

Business survey February 2017

Manufacturing industry, market services and construction

9 March 2017



- **In February, industrial production rebounded.** Agri-food, chemicals and capital goods posted particularly strong growth.

Deliveries and orders accelerated. Inventories approached their 2010 floor level.

Business leaders expect production to increase in March.

- **Activity in services continued to grow.** Temporary work, transportation and consulting, among others, were on the rise.

Staff levels continued to strengthen.

Prices remained stable.

According to business leaders, activity should grow at the same pace in March.

- **Activity picked up in construction.** Finishings work and to a lesser extent structural work were up.

Order books expanded and returned to their 2011 level. Staff levels increased.

According to business leaders, activity is expected to grow in March, particularly in structural work.

The business sentiment indicator in manufacturing industry* stood at 104 in February, after 102 in January.

The business sentiment indicator in services* stood at 101 in February, like in January.

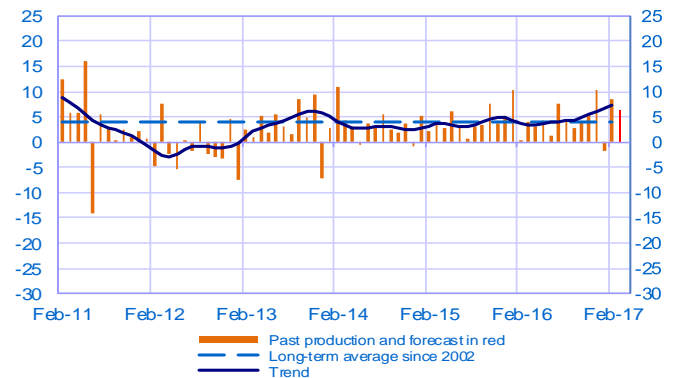
The business sentiment indicator in construction* stood at 101 in February, after 100 in January.

According to the monthly index of business activity (MIBA), **GDP is expected to increase by 0.4% in the first quarter of 2017** (second estimate, revised upwards by 0.1 percentage point).

* Calculations are based on survey data, SA-WDA and smoothed over five months

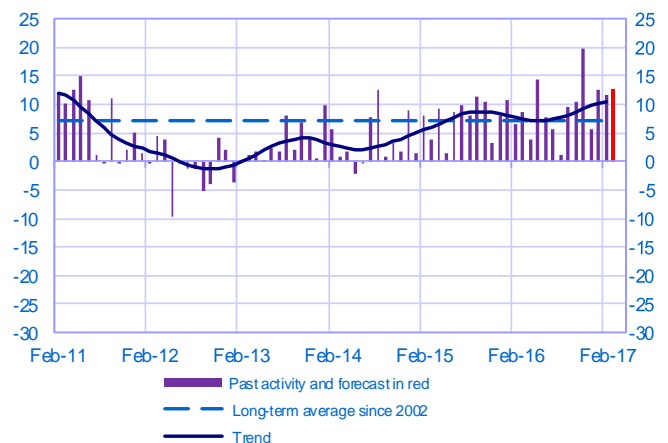
Opinion on the outlook for industrial production*

Balance of opinions, SA-WDA



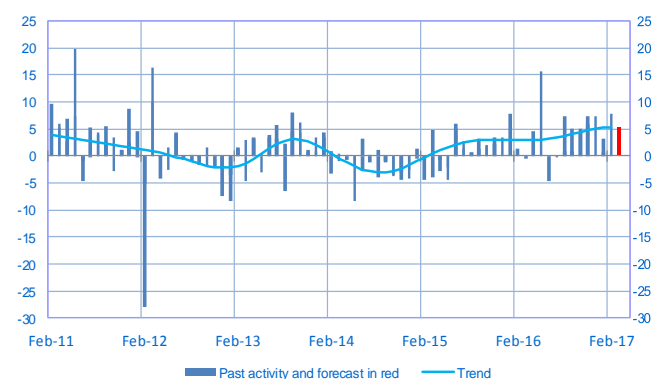
Opinion on the outlook for services activity*

Balance of opinions, SA-WDA



Opinion on the outlook for construction activity*

Balance of opinions, SA-WDA



* A positive (negative) balance of opinions corresponds to a rise (fall) in the evolution of activity

Manufacturing industry

| | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Production | 3 | 4 | 1 | 8 | 4 | 3 | 4 | 5 | 10 | -2 | 8 | 6 |
| Deliveries | 5 | 3 | 4 | 8 | 2 | 5 | 7 | 6 | 10 | 5 | 10 | |
| Total orders | 3 | 4 | 6 | 8 | 7 | 7 | 6 | 10 | 9 | 9 | 11 | |
| Staff | 0 | 1 | 0 | -1 | 1 | 3 | 1 | 2 | 2 | 2 | 1 | |
| Final goods prices | -1 | -1 | -1 | -1 | 0 | 1 | 0 | 1 | 1 | 3 | 2 | |
| Commodity prices | -1 | 0 | 1 | 0 | 1 | 3 | 4 | 5 | 7 | 11 | 10 | |
| Level | | | | | | | | | | | | |
| Order books | 7 | 8 | 9 | 8 | 9 | 12 | 12 | 16 | 15 | 15 | 15 | |
| Inventories of finished goods | 4 | 3 | 2 | 3 | 4 | 4 | 5 | 3 | 2 | 2 | 1 | |
| Capacity utilisation rate | 77.9 | 78.3 | 77.9 | 77.7 | 78.9 | 77.8 | 77.6 | 78.1 | 79.0 | 78.5 | 78.5 | |
| Cash positions | 9 | 10 | 13 | 10 | 12 | 16 | 14 | 14 | 12 | 14 | 14 | |

Services

| | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 4 | 14 | 8 | 6 | 1 | 10 | 10 | 20 | 6 | 13 | 12 | 12 |
| Aggregate demand | 4 | 14 | 8 | 5 | 6 | 9 | 11 | 20 | 7 | 12 | 12 | |
| Prices | -1 | 0 | -1 | -1 | -1 | -3 | -1 | 0 | 0 | 0 | 0 | |
| Staff | 4 | 7 | 5 | 2 | 6 | 7 | 7 | 7 | 7 | 9 | 8 | |
| Level | | | | | | | | | | | | |
| Cash positions | 12 | 13 | 15 | 15 | 9 | 14 | 15 | 16 | 14 | 12 | 17 | |

Construction

| | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 5 | 16 | -5 | 0 | 7 | 1 | 4 | 7 | 7 | 1 | 8 | 5 |
| Estimates prices | -1 | 0 | 0 | -1 | -1 | -1 | 0 | 0 | -1 | 1 | 1 | |
| Staff | 1 | 0 | 0 | 0 | 2 | 1 | 2 | 2 | 2 | 1 | 3 | |
| Level | | | | | | | | | | | | |
| Order books | 8 | 10 | 14 | 12 | 13 | 15 | 15 | 15 | 15 | 19 | 22 | |

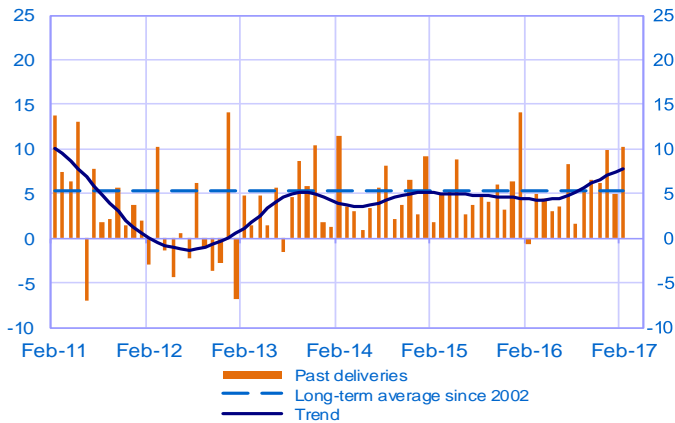
Notes:

- A positive (negative) balance of opinions corresponds to a rise (fall) in the evolution of activity.
- The last point corresponds to the business leaders' forecasts of future activity.
- The series are revised on a monthly basis. These revisions take into account additional gross data and the evolution of the seasonal and working-day adjustment depending on the latest available data. The business sentiment indicators of the previous months are revised accordingly.

Manufacturing industry

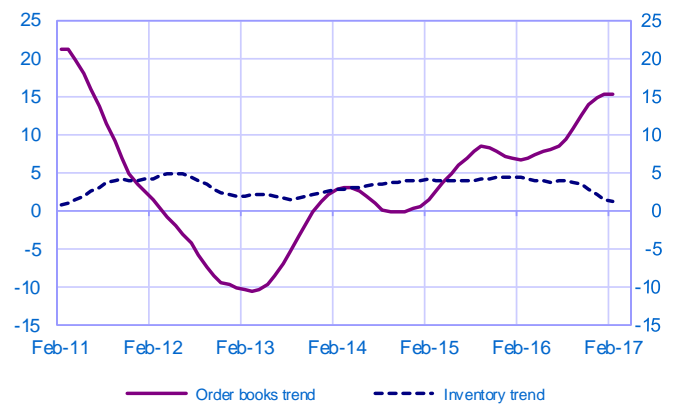
Changes in deliveries

Balance of opinions, SA-WDA



Inventories and order book level

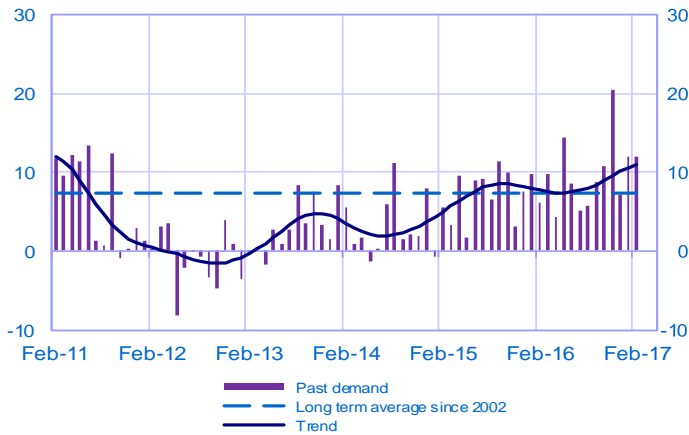
Balance of opinions, SA-WDA



Services

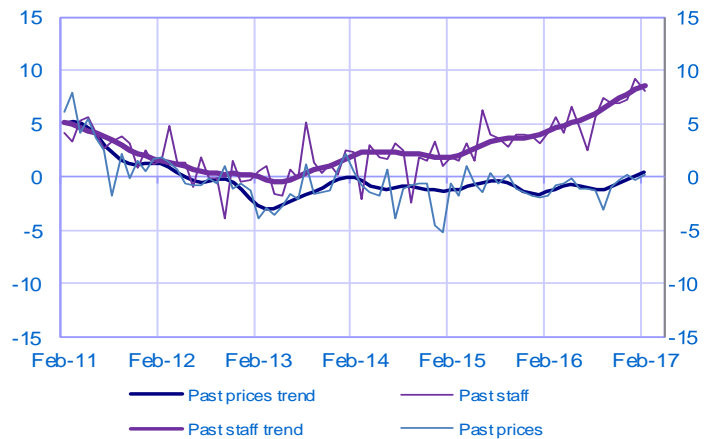
Changes in demand

Balance of opinions, SA-WDA



Changes in prices and staff

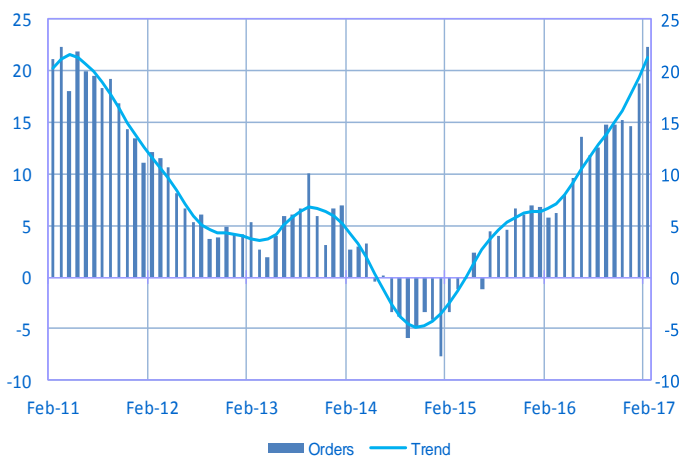
Balance of opinions, SA-WDA



Construction

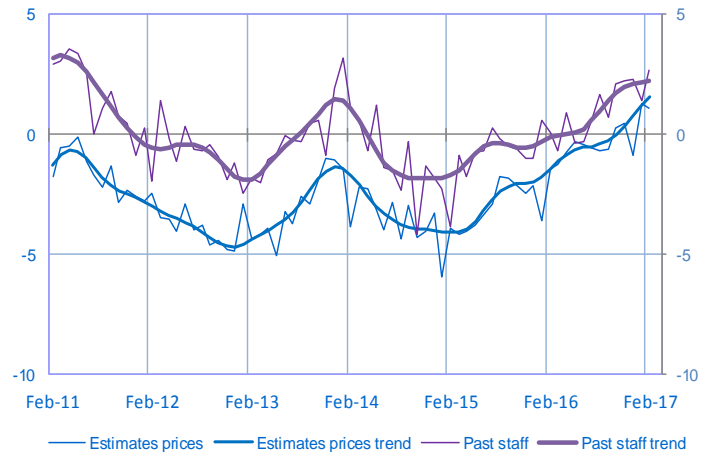
Order book level

Balance of opinions, SA-WDA



Changes in estimates prices and staff

Balance of opinions, SA-WDA



For further details, see [sectoral level information](#), the [methodology](#), the [publications calendar](#), the [contacts](#) and all statistical time series published by the Banque de France can be accessed [WEBSTAT Banque de France](#)

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