

# Informations Rapides

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Main indicators



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

### In June 2018, the business climate is virtually stable in the building construction industry

According to the business managers in the building construction industry surveyed in June 2018, the business climate is virtually stable. After remaining at 108 in May, the composite indicator has slightly increased and has reached 109, a significantly higher level than the long-term average (100).

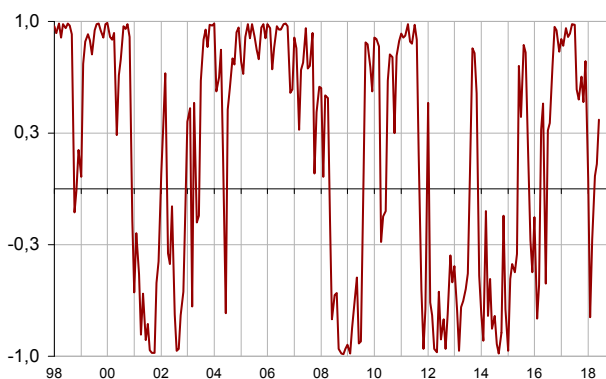
#### Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator has returned into the favourable outlook area.

#### Turning-point indicator



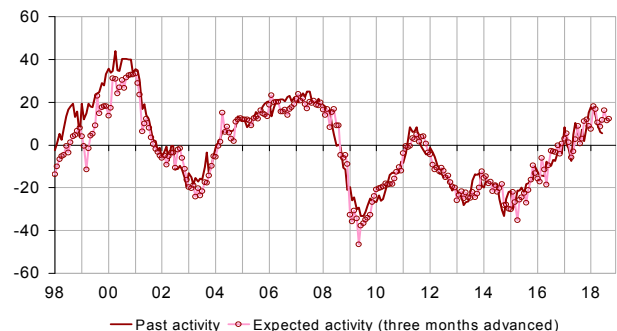
Note: close to 1 (respectively -1), it indicates a favourable climate (respectively unfavourable). The uncertainty area is between -0.3 and +0.3

#### The business managers' opinion on their past and expected activity remains favourable

In June 2018, practically as many business managers as in the previous month have indicated an increase in their activity over the last three months. The corresponding balance is virtually stable clearly above its long-term average. Likewise, the balance of opinion on expected activity is virtually stable 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*	March 18	April 18	May 18	June 18
<b>Composite indicator</b>	<b>100</b>	<b>107</b>	<b>108</b>	<b>108</b>	<b>109</b>
Past activity	-4	14	10	6	5
Expected activity	-6	12	16	11	12
Gen. business outlook	-17		18		
Past employment	-6	0	4	9	5
Expected employment	-4	13	11	10	11
Opinion on order books	-24	-14	-18	-16	-11
Order books (in month)	5.6	7.3	7.4	7.3	7.4
Production capacity utilisation rate	88.5	89.1	89.7	89.7	90.1
Obstacles to production increase (in %)	32	32	32	35	37
- Because of workforce shortage (in %)	13.7	12.3	11.7	14.9	16.4
Recruiting problems (in %)	57		67		
Expected prices	-14	4	5	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.

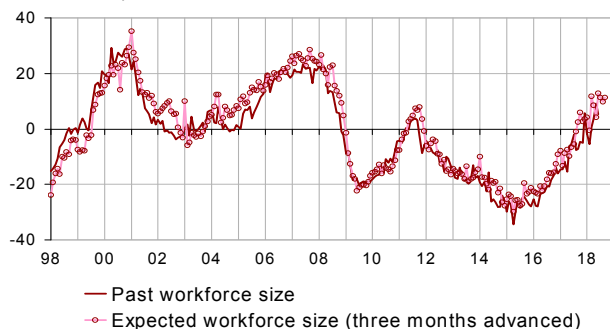
Source: INSEE, French business survey in the building industry

### **A smaller proportion of business managers reporting an increase in their past staff size**

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

#### **Workforce size tendency in building construction**

Balances of opinion, in %, SA



### **More business managers consider that their order books are well filled**

In June 2018, markedly more business managers than in the previous month consider that their order books are well filled. The corresponding balance of opinion has increased sharply, exceeding more largely its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work, a level close to that of last month and significantly higher than the long-term average (5.6 months).

#### **Order books**

Balance of opinion, in %, SA



### **Higher pressure on production capacity**

In June 2018, the production capacity utilisation rate has increased after being stable in the previous month. At 90.1%, it has reached its highest level since December 2008. It has stood above its long-term average (88.5%) since October 2017. At the same time, 37% of business managers have reported production bottlenecks, more than in the previous month and on long-term average. In particular, the proportion of business managers who have reported production bottlenecks because of workforce shortage follows the upward trend started two years ago. This share has risen again in June (16.4% after 14.9%) and has stood above its long-term average (13.7%) for two months.

#### **Production capacity utilisation rate**

in %




### **Prices remain mostly expected to rise**

In June 2018, as many business managers as in April and May have indicated that they will increase their prices over the next three months. The corresponding balance remains stable and clearly 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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Next issue: 24 July 2018 at 08:45am