Insee Informations Rapides

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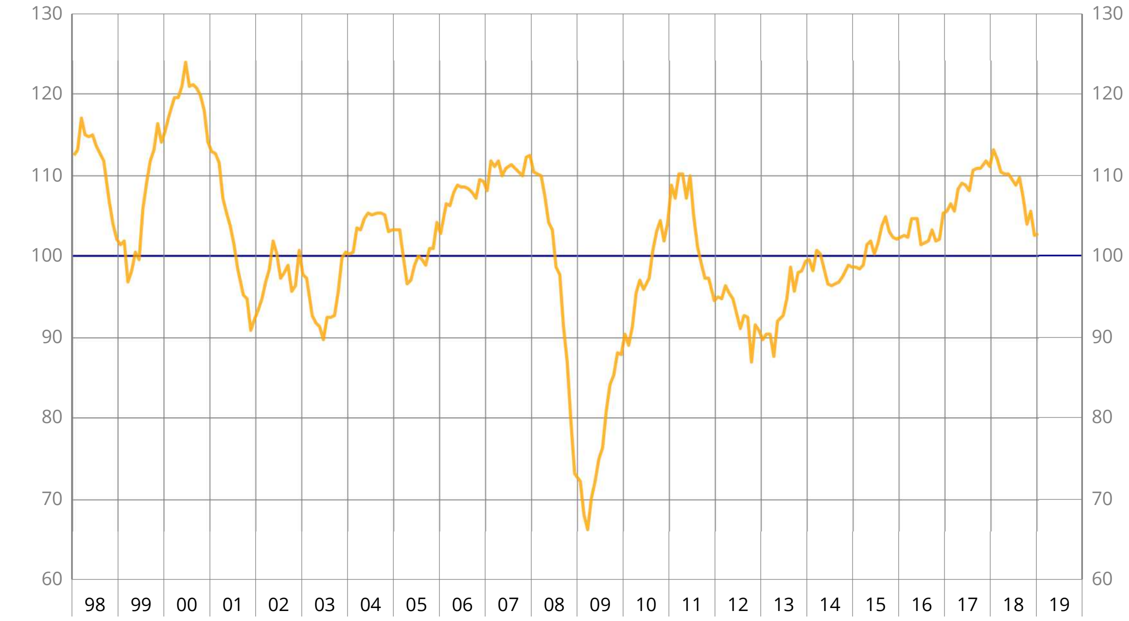
Monthly business survey (goods-producing industries) - January 2019

In January 2019, the business climate is stable in the manufacturing industry

According to the business managers surveyed in January 2019, the business climate in industry remains above its average. The composite indicator is stable at 103 in January, after having declined by two points in December.

Business climate in manufacturing - Composite indicator



Source: INSEE.

Industrialists' opinion on manufacturing activity

Balance of opinion, in %, SA

	Ave.*	oct.-18	nov.-18	déc.-18	Jan.-19
Industrie manufacturière					
Composite indicator	100	104	105	103	103
Past activity	5	6	13	5	9
Finished-goods inventory	13	9	9	10	8
Overall order books	-18	-12	-10	-13	-12
Export order books	-14	-7	-10	-9	-11
Past workforce size	-10	0	-1	1	3
Expected workforce size	-12	0	-1	4	1
Personal production expectations	5	10	14	11	9
General production expectations	-8	7	4	-10	-11

* Long-term average since 1976.

Source: INSEE - Monthly business tendency survey in industry

Manufacturers remain pessimistic about the general production prospects for the sector

The balance of industrialists' opinion on past activity has picked up, and has returned above its long term average. Conversely, that on personal production expectations has slightly declined in January. The balance of opinion on the general production prospects for the sector is virtually stable, after having significantly dropped in December. It remains below its long-term average, at its lowest level since January 2015.

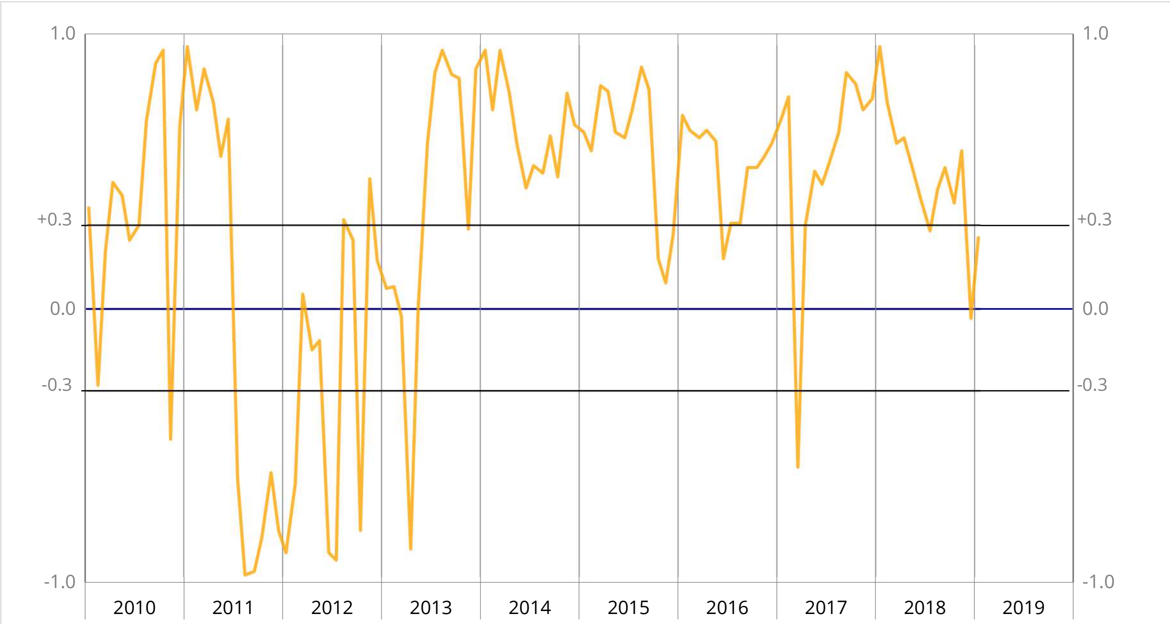
Industrialists' opinion on overall order books has slightly improved, despite the dip in that on export order books. The corresponding balances remain above their average.

Slightly fewer industrialists than in December consider that their finished-goods inventories are above normal. The corresponding balance has stood below its long-term mean since August 2016.

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

The turning-point indicator stands in the uncertainty area.

Turning-point indicator



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

In the agrofood industry, the business climate is stable

The business climate indicator in the manufacture of food products and beverages is stable in January, at 108. It has stood well above its long-term average (100) for the last three months. The increase in the balances on personal production prospects and on overall order books is offset by the decrease in the balance on past activity.

The business climate is favourable in the manufacture of machinery and equipment goods

In the overall manufacture of machinery and equipment goods, the business climate has improved again and risen by two points. It had sharply fallen in November. At 104, it stands slightly higher above its long-term average. This improvement comes from the increase in the balances on export order books and on past activity.

The business climate is more favourable than in December in the electrical equipment industry, where it has returned above its average, and in the computer, electronic and optical product industry. It is stable in machinery and equipment, at its long-term average level.

In the manufacture of transport equipment, the business climate is stable

In the manufacture of transport equipment, the business climate indicator is stable. At 102, it is slightly above its long-term average (100).

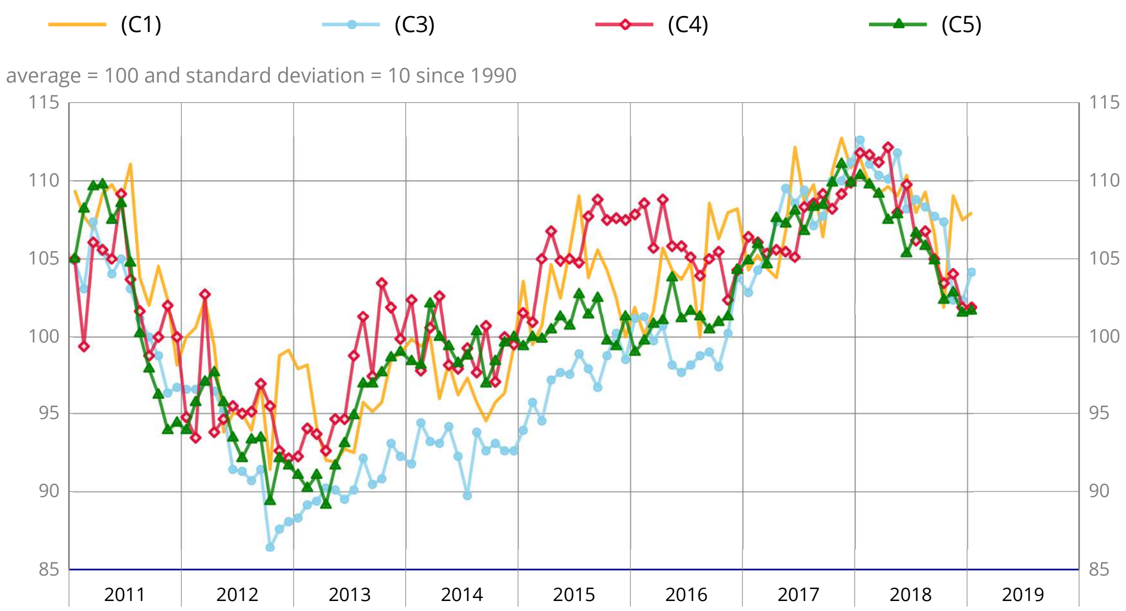
The climate indicator is stable in the manufacture of other transport equipment and has slightly decreased again in the automotive industry. In this latter branch, the decrease in the balances on export order books and on expected production is partly offset by the increase in the balances on global order books and on past activity.

The business climate is stable in « other manufacturing industries »

The business climate in the overall « other manufacturing » is stable. At 102, it remains slightly above its long-term average.

By subsector, the business climate indicator has slightly increased in clothing-textiles. Conversely, it has declined in the « other manufacturing industries ». It is stable in chemicals, rubber and plastic products, basic metals and wood-paper.

Business climates in a sector-based approach



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

Business climates in a sector-based approach

Average = 100 and standard deviation = 10 since 1990

NA* : (A17) et [A38 et A64]	Weights** (%)	nov.-18	déc.-18	Jan.-19
(C1) Man. of food products and beverages	**21**	**109**	**108**	**108**
(C3) Machinery and equipment goods	**11**	**102**	**102**	**104**
[CI] Computer, electronic and optical products	*3*	*103*	*111*	*114*
[CJ] Electrical equipment	*3*	*101*	*97*	*101*
[CK] Machinery and equipment	*5*	*101*	*100*	*100*
(C4) Man. of transport equipment	**17**	**104**	**102**	**102**
[CL1] Motor vehicles, trailers and semi-trailers	*8*	*100*	*98*	*97*
[CL2] Other transport equipment	*9*	*105*	*104*	*104*
(C5) Other manufacturing	**46**	**103**	**102**	**102**
[CB] Textiles, clothing industries, leather and footwear industry	*2*	*106*	*110*	*111*
[CC] Wood, paper, printing	*5*	*100*	*94*	*94*
[CE] Chemicals and chemical products	*9*	*101*	*102*	*102*
[CG] Rubber and plastic products	*7*	*106*	*101*	*101*
[CH] Basic metals and fabricated metal products	*11*	*102*	*99*	*99*
[CM] Other manufacturing industries	*9*	*102*	*104*	*102*

* 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 December 2018 has been lowered from 104 to 103 since its first estimation published last month, due to the inclusion of late responses from businesses.

For further information

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