



BANCA D'ITALIA
EUROSISTEMA

Supplements to the Statistical Bulletin

Sample Surveys

Survey on Inflation and Growth Expectations

June 2011

New series
Year XXI - 11 July 2011

Number

33

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This publication contains the main findings of the survey on inflation and growth expectations conducted by the Bank of Italy in collaboration with the newspaper Il Sole 24 Ore. The data were collected in June 2011 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 Lorenzo Bencivelli, Stefano Iezzi and Raffaele Tartaglia Polcini. Stefania Coscarella helped with the editing and the tables.

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 Banca d'Italia – Il Sole 24 Ore quarterly survey on inflation and growth expectations were carried out between 6 and 21 June 2011. A total of 485 companies with 50 or more employees took part, 283 of which operate in industry and 202 in services (Table 1a). The response rate was 50.6 per cent (Table 2a).

The companies were asked to provide forecasts both on macroeconomic matters, such as the inflation rate and the general state of the productive economy in Italy, and on issues regarding their own activities. In some cases, the forward-looking opinions are accompanied by backward-looking assessments and, where possible, indications of the factors underlying the reported or expected developments.

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

2. The main findings

The expected rates of consumer price inflation show an increase compared with the March survey, with that for the 6-month time horizon rising from 2.2 to 2.8 per cent and those for the 1- and 2-year time horizons from respectively 2.3 and 2.4 per cent to 2.9 per cent (Table 1 and Figure 3). The three projections are higher than the corresponding forecasts by professional analysts, especially for the longer time horizons. In June the twelve-month increase in consumer prices was 3 per cent,¹ 1.3 percentage points higher than expected in the survey twelve months ago.

Businesses reported that they had raised their selling prices by 1.6 per cent from a year earlier (Table 2), nearly half a percentage point more than the rise observed in the preceding survey. The increase was considerably more than firms had expected for the following twelve months in June 2010 (0.9 per cent). The largest upward movements were among firms with less than 500 workers and those 85 located in the North; there was not a significant difference between industrial and service firms.

For the next twelve months firms expect their list prices to accelerate further, reporting an average increase of 2.2 per cent and larger rises in the Centre and the South (2.6 and 2.4 per cent respectively).

Assessments of the general economic situation

In the second quarter of 2011 assessments of the general economic situation were again marked by uncertainty, with an increase from 60 to 62 per cent in the proportion of firms that saw no change (Table 4). The difference between firms reporting an improvement and those indicating a worsening, which had been virtually nil in the previous survey, turned negative by nearly 14 percentage points. The pessimism was more pronounced among smaller firms and those in the service sector.

¹ Provisional figure published by Istat on 30 June 2011.

Looking ahead, 41.8 per cent of firms reckoned there was no chance of the general economic situation improving in the coming three months, up from 34.5 per cent in the previous survey (Table 5). The assessments of medium-sized and large firms were slightly more favourable.

Demand

Firms' assessments of the demand for their products were more cautious than in the first quarter. The balance between responses indicating expansion and those indicating contraction declined from 7.2 percentage points to 3.1 points (Table 6). Among firms for which exports amounted to more than two thirds of their sales, the share expecting an improvement in demand fell from 43.6 to 28.1 per cent, while the proportion of firms expecting no change rose. In general industrial firms were more optimistic than service firms.

Just under 40 per cent of exporting firms reckoned that foreign demand for their goods had increased, as against 16.4 per cent that reckoned it had decreased (Table 7), a slight deterioration compared with the previous survey. Only in the South was there a negative balance of 3.1 percentage points between positive and negative assessments. Looking ahead, just under 60 per cent of all firms expected foreign demand for their products to remain unchanged in the next three months, as against 35 per cent that expected an increase (Table 8). Firms in industry were more optimistic, as were those located in the Centre, where more than 50 per cent expected an improvement.

Assessments of firms' business conditions

Compared with the previous survey, there was a small increase in the percentage of firms that expected their operating conditions to worsen in the next three months, from 15.8 per cent in March to 18.4 per cent, while the proportion expecting an improvement was basically unchanged at 15.7 per cent (Table 9). The assessments were more pessimistic among service firms and to an even greater extent in the South. Among the factors that firms expected to influence their operating conditions in the next three months, the importance of demand decreased, returning to the level of a year earlier, as did that of commodity prices (Table 10).

The optimism about the evolution of operating conditions in the next three years was confirmed, although slightly attenuated (Table 11). The percentage of firms expecting an improvement declined from 64.7 per cent in the previous survey to 60.1 per cent, and from 77.4 to 76.9 per cent for larger firms.

Conditions for investment

Assessments of the conditions for investment remained highly uncertain, with just under 70 per cent of firms reporting no change. Compared with the previous survey, there was a small increase (from 0.7 percentage points to 2.7 points) in the negative balance between responses indicating an improvement and those indicating a deterioration (Table 12).

Stocks of finished products

At 85.5 per cent the proportion of firms considering their stocks of finished products to be adequate in relation to expected demand was just one percentage point lower than in the first quarter.

Conditions of access to credit

Just under 80 per cent of firms reported no change in their conditions of access to credit in the second quarter (Table 14); although small, the proportion of firms reporting an improvement

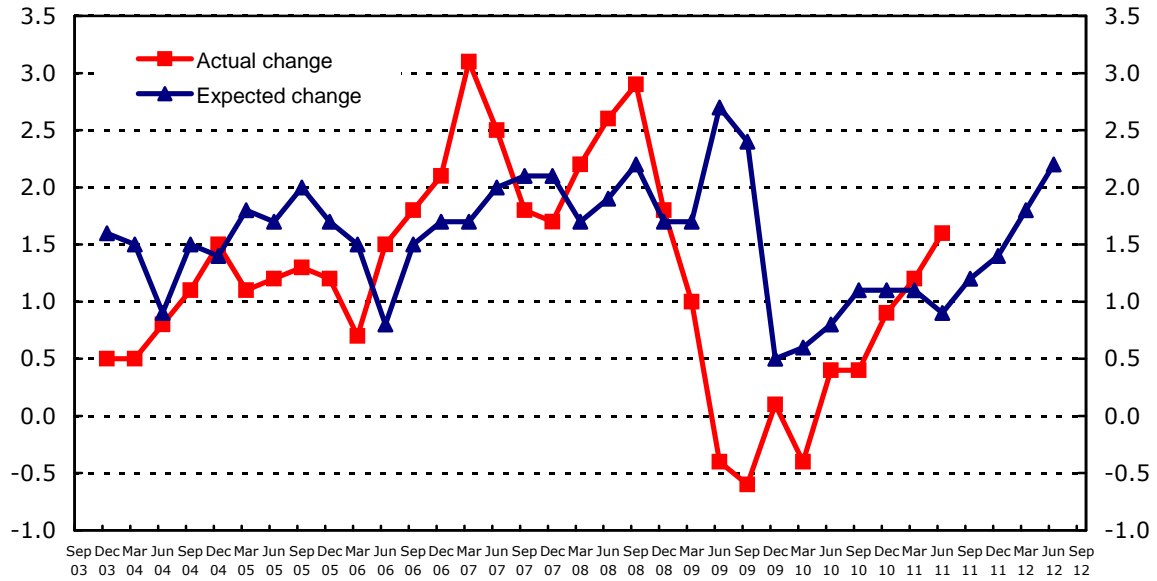
rose from 2.2 per cent in March to 5.7 per cent. Firms reporting a deterioration were mostly located in the Centre and the South.

Employment

At 66.5 per cent, the proportion of firms expecting no change in employment in the next three months was down by 3 percentage points on March (Table 15). The responses indicating an increase and those indicating a fall showed a negative balance of 1.5 percentage points after being equal in March. The balance was positive for service firms and for firms located in the North-West. Firms in the Centre were the most pessimistic.

Figure 1

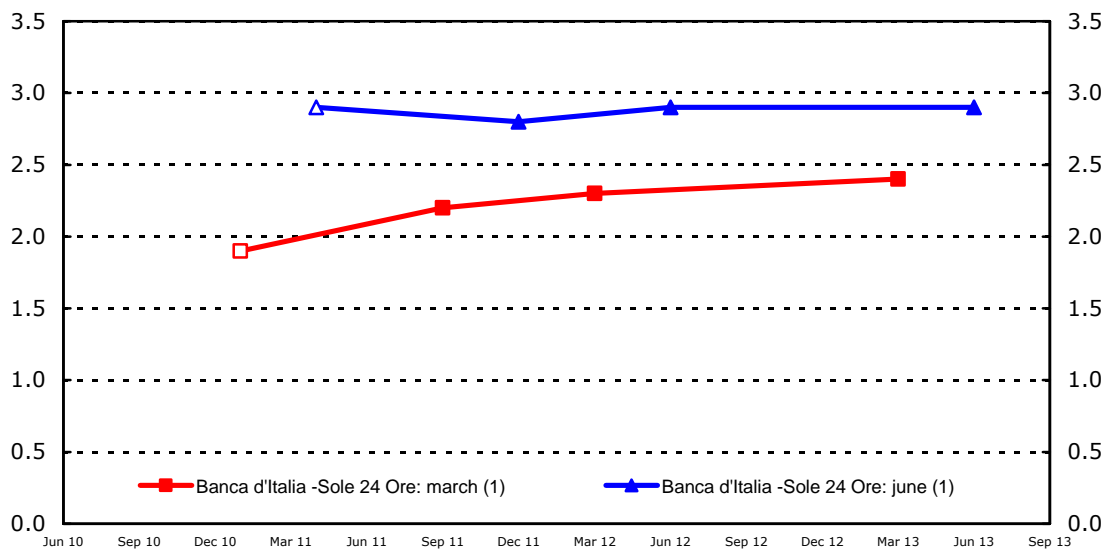
Expected and actual changes in selling prices
(percentage changes)^(*)



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

Figure 2

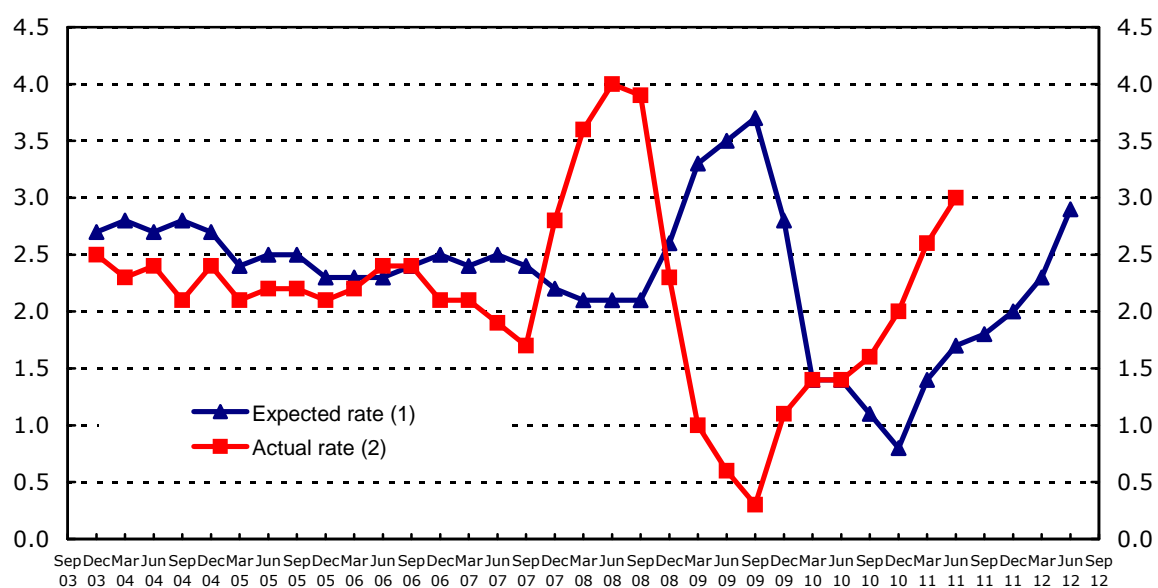
Expectations of consumer price inflation in Italy
(percentage changes on year-earlier period)



(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next six months; the third point is the average of the interviewees' forecasts for the next twelve months; the fourth point is the average of the interviewees' forecasts for the next twenty-four months.

Figure 3

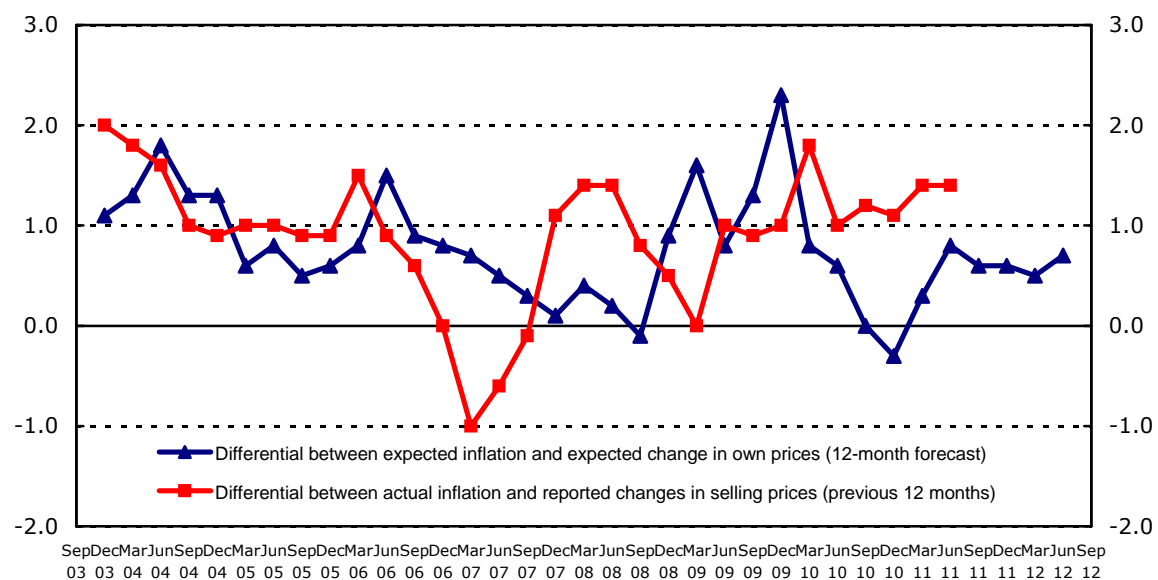
Expectations of consumer price inflation in Italy and actual rate
(percentages)



- (1) Expectations on consumer price inflation reported by companies 12 months before the reference time.
- (2) Actual Harmonized index of consumer prices (HICP).

Figure 4

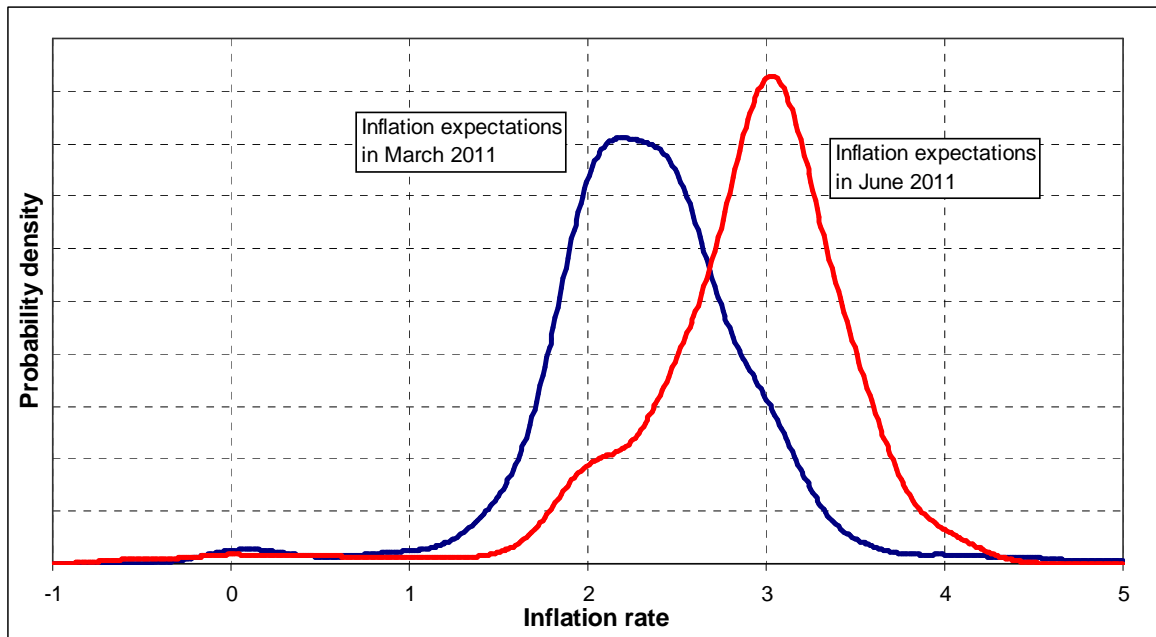
Differential between price changes reported by firms and the inflation rate: forecasts and outcomes
(percentage points)^(*)



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

Figure 5

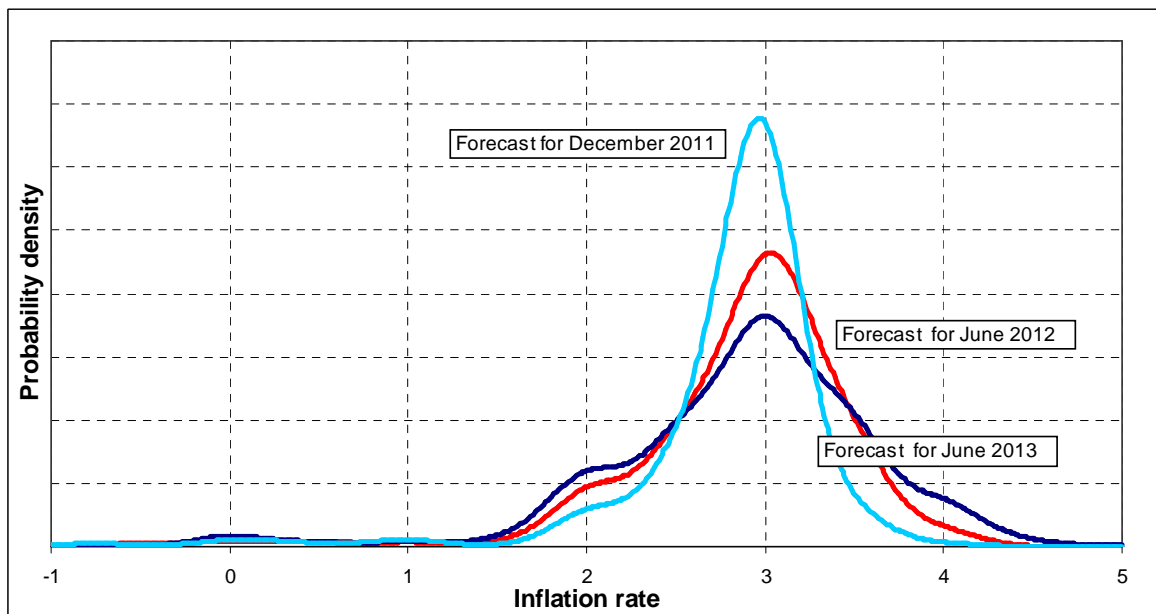
**Expectations of the inflation rate
over the next 12 months**
(kernel density)^(*)



(*) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The red line indicates the forecast made in March. The blue line indicates the forecast made in December.

Figure 6

**Expectations of the inflation rate
over the next 6, 12 and 24 months**
(kernel density)^(*)



(*) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The light blue line indicates the forecast over the next 6 months. The red line indicates the forecast over the next 12 months. The dark blue line indicates the forecast over the next 24 months.

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 survey is conducted in March, June, September and December.

The sample usually consists of around 500 companies with at least 50 employees operating in the main sectors of the economy, with the exception of 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 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 ^(*) (b)	Sample coverage rate (a / b) * 100
Number of employees			
50-199.....	209	17,490	1.2
200-999.....	170	3,513	4.8
Over 999.....	106	500	21.2
Sector			
Industry.....	283	11,727	2.4
Services.....	202	9,776	2.1
Geographical area			
North-West.....	186	8,484	2.2
North-East.....	153	6,134	2.5
Centre.....	83	3,774	2.2
South and Islands.....	63	3,111	2.0
Total.....	485	21,503	2.3

(*) Istat (2007).

A2. Data collection and estimates

The survey data are collected by a specialist firm which distributes the questionnaire to company managers who are best 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 ^(**)
Number of employees			
50-199.....	557	37.5	95.2
200-999.....	257	66.1	94.7
Over 999	145	73.1	99.1
Sector			
Industry.....	543	52.1	94.7
Services.....	416	48.6	97.5
Geographical area			
North-West	376	49.5	95.2
North-East.....	285	53.7	98.0
Centre	160	51.9	94.0
South and Islands.....	138	45.7	95.2
Total	959	50.6	95.9

(*) 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 (such as typing errors) 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 the 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 evolution of the variables attributed to the companies, the weighting also takes account of the size of the participating companies in terms of 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	Robust mean	Median	Non-response <i>(percentages)</i>
Consumer price inflation in Italy in the next 6 months.....	2.8	2.9	3.0	0.0
Consumer price inflation in Italy in the next 12 months.....	2.9	2.9	3.0	0.0
Consumer price inflation in Italy in the next 24 months.....	2.9	2.9	3.0	0.0
Change in own prices in the last 12 months.....	1.9	1.6	1.7	5.4
Change in own prices in the next 12 months	2.3	2.2	2.2	5.8

Table 4a**Standard errors***(percentages, scores)*

Consumer price inflation in Italy in the next 6 months	0.04
Consumer price inflation in Italy in the next 12 months	0.04
Consumer price inflation in Italy in the next 24 months	0.04
Change in own prices in the last 12 months	0.23
Change in own prices in the last 12 months (robust).....	0.14
Change in own prices in the next 12 months.....	0.22
Change in own prices in the next 12 months (robust)	0.16
<u>Factors that will affect the firm's selling prices</u>	
Demand.....	0.06
Raw materials prices	0.06
Labour costs.....	0.06
Main competitors' pricing policies.....	0.07
<u>Factors that will influence the firm's business conditions</u>	
Demand	0.09
Selling prices.....	0.07
Raw materials prices	0.07
Labour costs.....	0.06
Availability and cost of credit	0.08

Appendix B:
Statistical Tables

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Table 1

Consumer price inflation expectations in Italy
(percentage changes on the preceding twelve months)

	Consumer price inflation expectations...		
	...after 6 months	...after 12 months	...after 24 months
Number of employees			
50-199	2.8	2.9	2.9
200-999	2.8	2.8	2.9
Over 999	2.6	2.5	2.4
Sector			
Industry	2.9	3.0	3.0
Services.....	2.8	2.8	2.8
Geographical area			
North-West	2.8	2.9	2.8
North-East.....	2.9	2.9	3.0
Centre	2.7	2.8	2.8
South and Islands	2.9	2.9	2.9
Total	2.8	2.9	2.9
<i>Memorandum items:</i>			
March 2011	2.2	2.3	2.4
December 2010	1.9	2.0	2.2
September 2010	1.8	2.0
June 2010.....	1.7	2.0

Table 2

Change in companies' selling prices
(per cent) ^(*)

	Rate of change in own prices ...	
	... in last 12 months	... in next 12 months
	Mean (robust) ^(**)	Mean (robust) ^(**)
Number of employees		
50-199.....	1.7	1.9
200-999.....	2.0	2.1
Over 999.....	1.4	2.3
Sector		
Industry.....	1.7	2.2
Services.....	1.6	2.1
Geographical area		
North-West.....	1.7	1.8
North-East.....	1.9	2.1
Centre.....	1.6	2.6
South and Islands.....	1.4	2.4
Total	1.6	2.2
<i>Memorandum items:</i>		
March 2011.....	1.2	1.8
December 2010.....	0.9	1.4
September 2010.....	0.4	1.2
June 2010.....	0.4	0.9

(*) 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 3

Factors that will affect firms' selling prices
(average scores) ^(*)

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors
Number of employees				
50-199	0.0	0.9	0.5	-0.4
200-999	0.1	1.0	0.5	-0.5
Over 999	0.1	0.8	0.3	-0.5
Sector				
Industry	0.1	1.1	0.4	-0.3
Services	0.1	0.7	0.4	-0.5
Geographical area				
North-West.....	0.2	1.0	0.6	-0.4
North-East.....	-0.2	0.9	0.4	-0.6
Centre.....	0.2	0.6	0.2	-0.3
South and Islands	0.1	0.8	0.4	-0.5
Total.....	0.1	0.9	0.4	-0.4
<i>Memorandum items:</i>				
March 2011	0.0	1.2	0.4	-0.4
December 2010	0.1	0.9	0.4	-0.5
September 2010.....	0.0	0.7	0.3	-0.6
June 2010	0.1	0.6	0.3	-0.6

(*) Companies' opinions regarding the direction and magnitude of the impact of each factor on future selling prices (large/average/small decrease or increase) were scored on a scale of -3 to 3. A neutral position was assigned a score of 0. Companies' responses are weighted by the number of employees to account for the impact of size.

Table 4

**Assessment of the general state of the economy
with respect to previous quarter**

(percentages)

	Worse	Unchanged	Better	Total
Number of employees				
50-199	26.7	60.9	12.5	100.0
200-999	24.8	63.5	11.7	100.0
Over 999	12.4	77.9	9.8	100.0
Sector				
Industry	20.0	68.1	11.9	100.0
Services	33.1	54.2	12.7	100.0
Geographical area				
North-West.....	26.7	59.0	14.2	100.0
North-East.....	20.7	66.2	13.1	100.0
Centre.....	25.5	65.2	9.3	100.0
South and Islands	34.7	56.5	8.8	100.0
Total	26.0	61.8	12.3	100.0
<i>Memorandum items:</i>				
March 2011	19.6	60.8	19.7	100.0
December 2010	25.4	65.3	9.3	100.0
September 2010	13.7	66.1	20.1	100.0
June 2010	23.4	60.9	15.6	100.0

Table 5

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

(percentages)

	Nil	1-25%	26-50%	51-75%	76-100%	Total
Number of employees						
50-199	44.7	39.7	12.7	2.4	0.5	100.0
200-999	28.9	51.4	14.6	4.4	0.7	100.0
Over 999	32.6	42.5	21.8	2.4	0.7	100.0
Sector						
Industry	43.0	39.6	14.8	2.6	0.0	100.0
Services.....	40.4	44.1	11.4	3.0	1.2	100.0
Geographical area						
North-West	32.9	43.2	20.4	3.2	0.3	100.0
North-East.....	45.8	42.5	8.4	3.2	0.1	100.0
Centre	47.1	39.4	11.1	0.0	2.4	100.0
South and Islands	52.2	38.2	5.6	3.9	0.0	100.0
Exports' share of sales						
From Zero to 1/3.....	43.2	39.9	13.9	2.3	0.8	100.0
Between 1/3/ and 2/3	33.1	46.6	14.7	5.5	0.1	100.0
More than 2/3.....	48.8	43.0	7.3	0.9	0.0	100.0
Total	41.8	41.7	13.2	2.8	0.5	100.0
<i>Memorandum items:</i>						
March 2011	34.5	48.9	14.1	1.8	0.7	100.0
December 2010	38.2	43.1	12.6	4.5	1.5	100.0
September 2010.....	29.9	49.8	13.2	5.6	1.5	100.0
June 2010.....	36.5	48.4	9.7	3.7	1.8	100.0

Table 6

**Trend in total demand for firm's product
with respect to previous quarter**
(percentages)

	Decreased	Unchanged	Increased	Total
Number of employees				
50-199	22.8	54.1	23.2	100.0
200-999	15.4	52.4	32.2	100.0
Over 999	19.8	59.4	20.8	100.0
Sector				
Industry	17.0	54.7	28.3	100.0
Services.....	26.8	53.0	20.2	100.0
Geographical area				
North-West	29.8	48.0	22.2	100.0
North-East.....	17.1	55.8	27.1	100.0
Centre	14.7	59.8	25.5	100.0
South and Islands.....	15.9	59.4	24.7	100.0
Exports' share of sales				
From Zero to 1/3.....	25.3	55.8	18.9	100.0
Between 1/3 and 2/3	14.0	45.6	40.4	100.0
More than 2/3.....	14.0	57.9	28.1	100.0
Total	21.5	53.9	24.6	100.0
<i>Memorandum items:</i>				
March 2011	19.3	54.2	26.5	100.0
December 2010	24.5	52.5	23.0	100.0
September 2010	16.6	57.9	25.6	100.0
June 2010.....	17.9	57.0	25.1	100.0

Table 7

**Foreign demand for the firm's products
with respect to previous quarter**
(percentages)^(*)

	Decreased	Unchanged	Increased	Total
Number of employees				
50-199	16.9	45.2	37.9	100.0
200-999	14.1	39.9	46.0	100.0
Over 999	17.5	51.6	30.9	100.0
Sector				
Industry	18.4	39.5	42.0	100.0
Services.....	8.9	62.5	28.5	100.0
Geographical area				
North-West	14.5	47.7	37.8	100.0
North-East.....	15.2	42.1	42.7	100.0
Centre	14.5	41.9	43.6	100.0
South and Islands.....	30.4	42.3	27.3	100.0
Total	16.4	44.4	39.2	100.0
<i>Memorandum items:</i>				
March 2011	11.5	50.0	38.5	100.0
December 2010	19.1	46.9	33.9	100.0
September 2010	10.7	51.2	38.1	100.0
June 2010.....	12.9	48.9	38.2	100.0

(*) For exporting firms only.

Table 8

Three-month forecast of the foreign demand for the firm's products
(percentages)^(*)

	Decrease	No change	Increase	Total
Number of employees				
50-199	6.0	60.0	34.0	100.0
200-999	3.5	55.9	40.6	100.0
Over 999	8.2	68.3	23.5	100.0
Sector				
Industry	4.9	57.4	37.6	100.0
Services.....	8.0	66.8	25.2	100.0
Geographical area				
North-West	3.9	63.8	32.3	100.0
North-East.....	6.6	61.6	31.8	100.0
Centre	5.6	43.6	50.8	100.0
South and Islands.....	9.1	60.0	30.9	100.0
Total	5.6	59.4	35.0	100.0

(*) For exporting firms only.

Table 9

Three-month forecast of the firm's business conditions
(percentages)

	Deterioration	No change	Improvement	Total
Number of employees				
50-199	18.9	65.5	15.7	100.0
200-999	17.5	66.3	16.3	100.0
Over 999	10.4	75.9	13.7	100.0
Sector				
Industry	15.0	69.4	15.6	100.0
Services.....	22.5	61.7	15.8	100.0
Geographical area				
North-West	18.3	65.9	15.8	100.0
North-East.....	12.5	70.3	17.3	100.0
Centre	23.8	57.6	18.5	100.0
South and Islands.....	24.0	66.9	9.0	100.0
Total	18.4	65.9	15.7	100.0
<i>Memorandum items:</i>				
March 2011	15.8	69.1	15.1	100.0
December 2010	19.0	65.8	15.2	100.0
September 2010	14.5	71.6	13.9	100.0
June 2010.....	18.0	66.9	15.1	100.0

Table 10

Factors which will affect the firm's business conditions
(average scores)^(*)

	Change in demand	Change in selling prices	Change in raw materials prices	Change in labour costs	Change in credit conditions
Number of employees					
50-199	0.3	0.0	-1.0	-0.9	-0.5
200-999	0.6	0.1	-0.9	-0.7	-0.5
Over 999	0.2	0.5	-0.8	-0.4	-0.4
Sector					
Industry	0.5	-0.1	-1.2	-0.8	-0.6
Services.....	0.3	0.2	-0.6	-0.8	-0.5
Geographical area					
North-West	0.4	0.0	-0.8	-0.6	-0.3
North-East.....	0.3	-0.1	-0.9	-1.0	-0.6
Centre	0.4	0.0	-1.2	-1.1	-0.9
South and Islands.....	0.5	0.4	-1.0	-0.7	-0.5
Total	0.4	0.0	-1.0	-0.8	-0.5
<i>Memorandum items:</i>					
March 2011	0.6	0.1	-1.2	-0.6	-0.5
December 2010	0.3	0.2	-0.7	-0.6	-0.4
September 2010.....	0.6	0.1	-0.8	-0.8	-0.4
June 2010.....	0.4	0.0	-0.9	-0.7	-0.4

(*) Companies' opinions regarding the direction and magnitude of the expected impact of each factor on their own business conditions in the next three months (large/average/small decrease or increase) were scored on a scale of -3 to 3. A neutral position was assigned a score of 0.

Table 11

Three-year forecast of the firm's business conditions
(percentages)

	Deterioration	No change	Improvement	Total
Number of employees				
50-199	18.2	23.7	58.2	100.0
200-999	18.3	14.4	67.2	100.0
Over 999	8.6	14.4	76.9	100.0
Sector				
Industry	14.9	25.3	59.8	100.0
Services.....	21.6	17.8	60.5	100.0
Geographical area				
North-West	18.0	22.0	60.0	100.0
North-East.....	18.9	21.3	59.8	100.0
Centre	21.0	11.3	67.7	100.0
South and Islands.....	12.4	35.2	52.4	100.0
Total	17.9	21.9	60.1	100.0
<i>Memorandum items:</i>				
March 2011	14.0	21.3	64.7	100.0
December 2010	15.7	20.0	64.3	100.0
September 2010	14.8	21.5	63.7	100.0
June 2010.....	14.4	22.0	63.6	100.0

Table 12

**Assessment of conditions for investment
with respect to previous quarter**
(percentages)

	Worse	Unchanged	Better	Total
Number of employees				
50-199	21.6	69.5	8.9	100.0
200-999	18.1	70.0	12.0	100.0
Over 999	10.3	81.6	8.1	100.0
Sector				
Industry	17.9	72.3	9.7	100.0
Services	24.1	67.0	8.9	100.0
Geographical area				
North-West.....	23.3	65.0	11.7	100.0
North-East.....	18.6	75.9	5.5	100.0
Centre.....	13.4	76.5	10.1	100.0
South and Islands	26.7	63.6	9.7	100.0
Total	20.7	69.9	9.4	100.0
<i>Memorandum items:</i>				
March 2011	19.9	69.2	10.9	100.0
December 2010	18.2	72.1	9.7	100.0
September 2010	11.9	73.9	14.2	100.0
June 2010.....	17.7	69.9	12.4	100.0

Table 13

Current level of stocks of finished products
(percentages)^(*)

	Low	Adequate	High	Total
Number of employees				
50-199	5.5	85.8	8.7	100.0
200-999	1.8	84.3	13.9	100.0
Over 999	2.2	83.4	14.5	100.0
Geographical area				
North-West	4.4	85.5	10.1	100.0
North-East.....	4.9	86.8	8.3	100.0
Centre	0.0	85.7	14.3	100.0
South and Islands.....	11.6	82.3	6.1	100.0
Exports' share of sales				
From Zero to 1/3.....	3.7	85.5	10.9	100.0
Between 1/3 and 2/3	4.0	85.6	10.4	100.0
More than 2/3.....	8.1	85.2	6.7	100.0
Total	4.8	85.5	9.8	100.0
<i>Memorandum items:</i>				
March 2011	6.1	86.5	7.4	100.0
December 2010	7.4	85.3	7.3	100.0
September 2010.....	6.3	85.1	8.6	100.0
June 2010.....	4.4	79.6	16.0	100.0

(*) Question for industrial firms only.

Table 14

**Assessment of credit conditions for firms
with respect to previous quarter**
(percentages)

	Worse	Unchanged	Better	Total
Number of employees				
50-199	15.1	79.2	5.7	100.0
200-999	17.2	76.6	6.2	100.0
Over 999	6.2	91.0	2.7	100.0
Sector				
Industry	13.2	79.4	7.4	100.0
Services	17.7	78.6	3.7	100.0
Geographical area				
North-West.....	10.1	83.1	6.7	100.0
North-East.....	16.5	79.5	4.0	100.0
Centre.....	20.6	74.1	5.3	100.0
South and Islands	20.2	73.0	6.8	100.0
Total	15.2	79.1	5.7	100.0
<i>Memorandum items:</i>				
March 2011	15.1	82.7	2.2	100.0
December 2010	13.9	81.0	5.1	100.0
September 2010	12.4	84.2	3.4	100.0
June 2010.....	15.1	80.0	4.9	100.0

Table 15

Three-month forecast of workforce
(percentages)

	Decrease	No change	Increase	Total
Number of employees				
50-199	17.3	67.3	15.5	100.0
200-999	18.1	63.0	18.8	100.0
Over 999	20.2	66.8	13.0	100.0
Sector				
Industry.....	18.6	66.6	14.7	100.0
Services.....	16.1	66.4	17.5	100.0
Geographical area				
North-West	15.1	66.9	18.0	100.0
North-East.....	18.1	64.8	17.1	100.0
Centre	20.6	70.0	9.4	100.0
South and Islands.....	19.1	65.1	15.8	100.0
Total	17.5	66.6	16.0	100.0
<i>Memorandum items:</i>				
March 2011	15.2	69.6	15.2	100.0
December 2010	21.7	65.4	12.9	100.0
September 2010.....	18.4	66.9	14.7	100.0
June 2010.....	23.3	65.2	11.4	100.0

Appendix C:
Questionnaire

IL SOLE 24 ORE – BANCA D'ITALIA SURVEY ON INFLATION AND GROWTH EXPECTATIONS – **JUNE 2011**

Company name _____

Instructions: For percentage changes, indicate the sign in the first box on the left (+ :for increases; – : for decreases).

Sector: _____ (1=Manufacturing; 2=Other industry; 3=Trade; 4=Other services)	EMPLOYEES: _____	Exports: <input type="checkbox"/> Yes, more than 2/3 <input type="checkbox"/> Yes, 1/3-2/3 <input type="checkbox"/> Yes, up to 1/3 of sales revenues <input type="checkbox"/> No
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SECTION A – GENERAL ECONOMIC SITUATION OF THE COUNTRY

A1. In April consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, was 2.9 per cent in Italy and 2.8 per cent in the euro area. What do you think it will be in Italy...
 ...in Dec. 2011? ...in June 2012? ...in June 2013?
 _____% _____% _____%

A2. Compared with 3 months ago, do you consider Italy's general economic situation is ...? Better The same Worse

A3. What do you think is the probability of an improvement in Italy's general economic situation in the next 3 months?
 Zero 1-25 per cent 26-50 per cent 51-75 per cent 76-99 per cent 100 per cent

SECTION B – YOUR FIRM'S BUSINESS CONDITIONS

How do you think business conditions for your company will be:

B1. in the next 3 months? Much better Better The same Worse Much worse

B2. in the next 3 years? Much better Better The same Worse Much worse

For each of the above forecasts imagine there are 100 points available; distribute them among the possible forecasts according to the probability assigned to each one. How do you think business conditions for your company will be:

	Better			The same			Worse			Total		
B3. in the next 3 months										1	0	0
B4. in the next 3 years										1	0	0

Please indicate whether and with what intensity the following **FACTORS will affect your firm's business in the next 3 months.**

Factors affecting your firm's business In the next 3 months	Effect on business			Intensity (if not nil)		
	Negative	Nil	Positive	Low	Average	High
B5. The effect of changes in DEMAND will be ...	1 _	2 _	3 _	1 _	2 _	3 _
B6. The effect of changes in YOUR PRICES will be ...	1 _	2 _	3 _	1 _	2 _	3 _
B7. The effect of changes in RAW MATERIALS PRICES will be ...	1 _	2 _	3 _	1 _	2 _	3 _
B8. The effect of changes in LABOUR COSTS will be ...	1 _	2 _	3 _	1 _	2 _	3 _
B9. The effect of developments in the AVAILABILITY and the COST OF CREDIT will be ...	1 _	2 _	3 _	1 _	2 _	3 _

B10. Compared with 3 month ago, do you think conditions for investment are ... ? Better The same Worse

B11. Compared with three months ago, is the **total** demand for your products ... ? Higher Unchanged Lower

B12. Compared with three months ago, is the **foreign** demand for your products ... ? Higher Unchanged Lower

B13. How will the **foreign** demand for your products vary in the next 3 months? Increase No change Decrease

B14. Compared with three months ago, are credit conditions for your company ...? Better Unchanged Worse

B15. In view of the current and expected demand for your products in the coming months, do you consider your **stocks of finished products** are currently ... ? Very low Low Adequate High Very high

SECTION C – CHANGES IN YOUR FIRM'S SELLING PRICES

C1. In the last 12 months, what has been the average change in your firm's prices? _____%

C2. For the next 12 months, what do you expect will be the average change in your firm's prices? _____%

Please indicate in what direction and with what intensity the following **FACTORS** will affect your firm's selling prices in the next 12 months:

Factors affecting your firm's prices in the next 12 months	Effect on firm's selling prices			Intensity (if not nil)		
	Downward	Neutral	Upward	Low	Average	High
C3. The effect of changes in TOTAL DEMAND will be ...	1 _	2 _	3 _	1 _	2 _	3 _
C4. The effect of changes in RAW MATERIALS PRICES will be ...	1 _	2 _	3 _	1 _	2 _	3 _
C5. The effect of changes in LABOUR COSTS will be ...	1 _	2 _	3 _	1 _	2 _	3 _
C6. The effect of the PRICING POLICIES of your firm's main competitors will be ...	1 _	2 _	3 _	1 _	2 _	3 _

SECTION D – WORKFORCE

D1. Your firm's TOTAL NUMBER of employees in the next 3 months will be:

	Lower	Unchanged	Higher
	1 _	2 _	3 _

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.

SUPPLEMENTS TO THE STATISTICAL BULLETIN

Money and Banking (monthly)

The Financial Market (monthly)

The Public Finances, borrowing requirement and debt (monthly)

Balance of Payments and International Investment Position (monthly)

Financial Accounts (quarterly)

Payment System (half yearly)

Public Finance Statistics in the European Union (annual)

Local Government Debt (annual)

Household Wealth in Italy (annual)

Sample Surveys (irregular)

Methodological Notes (irregular)

All the supplements are available on the Bank of Italy's site (www.bancaditalia.it).

Requests for clarifications concerning data contained in this publication can be sent by e-mail to statistiche@bancaditalia.it

