

Business survey June 2019

8 July 2019

Manufacturing industry, market services and construction

According to the monthly index of business activity (MIBA), GDP is expected to increase by 0.2% in the second quarter of 2019 (third estimate, revised downwards by 0.1 percentage point).

In the **manufacturing industry**, the business sentiment indicator* stood at 95 in June, after 99 in May.

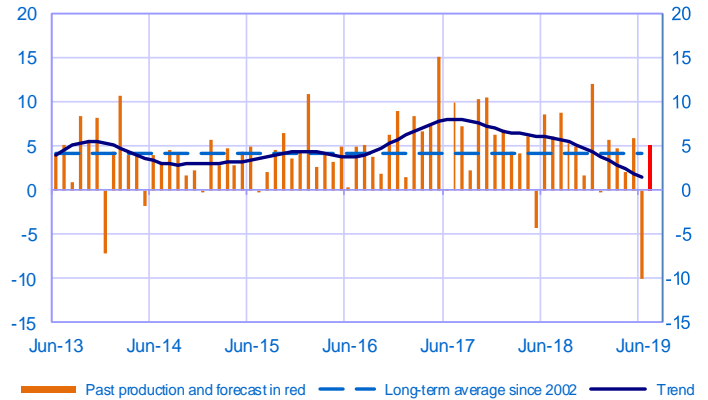
- In June, industrial production declined significantly, in particular in the automobile, rubber and plastic and IT and electronic equipment sectors. The pharmaceutical and other transport equipment manufacturing sectors remained buoyant.

Order books fell slightly.

Business leaders expect industrial production to recover in July in all sectors.

Opinion on the outlook for industrial production**

Balance of opinions SA-WDA



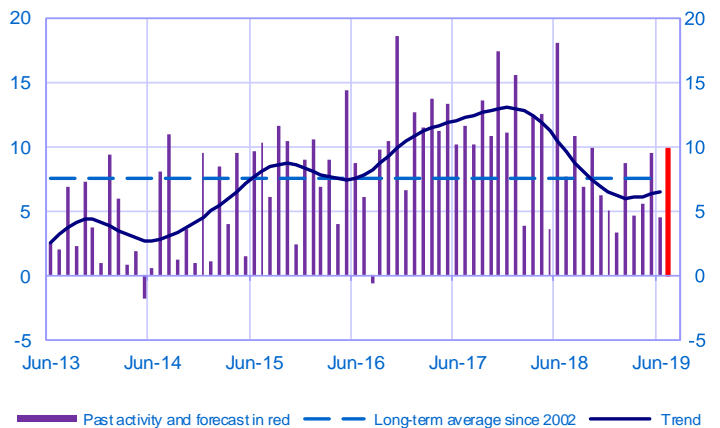
In **services**, the business sentiment indicator* stood at 100 in June, like in May.

- Subsequently to a slowdown in demand, service sector activity rose moderately. It remained strong in the transport, publishing and IT sectors and contracted in the management, legal and accounting sectors, as well as in the automobile repair sector.

Business leaders expect service sector activity to accelerate in July.

Opinion on the outlook for services activity**

Balance of opinions, SA-WDA



In **construction**, the business sentiment indicator* stood at 104 in June, after 105 in May.

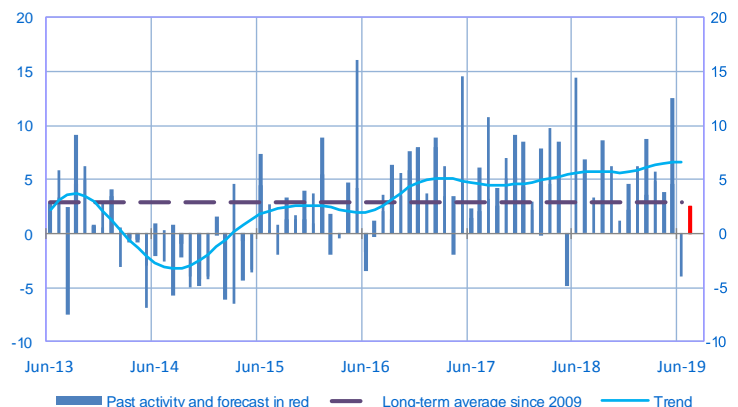
- Due to unfavourable weather conditions, construction sector activity waned, particularly in structural works.

Order books remained at high levels, and the prices of quotes rose.

In July, business leaders expect construction sector activity to pick up.

Opinion on the outlook for construction activity**

Balance of opinions, SA-WDA



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

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

Period under review: June 2019

Manufacturing industry

| | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Production | 9 | 5 | 5 | 2 | 12 | 0 | 6 | 5 | 2 | 6 | -10 | 5 |
| Deliveries | 8 | 7 | 4 | 2 | 10 | 2 | 7 | 5 | 4 | 8 | -7 | |
| Total orders | 10 | 12 | 6 | 4 | 7 | 4 | 6 | 4 | 4 | 5 | 0 | |
| Staff | 1 | 1 | 2 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | -1 | |
| Final goods prices | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | |
| Commodity prices | 5 | 6 | 6 | 5 | 3 | 1 | 0 | 1 | 2 | 1 | 1 | |
| Level | | | | | | | | | | | | |
| Order books | 21 | 19 | 19 | 15 | 17 | 16 | 16 | 12 | 14 | 14 | 12 | |
| Inventories of finished goods | 2 | 1 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | |
| Capacity utilisation rate | 81.4 | 80.0 | 80.0 | 79.6 | 79.6 | 79.4 | 79.7 | 79.5 | 79.5 | 79.9 | 78.8 | |
| Cash positions | 14 | 11 | 12 | 11 | 9 | 9 | 10 | 10 | 9 | 9 | 10 | |

Services

| | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 11 | 7 | 10 | 6 | 5 | 3 | 9 | 5 | 6 | 10 | 5 | 10 |
| Aggregate demand | 12 | 10 | 10 | 5 | 7 | 3 | 9 | 5 | 6 | 9 | 5 | |
| Prices | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 3 | 2 | 3 | 2 | |
| Staff | 7 | 8 | 8 | 7 | 6 | 5 | 6 | 5 | 5 | 6 | 5 | |
| Level | | | | | | | | | | | | |
| Cash positions | 16 | 19 | 19 | 13 | 19 | 17 | 18 | 16 | 17 | 17 | 16 | |

Construction

| | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 3 | 9 | 6 | 1 | 5 | 6 | 9 | 6 | 4 | 13 | -4 | 2 |
| Estimates prices | 1 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | |
| Staff | 0 | 3 | 3 | 3 | 1 | 3 | 3 | 2 | 2 | 2 | 2 | |
| Level | | | | | | | | | | | | |
| Order books | 23 | 26 | 25 | 24 | 24 | 26 | 26 | 27 | 26 | 25 | 25 | |

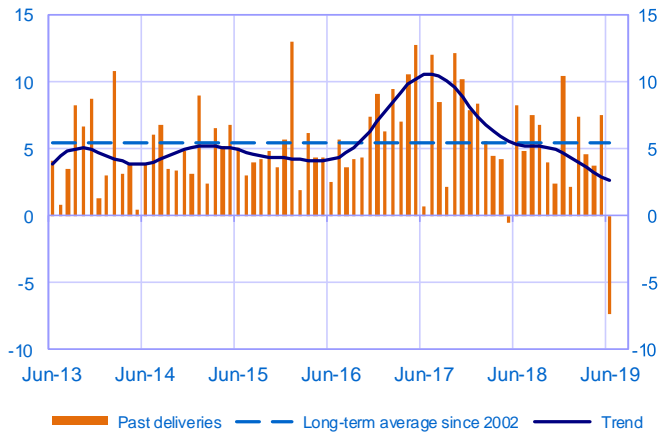
Notes :

- A positive (negative) balance of opinions corresponds to a rise (fall) in the corresponding variable.
- The last point corresponds to the business leaders' opinions of short-term production or activity forecasts.
- 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

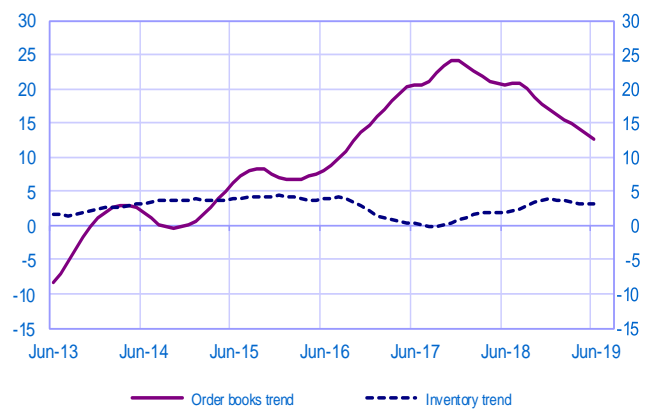
Changes in deliveries

Balance of opinions, SA-WDA



Inventories and order book level

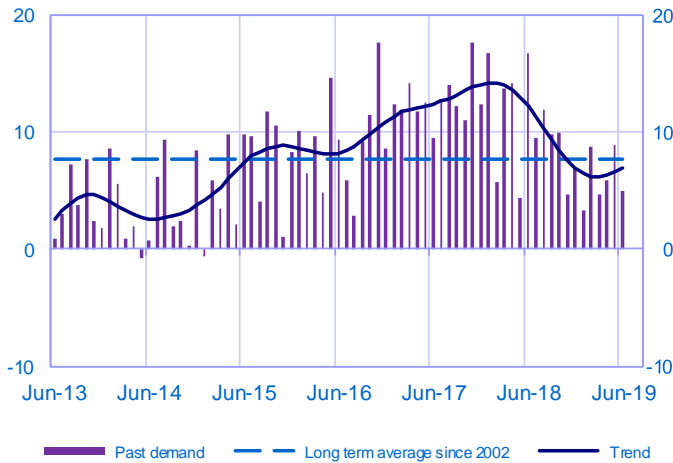
Balance of opinions, SA-WDA



Services

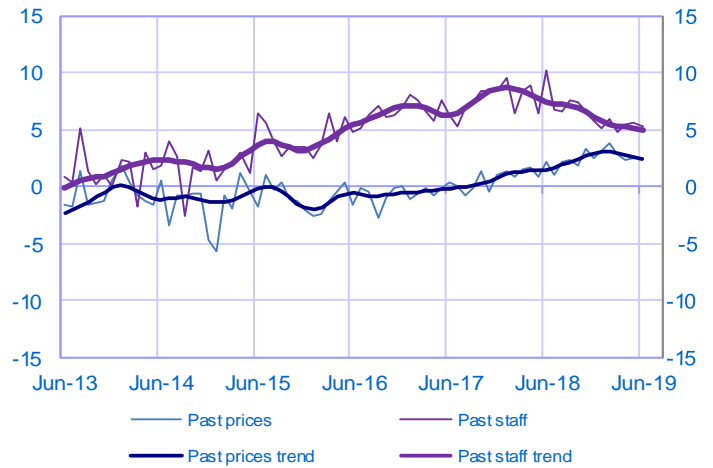
Changes in demand

Balance of opinions, SA-WDA



Changes in prices and staff

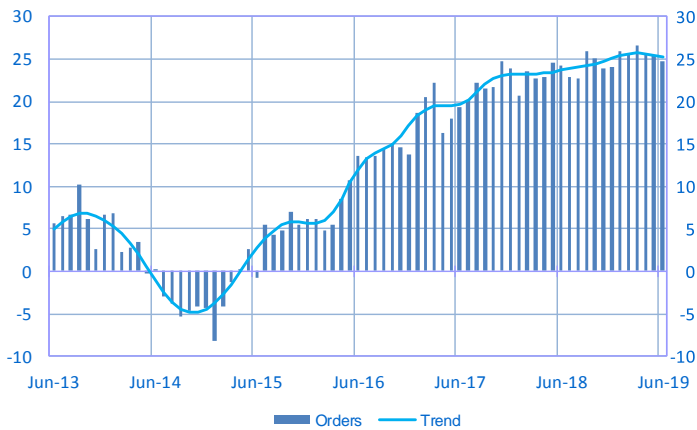
Balance of opinions, SA-WDA



Construction

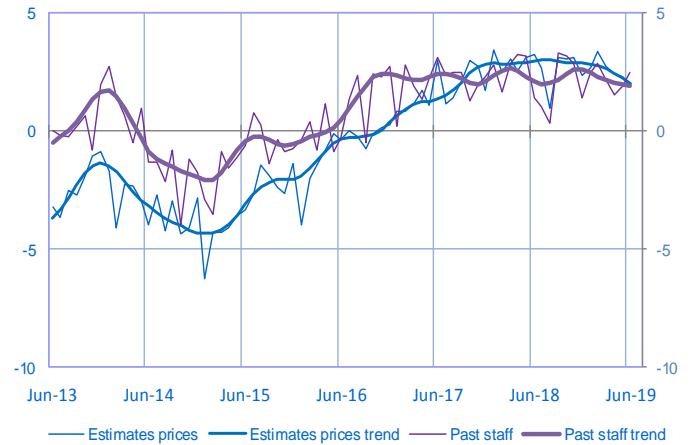
Order book level

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](#)

