

# Informations *Rapides*

26 Janvier 2018 - n° 13



## Main indicators

### ■ Quarterly business survey in industry – January 2018

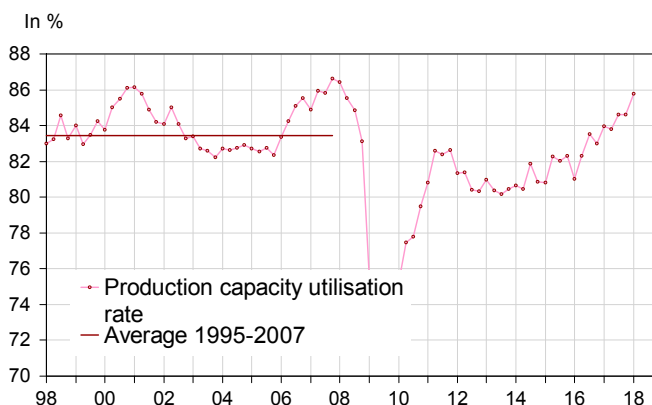
## In January 2018, production equipment is operating at increasing capacity in manufacturing

### Increasing tensions on production equipment

In January 2018, the industrialists report again that they have further used their machinery and equipment. The production capacity utilisation rate has increased by 1.2 points compared to October 2017: it has reached 85.8%, its highest level since January 2008.

More and more industrialists consider that they could not produce more if they received more orders: production bottlenecks have been increasing since end 2016 and have reached in January 2018 a similar level to that of October 2000. However the proportion of industrialists indicating difficulties of supply exclusively has however slightly decreased in January after peaking in October at its highest level since April 2001. That of industrialists reporting difficulties of demand exclusively, already well below its long-term average, has continued to decline.

### Production capacity utilisation rate



### Past demand assessed as favourably as last quarter

In January 2018, the balances of industrialists' opinion on overall and foreign demand in the last three months have slightly increased compared to October. They have reached their highest level since April 2011. Business managers remain upbeat on overall and foreign demand over the next three months; after peaking in October at their highest level since October and April 2000, the corresponding balances

have slightly faltered but remain considerably higher than their long-term average.

### Balance of opinion of past change in demand

Balance of opinion, in %



### Industrialists' opinion: demand and production factors

Balance of opinion, in %

| Manufacturing industry                          | Mean | April 17 | July 17 | Oct. 17 | Jan. 18 |
|-------------------------------------------------|------|----------|---------|---------|---------|
| <b>Overall demand</b>                           |      |          |         |         |         |
| Past change                                     | 0    | 10       | 15      | 19      | 20      |
| Future change                                   | 1    | 8        | 11      | 18      | 15      |
| <b>Foreign demand</b>                           |      |          |         |         |         |
| Past change                                     | 2    | 8        | 20      | 19      | 20      |
| Future change                                   | 4    | 11       | 12      | 23      | 18      |
| <b>Production factors</b>                       |      |          |         |         |         |
| Production bottlenecks (in %)                   | 22   | 29       | 30      | 32      | 37      |
| Assessment of productive capacity               | 14   | 4        | 2       | -2      | -3      |
| Production capacity utilisation rate (in %)     | 82,9 | 83,8     | 84,6    | 84,6    | 85,8    |
| <b>Difficulties of supply and demand (in %)</b> |      |          |         |         |         |
| Difficulties of supply and demand               | 8    | 7        | 9       | 9       | 9       |
| Difficulties of supply only                     | 20   | 21       | 22      | 33      | 30      |
| Difficulties of demand only                     | 44   | 32       | 31      | 27      | 25      |

\* : Long-term average since 1976, except for questions on difficulties of supply and demand.

The results of the last survey are preliminary.

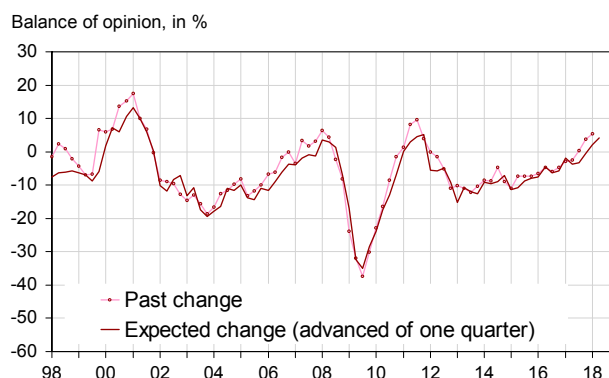
Source: INSEE - Quarterly business survey in industry

### The balances of opinion on workforce size trends have further improved

In January 2018, more industrialists again 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 are at their highest level since July 2011.

The share of industrialists experiencing hiring difficulties remains at a high level - 41% in January 2018 against 27% last year.

#### Workforce size in the manufacturing industry



### Slight increase in selling prices

According to industrialists, selling prices in the manufacturing industry have continued to increase in Q4 2017 (+0.8% after +0.7%). Business managers forecast a further small increase in Q1 2018 (+0.3%).

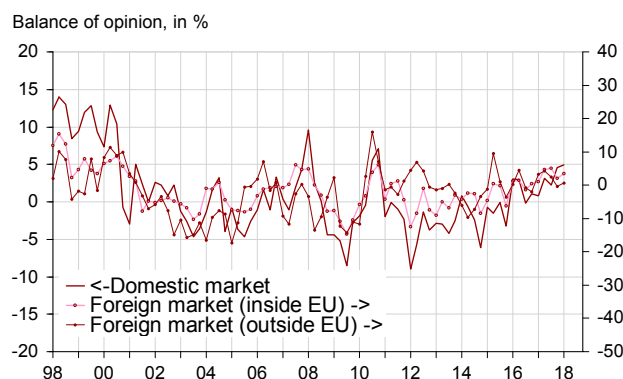
Only 10% of the industrialists have experienced cash-flow problems, a level virtually stable since April 2017, below its long-term mean (14%).

### General export prospects have risen again

Industrialists are increasingly upbeat on general export prospects: already at its highest level since October 2000, the corresponding balance of opinion has continued to increase. Industrialists' opinion on their competitive position has slightly recovered regarding foreign markets (inside and outside the EU) and is

stable regarding the domestic market. These three balances remain above their long-term average.

#### Competitive position



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

| Balance of opinion, in %            |      |          |         |         |         |
|-------------------------------------|------|----------|---------|---------|---------|
| Manufacturing industry              | Mean | April 17 | July 17 | Oct. 17 | Jan. 18 |
| <b>Workforce size</b>               |      |          |         |         |         |
| Past change                         | -11  | -2       | 0       | 4       | 5       |
| Expected change                     | -12  | -3       | 0       | 2       | 4       |
| Difficulties hiring (in %)          | 28   | 31       | 40      | 42      | 41      |
| <b>Selling prices and cash-flow</b> |      |          |         |         |         |
| Past change on selling prices       | 0,1  | 0,3      | 0,2     | 0,7     | 0,8     |
| Expected change on selling prices   | 0,2  | 0,1      | 0,2     | 0,2     | 0,3     |
| Cash-flow problems (in %)           | 14   | 10       | 10      | 10      | 10      |
| <b>Competitive position</b>         |      |          |         |         |         |
| On domestic market                  | 1    | 3        | 2       | 5       | 5       |
| On foreign markets inside EU        | -1   | 5        | 5       | 2       | 3       |
| On foreign markets outside EU       | -2   | 4        | 2       | 0       | 1       |
| General exportation expectations    | -9   | -4       | 13      | 19      | 22      |

\* : 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 questions complete the monthly survey published in the version dated January 26 2018, 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>
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
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- Historical data are available on the BDM: <https://www.insee.fr/en/statistiques/series/102393833>

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