

Informations *Rapides*

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Main indicators



■ Monthly business survey in the building industry – January 2018

In January 2018, the economic climate is a little less favourable than in December in the building construction industry

According to the business managers in the building construction industry surveyed in January 2018, the business climate is a little less favourable than last month. After increasing by two points in December 2017, the composite indicator has decreased by one point and stands at 108 in January 2018. It remains well above its long-term average (100).

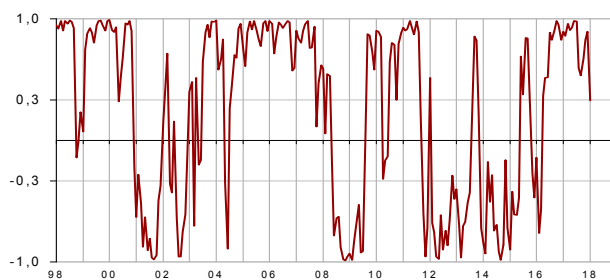
Business climate composite indicator

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

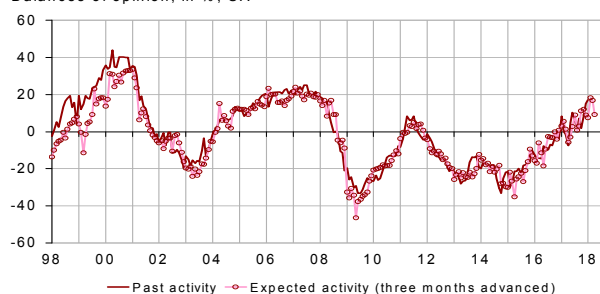
Business managers are less optimistic about their personal business outlook

In January 2018, more business managers than in December 2017 have indicated an increase in their activity over the last three months. The corresponding balance has increased again and reached its highest level since March 2008, well above its long-term

average. In contrast, business managers are less optimistic for the next few months: the balance on expected activity has fallen back sharply while remaining well above its long term average. However, business managers are even more upbeat than in October 2017 about the general outlook of the sector. The corresponding balance has increased almost continuously for three years and reached in January 2018 a level unseen since October 2000, 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*	Oct. 17	Nov. 17	Dec. 17	Jan. 18
Composite indicator	100	105	107	109	108
Past activity	-4	2	9	15	17
Expected activity	-6	8	18	17	9
Gen. business outlook	-17	13			22
Past employment	-6	-5	-5	6	-1
Expected employment	-5	4	0	12	7
Opinion on order books	-24	-13	-14	-11	-10
Order books (in month)	5.5	7.5	7.4	7.5	7.1
Production capacity utilisation rate	88.4	88.7	89.4	89.7	89.6
Obstacles to production increase (in %)	32	32	35	35	35
- Because of workforce shortage (in %)	13.7	9.8	10.3	11.7	12.5
Recruiting problems (in %)	57	56			61
Expected prices	-15	-3	-5	1	8
Cash-flow position	-10	-6			-13
Repayment period	29	29			30

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

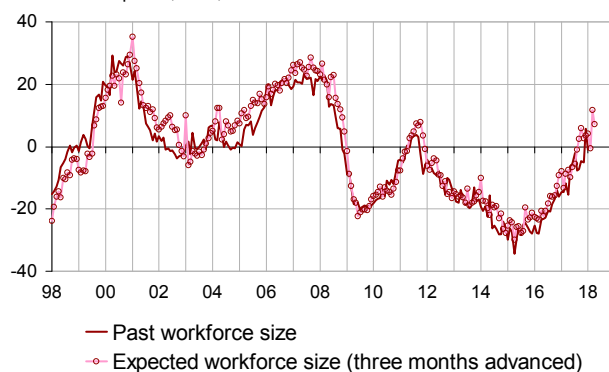
Source: INSEE, French business survey in the building industry

Balances of opinion on employment have slipped back sharply

In January 2018, significantly fewer business managers than in December 2017 have indicated an increase in their staff size over the last three months. The corresponding balance has slipped back sharply but remains above its long-term average. Likewise, the balance of opinion on expected employment has fallen back after a strong rebound in December, while remaining well above its long-term average.

Workforce size tendency in building construction

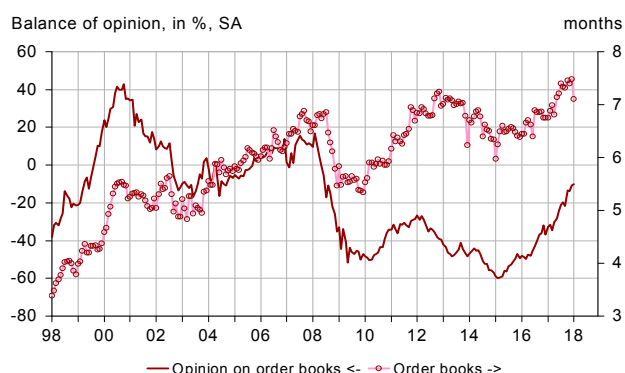
Balances of opinion, in %, SA



Order books remain judged well filled

In January 2018, almost as many business managers as in December 2017 consider that their order books are well filled for the period. The corresponding balance of opinion is virtually stable at a level unseen since July 2008, markedly above its long-term average. With their present staff size, business managers consider that their order books provide 7.1 months of work, less than in December 2017 but still clearly above its long-term average (5.5 months).

Order books



Production capacity remains more used than on average

The production capacity utilisation rate is virtually stable in January 2018 after two consecutive months of rise. At 89.6%, it stands above its long-term average (88.4%). At the same time, 35% of business managers have indicated production bottlenecks, as many as in the previous two months. This share has stood above its long-term average (32%) since November 2017. Otherwise, 61% of business managers have encountered recruiting problems, the highest share since nine years and well above its long-term average (57%).

Production capacity utilisation rate



More business managers have announced a deterioration in the cash-flow position

In January 2018, many more business managers than in October 2017 have indicated a deterioration in their cash-flow position. The corresponding balance has moved below its long-term average. Slightly more business managers have reported that their customers' repayment period has been lengthening, with a balance of opinion close to its long-term average.

Otherwise, many more business managers than in October 2017 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 August 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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