

# Bimonthly business survey in the wholesale trade

## Survey description

Insee conducts a bimonthly business survey of wholesalers.

The scope of coverage includes the total wholesale trade (class 46 in the NAF rev. 2), after excluding intermediaries of wholesale trade (class 46.1 in the NAF rev. 2), non-specialized wholesale trade (class 46.9 in the NAF rev. 2), wholesale trade of tobacco products (class 46.35 in the NAF rev. 2) and wholesale trade of waste and scrap (class 46.77 in the NAF rev. 2).

The survey sample comprises about 3,000 enterprises, based on a stratified sampling design. Each stratum of the sample (called primary stratum) is the result of the crossing between a wholesale trade subsector (groups of activities based on the French classification of activities - NAF rev. 2) and a size group (determined by the workforce and the turnover of the companies).

## Survey questions

Most of the questions are qualitative with a triple choice, and cover all the business' activities.

### Sales

The sales volume over the last two months is...

- ... above normal (+)
- ... normal
- ... below normal (-)

The foreign sales volume...

- ... above normal (+)
- ... normal
- ... below normal (-)

### Supplies

The volume of merchandise received over the last two months is...

- ... above normal (+)
- ... normal
- ... below normal (-)

Which including the volume of merchandise received from abroad

- ... above normal (+)
- ... normal
- ... below normal (-)

### Stocks

The stock volume is...

- ... above normal (+)
- ... normal
- ... below normal (-)

.../...

## Ordering

Shipments abroad over the next two months are...

- ... above normal (+)
- ... normal
- ... below normal (-)

Ordering intentions over the next two months are...

- ... above normal (+)
- ... normal
- ... below normal (-)

Which including ordering intentions from abroad

- ... above normal (+)
- ... normal
- ... below normal (-)

## Prices

Trend in sales prices, over the next two months...

- ... increase (+)
- ... stable
- ... decrease (-)

Trend in sales prices, over the next three or four months...

- ... increase (+)
- ... stable
- ... decrease (-)

Which including trend in sales prices to foreign customers...

- ... increase (+)
- ... stable
- ... decrease (-)

Trend in sales prices from suppliers, over the next three or four months...

- ... increase (+)
- ... stable
- ... decrease (-)

Which including trend in sales prices from foreign suppliers...

- ... increase (+)
- ... stable
- ... decrease (-)

## Cash position

In view of the season, your current cash position is...

- ... well off (+)
- ... normal
- ... difficult (-)

## Change in payment times (biannual questions, surveys in January and July)

Over the last six months, do customers' payment times (private or public customers) tend to...

- ... become shorter (+)
- ... remain stable
- ... extend (-)

Over the last six months, do the settlement periods of your suppliers tend to...

- ... become shorter (+)
- ... remain stable
- ... extend (-)

## **Labor force**

Over the last two months, has the number of working people been...

- ... increased (+)
- ... remained stable
- ... decreased (-)

Over the next two months, should ...

- ... increase (+)
- ... remain stable
- ... decrease (-)

## **General outlook on the upcoming evolution of the whole French trade**

In your opinion, what is the most likely change anticipated in business volume for the whole of French trade, over the next three months...

- ... increase (+)
- ... stable
- ... decrease (-)

## **Methodology and presentation of results**

The results of the questions with a triple choice are reported as balances of opinion. A balance of opinion is the difference between the weighted percentage of 'increase' or 'above normal' answers (+) and the weighted percentage of 'decrease' 'below normal' answers (-). This method enables us to improve the readability of the results without any significant loss of information.

The individual answers of a same stratum are aggregated by calculating weighted averages. For questions about labor force, the weighting factor used is the number of employees. The turnover is used for the other questions. So, a balance of opinion is obtained in each primary stratum.

Then, at an aggregate level, a balance of opinion is calculated as a weighted average from balances of opinion of primary strata which make up the level. Expansion factors come from the latest known annual business survey. The question on general outlook is not weighted. A simple average is then made.

As a result, the published balances of opinions display no residual seasonality (CVS).

The balances of opinion should be interpreted with caution. The comparison of a balance of opinion with its level should always be preferred. However, if you want to analyse the level of a balance of opinion, it is necessary to refer to the long-term average in order to consider the usual response behaviour of managers.

Data from the latest survey available are temporary. They are revised with the publication of the next survey including in particular the late responses received.

## **Composite indicator**

Composite indicator summarises wholesalers' opinions on French trade : the higher its value is, the more favourable the wholesalers' opinion is. It is based on the factor analysis method. This technique enables us to sum up the different changes in several variables which have very correlated movements. The indicator describes, in a single variable, the common building block of the selected balances of opinion (sales, ordering intentions, general outlook, export sales, merchandise received from abroad).

*For further information:*

[http://www.insee.fr/fr/ppp/publications/collect\\_som.asp?first\\_doc=1&coll=7&simple=+perspectives+dans+le+commerce+de+gros](http://www.insee.fr/fr/ppp/publications/collect_som.asp?first_doc=1&coll=7&simple=+perspectives+dans+le+commerce+de+gros)