

■ French business climate and turning point indicators – August 2018

In August 2018, the French business climate falters slightly and the employment climate is stable

The French business climate has lost one point

In August 2018, the business climate has faltered slightly but remains at a relatively high level. The composite indicator, compiled from the answers of business managers in the main sectors, has lost one point and stands at 105, above its long-term mean (100). It has returned to its level of May 2017. Compared to July, the business climate has lost one point in building construction as in services, and three in retail trade. It has gained one point in manufacturing industry. The business climate remains above its long-term mean in all the sectors.

French business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10

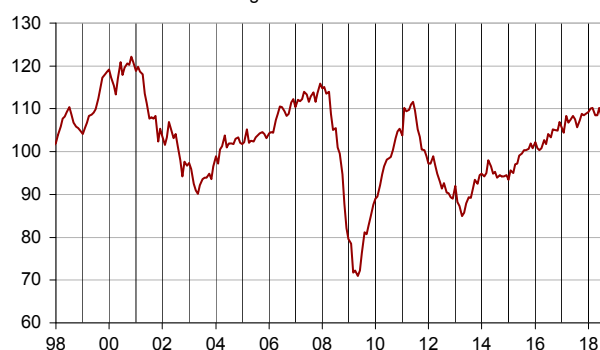


The employment climate is stable

In August 2018, the employment climate is stable. The associated composite indicator stands, as in July, at 108, that is well above its long-term average. Mainly, the rise in the balance of opinion on expected employment in services sector excluding temporary employment has offset the decline in that on expected employment in retail trade.

French employment climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



Revisions

Compared to their first estimate in July 2018, the composite indicators for manufacturing industry, services and retail trade have been raised by one point. Those revisions result from the integration of late answers from businesses, as well as, for manufacturing and services, from the update of the seasonal coefficients and the parameters of the composite indicator. The other climate indicators are unchanged.

Business and employment climates

	April 18	May 18	June 18	July 18	Aug. 18
Business climates					
France	109	107	107	106	105
Manufacturing	110	110	110	109	110
Building	108	108	108	109	108
Services	107	104	105	105	104
Retail trade	112	112	112	114	111
Wholesale trade	-	104	-	101	-
Employment climate					
Employment	108	108	110	108	108

Source: INSEE, Business tendency surveys

The turning point indicator points out a favourable short-term economic outlook

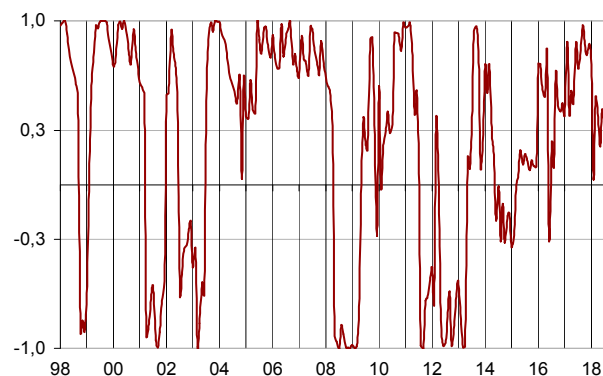
The turning point indicator for the French economy as a whole remains in the area indicating a favourable short-term economic outlook.

Turning point indicators

	April 18	May 18	June 18	July 18	Aug. 18
France	0.4	0.2	0.5	0.3	0.4
Manufacturing	0.6	0.5	0.4	0.3	0.4
Building	0.5	0.4	0.1	-0.1	-0.4
Services	0.3	-0.4	0.6	0.4	0.4
Wholesale trade	-	-0.8	-	-0.3	-

Source: INSEE, Business tendency surveys


Turning point indicator



Close to +1 (resp. -1), the indicator shows a favourable business climate (resp. unfavourable). The uncertainty area is between -0.3 and +0.3.

For further information

The business climate and turning point indicators summarise the information provided by the surveys in manufacturing, services, trade (retail and wholesale), and construction. The business climate is built from 26 balances of opinion from these surveys while the turning point indicator is built from 14 balances of opinion from surveys in manufacturing, services and construction. The employment indicator is based on the 10 balances of employment, past and expected, from the surveys in manufacturing, services, retail trade and construction. The balances of opinion concerning employment in services that are used in the employment climate distinguish the services excluding temporary work employment sector from temporary work agencies. For the latter, the balances on past and expected workforce size are not weighted, unlike the other sectors.

- Additional information (historical data, methodology, links, etc.) are available on the web page of this indicator: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=23>
- Historical data are available on the BDM: <https://www.insee.fr/en/statistiques/series/103047029>
- Press contact: bureau-de-presse@insee.fr
-  Follow us on Twitter @InseeFr_News: https://twitter.com/InseeFr_News

Next issue: 25 September 2018 at 08:45 am