■ **French business climate and turning point indicators – Novembre 2017**

In December 2017, the French business climate improves again and the employment climate remains favourable

The French business climate at a 10-year high

In December 2017, the business climate has improved again. The composite indicator, compiled from the answers of business managers in the main sectors, has gained one point. At 112, it has returned to its December 2007 level, well above its long-term mean (100). The business climate has increased by two points in building construction, at a level unseen since September 2008, as well as in services, at an unprecedented level since April 2011. It has lost one point in manufacturing industry and in retail trade, while remaining well above its long-term mean in both sectors.

The employment climate remains favourable

In December 2017, the employment climate is stable. The decrease in the balances of opinion on past workforce size in retail trade and service sector excluding temporary employment has been offset by a heightened optimism concerning past and expected workforce size in the temporary employment sector and in building construction. The associated composite indicator stands at 108 for the third consecutive month, clearly above its long-term mean and at its highest level since the summer of 2011.

Revisions

Compared to its first estimate, the employment climate indicator in November 2017 has been lowered by one point. The composite indicator in manufacturing industry has been raised by one point for the same month. Those revisions result from the integration of late answers from businesses.

French business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10

French employment climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10

Business and employment climates

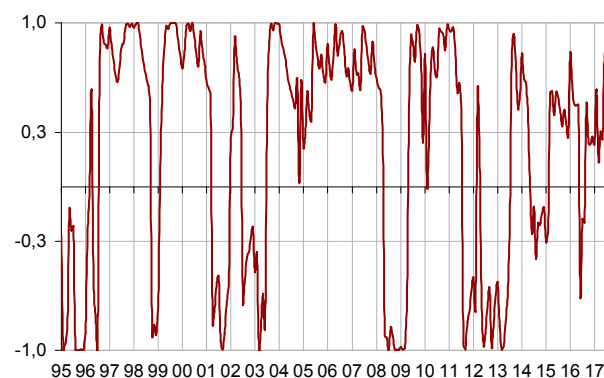|	Aug. 17	Sept. 17	Oct. 17	Nov. 17	Dec. 17
Business climates					
France	**109**	**109**	**109**	**111**	**112**
Manufacturing	111	111	111	113	112
Building	104	104	105	107	109
Services	106	108	107	109	111
Retail trade	108	112	113	116	115
Wholesale trade	-	109	-	111	-
Employment climate					
Employment	**105**	**107**	**108**	**108**	**108**

Source: INSEE, Business tendency surveys

The turning point indicator remains in the favourable area

The turning point indicator for the French economy as a whole remains in the area showing a favourable short-term economic outlook, where it has been since April 2017.

Turning point indicators

	Aug. 17	Sept. 17	Oct. 17	Nov. 17	Dec. 17
France	0.8	0.9	0.8	0.9	0.9
Manufacturing	0.6	0.9	0.8	0.7	0.7
Building	0.6	0.5	0.7	0.5	0.8
Services	0.8	1.0	0.6	0.7	0.9
Wholesale trade	-	0.9	-	0.9	-

Source: INSEE, Business tendency surveys

Turning point indicator

Close to +1 (resp. –1), the indicator shows a favourable business climate (resp. unfavourable). The uncertainty area is between – 0.3 and +0.3.

For further information

The business climate and turning point indicators summarise the information provided by the surveys in manufacturing, services, trade (retail and wholesale), and construction. The business climate is built from 26 balances of opinion from these surveys while the turning point indicator is built from 14 balances of opinion from surveys in manufacturing, services and construction. The employment indicator is based on the 10 balances of employement, past and expected, from the surveys in manufacturing, services, retail trade and construction.

- Additional information (historical data, methodology, links, etc.) are available on the web page of this indicator: https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=23
- Historical data are available on the BDM: https://www.insee.fr/en/statistiques/series/103047029
- Press contact: bureau-de-presse@insee.fr
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