

Wednesday 8 February 2012

JANUARY 2012

DGS
Sectoral Surveys and
Statistics Directorate

SUMMARY

According to the business managers surveyed, industrial activity improved very slightly in January. The capacity utilisation rate remained almost stable and was still below its long-term average. Order books remained close to normal levels on account of a slight rise in new orders. Inventories of final goods were in line with targeted levels.

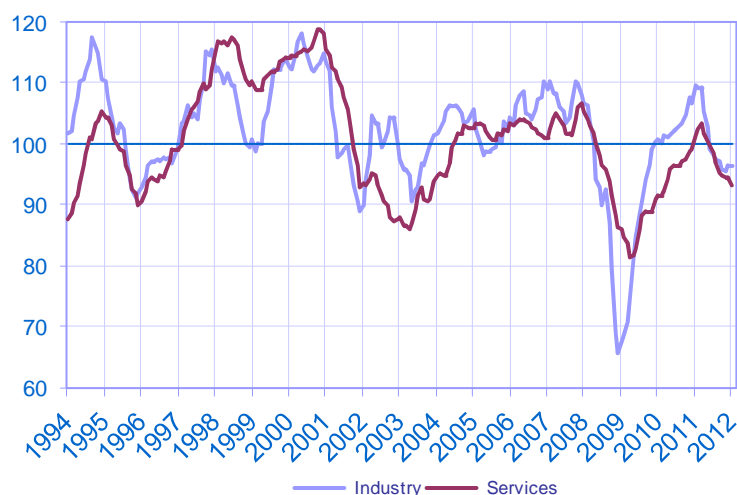
Prices of final goods continued to increase a little. Forecasts point to a steady level of activity in the coming weeks.

Activity in the services sector grew at a slower pace, due to a decline in the temporary work sector and in IT activities. Staff levels stabilized; the price increase came to a halt.

According to forecasts, activity in the services sector should remain stable in the short run.

The business sentiment indicators in industry and services

1981 (Industry) and 1987 (Services) latest figure average = 100



The business sentiment indicator in industry* stood at 96 in January, as in December.

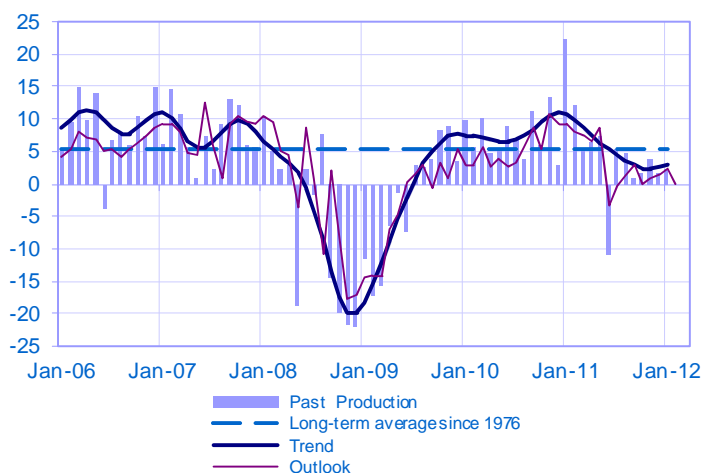
The business sentiment indicator in services* stood at 93 in January, after 94 in December.

According to the monthly index of business activity (MIBA), GDP is expected to remain stable in the first quarter of 2012 (first estimate).

* Calculations are based on survey data smoothed over three months.

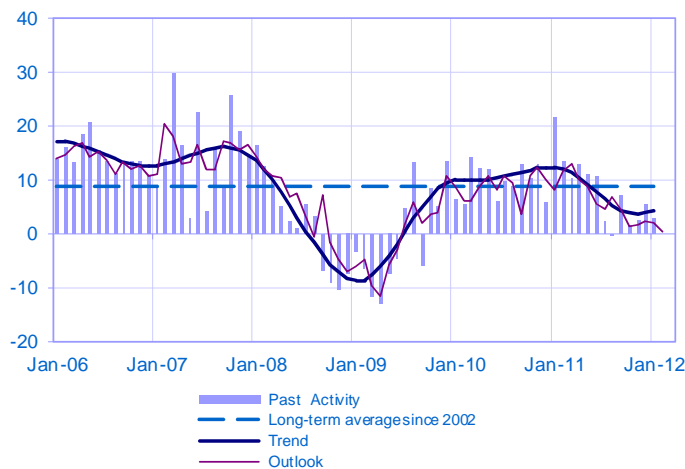
Industrial production

Balance of opinions, sa



Services activity

Balance of opinions, sa

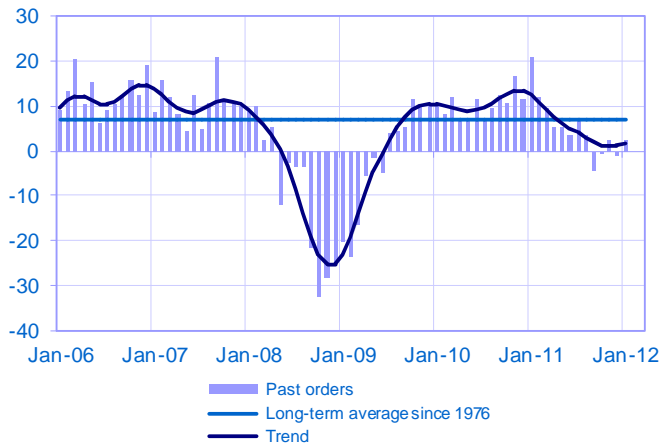


	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
Indicator in Industry	109	109	105	103	99	98	97	97	96	95	96	96
Indicator in Services	102	103	102	100	100	98	97	95	95	95	94	93

Industry

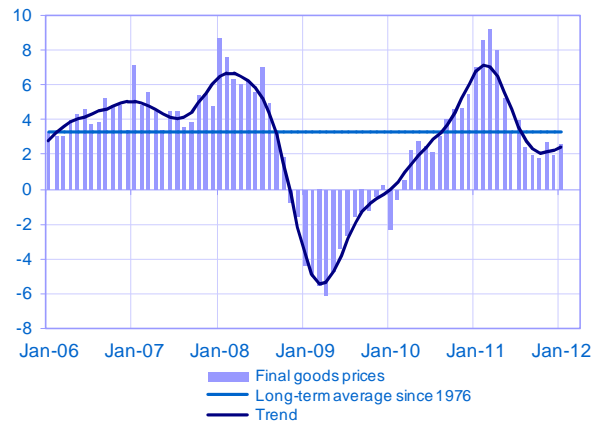
Total orders

Balance of opinions, sa



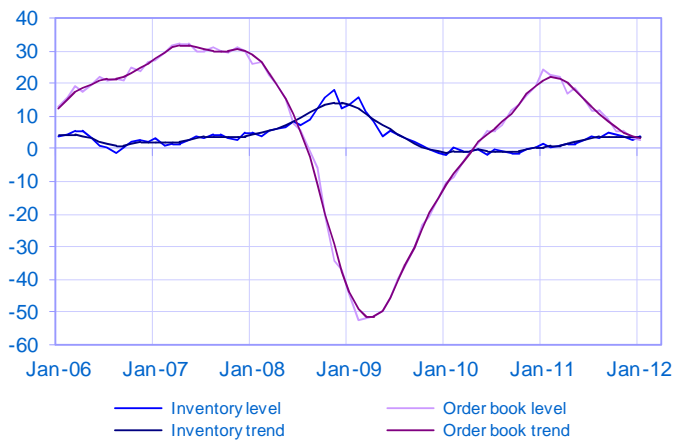
Final goods prices

Balance of opinions, sa



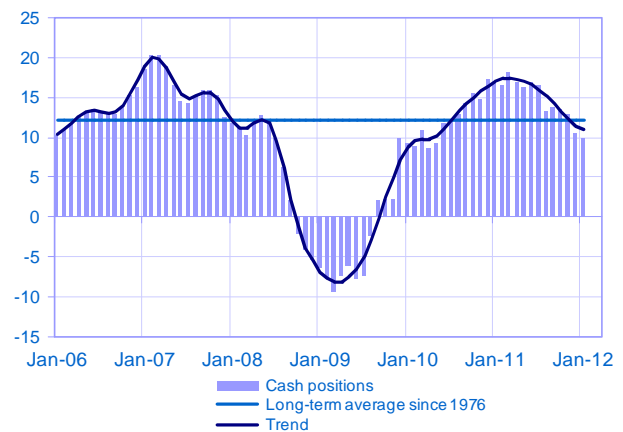
Inventories and order books

Balance of opinions, sa



Cash positions

Balance of opinions, sa



Industry	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Production (1)	5	6	7	-11	5	5	1	2	4	2	2	0
Past deliveries (1)	6	7	8	-2	6	5	2	5	4	1	3	
Total orders (1)	10	5	5	3	7	4	-4	-1	2	-1	3	
Order books (2)	22	17	19	15	12	11	9	6	6	3	3	
Inventories of finished goods (2)	1	1	1	3	3	3	5	4	4	2	3	
Past staff levels (1)	3	1	1	1	0	0	-1	0	0	-1	-1	
Capacity utilisation rate (2)	80.3	80.2	80.9	79.9	79.3	78.7	79.3	79.2	79.2	79.1	78.9	
Final goods prices (1)	9	8	5	3	4	2	2	2	3	2	3	
Past commodity prices (1)	19	16	7	5	6	5	3	4	4	2	2	
Cash positions (2)	18	17	16	17	17	13	14	13	13	10	10	

(1) Evolution

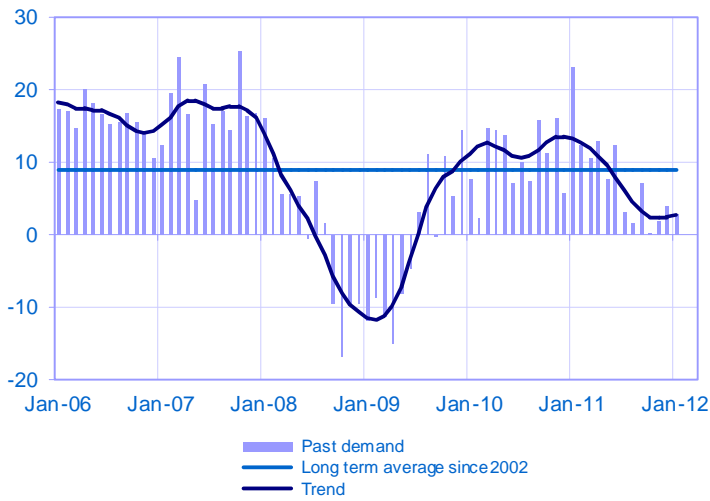
(2) Level

Services*

*Inclusion of new activities in the Survey on Services as of September 2011 (see Appendix Page 17)

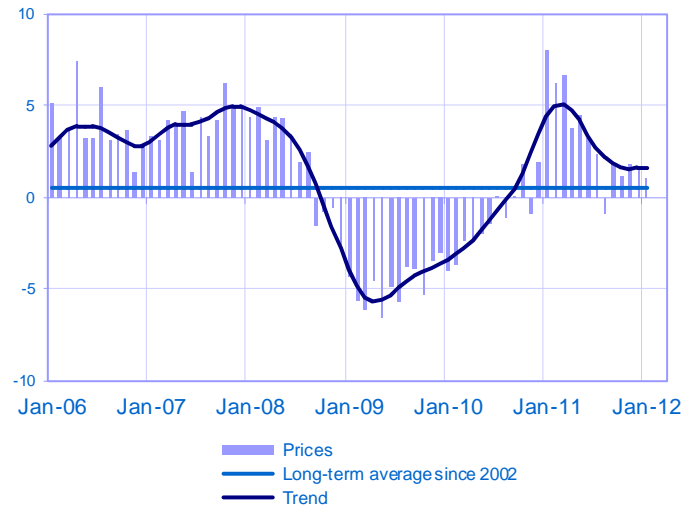
Aggregate demand

Balance of opinions. sa



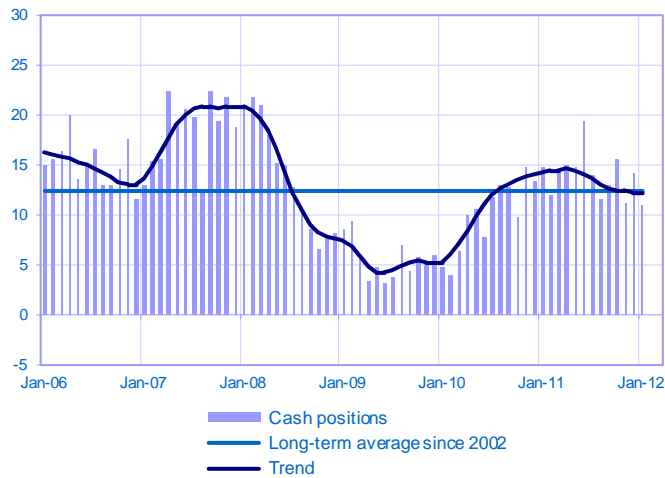
Prices

Balance of opinions. sa



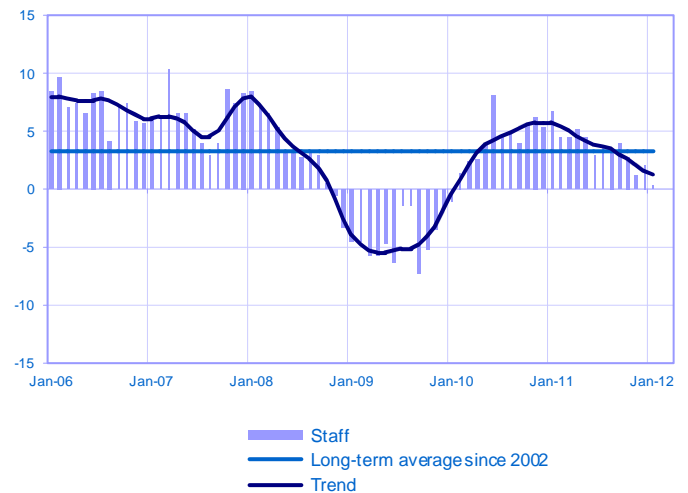
Cash positions

Balance of opinions. sa



Staff

Balance of opinions. sa



Services	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Activity (1)	10	13	11	11	2	0	7	2	3	6	3	0
Aggregate demand (1)	11	13	8	12	3	2	7	0	2	4	3	
Prices (1)	7	4	5	3	2	-1	2	1	2	2	1	
Cash positions (2)	14	15	15	19	14	12	13	16	11	14	11	
Staff (1)	4	5	5	3	4	3	4	3	1	2	0	

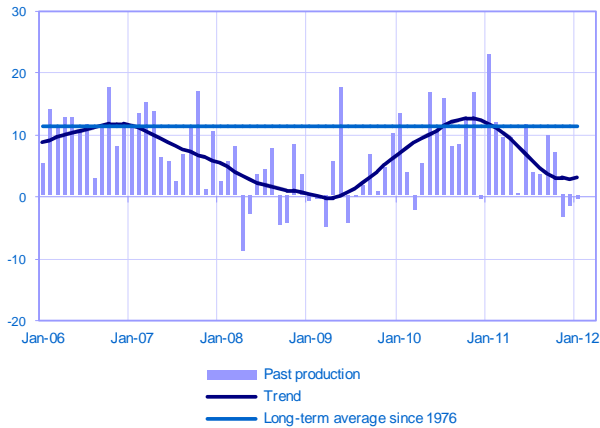
(1) Evolution

(2) Level

Manufacture of food products and beverages (17 % of Value Added in Manufacturing Industry)

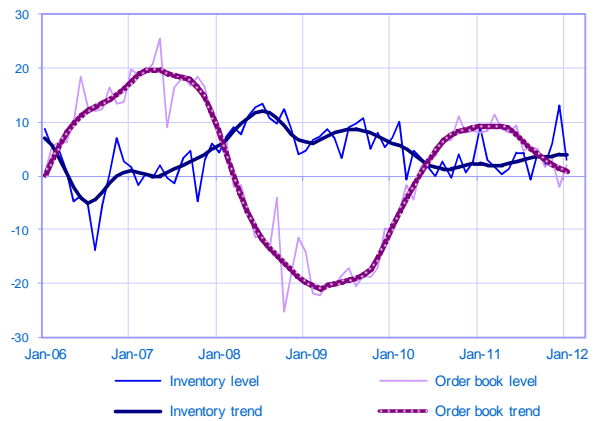
Production

Balance of opinions. sa



Inventories and order books

Balance of opinions. sa

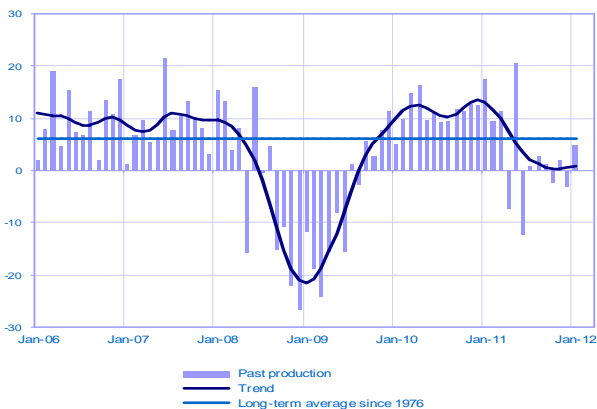


January	Production	Production trend	Orders	Inventories	Order books	CUR	Production forecasts
Manufacture of food products and beverages	-1	3	4	3	2	80	7

Electrical, electronic and computer equipment and other machinery (17 % of Value Added in Manufacturing Industry)

Production

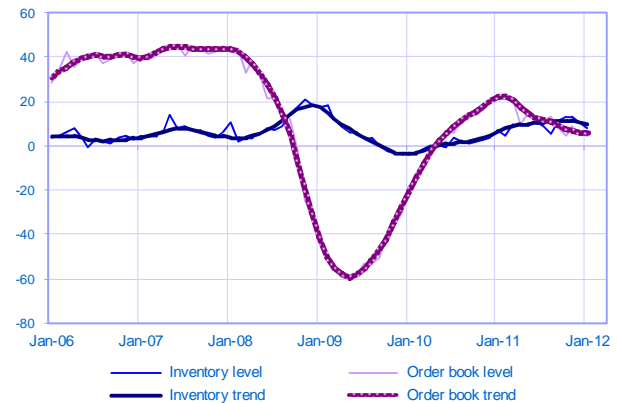
Balance of opinions. sa



Total

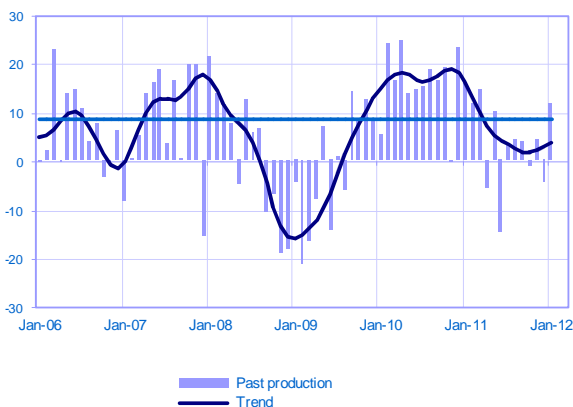
Inventories and order books

Balance of opinions. sa



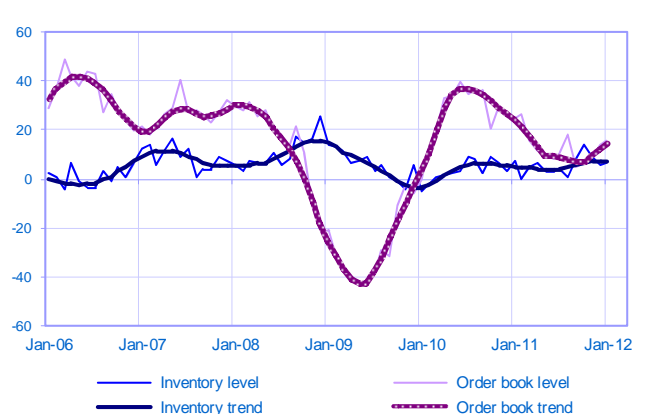
Production

Balance of opinions. sa



Inventories and order books

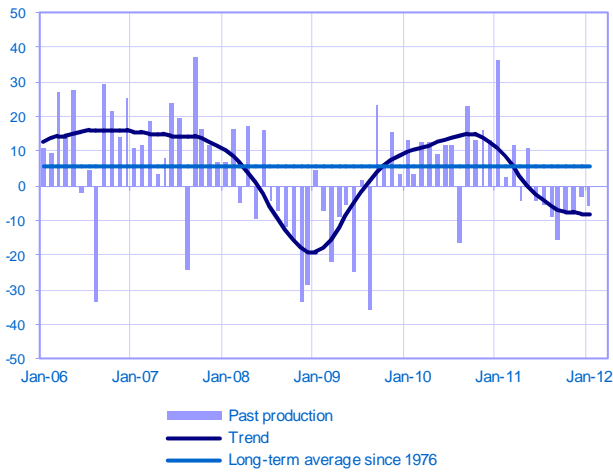
Balance of opinions. sa



Electrical equipment

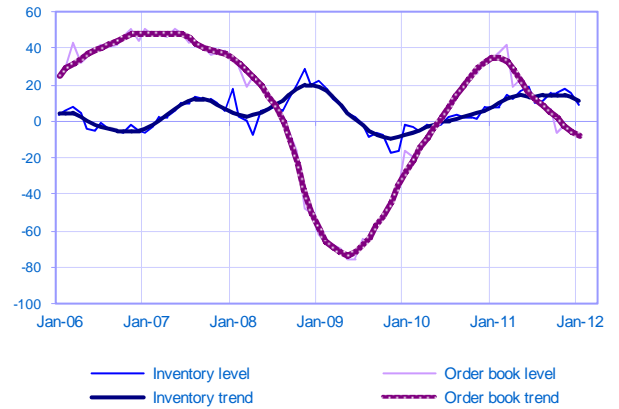
Production

Balance of opinions. sa



Inventories and order books

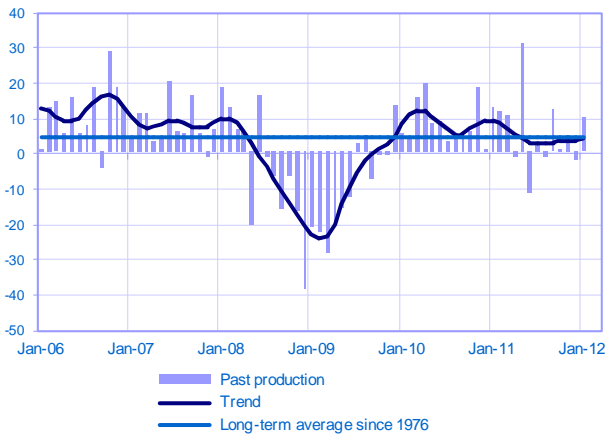
Balance of opinions. sa



Machinery and equipment

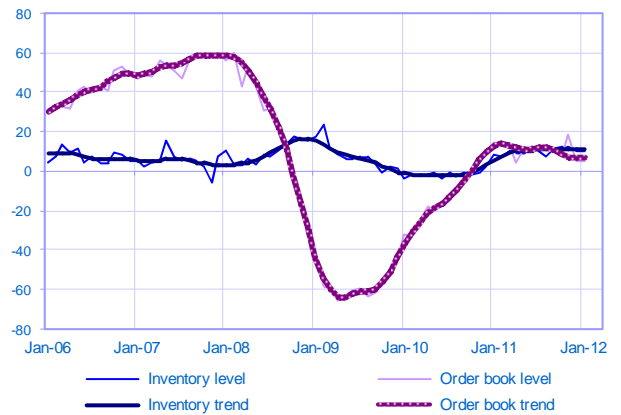
Production

Balance of opinions. sa



Inventories and order books

Balance of opinions. sa



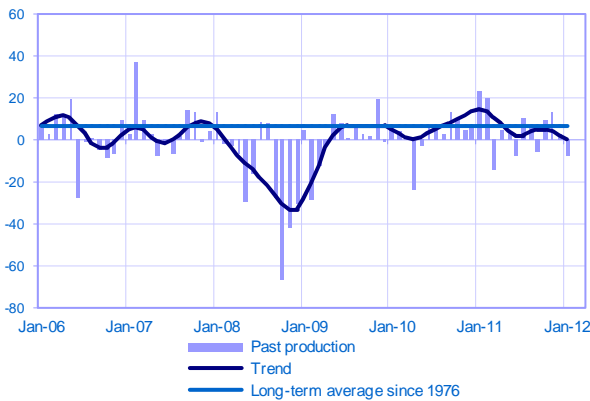
January	Production	Production trend	Orders	Inventories	Order books	CUR	Production forecasts
Electrical, electronic and computer equipment and other machinery	5	1	5	7	4	79	1
Computer, electronic and optical products	12	4	3	6	15	82	8
Electrical equipment	-6	-8	0	8	-9	78	-1
Machinery and equipment	10	4	6	10	5	80	17

Transport equipment (12 % of Value Added in Manufacturing Industry)

Total

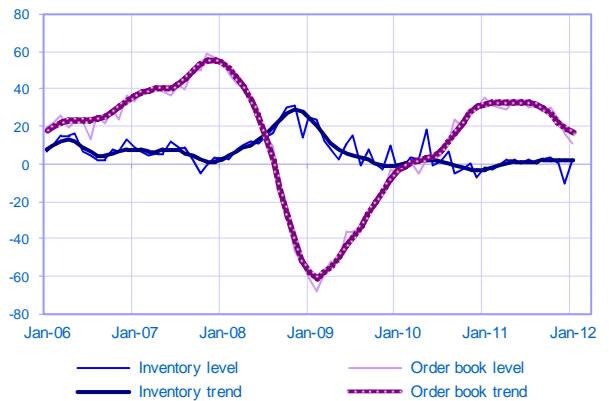
Production

Balance of opinions. sa



Inventories and order books

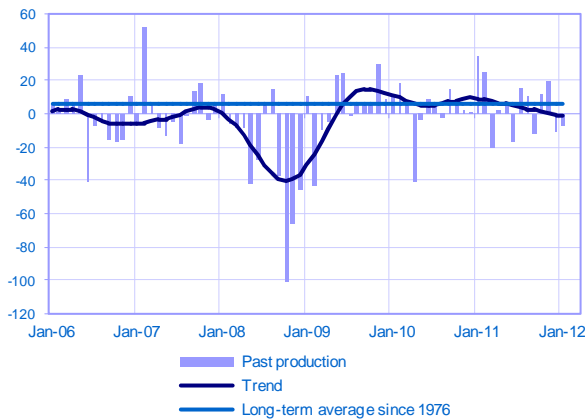
Balance of opinions. sa



Automotive industry

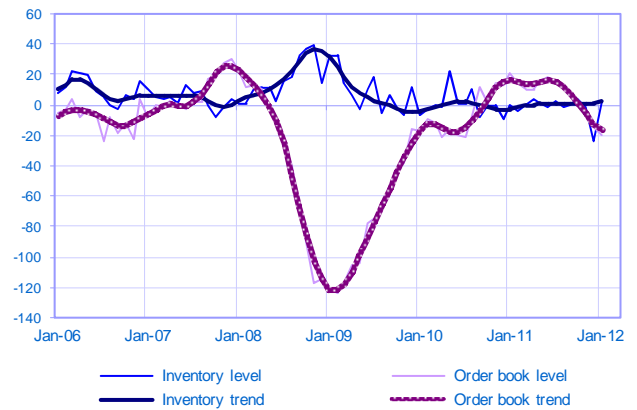
Production

Balance of opinions. sa



Inventories and order books

Balance of opinions. sa

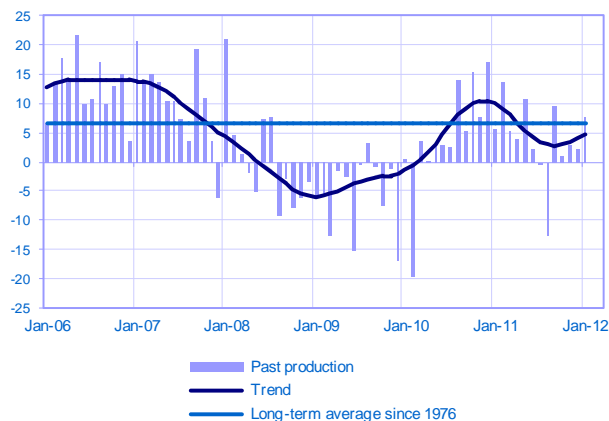


Other transport equipment

(Shipbuilding, aircraft and rail construction)

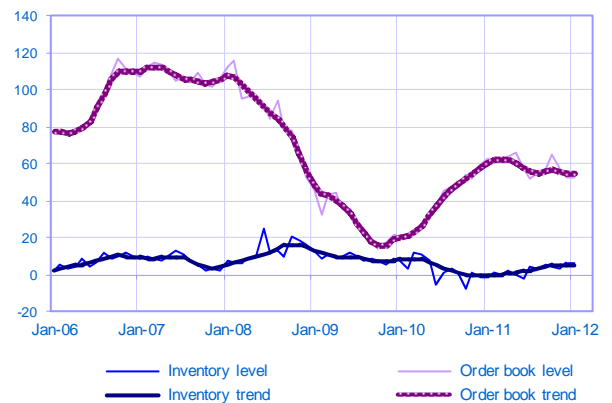
Production

Balance of opinions. sa



Inventories and order books

Balance of opinions. sa



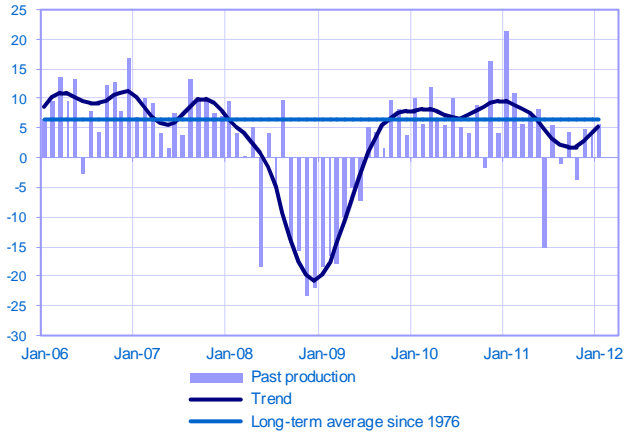
January	Production	Production trend	Orders	Inventories	Order books	CUR	Production forecasts
Transport equipment	-8	0	11	2	11	78	-1
Automotive industry	-7	-1	15	1	-21	73	-11
Other transport equipment	8	4	4	6	53	83	17

Other manufacturing
(54 % of Value Added in Manufacturing Industry)

Total

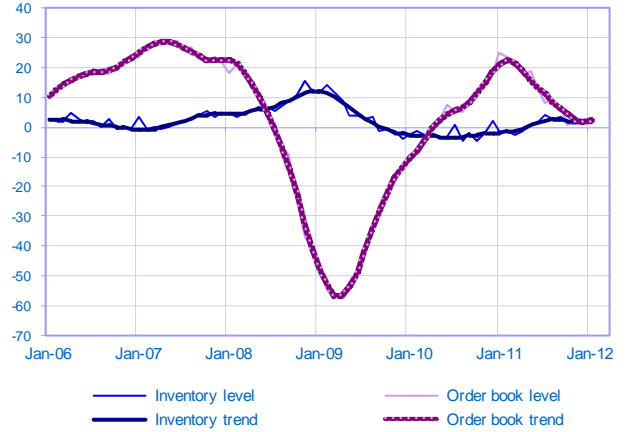
Production

Balance of opinions. sa



Inventories and order books

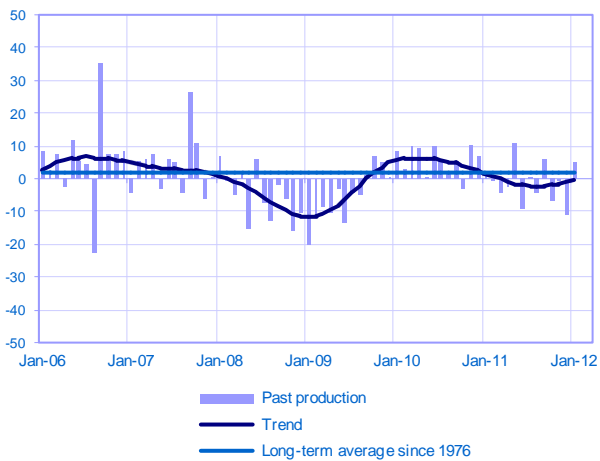
Balance of opinions. sa



Textiles, wearing apparel, leather and related products

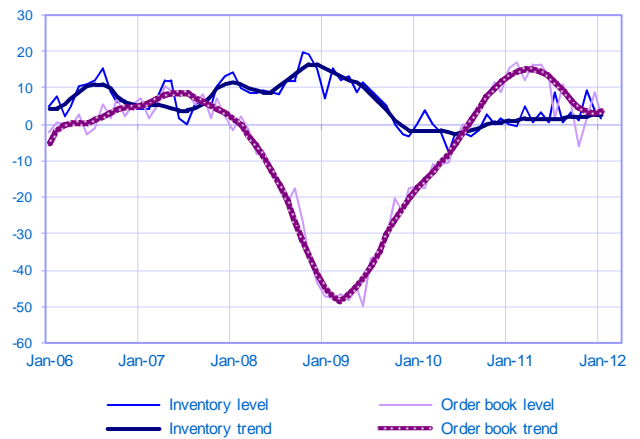
Production

Balance of opinions. sa



Inventories and order books

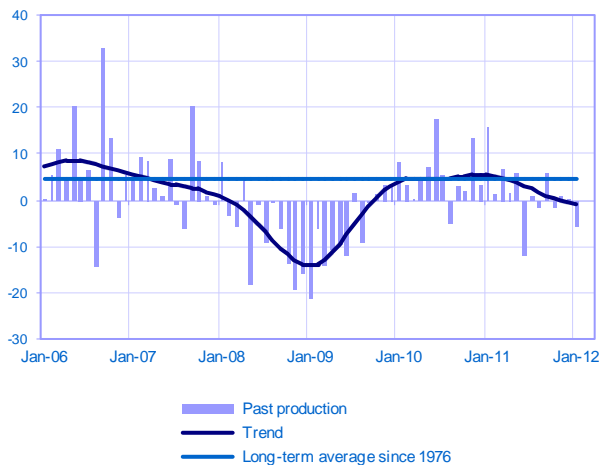
Balance of opinions. sa



Wood, paper and printing

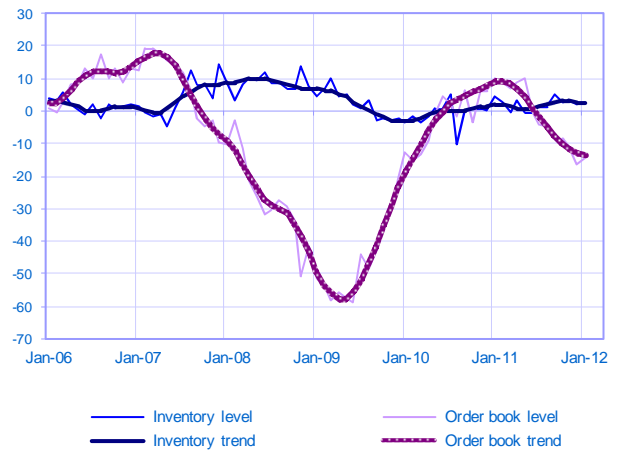
Production

Balance of opinions. sa



Inventories and order books

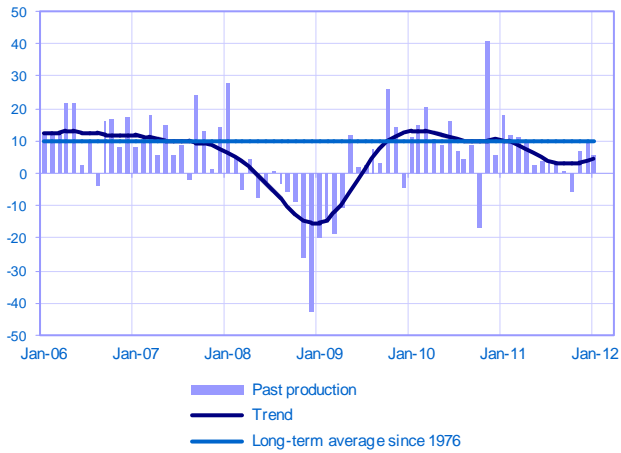
Balance of opinions. sa



Chemicals industry

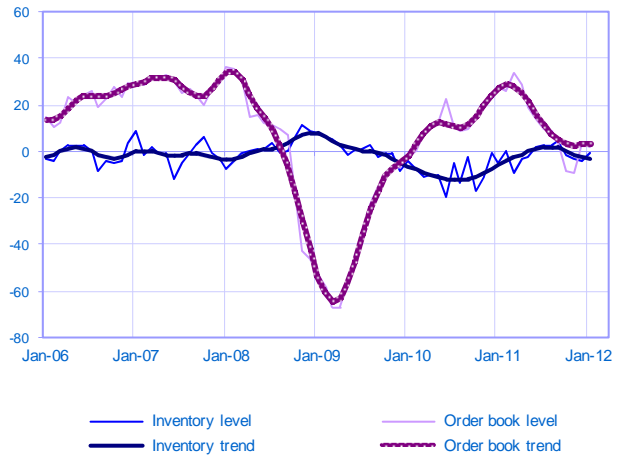
Production

Balance of opinions. sa



Inventories and order books

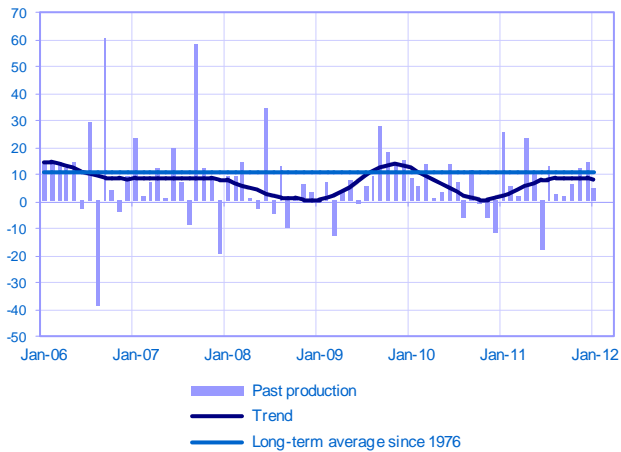
Balance of opinions. sa



Pharmaceutical industry

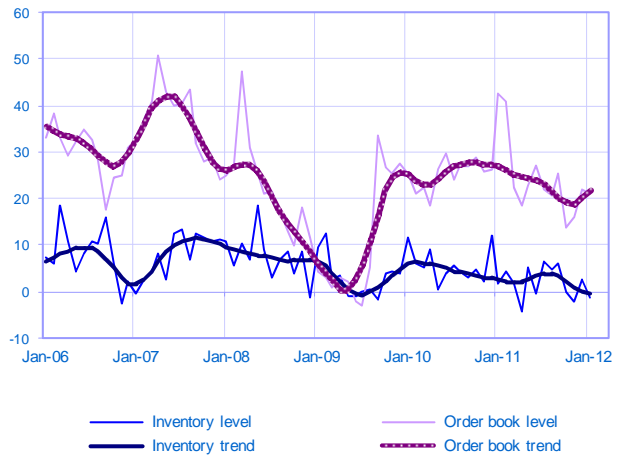
Production

Balance of opinions. sa



Inventories and order books

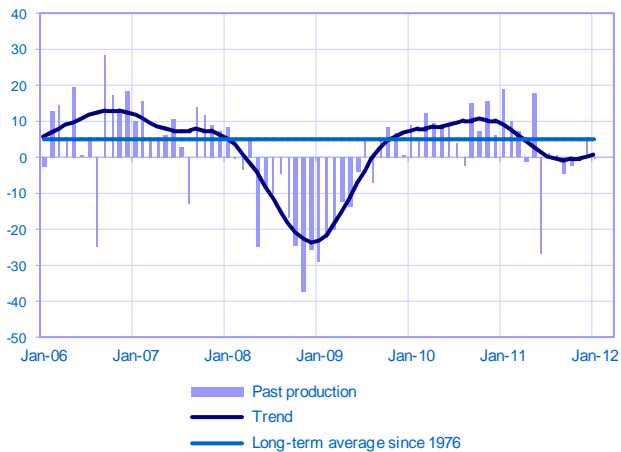
Balance of opinions. sa



Rubber, plastic products and other non-metallic mineral products

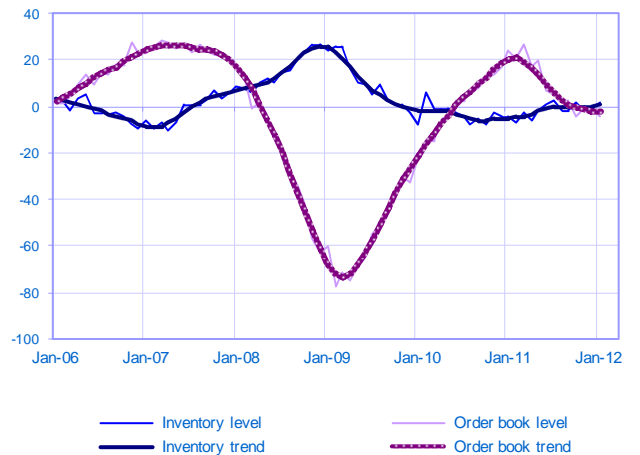
Production

Balance of opinions. sa



Inventories and order books

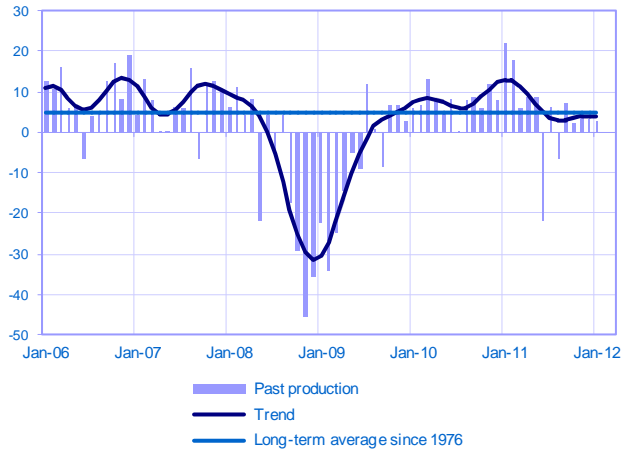
Balance of opinions. sa



Metal and metal products manufacturing

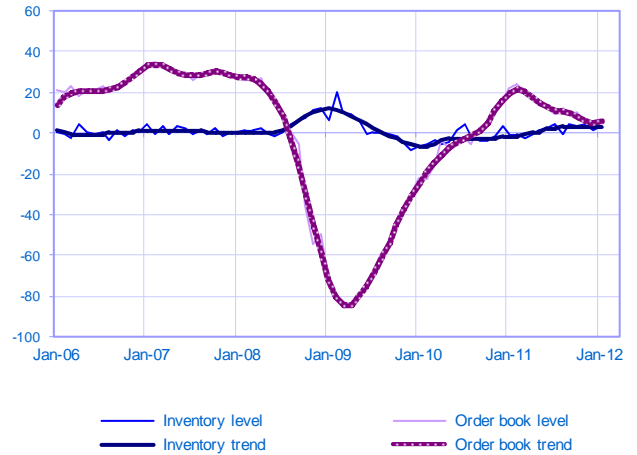
Production

Balance of opinions. sa



Inventories and order books

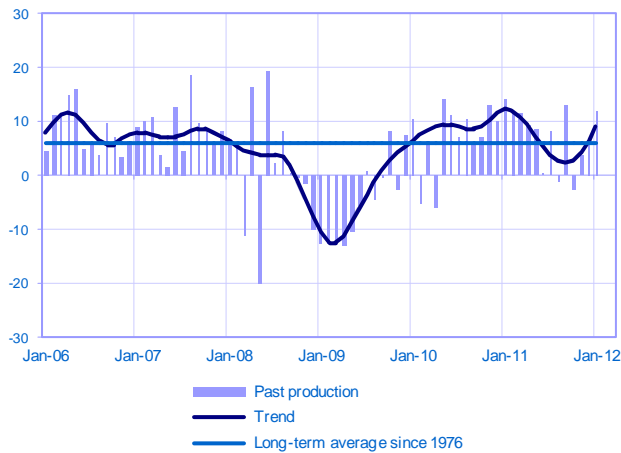
Balance of opinions. sa



Other manufacturing industries (Including repair and installation of machinery)

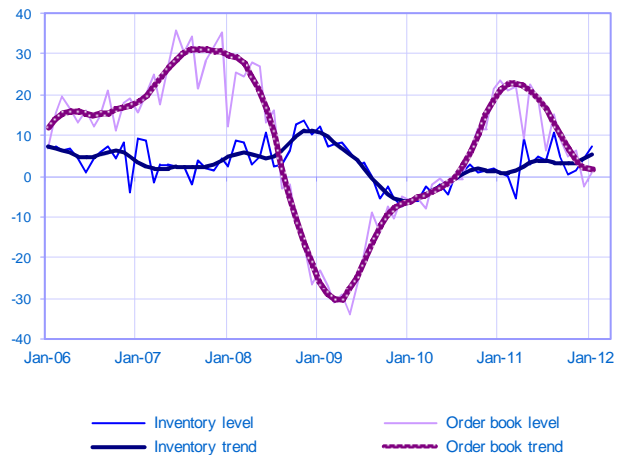
Production

Balance of opinions. sa



Inventories and order books

Balance of opinions. sa



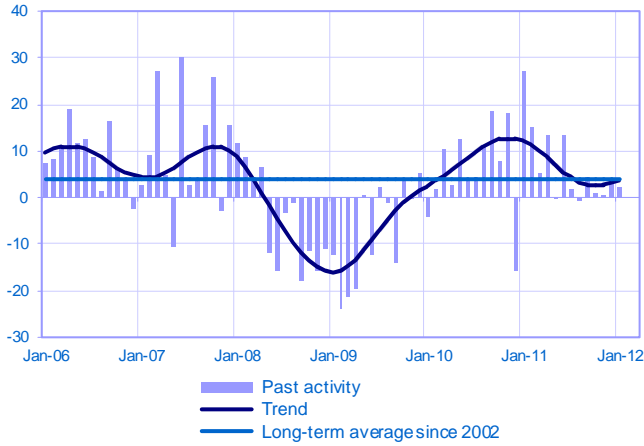
January	Production	Production trend	Orders	Inventories	Order books	CUR	Production forecasts
Other manufacturing	6	5	2	2	1	79	0
Textiles, wearing apparel, leather and related products	5	-1	7	1	3	78	6
Wood paper and printing	-6	-1	-5	2	-15	77	8
Chemicals industry	5	5	7	-1	2	79	6
Pharmaceutical industry	5	8	1	-2	21	85	19
Rubber, plastic products and other non-metallic mineral products	0	1	1	1	-5	77	-1
Metal and metal products manufacturing	3	4	4	3	5	77	12
Other manufacturing industries (including repair and installation of machinery)	12	9	0	7	1	83	6

Transport and accommodation (25 % of Value Added in Services)

Total

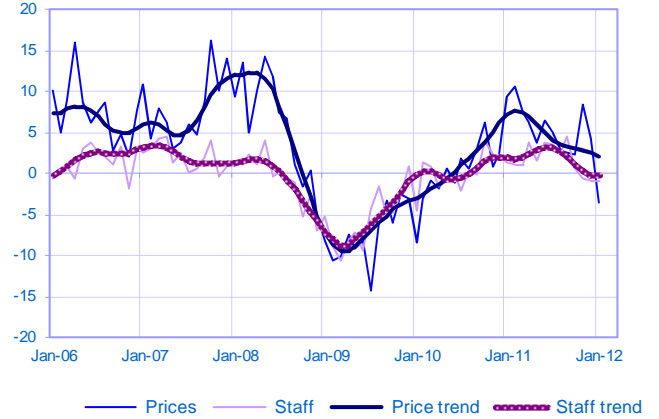
Activity

Balance of opinions. sa



Staff and prices

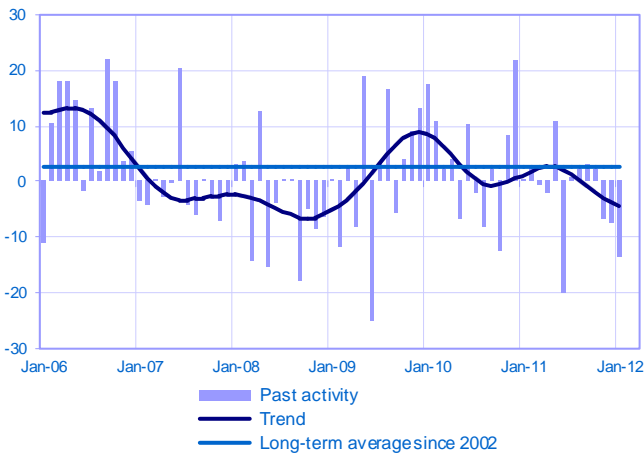
Balance of opinions. sa



Automotive repair

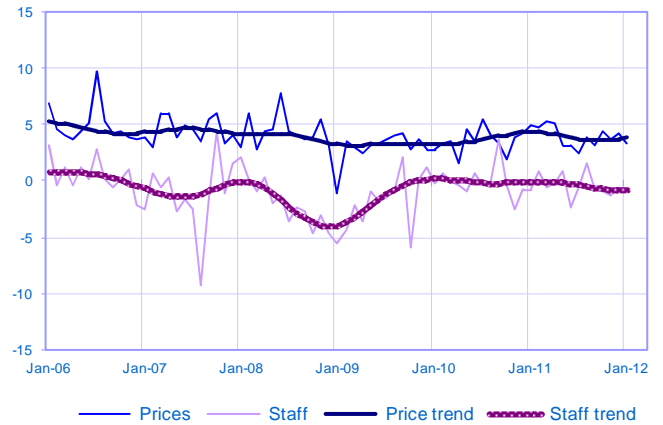
Activity

Balance of opinions. sa



Staff and prices

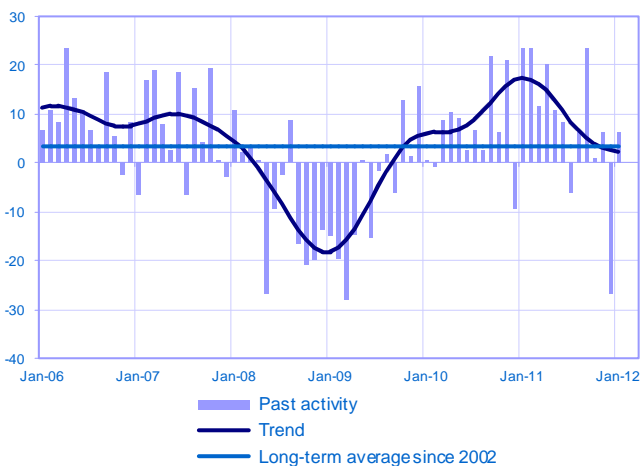
Balance of opinions. sa



Transportation and storage

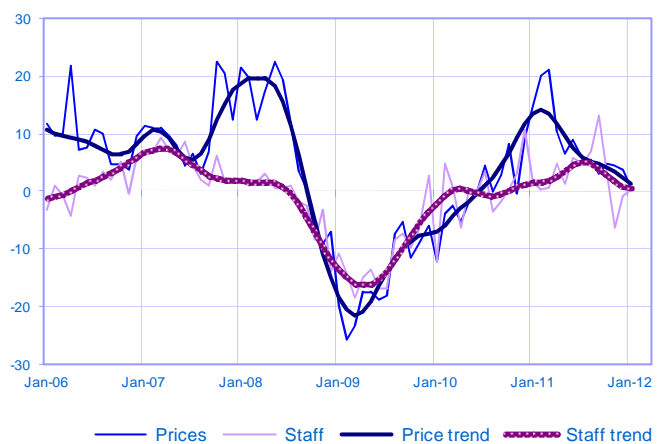
Activity

Balance of opinions. sa



Staff and prices

Balance of opinions. sa



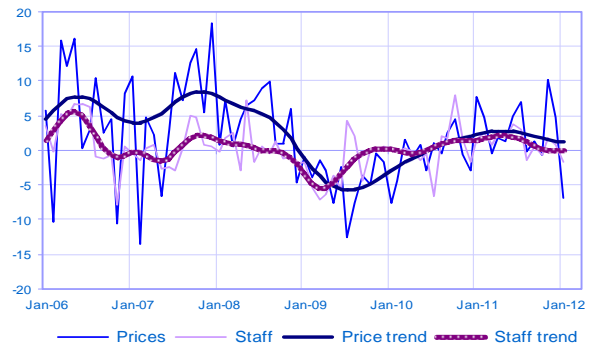
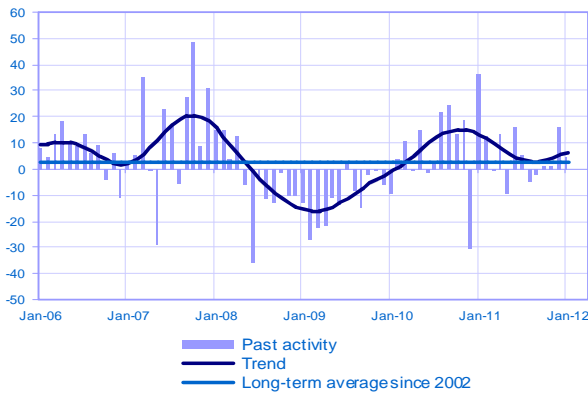
Accommodation and food services

Staff and prices

Activity

Balance of opinions. sa

Balance of opinions. sa



January	Activity	Activity trend	Demand	Prices	Staff	Cash positions	Activity forecasts
Transport and accommodation	2	4	1	-4	-1	13	2
Automotive repair	-14	-5	-12	3	-1	-12	-1
Transportation and storage	6	2	12	0	0	10	4
Accommodation and food services activities	5	6	5	-7	-2	23	3

Information and communication

(18 % of Value Added in Services)

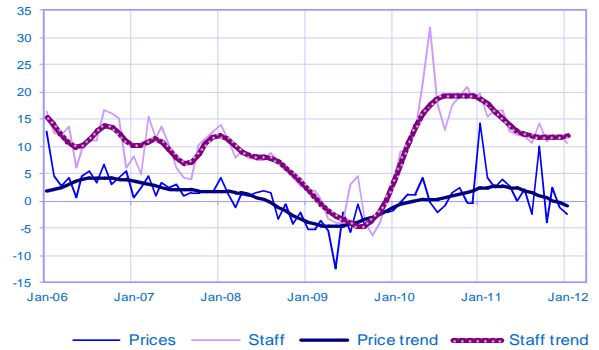
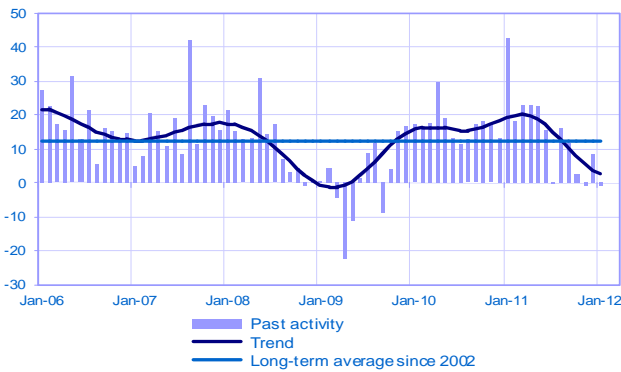
Total

Activity

Balance of opinions. Sa

Staff and prices

Balance of opinions. sa



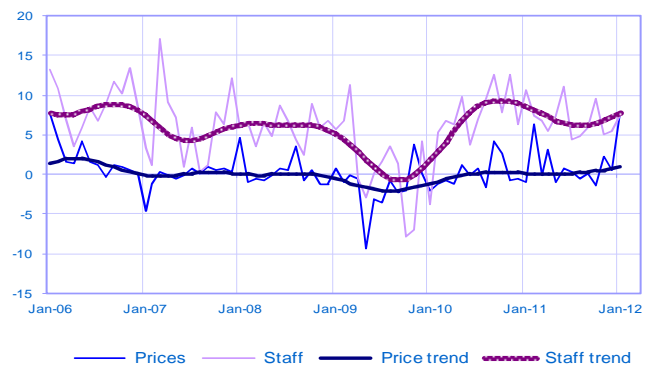
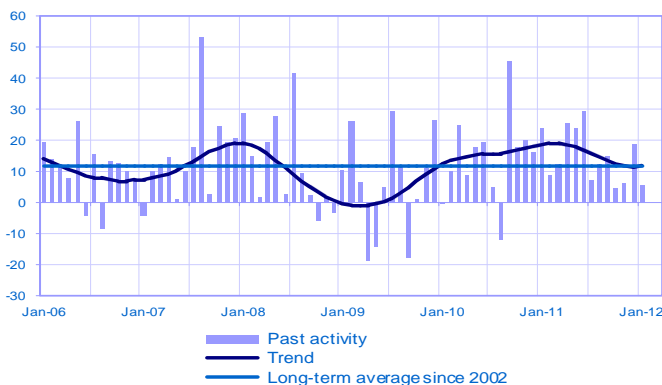
Activity

Balance of opinions. Sa

Publishing

Staff and prices

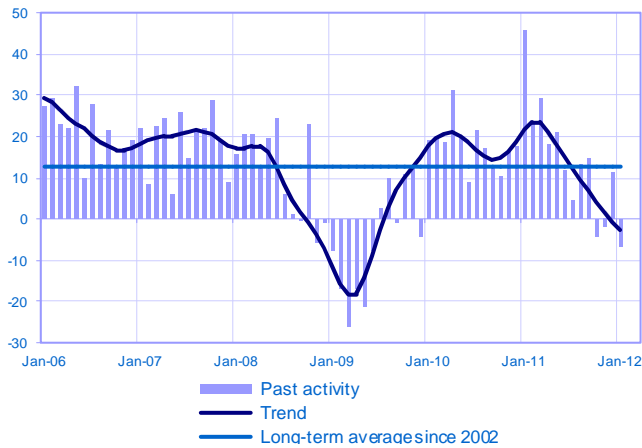
Balance of opinions. sa



Computer and information services

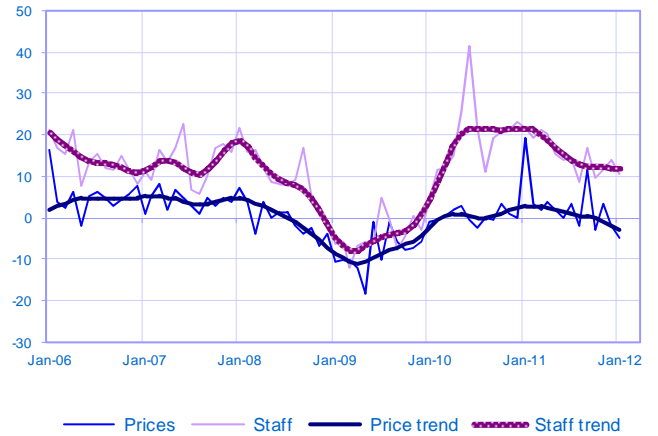
Activity

Balance of opinions. Sa



Staff and prices

Balance of opinions. sa



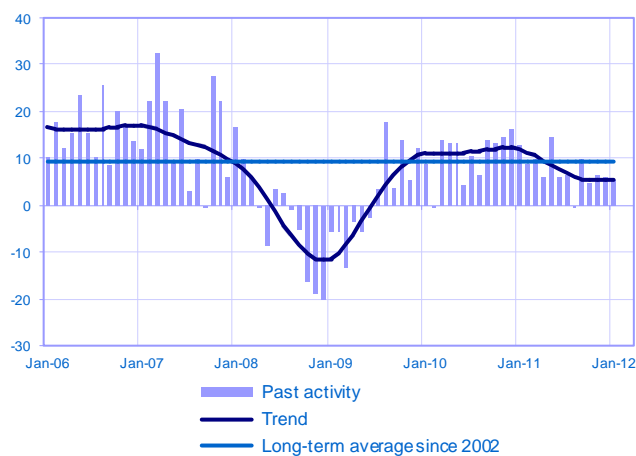
January	Activity	Activity trend	Demand	Prices	Staff	Cash positions	Activity forecasts
Information and communication	-1	2	2	-2	11	22	4
Publishing	5	11	5	8	7	33	19
Computer and information services	-7	-3	-1	-5	11	21	8

Professional, scientific and technical activities and administrative services (50 % of Value Added in Services)

Total

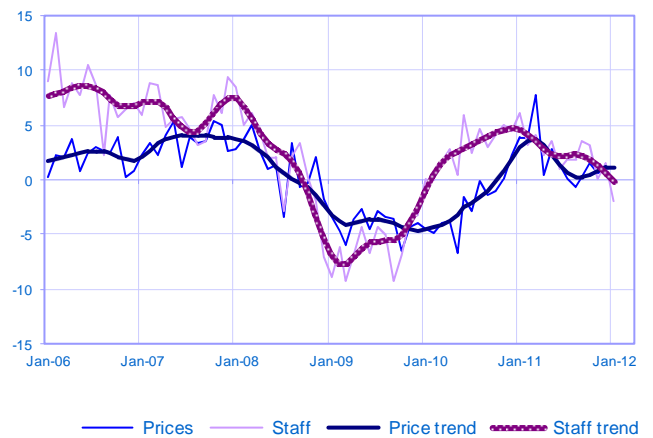
Activity

Balance of opinions. sa



Staff and prices

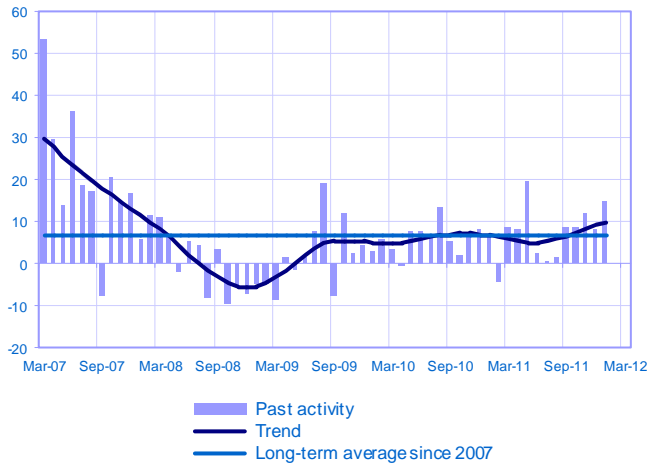
Balance of opinions. sa



Management consultancy and legal and accounting activities

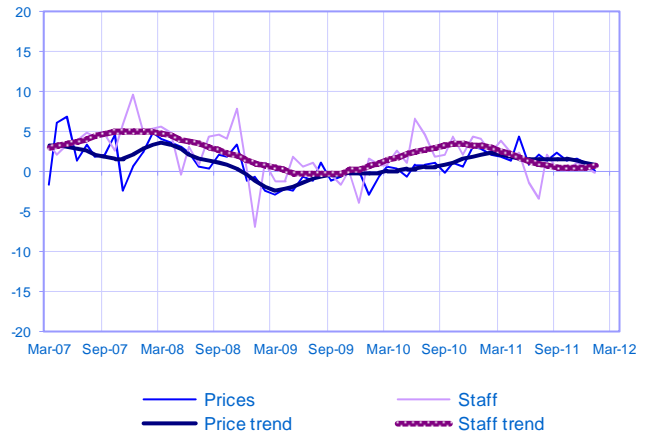
Activity

Balance of opinions. sa



Staff and prices

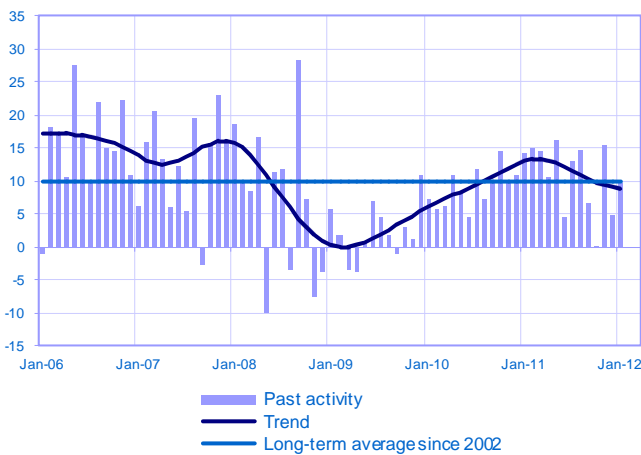
Balance of opinions. sa



Architecture, engineering, technical testing and analysis activities

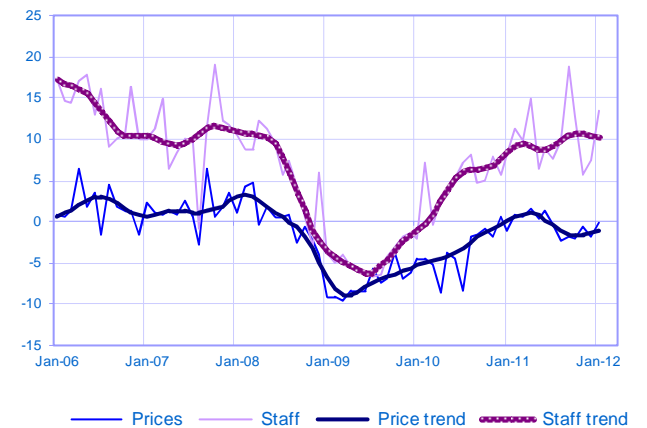
Activity

Balance of opinions. sa



Staff and prices

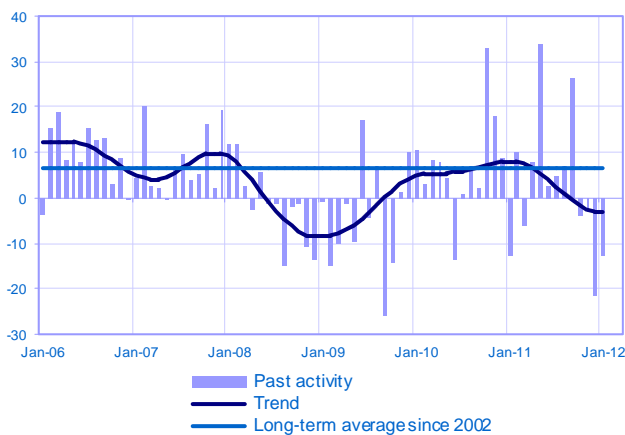
Balance of opinions. sa



Advertising and market research

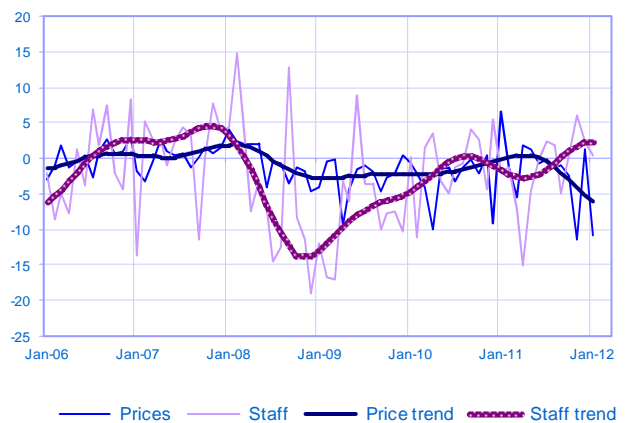
Activity

Balance of opinions. sa



Staff and prices

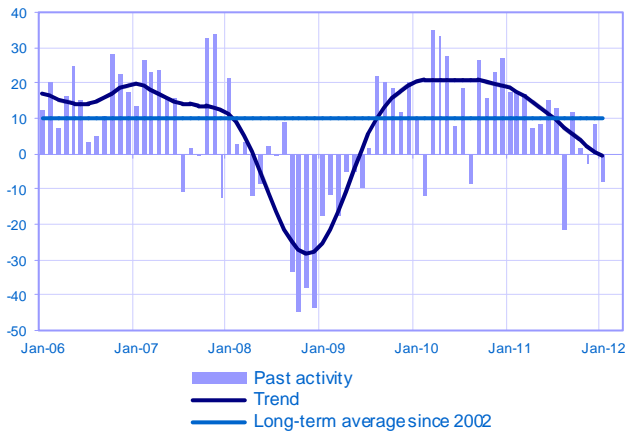
Balance of opinions. sa



Administrative and support service activities

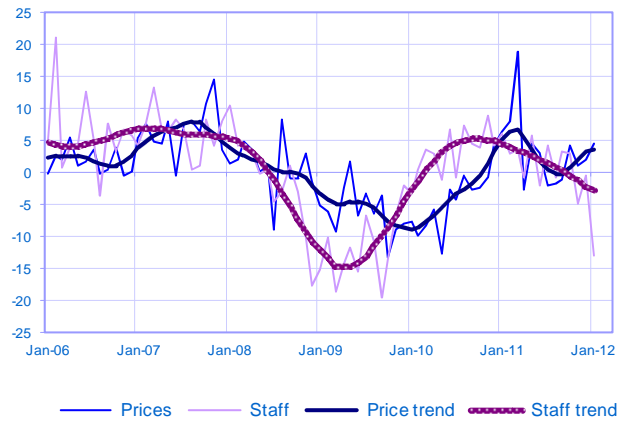
Activity

Balance of opinions. sa



Staff and prices

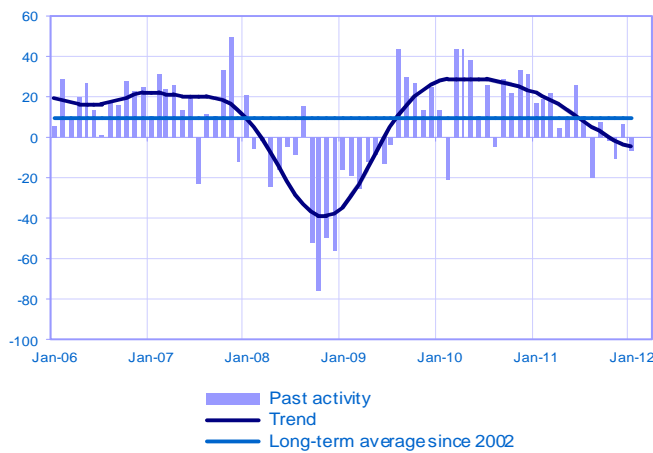
Balance of opinions. sa



O/W activities related to employment

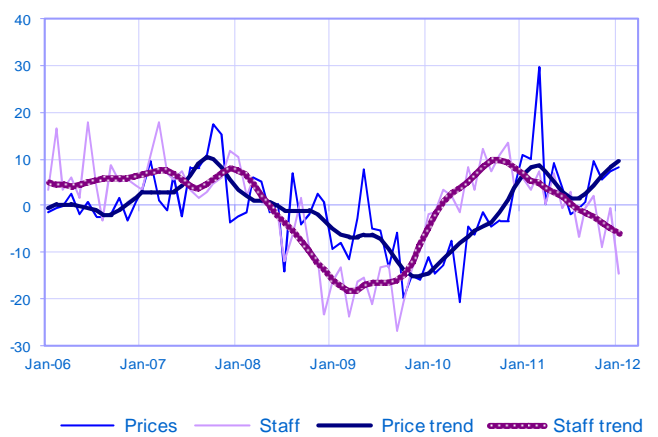
Activity

Balance of opinions. sa



Staff and prices

Balance of opinions. sa



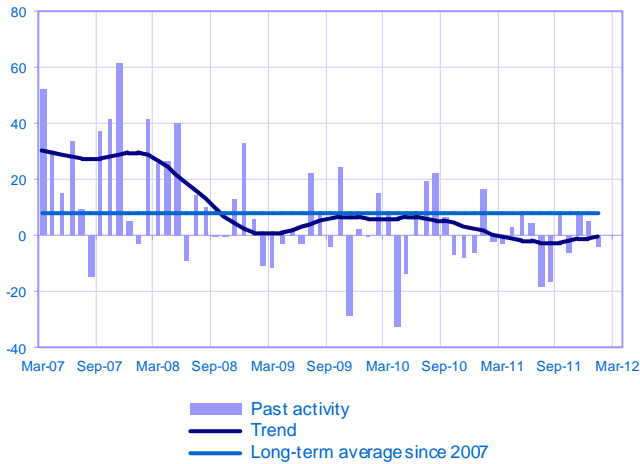
January	Activity	Activity trend	Demand	Prices	Staff	Cash positions	Activity forecasts
Professional, scientific and technical activities and administrative services	5	5	4	1	-2	8	0
Management consultancy and legal and accounting activities	15	10	15	0	0	12	4
Architecture, engineering, technical testing and analysis activities	10	9	2	0	13	17	17
Advertising and market research	-13	-3	-19	-11	0	27	-14
Administrative and support service activities	-8	-1	-6	4	-13	-3	-2
<i>O/W activities related to employment</i>	<i>-7</i>	<i>-5</i>	<i>-8</i>	<i>8</i>	<i>-15</i>	<i>-4</i>	<i>-9</i>

Other activities (7 % of Value Added in Services)

Other service activities

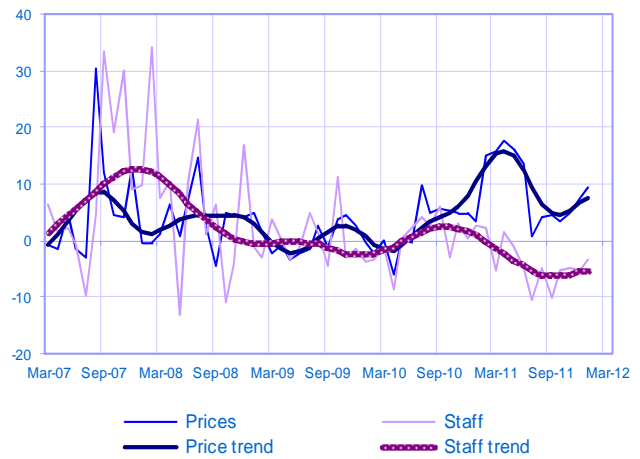
Activity

Balance of opinions. sa



Staff and prices

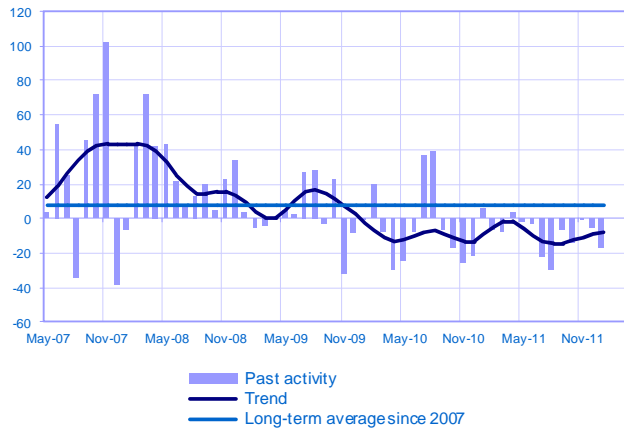
Balance of opinions. sa



O/W household activities

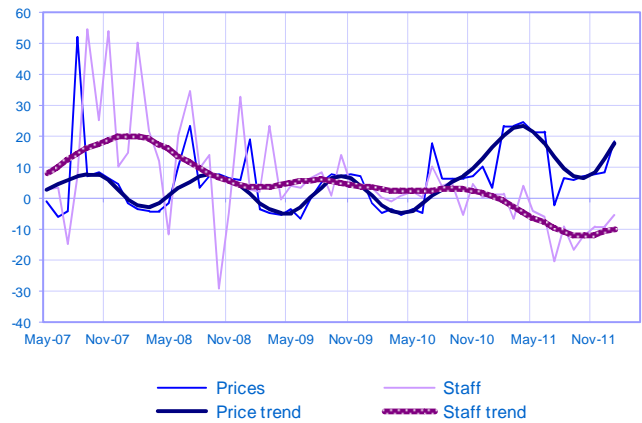
Activity

Balance of opinions. sa



Staff and prices

Balance of opinions. sa



January	Activity	Activity trend	Demand	Prices	Staff	Cash positions	Activity forecasts
Other service activities	-4	-1	0	9	-4	0	4
O/W household activities	-17	-9	-5	18	-5	-3	4

Methodological note

Balance of opinions

The balance of opinions is calculated as the sum total of positive and negative opinions given by business managers, weighted by the number of staff in the company and adjusted for the value added of each sector. A positive balance of opinions indicates that the majority of respondents consider that there has been an increase in the measured variable.

The balance of opinions whose value is between –200 and +200 reflects the aggregate level of positive and negative replies from business managers surveyed using a rating scale with seven gradations (three gradations either side of the normal level).

In the tables, the balances of opinions shown correspond either to changes or to levels. For industry: changes in production/M-1, changes in orders/M-1, changes in prices/M-1, level of inventories of finished goods at the end of month M, level of order books at the end of month M, average level of capacity utilisation in month M, forecasts of changes in production. For services: changes in activity/M-1, changes in aggregate demand/M-1, changes in prices/M-1, changes in staff levels/M-1, levels of cash flows at the end of month M, forecasts of changes in activity.

Series

All the data series (seasonally-adjusted, trend and composite indicators) are available on the Banque de France website in the Webstat database.

<http://webstat.banque-france.fr/fr/browse.do?node=5384225>

Seasonal adjustment

The series are additively seasonally adjusted using the X12-ARIMA method. The unadjusted series (U) is broken down into three components: trend/cycle (T), seasonal factors (S) and irregular (I). The seasonally-adjusted series published correspond to the unadjusted series without the seasonal factors component (U-S), which is also the sum total of the trend and the irregular (T+I).

Business Sentiment Indicator in industry and services

The business sentiment indicator in industry combines all of the replies to the survey on industry (activity, inventories, staff levels, order books, capacity utilisation rate, etc.) to determine the common feature. The indicator is normalised around 100 (long-term average) with a standard deviation of 10. In technical terms, it corresponds to the first eigen vector of the principal component analysis (PCA) of aggregated series smoothed by a moving average over three months. This first eigen vector represents around 80% of the variance.

The business sentiment indicator in services is calculated using a similar methodology, from replies to the survey on services. The methodology used for it is presented in detail in an article that appeared in Banque de France Bulletin Digest n°174 (July-August 2008).

http://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/Bulletin-de%20la-Banque-de-France/revues/2008/Bulletin-de-la-Banque-de-France-etude-171-1.pdf

Outlook

The replies to the questions on the outlook for production and activity over the coming month (M+1/M) are adjusted for identified biases. An econometric equation calibrates the two outlook variables (Production and Activity) in relation to the actual lagged variables.

Long-term average

The long-term average is calculated on the maximum length of the series (e.g. 1976 for industrial production). It therefore includes all the growth and recession phases in the French economy for over 30 years.

For services, the long-term average has been calculated since 2002.

French Classification of Economic Activities (NAF revision 2)

NAF Rev. 2, 2008 replaced, on 1 January 2008, NAF Rév.1, 2003.

Access items and their description broken down by level:

<u>Level 1</u> 21 sections	<u>Level 2</u> 88 divisions	<u>Level 3</u> 272 groups	<u>Level 4</u> 615 classes	<u>Level 5</u> 732 sub-classes
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APPENDIX

Inclusion of new activities in the Survey on Services as of September 2011

The following table shows the main changes that have been made regarding Services activities.

List of codes for downloading Internet series

Name	Webstat Code	NAF code 2008
Accommodation and food services activities	000IZ	
<i>O/w new activities: Food services activities</i>		<i>156Z</i>
Management consultancy and legal and accounting activities	00MA1	
<i>O/w new activities: Legal and accounting activities</i>		<i>6910Z</i>
		<i>6920Z</i>
Other service activities	000RU	
<i>O/w new activities: Arts, entertainment and recreation</i>		<i>9004Z</i>
		<i>9321Z</i>
<i>O/w new activities: Other personal services activities</i>		<i>9602A</i>
<i>O/w new activities: Household activities</i>	000TZ	<i>9700Z</i>

These new series start in March 2007. For each sector, all the questions in the Survey on Services were asked to the companies in the sample.

The inclusion of these new activities led to the creation of the RU sector (other service activities), which did not previously exist. Food services activities were included in the GI sector (transport, food services and accommodation) and Legal and accounting activities in the MN sector (Scientific and technical activities, administrative and support services).

Balances of opinion are calculated for each of these activities. They are incorporated into the different levels of aggregates on the basis of their share in Value Added. The inclusion of new activities results in a break in the series in 2007, as the new series have not been backcast.

Seasonal adjustment methods, as well as those used to calculate the Business Sentiment Indicator in services, have not been changed.