

# Informations Rapides

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Main indicators



## Monthly business survey in the building industry – April 2018

### In April 2018, the economic climate is stable in the building construction industry

According to the business managers in the building construction industry surveyed in April 2018, the business climate is stable. The composite indicator remains at 107, well above its long-term average (100).

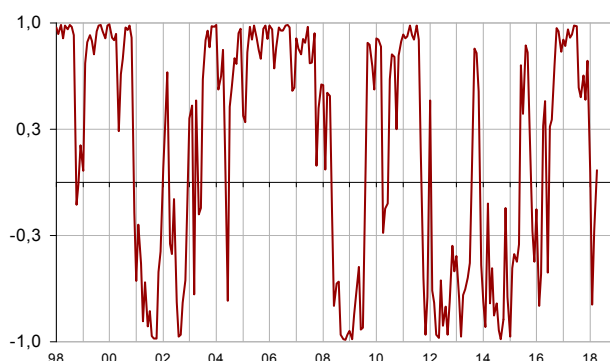
#### Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator has gone into the uncertainty area.

#### Turning-point indicator



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

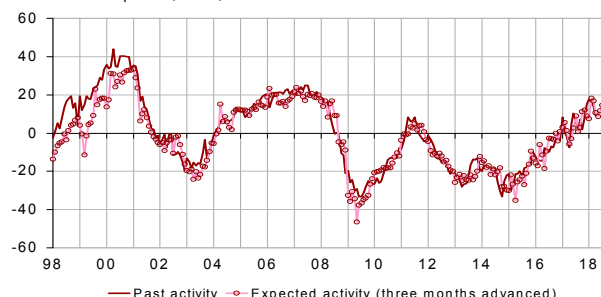
#### Business managers' opinion on past activity has deteriorated markedly

In April 2018, much fewer business managers than in March have indicated an increase in their activity over the last three months. The corresponding balance of

opinion has decreased for the third consecutive month but remains well above its long-term average. However, their optimism has strengthened for the next few months: the balance on expected activity has risen again, exceeding more largely its long-term average. However, business managers are less upbeat than in January 2018 about the general outlook of the sector. The corresponding balance has slipped back after having reached in January 2018 a level unseen since October 2000.

#### Activity tendency in building construction

Balances of opinion, in %, SA



#### Building industry economic outlook

Balances of opinion, in %, SA

	Mean*	Jan. 18	Feb. 18	March 18	April 18
<b>Composite indicator</b>	<b>100</b>	<b>108</b>	<b>106</b>	<b>107</b>	<b>107</b>
Past activity	-4	18	16	14	9
Expected activity	-6	11	9	12	15
General business outlook	-17	22			18
Past employment	-6	-2	-5	0	3
Expected employment	-4	9	4	13	11
Opinion on order books	-24	-10	-14	-14	-17
Order books (in month)	5.5	7.2	7.4	7.3	7.4
Production capacity utilisation rate	88.5	89.5	89.1	89.1	89.5
Obstacles to production increase (in %)	32	35	32	32	33
- Because of workforce shortage (in %)	13.7	11.8	11.3	12.3	12.5
Recruiting problems (in %)	57	63			67
Expected prices	-14	8	3	4	5
Cash-flow position	-10	-12			-8
Repayment period	29	30			27

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

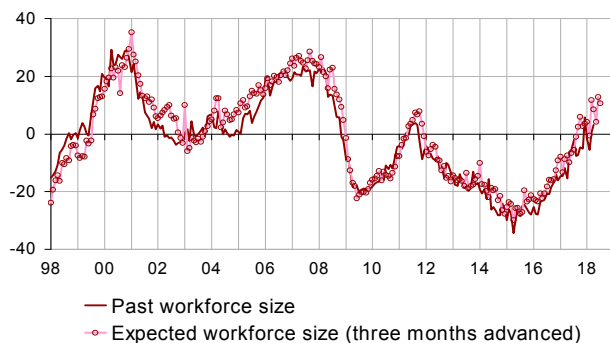
Source: INSEE, French business survey in the building industry

### More business managers report an increase in their past staff size

In April 2018, more business managers than in March have indicated an increase in their staff size over the last three months. The corresponding balance has increased again and exceeds its long-term average even more. On the contrary, the balance of opinion on expected employment has edged down after a strong rebound in March, while remaining well above its long-term average.

#### Workforce size tendency in building construction

Balances of opinion, in %, SA

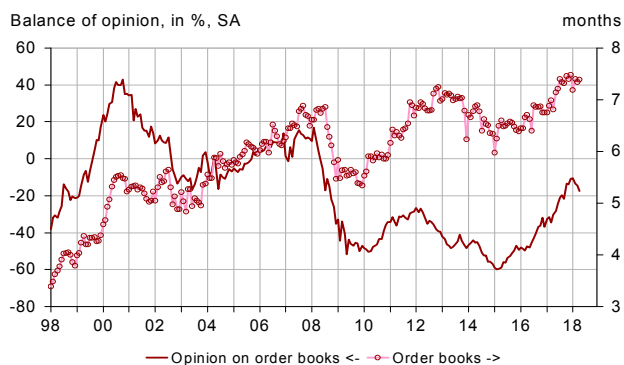


### Business managers consider their order books less well filled

In April 2018, fewer business managers than in March 2018 consider that their order books are well filled for the period. The corresponding balance of opinion has decreased but remains markedly above its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work, practically as in the previous month and clearly above the long-term average (5.5 months).

#### Order books

Balance of opinion, in %, SA



### Production capacity is more used, recruiting problems intensify

The production capacity utilisation rate has increased in April 2018 after being stable in March. At 89.5%, it stands above its long-term average (88.5%). At the same time, 33% of business managers have indicated production bottlenecks, roughly as many as in the long term average. Otherwise, the share of business managers encountering recruiting problems has been increasing continuously since October 2016. It has increased sharply again in April 2018 and has reached 67%, its highest level since January 2009 and well above its long-term average (57%).

#### Production capacity utilisation rate




### More business managers have announced an improvement in the cash-flow position

In April 2018, more business managers than in January 2018 have indicated an improvement in their cash-flow position. The corresponding balance has increased and has moved above its long-term average. At the same time, slightly more business managers have reported that their customers' repayment period has been shortened, with a balance of opinion going below its long-term average.

Otherwise, virtually as many business managers as in March 2018 have announced that they will increase their prices during the next three months. The corresponding balance 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 are available on the BDM: <https://www.insee.fr/en/statistiques/series/102411948>
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
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