



**BANCA D'ITALIA**  
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# **Supplements to the Statistical Bulletin**

## **Sample Surveys**

### **Survey of Inflation and Growth Expectations**

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## GENERAL INFORMATION

- I - Unless indicated otherwise, figures have been computed by the Bank of Italy.
- II - Symbols and Conventions:
- the phenomenon in question does not occur;
  - ... the phenomenon occurs but its value is not known;
  - .. the value is known but is nil or less than half the final digit shown.
- Figures in parentheses in roman type () are provisional, those in parentheses in italics () are estimated.
- III - The tables are identified both by a number and by an alphanumeric code that defines the content of the table in the database in the electronic archive in which information to be released to the public is held. A similar code identifies the different aggregates shown in each table.
- IV - The methodological notes in the last part of the Supplement are identified by electronic codes that refer to the tables and, within each table, to the individual aggregates. Notes that refer to a single observation are also identified by the date of that observation.

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*This publication contains the main findings of the Bank of Italy-II Sole 24 Ore survey on inflation and growth expectations. The data were collected in September 2008 exclusively for the purpose of economic analysis and have been handled and processed in aggregate form, in full compliance with Italy's law on the treatment of personal information.*

*The survey report has been prepared by Raffaele Tartaglia-Polcini.*

*We would like to thank all the companies that agreed to take part.*

## SURVEY ON INFLATION AND GROWTH EXPECTATIONS

### 1. Introduction

The interviews for the September 2008 edition of the Bank of Italy–*Il Sole 24 Ore* quarterly survey on inflation and growth expectations were carried out between 2 and 22 September 2008. A total of 480 companies with at least 50 employees participated in the survey, 290 of which operate in the industrial sector and 190 in the services sector.

The companies were asked to provide forecasts on both macroeconomic topics, such as the inflation rate and the general situation of the industrial system in Italy, and on issues related to their own activities. In some cases, the forward-looking opinions are accompanied by backward-looking assessments and, where possible, explanations are provided of the factors behind the reported or expected developments.

The main findings of the survey are summarized below. The appendices contain the methodological notes, the detailed statistical tables, and the questionnaire used.

### 2. Main Findings

#### Expectations of consumer price inflation in Italy

Inflation is expected to be 3.7 per cent over the next 12 months, up from the 3.5 per cent recorded last June (Table 1 and Figure 1). In September 2008, the consumer price inflation was 3.7 per cent,<sup>1</sup> 1.6 percentage points higher than companies expected in September 2007 (Figure 2).

#### Assessment of the economic situation

The companies' assessments of recent trends are still mostly negative: 56.1 per cent of the companies interviewed think that the economic situation in Italy is worse than three months ago, against 40.4 per cent that think there has been no change (Table 2). The gap between positive and negative assessments has widened by 8.5 percentage points, from –44.1 to –52.6 per cent. The share of companies that think the situation has worsened is larger in the service sector and in the North.

#### Business climate

Some 55.8 per cent of companies think that the business climate will remain unchanged in the next three months (Table 5), a smaller percentage than in the last survey (65.2 per cent). The share of those expecting the situation to worsen has risen from 29.2 to 38 per cent, while the share of those expecting an improvement is largely stable (6.2 per cent against 5.6 per cent in the previous survey). Pessimism is more widespread among service companies, 47.1 per cent of which expect a deterioration, against only 4.9 per cent expecting an improvement.

As in the previous survey, companies' economic prospects are affected above all by expectations of an increase in the prices of raw materials and changes in labour costs and credit conditions (Table 7).

Expectations with regard to the business situation in the next three years are still positive and show a slight improvement on the previous quarter: 48.6 per cent of companies expect an improvement, compared with 47.7 per cent in June, and 20.4 per cent expect conditions to worsen, against 23.4 per cent in June (Table 8). Large companies show the greatest share of those expecting an improvement in the next three years (66.2 per cent), while companies expecting a deterioration are located predominantly in the Centre (32.6 per cent).

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<sup>1</sup> Provisional figure at 30 September 2008.

### **Investment climate**

Some 38.4 per cent of companies judge that the investment climate has worsened in the last three months, 57.9 per cent consider it unchanged and the remaining 3.7 per cent think it has improved (Table 9). Fewer companies see an improvement in conditions compared with the previous quarter, while a larger proportion believe the situation is unchanged. Opinions are particularly negative among large companies, 58.9 per cent of which judge that the climate has deteriorated.

### **Credit conditions**

For 71.8 per cent of companies credit conditions have not changed since June 2008 (Table 10). Access to credit has become more difficult than in the previous quarter according to 26.7 per cent of companies (compared with 22.7 per cent in the last survey); only 1.5 per cent think that credit conditions have improved (compared with 3 per cent in March). The gap between positive and negative responses from companies is -25.2 percentage points overall and is highest among companies in the North-East (-36.3 points) and with 1,000 employees and over (-30.1 percentage points).

The share of companies reporting a deterioration in credit conditions is higher among those that have approached the banking sector for new or additional credit (62.9 per cent compared with 26.7 per cent for the whole sample). In the previous survey the proportions were 51.8 and 22.7 per cent respectively (Table 11).

### **Employment situation**

The share of companies expecting to reduce their total workforce in the next three months outweighs the share forecasting an increase (25.4 per cent and 12.7 per cent respectively; Table 12). The balance of forecasts of an increase and a reduction is still negative and has deteriorated since June 2008 (-12.7 against -5.7 percentage points).

### **Changes in companies' selling prices**

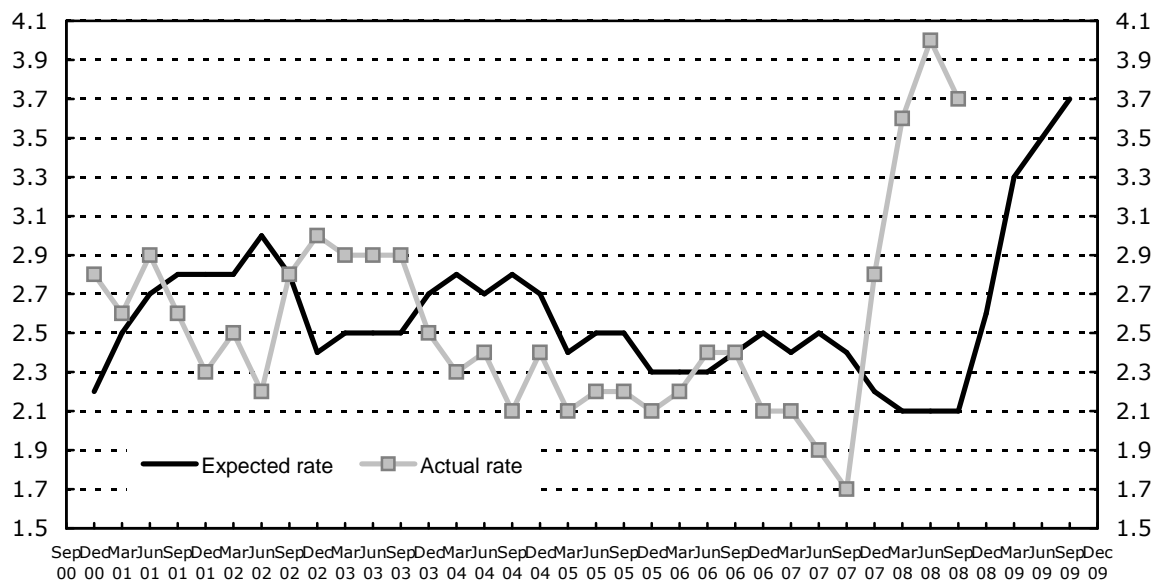
On average, companies report a 2.9 per cent increase in their selling prices in the past 12 months, 0.7 percentage points more than they predicted in September 2007 (Table 13). For the next year, they expect a rise of 2.4 per cent, which is lower than in the last survey when the corresponding figure was 2.7 per cent. Companies report that tensions in pricing will be caused mainly by changes in labour costs and raw material prices (Table 14); competitors' pricing will tend to drive prices down.

The differential between the expected increase in the general price index for September 2009 and expected changes in companies' own prices is 1.3 percentage points (Figure 3). The differential between the annual rate of inflation observed in September 2008 and the price increases reported by companies for the same time period is 0.8 percentage points.



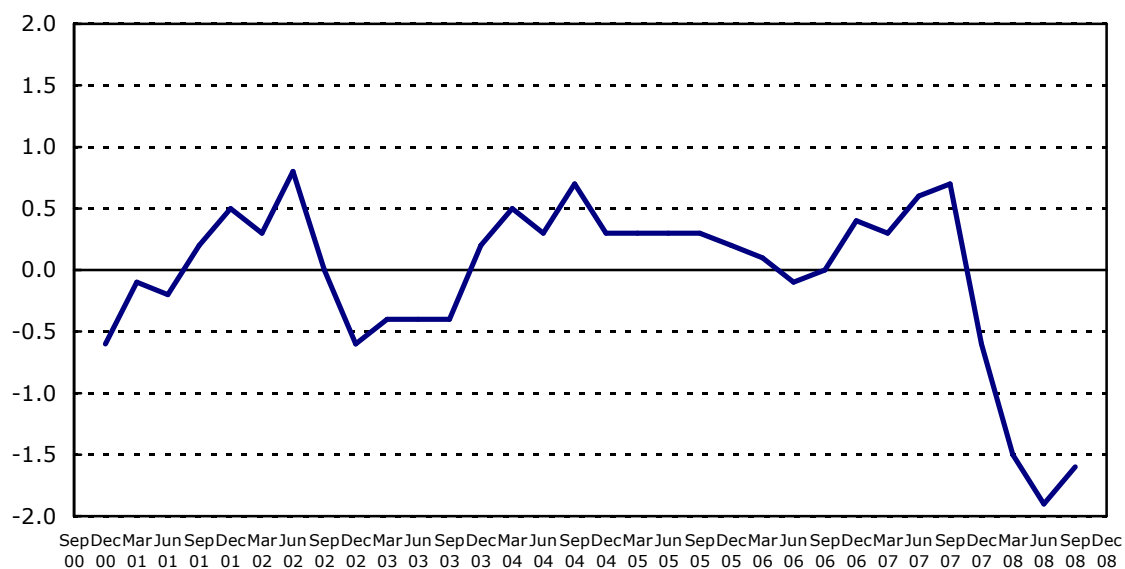
**Figure 1**

**Expectations of consumer price inflation in Italy and actual rate**  
(percentages)



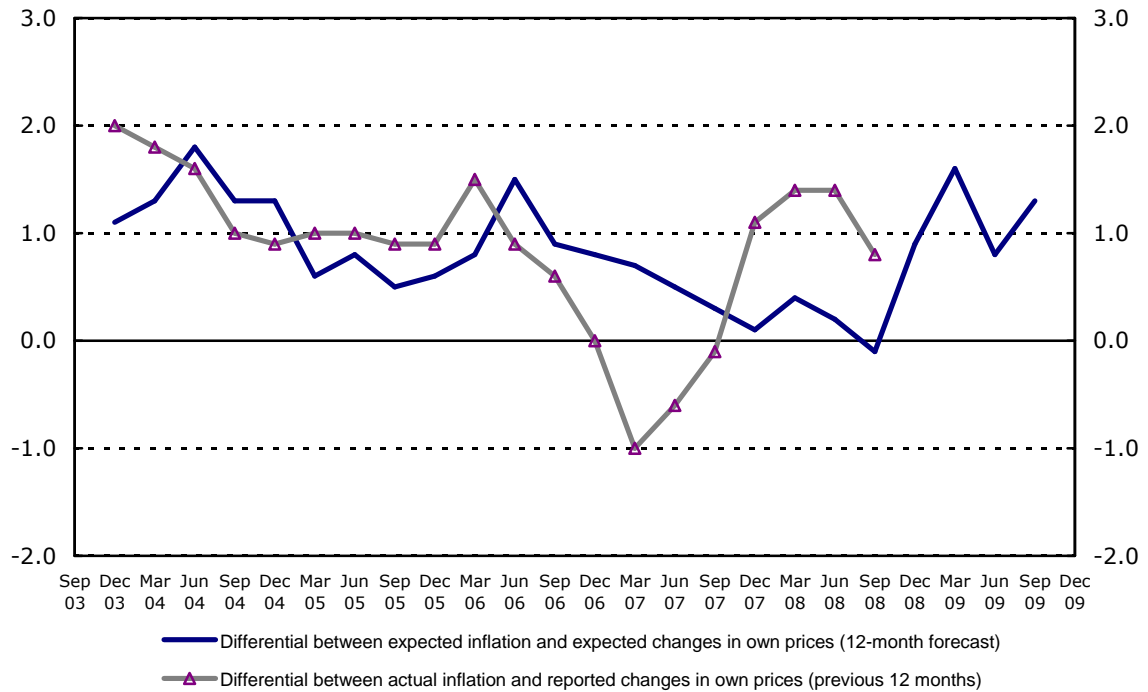
**Figure 2**

**Differential between expected and actual inflation rates**  
(percentage points)



**Figure 3**

**Differential between price changes reported by companies and inflation rate:  
forecasts and outcomes<sup>(\*)</sup>**  
(percentage points)



(\*) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles.

**Appendix A**  
**Methodological Notes**



## METHODOLOGICAL NOTES

### A1. The sample

Since 1999, the Bank of Italy and the daily newspaper *Il Sole 24 Ore* have conducted a quarterly survey on inflation and growth expectations. The surveys are conducted in March, June, September and December.

The sample usually consists of around 500 companies with at least 50 employees, which operate in the main sectors of the economy, except for agriculture and construction.

The sample is stratified by number of employees (50-199, 200-999, 1000 and over), sector (industry, services) and geographical area (North-West, North-East, Centre, South and Islands) in order to increase the accuracy of the estimates. Since a minimum sample size is required for each category of company considered relevant, the number of companies selected is not always representative of the relative share of that category. This is particularly true of large companies.

Table 1a shows the composition of the sample broken down by number of employees, sector and geographical area.

**Table 1a**

**Composition of sample and universe**  
(units, percentages)

	Sample size (a)	Company universe <sup>(*)</sup> (b)	Sample coverage rate (a / b) * 100
<b>Number of employees</b>			
50-199 .....	218	16,983	1.3
200-999 .....	154	3,370	4.6
Over 999 .....	108	485	22.3
<b>Sector</b>			
Industry .....	290	11,796	2.5
Services.....	190	9,042	2.1
<b>Geographical area</b>			
North-West .....	190	8,358	2.3
North-East.....	159	5,871	2.7
Centre .....	86	3,618	2.4
South and Islands .....	45	2,991	1.5
<b>Total .....</b>	<b>480</b>	<b>20,838</b>	<b>2.3</b>

(\*) Istat (2005).

## A2. Data collection and estimates

The survey data are collected by a specialist company which distributes the questionnaire to company managers who are well-informed about the topics covered. The respondents usually compile the questionnaire online using a purpose-designed interface. A small number of the companies submit their answers by fax (Table 2a).

**Table 2a**

### Response rates and data collection via Internet (units, percentages)

	Companies contacted	Response rate (*)	Data collected via Internet (**)
<b>Number of employees</b>			
50-199.....	572	38.1	95.4
200-999.....	313	49.2	97.4
Over 999.....	129	83.7	98.1
<b>Sector</b>			
Industry.....	565	51.3	95.5
Services.....	449	42.3	98.4
<b>Geographical area</b>			
North-West.....	400	47.5	96.3
North-East.....	316	50.3	98.7
Centre.....	176	48.9	95.3
South and Islands.....	122	36.9	93.3
<b>Total.....</b>	<b>1,014</b>	<b>47.3</b>	<b>96.7</b>

(\*) Percentage of companies contacted which participated in the survey. (\*\*) Percentage of participating companies which completed the questionnaire via Internet.

The collected data are subject to an initial quality check so that any mistakes (resulting from typing mistakes, for example) can be intercepted and the existence of outliers and missing data (*item non-response*) can be assessed. Using the correlation between the indicators obtained, the missing data are imputed by means of stochastic regression models, the parameters for which are set after neutralizing outliers, where appropriate.

The aggregates are evaluated using a weighting coefficient for each sample unit which, at the level of the stratification variables, takes into account the ratio between the number of respondent companies and the number of companies in the reference universe. In the evaluation of the development of the variables attributed to the companies, the weighting also takes account of the size of the participating companies in terms of the number of employees, in order to provide more accurate indications of expected macroeconomic developments.

In order to verify the impact of outliers on the mean values for the main variables, the standard estimators are accompanied by robust estimators; specifically, values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles. The results are generally in line with those obtained from the total sample (Table 3a).

Table 4a contains indicators of the standard errors of the main variables for the total sample.

**Table 3a**

**Estimates of the main variables surveyed and non-response**  
(percentages)

	Mean	Mean (robust)	Median	Missing responses (percentages)
Consumer price inflation in Italy .....	3.7	3.8	3.9	0.0
Change in own prices in the last 12 months.....	3.8	2.9	3.0	7.1
Change in own prices in the next 12 months.....	2.1	2.4	2.4	8.3

**Table 4a**

**Standard errors**

Consumer price inflation in Italy .....	0.06
Change in own prices in the last 12 months.....	1.03
Change in own prices in the last 12 months (robust).....	0.23
Change in own prices in the next 12 months.....	0.35
Change in own prices in the next 12 months (robust) .....	0.18
<b><u>Factors which will affect the business climate</u></b>	
Demand.....	0.09
Own prices .....	0.08
Raw material prices.....	0.08
Labour costs.....	0.07
Availability and cost of credit.....	0.09
<b><u>Factors which will affect companies' prices</u></b>	
Demand.....	0.05
Raw material prices.....	0.07
Labour costs.....	0.07
Pricing policies of main competitors.....	0.07





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Table 1

**Expectations of consumer price inflation in Italy  
for the next 12 months**  
(percentages)

	Rate of consumer price inflation
<b>Number of employees</b>	
50-199 .....	3.7
200-999 .....	3.8
Over 999 .....	3.4
<b>Sector</b>	
Industry .....	3.8
Services .....	3.7
<b>Geographical area</b>	
North-West .....	3.8
North-East .....	3.8
Centre .....	3.6
South and Islands .....	3.8
<b>Total</b> .....	<b>3.7</b>
<i>Memorandum items:</i>	
June 2008 .....	3.5
March 2008 .....	3.3
December 2007 .....	2.6
September 2007 .....	2.1

Table 2

**View of the general economic situation**  
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
<b>Number of employees</b>				
50-199 .....	57.0	39.2	3.8	100.0
200-999 .....	52.7	45.1	2.2	100.0
Over 999 .....	48.8	48.9	2.3	100.0
<b>Sector</b>				
Industry .....	50.1	46.1	3.8	100.0
Services .....	60.7	36.0	3.3	100.0
<b>Geographical area</b>				
North-West.....	60.2	35.9	4.0	100.0
North-East.....	58.9	38.5	2.6	100.0
Centre.....	51.0	44.4	4.7	100.0
South and Islands .....	45.5	52.1	2.4	100.0
<b>Total .....</b>	<b>56.1</b>	<b>40.4</b>	<b>3.5</b>	<b>100.0</b>
<i>Memorandum items:</i>				
June 2008 .....	49.9	44.3	5.8	100.0
March 2008 .....	72.6	26.1	1.3	100.0
December 2007.....	52.7	42.3	5.1	100.0
September 2007.....	39.3	53.2	7.5	100.0

Table 3

**Likelihood of an improvement in the general economic situation in the next three months**

*(percentages)*

	None	1-25%	26-50%	51-75%	76-100%	Total
<b>Number of employees</b>						
50-199.....	54.6	35.8	6.9	1.7	1.0	100.0
200-999.....	47.0	42.0	7.8	3.2	0.0	100.0
Over 999.....	23.9	56.9	12.2	5.9	1.1	100.0
<b>Sector</b>						
Industry.....	50.8	38.2	8.8	1.6	0.5	100.0
Services.....	53.8	36.7	6.0	2.4	1.0	100.0
<b>Geographical area</b>						
North-West.....	50.1	39.5	7.2	3.1	0.1	100.0
North-East.....	50.3	41.6	4.4	2.9	0.8	100.0
Centre.....	59.8	27.5	9.4	..	..	100.0
South and Islands.....	54.8	35.2	10.0	..	..	100.0
<b>Total.....</b>	<b>52.5</b>	<b>37.4</b>	<b>7.2</b>	<b>2.1</b>	<b>0.8</b>	<b>100.0</b>
<i>Memorandum items:</i>						
June 2008.....	47.2	38.3	9.6	4.1	0.8	100.0
March 2008.....	56.7	30.7	7.1	5.5	0.0	100.0
December 2007.....	44.4	44.0	6.0	5.6	0.1	100.0
September 2007.....	41.2	45.4	9.3	3.5	0.5	100.0

Table 4

**Likelihood of an improvement in the general economic situation in the next three months, by view of the current situation**

*(percentages)*

	None	1-25%	26-50%	51-75%	76-100%	Total
<b>View of the current general economic situation</b>						
Worse than in 6/2008.....	61.6	31.5	5.2	1.3	0.4	100.0
Unchanged from 6/2008.....	44.2	44.8	10.5	0.5	0.0	100.0
Better than in 6/2008.....	0.0	48.8	2.1	32.2	17.0	100.0
<b>Total.....</b>	<b>52.5</b>	<b>37.4</b>	<b>7.2</b>	<b>2.1</b>	<b>0.8</b>	<b>100.0</b>

Table 5

**Three-month forecast of the business climate**  
(percentages)

	Worsening	No change	Improvement	Total
<b>Number of employees</b>				
50-199.....	37.6	55.9	6.5	100.0
200-999.....	41.1	53.7	5.2	100.0
Over 999.....	29.5	64.6	5.8	100.0
<b>Sector</b>				
Industry.....	26.1	65.9	8.0	100.0
Services.....	47.1	48.0	4.9	100.0
<b>Geographical area</b>				
North-West.....	38.5	54.5	7.0	100.0
North-East.....	37.3	57.4	5.3	100.0
Centre.....	36.7	56.7	6.5	100.0
South and Islands.....	39.2	55.4	5.4	100.0
<b>Total.....</b>	<b>38.0</b>	<b>55.8</b>	<b>6.2</b>	<b>100.0</b>
<i>Memorandum items:</i>				
June 2008.....	29.2	65.2	5.6	100.0
March 2008.....	36.6	53.3	10.1	100.0
December 2007.....	29.7	61.8	8.5	100.0
September 2007.....	22.0	64.5	13.5	100.0

Table 6

**Three-month forecast of the business climate  
by view of the general economic situation**  
(percentages)

	Worsening	No change	Improvement	Total
<b>View of the current general economic situation</b>				
Worse than 6/2008.....	59.4	37.7	2.9	100.0
Unchanged from 6/2008.....	11.6	81.8	6.5	100.0
Better than 6/2008.....	2.2	42.1	55.7	100.0
<b>Total.....</b>	<b>38.0</b>	<b>55.8</b>	<b>6.2</b>	<b>100.0</b>

Table 7

## Factors which will affect the business climate

(average scores)<sup>(\*)</sup>

	Change in demand <sup>(**)</sup>	Change in own prices	Change in raw material prices	Change in labour costs	Change in credit conditions <sup>(***)</sup>
<b>Number of employees</b>					
50-199.....	-0.2	-0.2	-1.2	-1.0	-1.0
200-999.....	-0.3	-0.2	-1.0	-1.0	-0.9
Over 999.....	-0.4	-0.1	-0.6	-0.7	-1.1
<b>Sector</b>					
Industry.....	0.1	-0.2	-1.3	-1.0	-1.0
Services.....	-0.4	-0.1	-1.1	-1.0	-1.0
<b>Geographical area</b>					
North-West.....	0.0	-0.2	-1.0	-0.8	-0.8
North-East.....	-0.5	-0.2	-1.4	-1.1	-1.0
Centre.....	-0.3	-0.2	-1.3	-1.3	-1.2
South and Islands.....	-0.1	0.2	-1.2	-1.1	-1.1
<b>Total</b> .....	<b>-0.2</b>	<b>-0.2</b>	<b>-1.2</b>	<b>-1.0</b>	<b>-1.0</b>
<i>Memorandum items:</i>					
June 2008.....	-0.1	-0.1	-1.2	-0.9	-0.9
March 2008.....	0.0	-0.3	-1.1	-0.6	-0.6
December 2007.....	0.1	-0.1	-1.2	-0.8	...
September 2007.....	0.4	0.1	-1.0	-0.6	...

(\*) Companies' views with regard to the direction and degree of the expected impact of each factor on their own business conditions in the next three months (high/average/low increase or decrease) were measured on a scale of -3 to 3. A neutral position is indicated by 0.

(\*\*) Until December 2007, this variable referred only to domestic demand.

(\*\*\*) This variable has been included in the survey since March 2008.

Table 8

**Three-year forecast of the business climate**  
(percentages)

	Worsening	No change	Improvement	Total
<b>Number of employees</b>				
50-199.....	20.0	31.9	48.1	100.0
200-999.....	23.6	28.5	47.9	100.0
Over 999 .....	16.2	17.7	66.2	100.0
<b>Sector</b>				
Industry.....	17.9	27.5	54.7	100.0
Services.....	22.4	33.7	43.9	100.0
<b>Geographical area</b>				
North-West .....	17.2	31.5	51.3	100.0
North-East.....	19.4	27.5	53.1	100.0
Centre .....	32.6	27.3	40.0	100.0
South and Islands.....	16.7	40.5	42.8	100.0
<b>Total .....</b>	<b>20.4</b>	<b>31.0</b>	<b>48.6</b>	<b>100.0</b>
<i>Memorandum items:</i>				
June 2008.....	23.4	28.8	47.7	100.0
March 2008.....	26.8	34.7	38.4	100.0
December 2007.....	22.0	35.4	42.5	100.0
September 2007 .....	22.8	31.0	46.2	100.0



Table 9

**View of the investment climate**  
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
<b>Number of employees</b>				
50-199 .....	37.9	58.6	3.5	100.0
200-999 .....	37.5	58.1	4.4	100.0
Over 999 .....	58.9	35.8	5.3	100.0
<b>Sector</b>				
Industry .....	32.2	65.6	2.2	100.0
Services .....	43.2	51.9	4.9	100.0
<b>Geographical area</b>				
North-West.....	37.8	55.6	6.5	100.0
North-East.....	42.5	53.8	3.6	100.0
Centre.....	34.9	64.7	0.4	100.0
South and Islands .....	36.3	63.7	0.0	100.0
<b>Total .....</b>	<b>38.4</b>	<b>57.9</b>	<b>3.7</b>	<b>100.0</b>
<i>Memorandum items:</i>				
June 2008 .....	37.5	53.8	8.7	100.0
March 2008 .....	47.5	48.1	4.4	100.0
December 2007 .....	37.4	56.5	6.1	100.0
September 2007 .....	34.9	57.9	7.1	100.0

Table 10

**View on credit conditions for businesses**  
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
<b>Number of employees</b>				
50-199 .....	28.0	71.0	1.1	100.0
200-999 .....	19.3	77.4	3.3	100.0
Over 999 .....	33.8	62.5	3.7	100.0
<b>Sector</b>				
Industry .....	26.5	70.2	3.3	100.0
Services .....	26.9	73.0	0.1	100.0
<b>Geographical area</b>				
North-West.....	18.3	79.2	2.6	100.0
North-East.....	36.4	63.5	0.1	100.0
Centre.....	27.3	72.1	0.6	100.0
South and Islands .....	30.8	66.8	2.4	100.0
<b>Total .....</b>	<b>26.7</b>	<b>71.8</b>	<b>1.5</b>	<b>100.0</b>
<i>Memorandum item:</i>				
June 2008 .....	22.7	74.3	3.0	100.0
March 2008 .....	19.1	77.4	3.5	100.0

Table 11

**View on credit conditions for businesses by request for new credit lines or  
extension of existing credit lines**  
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
<b>Request for new credit lines or extension of existing credit lines</b>				
Yes .....	62.9	34.5	2.6	100.0
No .....	13.3	85.6	1.1	100.0
<b>Total .....</b>	<b>26.7</b>	<b>71.8</b>	<b>1.5</b>	<b>100.0</b>

Table 12

**Three-month forecast of employment**  
(percentages)

	Declining	Unchanged	Rising	Total
<b>Number of employees</b>				
50-199.....	24.5	63.6	12.0	100.0
200-999.....	28.1	57.0	15.0	100.0
Over 999.....	36.3	44.4	19.3	100.0
<b>Sector</b>				
Industry.....	27.8	59.8	12.3	100.0
Services.....	23.5	63.6	12.9	100.0
<b>Geographical area</b>				
North-West.....	19.7	66.1	14.2	100.0
North-East.....	27.9	60.4	11.8	100.0
Centre.....	33.3	54.9	11.9	100.0
South and Islands.....	27.3	61.6	11.1	100.0
<b>Total.....</b>	<b>25.4</b>	<b>62.0</b>	<b>12.7</b>	<b>100.0</b>
<i>Memorandum items:</i>				
June 2008.....	20.1	65.5	14.4	100.0
March 2008.....	14.8	63.5	21.7	100.0
December 2007.....	16.4	59.9	23.7	100.0
September 2007.....	16.6	59.6	23.9	100.0

Table 13

**Change in companies' selling prices**  
(percentages)<sup>(\*)</sup>

	Rate of change in selling prices...	
	... compared with 12 months earlier	... compared with 12 months earlier
	Mean (robust) (**)	Mean (robust) (**)
<b>Number of employees</b>		
50-199.....	2.7	2.6
200-999.....	2.4	2.5
Over 999.....	3.2	2.2
<b>Sector</b>		
Industry.....	3.7	2.0
Services.....	2.5	2.5
<b>Geographical area</b>		
North-West.....	2.7	2.2
North-East.....	2.9	2.8
Centre.....	3.2	2.0
South and Islands.....	2.2	3.2
<b>Total</b> .....	<b>2.9</b>	<b>2.4</b>
<i>Memorandum items:</i>	Rate of change in selling prices	
June 2008.....	2.6	2.7
March 2008.....	2.2	1.7
December 2007.....	1.7	1.7
September 2007.....	1.8	2.2

(\*) Companies' responses are weighted by the number of employees to account for the impact of size.  
(\*\*) Values outside the range between the 5th and the 95th percentiles have been set at the threshold values of those percentiles.

Table 14

**Factors affecting companies' selling prices**  
(average scores) <sup>(\*)</sup>

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors (**)
<b>Number of employees</b>				
50-199 .....	-0.1	1.0	0.8	-0.4
200-999 .....	0.0	1.0	0.7	-0.3
Over 999 .....	0.1	0.4	0.4	-0.5
<b>Sector</b>				
Industry .....	-0.1	0.4	0.6	-0.3
Services .....	0.1	0.9	0.6	-0.5
<b>Geographical area</b>				
North-West .....	-0.3	0.5	0.5	-0.4
North-East .....	0.0	1.1	0.7	-0.1
Centre .....	0.3	0.6	0.7	-0.7
South and Islands .....	0.0	1.2	0.7	-0.4
<b>Total</b> .....	<b>0.0</b>	<b>0.7</b>	<b>0.6</b>	<b>-0.4</b>
<i>Memorandum items:</i>				
June 2008 .....	0.1	1.1	0.6	-0.1
March 2008 .....	0.1	0.7	0.6	....
December 2007 .....	0.1	0.7	0.6	....
September 2007 .....	0.1	0.6	0.5	....

(\*) Companies' views with regard to the direction and degree of the impact of each factor on future sales prices (high/average/low increase or decrease) were measured on a scale of -3 to 3. A neutral position is indicated by 0. Companies' responses are weighted by the number of employees to account for the impact of size.

(\*\*) This variable has been included in the survey since June 2008.



**Appendix C**

**Questionnaire**





*IL SOLE 24 ORE*–BANK OF ITALY SURVEY ON INFLATION AND GROWTH EXPECTATIONS – SEPTEMBER 2008

**Company** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Name and position of respondent** \_\_\_\_\_  
**Telephone** \_\_\_\_\_ **Fax** \_\_\_\_\_ **E-Mail** \_\_\_\_\_

⇒ **Instructions:** Where you are asked to state percentage changes, please indicate the sign in the first box on the left (+ for increases; – for decreases).

Please state the NUMBER OF EMPLOYEES (latest data available) | | | | | | | | | |

**SECTION A – GENERAL ECONOMIC SITUATION IN ITALY**

**A1.** In July consumer price inflation, measured by the annual change in the HARMONIZED INDEX OF CONSUMER PRICES, was 4.0 per cent in Italy and 4.0 per cent in the euro area. What will it be in ITALY 12 months from now? |\_| |\_| |\_| |\_| %

**A2.** Compared with 3 months ago, do you think that the economic situation in Italy is  better  unchanged  worse

**A3.** What is the likelihood of an improvement in the economic situation in Italy in the next 3 months?

None  From 1% to 25%  From 26% to 50%  From 51% to 75%  From 76% to 99%  100%

**SECTION B – BUSINESS CLIMATE FOR YOUR COMPANY**

How you think the business climate for your company will be

**B1.** in the next 3 months?  better  unchanged  worse      **B2.** in the next 3 years?  better  unchanged  worse

Please indicate whether and to what degree the following FACTORS will affect your company's business in the next 3 months. Will the impact will be negative, none or positive? Impact: 1=low, 2=average, 3=high.

Factors affecting the company's <b>business</b> in the next 3 months	Effect on company's business			Magnitude (if negative/positive)		
	Negative	None	Positive	Low	Average	High
<b>B3.</b> The impact of developments in DEMAND on your business will be...	1 _	2 _	3 _	1 _	2 _	3 _
<b>B4.</b> The impact of developments in YOUR PRICES on your business will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>B5.</b> The impact of developments in RAW MATERIAL PRICES on your business will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>B6.</b> The impact of developments in LABOUR COSTS on your business will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>B7.</b> The impact of developments in AVAILABILITY AND COST OF CREDIT on your business will be ...	1 _	2 _	3 _	1 _	2 _	3 _

**B8.** Compared with 3 months ago, do you think that the investment climate is  better  unchanged  worse

**B9.** Compared with 3 months ago, credit conditions for your company are now  better  unchanged  worse

**B10.** Is your view the result of a request for a new credit line (or for an extension of an existing credit line)?  Yes  No

**B11.** If your answer to B9 is 'Worse' and to B10 'Yes', was the credit you requested

not granted  – granted but at worse conditions than usual (less credit than that requested and/or at a higher cost)  – refused by you because the conditions were worse than usual

**SECTION C – CHANGES IN YOUR COMPANY'S SELLING PRICES**

**C1.** In the last 12 months, what has been the average change in prices charged by your company? |\_| |\_| |\_| |\_| %

**C2.** Over the next 12 months, what do you expect to be the average change in prices charged by your company? |\_| |\_| |\_| |\_| %

Please indicate in which direction and to what degree the FACTORS below will affect your selling prices over the next 12 months. Please indicate whether the impact will be downward, neutral or upward. Degree: 1=low, 2=average, 3=high

Factors affecting the company's <b>prices</b> in the next 12 months	Effect on prices charged by the company			Magnitude (downward/upward)		
	Downward	Neutral	Upward	Low	Average	High
<b>C3.</b> The impact of developments in OVERALL DEMAND on your prices will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>C4.</b> The impact of developments in RAW MATERIAL PRICES on your prices will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>C5.</b> The impact of developments in LABOUR COSTS on your prices will be ...	1 _	2 _	3 _	1 _	2 _	3 _
<b>C6.</b> The impact of developments in PRICING POLICIES OF MAIN COMPETITORS on your prices will be ...	1 _	2 _	3 _	1 _	2 _	3 _

**SECTION D – WORKFORCE**

**D1.** The TOTAL number of employees over the next three months will

Decrease	Not change	Increase
1 _	2 _	3 _

