Informations Rapides

22 mars 2018 - n° 72

Main indicators

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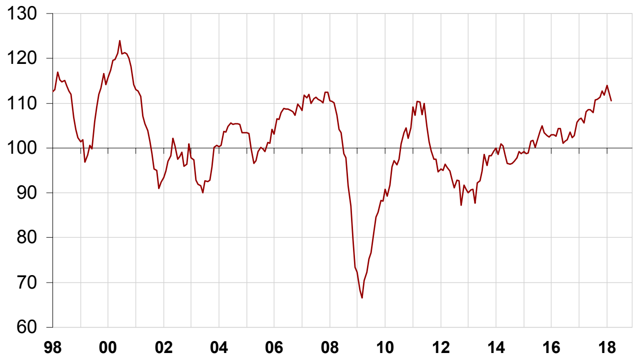
Monthly business survey in industry – March 2018

In March 2018, the business climate in manufacturing has weakened somewhat further while remaining favourable

According to the business managers surveyed in March 2018, the business climate in industry has weakened a little but remains very favourable. The composite indicator has edged down by one point, after losing two points in February. It had reached a seventeen-year peak at the beginning of the year. At 111, it remains well above its long-term average (100).

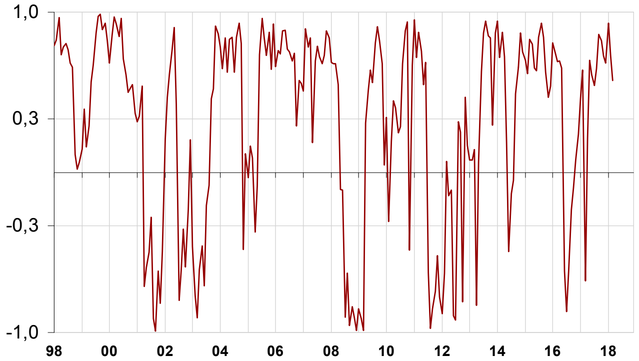
Business climate in industry - Composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning-point indicator remains in the zone indicating a favourable economic outlook.

Turning-point indicator



How to read it: close to 1, the indicator points to a favourable short-term economic situation (-1 is unfavourable). The uncertainty area is between −0.3 and +0.3.

Optimism on activity is somewhat more moderate among industrialists

The balances of industrialists' opinion on past activity and personal production expectations have further dropped in March. However, the two balances remain well above their long-term average.

Manufacturers are also less optimistic than in February about the general production prospects for the sector. The corresponding balance has slightly declined again, after reaching in January its highest level since July 2000.

Manufacturers consider their overall and export order books not as well filled. After reaching record levels since December 2007, the corresponding balances still remain at a very high level.

As many industrialists as in February consider that their finished-goods inventories are above normal. The corresponding balance remains below its long-term mean.

Industrialists' opinion on manufacturing activity

Balance of opinion, in %

Manufacturing industry	Ave.*	Dec. 17	Jan. 18	Feb. 18	March 18
Composite indicator	**100**	**112**	**114**	**112**	**111**
Past activity	5	20	23	19	16
Finished-goods inventory	13	4	3	5	5
Overall order books	–18	–2	2	2	1
Export order books	–14	2	3	3	1
Personal production expectations	5	16	20	15	11
General production expectations	–8	30	34	30	27

* Long-term average since 1976.

Source: INSEE - Monthly business tendency survey in industry

In the agrofood industry, the business climate is stable

In the manufacture of food products and beverages, the business climate is stable in March. At 110, it remains well above its long-term average (100). The sharp increase in the balance of past activity is offset notably by the drop in the balances on order books.

The business climate has inched down in the manufacture of machinery and equipment goods

In the overall manufacture of machinery and equipment goods, the business climate has further weakened a little; it had reached a ten-year high in January. This slight decrease comes from that in the balances on past and future activity, and on order books.

The business climate has slightly faltered in the computer, electronic and optical product industry and in electrical equipment, while it is stable in machinery and equipment

The business climate has slighty weakened in the manufacture of transport equipment but remains very favourable

In the manufacture of transport equipment, the business climate has slightly weakened after reaching in January and February its highest level since June 2001. The decline in the balances on export order books and on past activity is partly offset by the improvement in those on global order books, in particular in the motor vehicles industry.

The business climate indicator is stable in the manufacture of motor vehicles, trailers and semi-trailers. In the manufacture of other transport equipment, it has declined again.

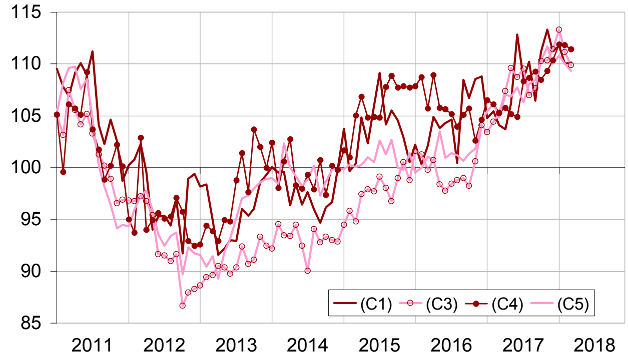
The business climate has slightly fallen in "other manufacturing industries"

In overall "other manufacturing", the business climate has dipped again by one point. At 109, it remains at a very high level. This slight drop is mainly due to a slight decrease in the balances on past activity and on global order books.

By subsector, the business climate indicator has declined in wood-paper and rubber and plastic products and, to a lesser extent, in basic metals. It is stable in clothing-textiles and "other manufacturing industries". It has slightly picked up in chemicals.

Business climates in a sector-based approach

Average = 100 and standard deviation = 10 since 1990



Legend: (C1): Manufacture of food products and beverages - (C3): Machinery and equipment goods - (C4): Manufacture of transport equipment - (C5): Other manufacturing

Business climates in a sector-based approach

Average = 100 and standard deviation = 10 since 1990

NA* : (A17) et [A38 et A64]	Weights** (%)	Jan. 18	Feb. 18	March 18
(C1) Man. of food products and beverages	**22**	**112**	**110**	**110**
(C3) Machinery and equipment goods	**11**	**113**	**111**	**110**
[CI] Computer, electronic and optical products	3	114	110	109
[CJ] Electrical equipment	3	111	111	110
[CK] Machinery and equipment	5	111	109	109
(C4) Man. of transport equipment	**15**	**112**	**112**	**111**
[CL1] Motor vehicles, trailers and semi-trailers	7	111	113	113
[CL2] Other transport equipment	8	107	106	104
(C5) Other manufacturing	**46**	**111**	**110**	**109**
[CB] Textiles, clothing industries, leather and footwear industry	2	117	115	115
[CC] Wood, paper, printing	5	115	115	111
[CE] Chemicals and chemical products	9	109	105	107
[CG] Rubber and plastic products	7	112	113	110
[CH] Basic metals and fabricated metal products	11	106	108	107
[CM] Other manufacturing industries	9	109	106	106

* NA: aggregated classification, based on the French classification of activities NAF rév.2.
** Weights used to aggregate sub-sector's balances of opinion.
Source: INSEE - Monthly business tendency survey in industry

For more information

- Complementary data (long series) and metadata (methodology, weblinks, classification, etc.) are available on the web page of this index: https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=4
- Historical data are available on the BDM: https://www.insee.fr/en/statistiques/series/102393833
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