

23 janvier 2019

N° 2019-

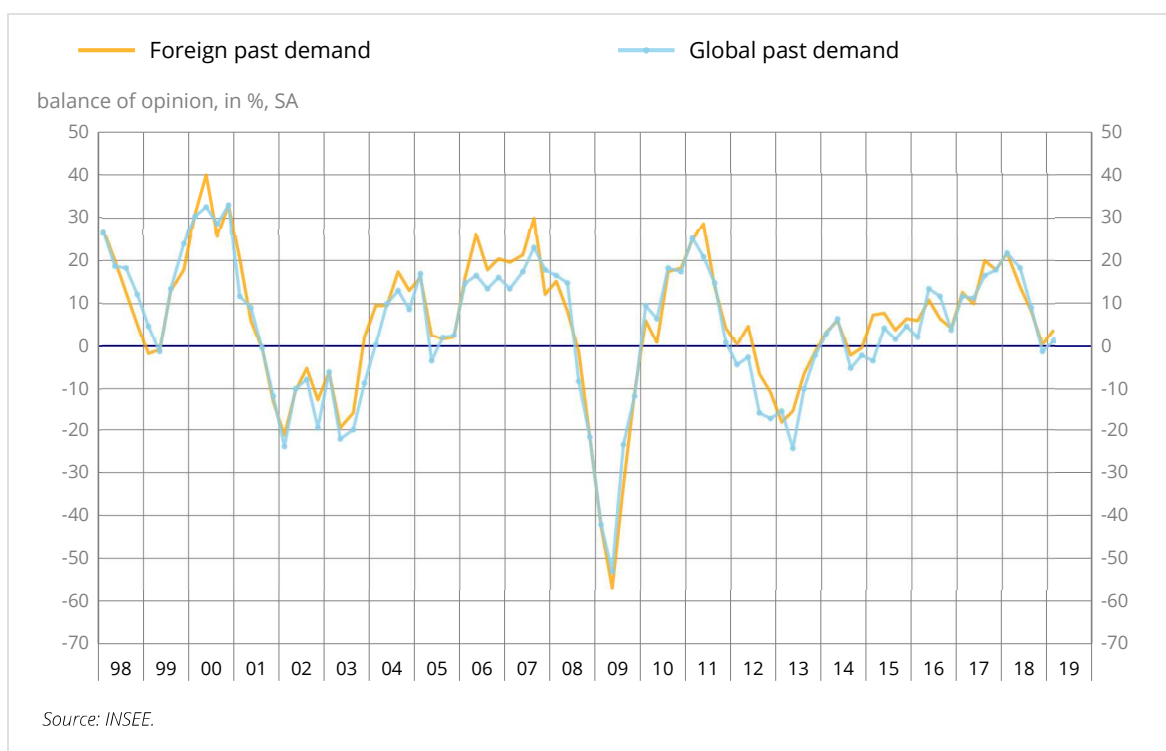
Quarterly business survey (goods-producing industries) - January 2019

## In January 2019, industrialists are slightly more optimistic about the development of demand

### *Demand has been assessed slightly more favourably*

In January 2019, the balances of industrialists' opinion on overall and foreign demand in the last three months have recovered above their long-term average – they had significantly dropped over the past year. Business managers are also more optimistic about overall demand over the next three months. The balance on foreign demand for the coming months remains stable. Both balances are significantly higher than their long-term average.

### Balance of opinion on past change in demand

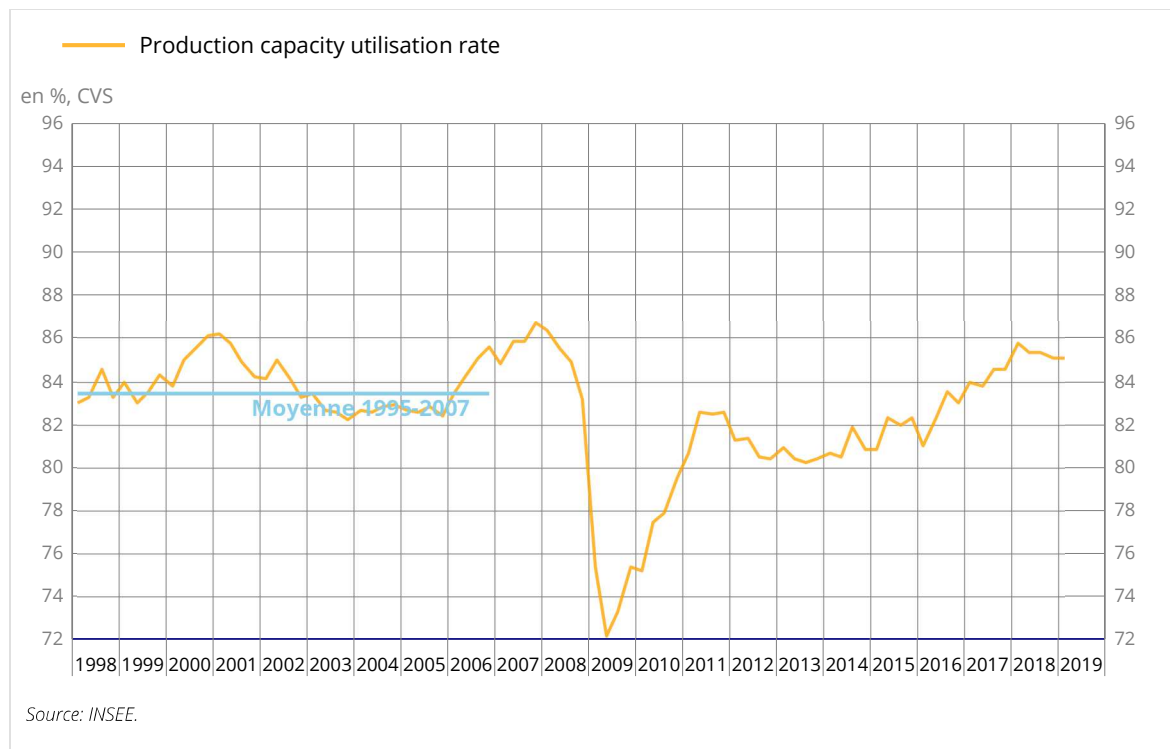


### *Pressure on production equipment remains high*

In January 2019, industrialists report that they have used their machinery and equipment as intensively as in October. After a slow decline since the beginning of 2018, the production capacity utilisation rate remains at 85.1%. It had reached in January 2018 its highest level in ten years.

Barely fewer industrialists than in October consider that they could not produce more if they received more orders: production bottlenecks affect 35 % of businesses. This share had reached in October 2018 its highest level since October 2000. The proportion of industrialists indicating difficulties of supply exclusively has slightly oscillated around 30 % since the beginning of the year 2018, well above its average. The share of industrialists reporting difficulties of demand exclusively has again slightly increased, but remains well below its average.

## Production capacity utilisation rate



## Industrialists' opinion : demand and production factors

Balance of opinion, in % SA

Manufacturing industry	Mean	Apr. 18	Jul. 18	Oct. 18	Jan. 19
<b>Overall demand</b>					
Past change	0	18	9	-2	1
Expected change	2	14	9	6	11
<b>Foreign demand</b>					
Past change	2	14	8	0	4
Expected change	4	13	11	11	11
<b>Production factors</b>					
Production bottlenecks (in %)	22	31	32	36	35
Assessment of productive capacity	13	-4	-3	-2	-1
Production capacity utilisation rate (in %)	83	85,3	85,3	85,1	85,1
<b>Difficulties of supply and demand (in %)</b>					
Difficulties of supply and demand	8	8	10	11	12
Difficulties of supply only	20	30	31	30	30
Difficulties of demand only	43	27	25	26	28

\* : Long-term average since 1976, except for supply and demand (since 1991).

The results of the last survey are preliminary

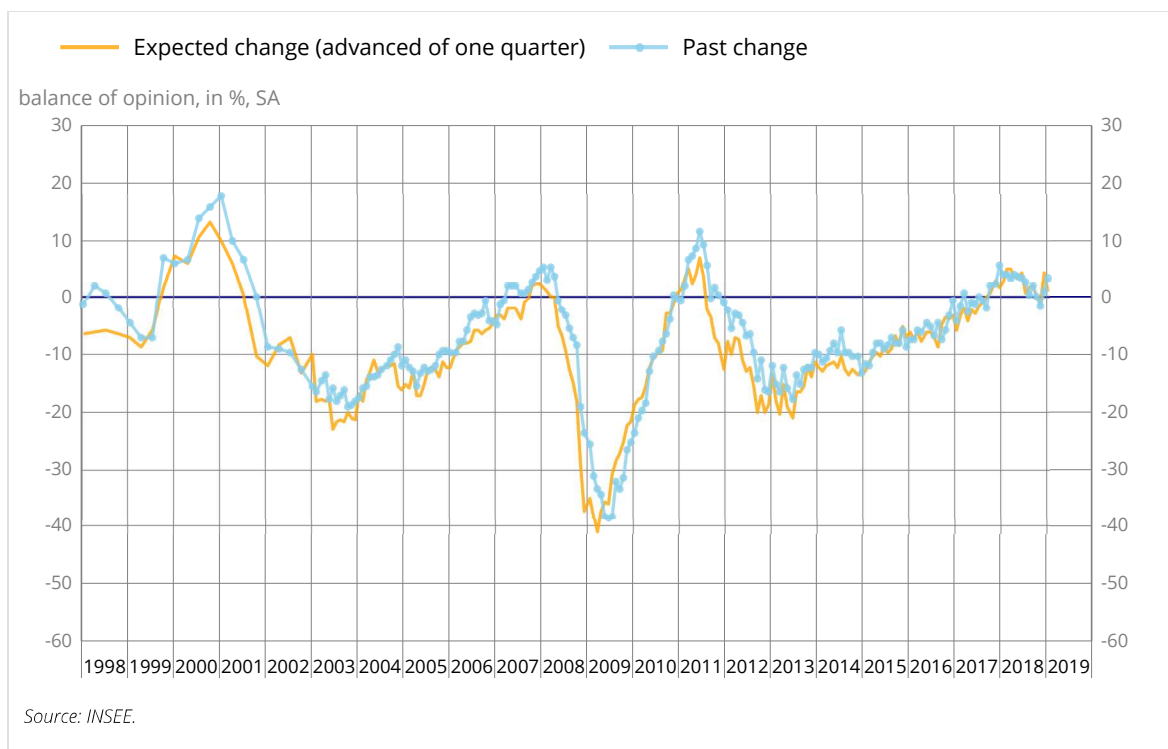
Sources : Insee – Quarterly business survey in industry

### The balances of opinion on workforce size trends have picked up

In January 2019, slightly more industrialists than in October 2018 have reported an increase in their workforce size rather than a decrease in the last three months. Also more of them have forecast job growth rather than job cuts over the next three months. Both corresponding balances stand significantly above their long-term average.

Among industrialists, 44% have experienced hiring difficulties. This share has been virtually stable since summer 2018. After a sharp increase in 2017, it remains at a high level, significantly higher than its long-term average.

## Opinion on workforce size in the manufacturing industry



### Stable selling prices

According to industrialists, selling prices in the manufacturing industry have stagnated in Q4 2018 (+0.0% after +0.3% in the previous quarter). Business managers forecast a small price increase in Q1 2019 (+0.1%).

Only 12% of the industrialists have experienced cash-flow problems – this share has slightly increased but remains below its long-term mean (14%).

### General export prospects have sharply dropped

Industrialists are significantly less upbeat on general export prospects: after reaching in January 2018 a peak since October 2000, the corresponding balance has drastically fallen back to its lowest level since December 2014, below its long-term average. More industrialists report a deterioration in their competitive position for all three markets (domestic, EU and outside the EU markets). The corresponding balances have slightly decreased again – those regarding foreign markets stand below their long-term average.

## Industrialists' opinion : employment, competitive position, cash-flow and selling prices

Balance of opinion, in % SA

Manufacturing industry	Mean	Apr. 18	Jul. 18	Oct. 18	Jan. 19
<b>Overall demand</b>					
Past change	-11	4	3	0	3
Expected change	-13	4	1	0	1
Difficulties hiring (in %)	29	42	44	43	44
<b>Selling prices and cash-flow</b>					
Past change on selling prices	0,1	0,2	0,4	0,3	0
Expected change on selling prices	0,2	0,1	0,1	0,2	0,1
Cash-flow problems (in %)	14	10	10	10	12
<b>Competitive position</b>					
On the domestic market	1	7	5	4	2
On foreign markets inside EU	-1	6	1	-4	-5
On foreign markets outside EU	-2	-3	-3	-6	-7
General exportation expectations	-8	17	3	2	-13

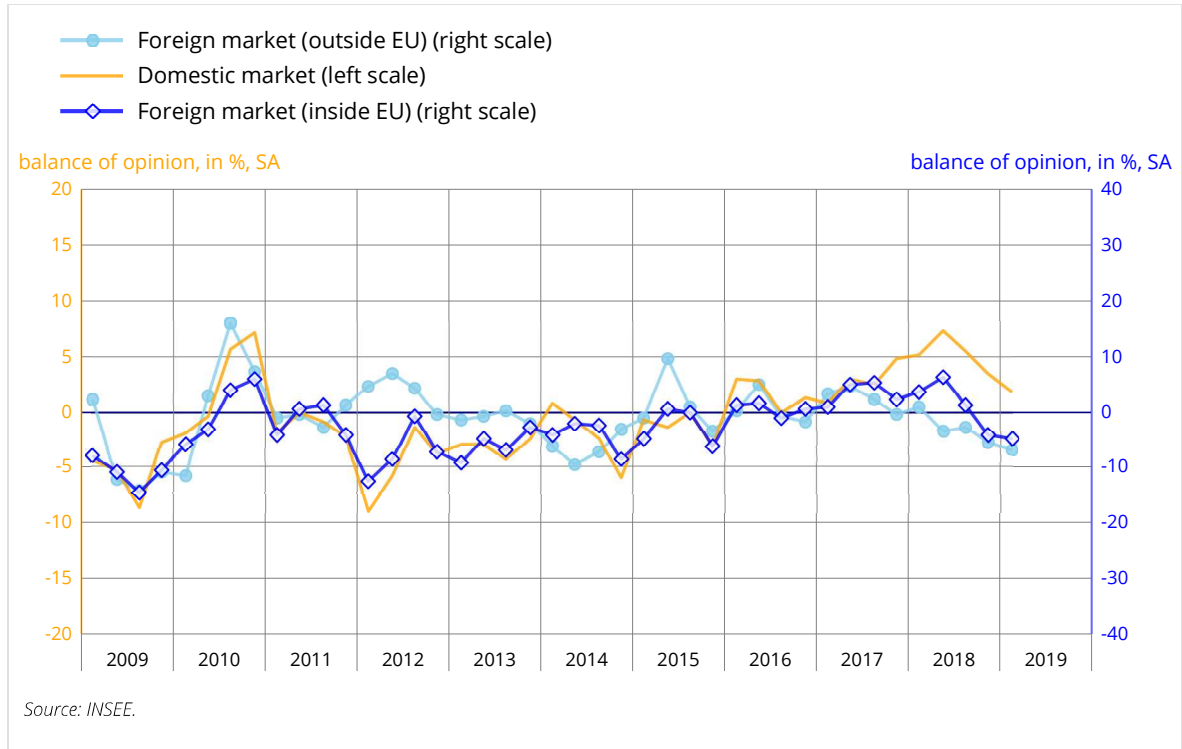
\* : Long-term average since 1991, except for workforce change (since 1976) and for competitive position by market (since 1997).

The results of the last survey are preliminary

A quantitative question is asked about selling prices.

Source : Insee – Quarterly business survey in industry

## Competitive position



### For further information

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