

Informations Rapides

24 avril 2018 - n° 102



Main indicators

Quarterly business survey in industry – April 2018

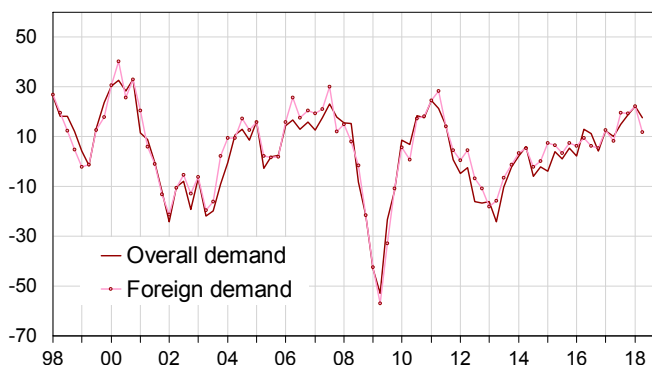
In April 2018, industrialists are less optimistic about the outlook for demand and export than at the beginning of the year

Demand has been assessed less favourably

The balances of industrialists' opinion on overall and foreign demand in the last three months have dropped sharply compared to January – they had then reached their highest level since April 2011. Business managers are also less optimistic about overall and foreign demand over the next three months; the corresponding balances have slipped back after peaking in January at their highest level since October 2000 for overall demand and April 2000 for foreign demand. The four balances remain considerably higher than their long-term average.

Balance of opinion of past change in demand

Balance of opinion, in %



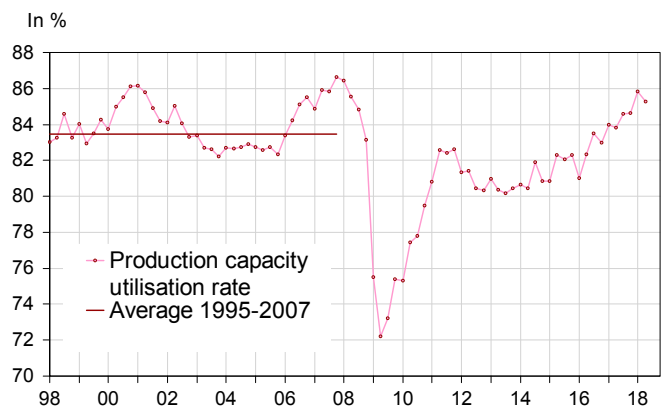
Slightly less pressure on production equipment

In April 2018, the industrialists report that they have slightly reduced the use of their machinery and equipment. The production capacity utilisation rate stands at 85.3%, down by 0.5 points compared to January 2018 when it had reached its highest level in ten years.

Fewer industrialists consider that they could not produce more if they received more orders: production bottlenecks have loosened after continuously rising since end 2016 and reaching in January 2018 a similar level to that of October 2000. The proportion of industrialists indicating difficulties of supply exclusively is stable in April, after peaking in October at its highest level since April 2001. That of

industrialists reporting difficulties of demand exclusively has slightly recovered but remains well below its long-term average.

Production capacity utilisation rate



Industrialists' opinion: demand and production factors

Balance of opinion, in %

Manufacturing industry	Mean*	July 17	Oct. 17	Jan. 18	April 18
Overall demand					
Past change	0	15	19	22	17
Future change	2	11	18	18	13
Foreign demand					
Past change	2	20	19	22	12
Future change	4	12	23	18	12
Production factors					
Production bottlenecks (in %)	22	30	32	36	30
Assessment of productive capacity	14	2	-2	-3	-3
Production capacity utilisation rate (in %)	82,9	84,6	84,6	85,8	85,3
Difficulties of supply and demand (in %)					
Difficulties of supply and demand	8	9	9	9	8
Difficulties of supply only	20	22	33	30	30
Difficulties of demand only	43	31	27	25	27

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

The results of the last survey are preliminary.

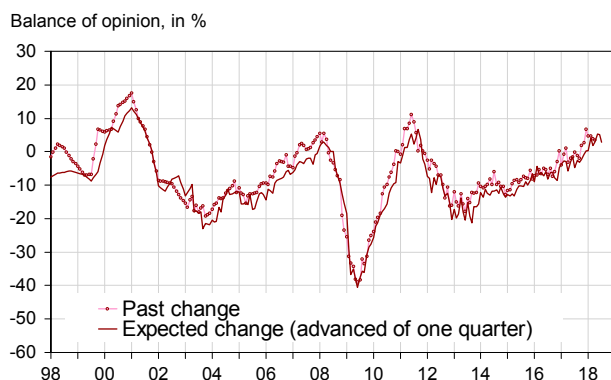
Source: INSEE - Quarterly business survey in industry

The balances of opinion on workforce size trends remain well above their average

In April 2018, slightly fewer industrialists compared to January have reported an increase in their workforce size rather than a decrease in the last three months. As many of them forecast job growth rather than job cuts over the next three months. After reaching their highest level since July 2011, both corresponding balances remain significantly above their long-term average.

The share of industrialists experiencing hiring difficulties, already at a high level, has slightly increased - 42% in April 2018 against 27% in early 2017.

Workforce size in the manufacturing industry



Slight increase in selling prices

According to industrialists, selling prices in the manufacturing industry have continued to increase, but at a lower pace than in Q4 2017 (+0.3% after +0.8%). Business managers forecast a small increase in Q2 2018 (+0.1%).

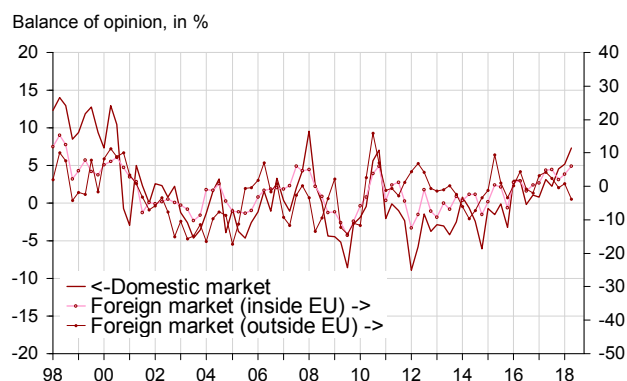
Only 10% of the industrialists have experienced cash-flow problems, a level virtually stable since April 2017, below its long-term mean (14%).

General export prospects have deteriorated

Industrialists are less upbeat on general export prospects: after reaching in January its highest level since October 2000, the corresponding balance of opinion has fallen back in April. Industrialists' opinion on their competitive position has continued to improve regarding the domestic and EU markets. However, it

has deteriorated regarding the market outside the EU and the resulting balance has fallen below its long-term average.

Competitive position



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

Manufacturing industry	Balance of opinion, in %				
	Mean*	July 17	Oct. 17	Jan. 18	April 18
Workforce size					
Past change	-11	0	2	5	4
Expected change	-13	-2	0	3	3
Difficulties hiring (in %)	29	40	42	41	42
Selling prices and cash-flow					
Past change on selling prices	0,1	0,2	0,7	0,8	0,3
Expected change on selling prices	0,2	0,2	0,2	0,3	0,1
Cash-flow problems (in %)	14	10	10	10	10
Competitive position					
On domestic market	1	2	5	5	7
On foreign markets inside EU	-1	5	2	4	6
On foreign markets outside EU	-2	2	0	1	-4
General exportation expectations	-9	13	19	22	16

*: 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 April 24 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>
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