one point in October, the composite indicator has risen by two points and has reached 107, its highest level since October 2008, well above its long-term average (100).

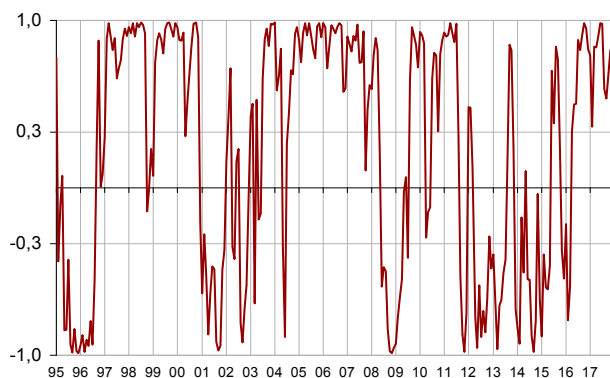
Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator remains in the favourable outlook zone.

Turning-point indicator



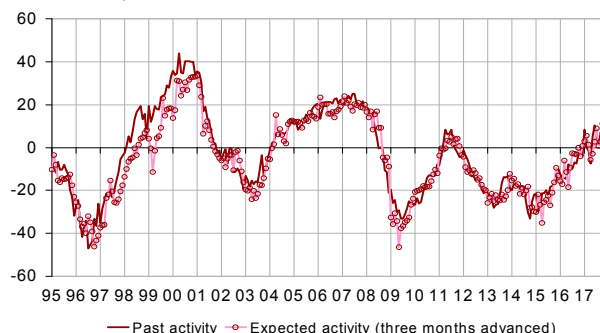
Note: close to 1 (respectively -1), it indicates a favourable climate (respectively unfavourable). The uncertainty area is between -0.3 and +0.3

Business managers are much more optimistic about their activity

In November 2017, many more business managers than in the previous month have indicated an increase in their activity over the last three months. The corresponding balance has bounced back and stands far above its long-term average. Likewise, the balance of opinion on expected activity has increased sharply, exceeding its long-term average even more.

Activity tendency in building construction

Balances of opinion, in %, SA



Building industry economic outlook

Balances of opinion, in %, SA

	Mean*	Aug. 17	Sept. 17	Oct. 17	Nov. 17
Composite indicator	100	104	104	105	107
Past activity	-4	2	7	2	9
Expected activity	-6	12	9	8	19
Gen. business outlook	-18			13	
Past employment	-6	-8	-7	-5	-3
Expected employment	-5	3	4	4	1
Opinion on order books	-24	-20	-22	-13	-14
Order books (in month)	5.5	7.3	7.3	7.5	7.4
Production capacity utilisation rate	88.4	88.4	88.1	88.7	88.7
Obstacles to production increase (in %)	32	30	27	32	34
- Because of workforce shortage (in %)	13.7	9.7	8.8	9.8	10.0
Recruiting problems (in %)	57			58	
Expected prices	-15	-8	-6	-3	-5
Cash-flow position	-10			-7	
Repayment period	29			30	

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

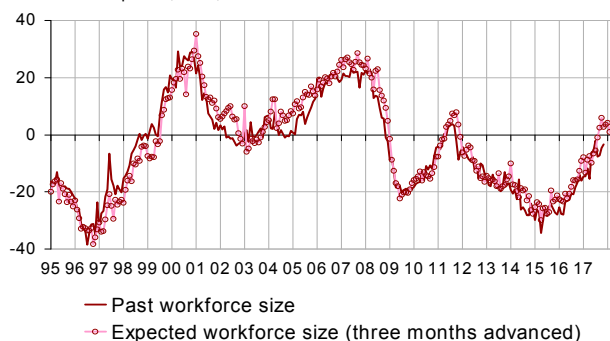
Source: INSEE, French business survey in the building industry

Slightly more business managers report an increase in their past staff size

In November 2017, slightly more business managers than in October have reported an increase in their staff size over the last three months. The corresponding balance has increased slightly and stands above its long-term average. However, the balance of opinion on expected staff size has fallen back while remaining well above its long-term average.

Workforce size tendency in building construction

Balances of opinion, in %, SA



Order books remain judged well filled

In November 2017, almost as many business managers as in the previous month consider that their order books are well filled for the period. After reaching a level unseen since September 2008, the corresponding balance of opinion is virtually stable well above its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work, a level slightly lower than last month but clearly above its long-term average (5.5 months).

Order books

Balance of opinion, in %, SA



Production capacity remains more used than on average

After bouncing back in the previous month, the production capacity utilisation rate is stable in November 2017. At 88,7%, it stands above its long-term average (88.4%) for the second consecutive month. At the same time, 34% of business managers have reported production bottlenecks, slightly more than last month and than in long-term average.

Production capacity utilisation rate

in %



Fewer business managers plan to increase their prices

In November 2017, fewer business managers than in October have indicated that they would increase their prices over the next three months. The corresponding balance has fallen back slightly but remains well above its long-term average.

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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