

■ Monthly business survey in the building industry – May 2018

In May 2018, the business climate is stable in the building construction industry

According to the business managers in the building construction industry surveyed in May 2018, the business climate is stable. After a virtual stability in April, the composite indicator remains at 108, well above its long-term average (100).

Otherwise, the business climate in April 2018 has been slightly revised upward and has reached 108, due to late responses of businesses.

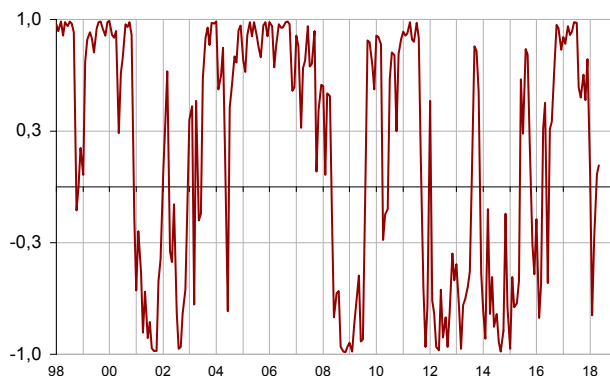
Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator remains in the uncertainty area.

Turning-point indicator



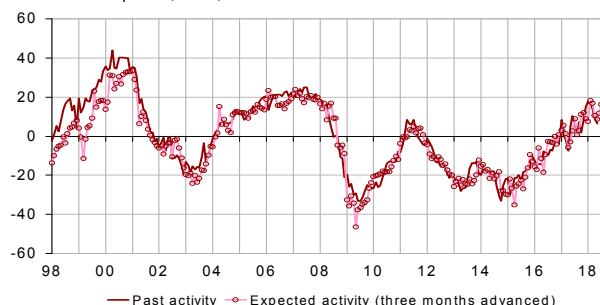
Note: close to 1 (respectively -1), it indicates a favourable climate (respectively unfavourable). The uncertainty area is between -0.3 and +0.3

Business managers are less positive on their past and expected activity

In May 2018, again fewer business managers than in the previous month have indicated an increase in their activity over the last three months. The corresponding balance has decreased for the fourth consecutive month while remaining well above its long-term average. Moreover, the balance of opinion on expected activity has fallen back after two months of increase. It remains however well 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*	Feb. 18	March 18	April 18	May 18
Composite indicator	100	106	107	108	108
Past activity	-4	16	14	10	6
Expected activity	-6	9	12	16	11
Gen. business outlook	-17			18	
Past employment	-6	-5	0	4	5
Expected employment	-4	4	13	11	10
Opinion on order books	-24	-14	-14	-18	-17
Order books (in month)	5.5	7.4	7.3	7.4	7.4
Production capacity utilisation rate	88.5	89.1	89.1	89.7	89.6
Obstacles to production increase (in %)	32	32	32	32	35
- Because of workforce shortage (in %)	13.7	11.3	12.3	11.7	15.1
Recruiting problems (in %)	57			67	
Expected prices	-14	3	4	5	5
Cash-flow position	-10			-8	
Repayment period	29			27	

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

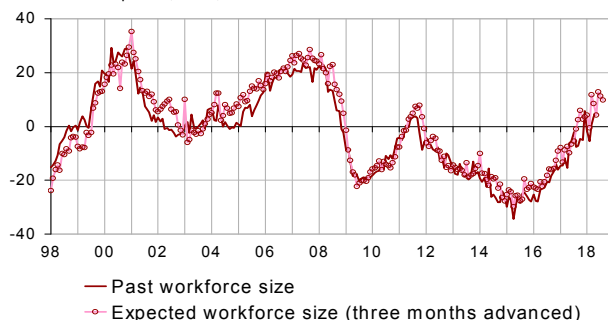
Source: INSEE, French business survey in the building industry

Slightly more business managers have reported an increase in their past staff size

In May 2018, slightly more business managers than in April have reported an increase in their staff size over the last three months. The corresponding balance has slightly increased and stands well above its long-term average. Employment prospects remain judged favourable: the balance of opinion on expected staff size has hardly decreased and remains well above its long-term average.

Workforce size tendency in building construction

Balances of opinion, in %, SA



Order books remain judged well filled

In May 2018, roughly as many business managers as in the previous month consider that their order books are well filled. The corresponding balance of opinion, which has regularly decreased since February 2018, is virtually stable in May and remains well above its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work, the same level as last month and significantly more than on long-term average (5.5 months).

Order books

Balance of opinion, in %, SA



Obstacles to production increase are more widely felt

In May 2018, the production capacity utilisation rate is virtually stable after increasing in the previous month. At 89.6%, it remains above its long-term average (88.5%). At the same time, 35% of business managers have reported production bottlenecks, more than in the previous month and on long-term average. In particular, many more business managers than in April have reported production bottlenecks because of workforce shortage (15.1% after 11.7%). This share continues its rise started two years ago and has exceeded its long-term average (13.7%) for the first time since November 2008.

Production capacity utilisation rate

in %



Prices mostly expected to rise

In May 2018, as many business managers as in April have indicated that they will increase their prices over the next three months. The corresponding balance is stable, 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>
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