

Informations *Rapides*

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Main indicators



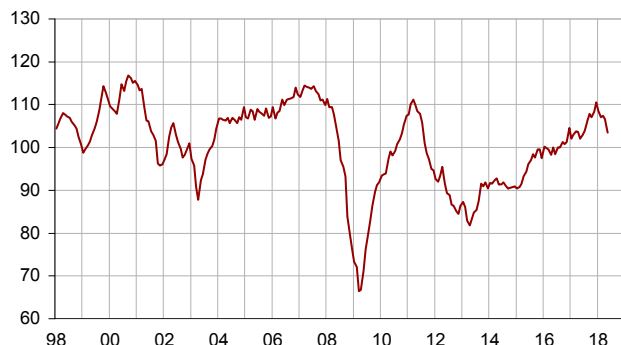
Monthly business survey in services – May 2018

In May 2018, the business climate weakens sharply in services

According to business managers surveyed in May 2018, the business climate in services has weakened sharply. The business climate composite indicator has lost four points, returning to its level of June 2017 (103). However, it stands above its long-term average (100).

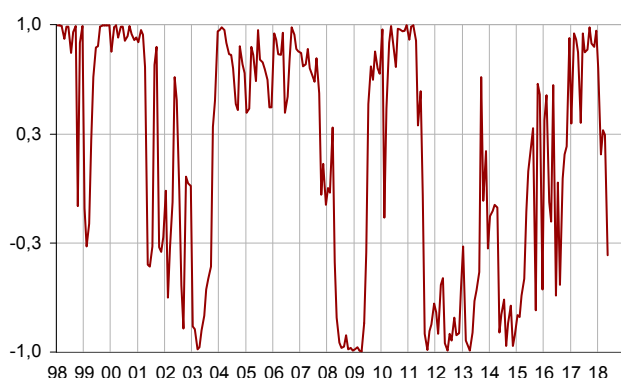
Business climate composite indicator

Standardized indicator: average = 100 and standard deviation = 10



For the first time since August 2016, the turning point indicator stands in the area indicating an unfavourable short-term economic situation.

Turning point indicator



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

Almost all the balances of opinion have declined

The balance of opinion on expected activity has fallen just below its long-term average. That on past activity has sharply declined too and has returned to its average, that is its lowest level since June 2017. The balance on general outlook, which relates the assessment of business leaders over their whole sector, has also deteriorated but still stands well above its average. That on expected demand has slightly weakened while remaining above its average. The balances on employment have declined again. While that on expected employment is clearly above its average, that on past employment has moved below it. However, the business leaders remain upbeat about investment. The balance on planned investments holds steady whereas that on past investments has grown sharply. Both are above their average.

Economic outlook in the services sector

Balances of opinion, in %, seasonally adjusted

	Average*	Feb. 18	March 18	April 18	May 18
Composite indicator	100	107	107	107	103
General outlook	-7	4	3	3	0
Past activity	2	9	6	8	2
Expected activity	2	3	4	5	1
Expected demand	0	6	8	4	3
Past selling prices	-4	-2	-2	0	0
Expected selling prices	-3	-4	-3	-3	-2
Past employment except temporary work agencies	3	13	8	3	1
Expected employment except temporary work agencies	1	5	3	1	0
Expected employment	3	10	15	12	11
Investments					
Past investments	2	7	4	7	11
Expected investments	1	6	5	4	4

* Average since 1989 for the composite indicator and since 1988 for the balances of opinion

Source: INSEE, monthly business survey in services.

The business climate composite indicator is above its average in all sub-sectors except in real estate activities. It has decreased in accommodation and food service activities, information-communication, professional, scientific and technical activities, and in administrative and support service activities. The climate is stable in road transport and it has improved a little in real estate activities.

**Business climate composite indicator and
balances of opinion by sub-sector in services**

Balances of opinion, in %, seasonally adjusted

Aggregated classification (NA 2008) at level A21	Mean*	Feb. 18	Marc h 18	April 18	May 18
Road transport (8%)					
Composite indicator	100	115	114	110	110
Past activity	-6	15	16	14	6
Expected activity	-7	12	11	6	5
Expected demand	-10	23	13	8	8
Past employment	-5	13	18	-1	4
Expected employment	-8	5	8	2	4
General outlook	-20	13	12	6	5
Accommodation and food service activities (11%)					
Composite indicator	100	116	109	112	106
Past activity	-7	2	-9	9	-6
Expected activity	-7	7	2	3	-2
Expected demand	-9	3	4	2	-4
Past employment	-4	5	-7	-4	-4
Expected employment	-5	-2	-3	-3	1
General outlook	-13	9	-4	-1	-6
Information and communication (24%)					
Composite indicator	100	103	102	102	101
Past activity	8	11	3	5	-1
Expected activity	9	-3	1	5	-1
Expected demand	10	-1	10	4	2
Past employment	6	18	16	18	15
Expected employment	11	18	13	13	14
General outlook	0	5	3	3	4
Real estate activities (13%)					
Composite indicator	100	86	89	85	87
Past activity	7	10	2	-1	3
Expected activity	7	-8	-2	-7	-8
Expected demand	2	2	5	0	1
Past employment	3	1	-6	-3	3
Expected employment	3	-3	3	11	5
General outlook	-3	-17	-15	-17	-17
Professional, scientific and technical activities (24%)					
Composite indicator	100	108	110	109	105
Past activity	-1	1	6	7	7
Expected activity	-2	5	6	2	-1
Expected demand	-5	3	4	3	0
Past employment	1	9	6	10	4
Expected employment	0	11	10	11	9
General outlook	-9	1	3	4	-2
Administrative and support service activities (18%)					
Composite indicator	100	111	112	111	108
Past activity	6	23	24	14	6
Expected activity	5	15	15	17	11
Expected demand	3	16	15	13	12
Past employment	10	23	13	0	-1
Expected employment	8	17	33	23	22
General outlook	-4	10	11	10	9

The figures in parentheses indicate the weights used to aggregate the sub-sector balances of opinion.

*Composite indicator: average since 1989 (2006 for road transport); balances of opinion: average since 1988 (2006 for road transport)

Source: INSEE, monthly business survey in services.

In road transport, the business climate is stable

In road transport, the business climate indicator is stable after a sharp decline last month. At 110, it is well above its average level. The fall in the balance of opinion on past activity is offset by the rebound in the balances on employment. All balances are markedly above their average.

In accommodation and food services, the business climate has deteriorated markedly

The climate in accommodation and food services has lost six points. Nevertheless, at 106, it remains clearly above its long-term average. This downturn is driven by the marked decrease in the balances on activity, on expected demand and on general outlook, probably due in part to the strikes in transports.

The business climate has weakened again in information and communication

In information and communication, the business climate has lost one point (101) and stands slightly above its average level. The balances on activity, on expected demand and past employment have decreased. The balances on employment and general outlook remain above their long-term average.

The business climate has recovered a little in real estate activities

In real estate activities, the climate has gained two points (87) but stands well below its long-term average. In particular, the balances on past activity and on past employment have improved. However, all the balances of opinion except that on employment stand below their average.

In professional activities, the business climate has worsened clearly

The business climate in professional, scientific and technical activities has lost four points (105) but still stands above its long-term average. All the balances of opinion have declined, except that on past activity. However, they all remain above to their average.

The business climate has weakened in administrative and support service activities

In administrative and support service activities, the climate has lost three points. At 108, it stands well above its long-term average. All the balances have fallen, in particular those on activity. The balance on past activity has returned to its average, that on past employment remain below it. The other balances are above their average.

For further information

A balance of opinion is calculated as the difference between the percentage of "increase" responses and the percentage of "decrease" responses.

- 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=16>
- Historical data are available on the BDM: <https://www.insee.fr/en/statistiques/series/102391902>
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