Informations Rapides
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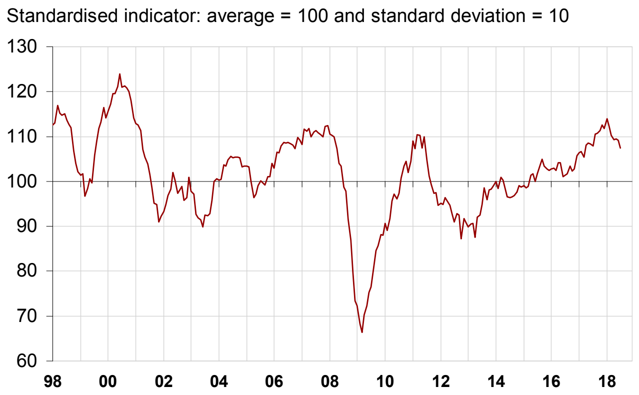
Conjoncture
Main indicators

Monthly business survey in industry – July 2018

In July 2018, the business climate falters slightly in manufacturing but remains at a high level

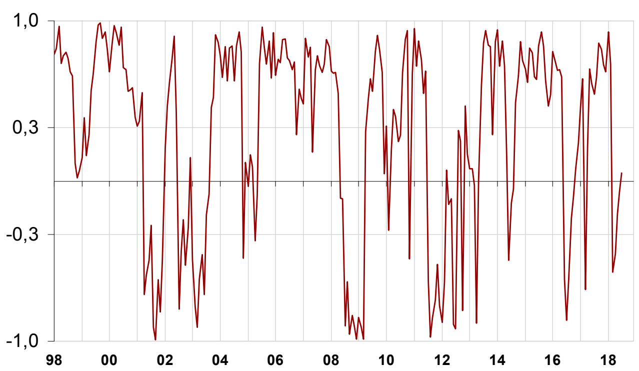
According to the business managers surveyed in July 2018, the business climate in industry has slightly edged down. The composite indicator has decreased by one point as in June, after having recovered slightly in May. At 108, it remains well above its long-term average (100).

Business climate in industry - Composite indicator



The turning-point indicator remains in the uncertainty area.

Turning-point indicator



How to read it: close to 1 (resp. -1), the indicator points to a favourable short-term economic situation (resp. unfavourable). The uncertainty area is between −0.3 and +0.3.

Manufacturers have reported smaller order books

Manufacturers are considerably less optimistic than at the beginning of the year about the general production prospects for the sector. Nevertheless, the corresponding balance remains well above its long-term average. Their opinion on overall and export order books have slightly further deteriorated. At the beginning of the year, the corresponding balances had reached levels not seen since December 2007.

The balance of industrialists' opinion on personal production expectations has slightly decreased after reaching in June its highest level since November 2000. That on past activity has edged down by one point back to its long-term average.

As many industrialists as in June consider that their finished-goods inventories are above normal. The corresponding balance is below its long-term mean.

As regards employment, the balance of opinion on expected workforce size has fallen back while that on past workforce size remains stable. Both balances are well above their long-term average.

Industrialists' opinion on manufacturing activity

Balance of opinion, in %

Manufacturing industry	Ave.*	April 18	May 18	June 18	July 18
Composite indicator	**100**	**109**	**110**	**109**	**108**
Past activity	5	7	11	6	5
Finished-goods inventory	13	5	9	9	9
Overall order books	–18	1	1	–1	–6
Export order books	–14	1	–1	–2	–4
Past workforce size	–10	4	3	3	3
Expected workforce size	–12	3	3	4	0
Personal production expectations	5	15	17	24	22
General production expectations	–8	23	15	14	10

* Long-term average since 1976.
Source: INSEE - Monthly business tendency survey in industry

Institut national de la statistique et des études économiques
Direction générale 88 avenue verdier - CS 70058 - 92541 Montrouge Cedex
Directeur de la publication : Jean-Luc Tavernier
http://www.insee.fr

In the agrofood industry, the business climate has deteriorated

In the manufacture of food products and beverages, the business climate indicator has narrowed in July (–4 points). At 107, it still considerably exceeds its long-term average (100). This deterioration mainly comes from a decrease in the balances on overall and export order books.

The business climate has further slightly faltered in the manufacture of machinery and equipment goods

In the overall manufacture of machinery and equipment goods, the business climate has decreased by one point, at 107, while remaining well above its long-term average. This dip is attributable to the decrease in the balance on past activity.

The business climate is less favourable in the electrical equipment industry and in machinery and equipment than in June. By contrast, it has improved in the computer, electronic and optical product industry.

The business climate in the manufacture of transport equipment is less favourable

In the manufacture of transport equipment, the business climate has fallen by four points. At 106, it remains above its long-term average (100). This deterioration mainly comes from the decrease in the balance on overall order books, in particular in the motor vehicles, trailers and semi-trailers industry.

The business climate indicator has decreased in the manufacture of motor vehicles, trailers and semi-trailers, and slightly less in the manufacture of other transport equipment. In both cases, the climate remains above average.

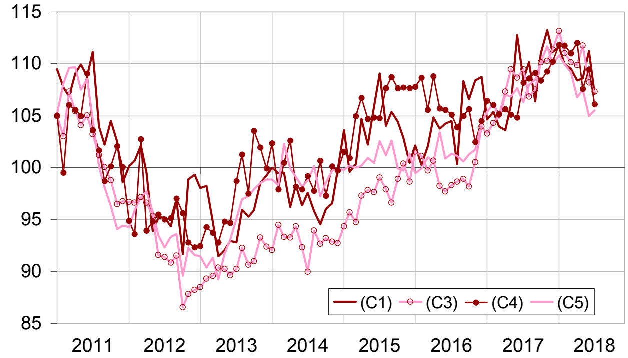
The business climate has slightly improved in "other manufacturing industries"

In overall "other manufacturing", the business climate is slightly more favourable. The composite indicator has edged up by 1 point. This improvement mainly comes from the increase in the balance on personal production expectations.

By subsector, the business climate indicator has brightened in rubber and plastic products. It is stable in chemicals and in the "other manufacturing industries" and has fallen in wood-paper, clothing-textiles and basic metals.

Business climates in a sector-based approach

Average = 100 and standard deviation = 10 since 1990



Legend: (C1): Manufacture of food products and beverages - (C3): Machinery and equipment goods - (C4): Manufacture of transport equipment - (C5): Other manufacturing

Business climates in a sector-based approach

Average = 100 and standard deviation = 10 since 1990

NA* : (A17) et [A38 et A64]	Weights** (%)	May 18	June 18	July 18
(C1) Man. of food products and beverages	**22**	**109**	**111**	**107**
(C3) Machinery and equipment goods	**11**	**112**	**108**	**107**
[CI] Computer, electronic and optical products	3	108	104	106
[CJ] Electrical equipment	3	110	108	107
[CK] Machinery and equipment	5	113	110	108
(C4) Man. of transport equipment	**15**	**108**	**110**	**106**
[CL1] Motor vehicles, trailers and semi-trailers	7	106	109	105
[CL2] Other transport equipment	8	104	106	105
(C5) Other manufacturing	**46**	**108**	**105**	**106**
[CB] Textiles, clothing industries, leather and footwear industry	2	112	113	110
[CC] Wood, paper, printing	5	110	111	109
[CE] Chemicals and chemical products	9	104	103	103
[CG] Rubber and plastic products	7	109	105	108
[CH] Basic metals and fabricated metal products	11	107	104	103
[CM] Other manufacturing industries	9	106	103	103

* NA: aggregated classification, based on the French classification of activities NAF rév.2.

** Weights used to aggregate sub-sector's balances of opinion.

Source: INSEE - Monthly business tendency survey in industry

Revisions

The business climate in manufacturing in June 2018 has been lowered from 110 to 109 since its first estimation published last month, mainly due to the inclusion of late responses from businesses.

For more information

- Complementary data (long series) and metadata (methodology, weblinks, classification, etc.) are available on the web page of this index: https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=4
- Historical data are available on the BDM: https://www.insee.fr/en/statistiques/series/102393833
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