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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 March 2013 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 Valentina Aprigliano, Stefano Iezzi and 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 latest Banca d'Italia – Il Sole 24 Ore quarterly survey on inflation and growth expectations were carried out between 4 and 21 March 2013. A total of 834 companies with 50 or more employees took part, of which 412 operate in industry excluding construction and 422 in services. Starting with the December 2012 edition, the survey also polls construction firms¹ with 50 or more workers; in March 2013 the construction sample consisted of 196 firms (Table A1).

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 business, including their investment plans for the current year. 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.

2. The main findings for industrial and service firms

Inflation expectations in Italy and change in companies' selling prices

The decrease in 6-month inflation expectations continued (from 2.7 per cent in December to 2.4 per cent in March), in line with the slowdown in actual inflation in the first few months of 2013. Forecasts for 1 and 2 years ahead were also revised downwards (both from 2.7 to 2.4 per cent (Table 1 and Figure 1).

Businesses reported that they had raised their selling prices by 0.6 per cent in the last twelve months, more than a full percentage point less than they had expected a year earlier (Table 2). For the next twelve months firms expect a very modest rise in selling prices, just 0.4 per cent; they reported that the pressure deriving from production costs remained practically unchanged from the previous survey, as did the moderating influence of weak demand (Table 3).

Assessment of the general economic situation

Firms' assessments of general economic developments worsened again during the first quarter. The gap between those seeing an improvement and those seeing a deterioration in the current scenario widened sharply (to a negative balance of 68.5 percentage points from 53.7 in December), bringing it back to the level recorded last June. The number of firms offering a positive evaluation is now below 1 per cent (Table 4). Pessimism deepened in the service sector in particular. The average probability assigned to an improvement in the general economic situation over the next three months remained at the low levels of the previous survey; among export-oriented firms, the proportion reporting zero probability of improvement increased (Table 5).

Demand

The proportion of firms giving a negative assessment of the demand for their products in the last three months increased: the negative balance between expectations of an increase and a

¹ According to the ATECO classification of economic activities, *Industry* includes construction, but *Industria in senso stretto* (industry narrowly defined) does not. To simplify, in the rest of the text the term 'industrial firms' will be used to denote firms belonging to the category *Industria in senso stretto*.

decrease worsened from 30.2 percentage points in the December survey to 33 points; the deterioration was sharper among exporters (Table 6). Somewhat less pessimistic views were expressed on the outlook for demand in the second quarter: the negative balance between expectations of an increase and a decrease improved from 17.2 to 11.9 percentage points (Table 7).

Exporting firms' assessments of the demand for their products on foreign markets in the first quarter as compared with the fourth quarter of 2012 were more favourable, especially those of larger firms and those located in the North (Table 8). For the second quarter the outlook showed a sharp improvement involving all firms (Table 9).

Assessment of firms' business conditions

Expectations concerning business conditions over the next three months are still pessimistic. The negative balance between expected improvement and deterioration was 39 percentage points, about the same as in December. Only 3.4 per cent of the respondents expected conditions to improve. Service firms' expectations worsened (Table 10 and Figure 6). The expected negative impact of demand and of credit conditions was attenuated (Table 11).

Over the longer term (three years), assessments are more optimistic. By comparison with the December survey, the percentage of firms expecting an improvement in their business conditions rose from 53.8 to 57.1 per cent; the improvement was most marked among firms in the North-West and the Centre (Table 12).

Conditions for investment

Overall, investment remains sluggish. The negative balance between firms that reported an improvement in investment conditions in the first quarter and those reporting a deterioration worsened again, to 47.3 percentage points from 37.0 in December (Table 13 and Figure 7), returning to the low levels registered last June.

The outlook for investment in 2013 as a whole has also worsened. Firms forecasting a contraction with respect to 2012 outnumbered those expecting an increase by 19 percentage points as against 14 points in December (Table 14). In particular, the deterioration reflected the exacerbation of the assessments of service firms, where the balance between expectations of expansion and contraction worsened by 8 percentage points compared with December (Table 14).

The trend in investment expenditure between the second half of 2012 and the first half of 2013 remained slack, confirming the findings of the December survey (Table 15).

Liquidity conditions and access to credit

Firms' assessments of their liquidity in the next three months became slightly less unfavourable than in the December survey: 27.2 per cent expected it to be inadequate (down from 28.6 per cent), while those considering it more than adequate remained at 12 per cent (Table 18). The situation appeared to be better for larger firms.

Credit access is still difficult. The proportion of firms reporting that their conditions of access to credit had deteriorated declined slightly, to 28.8 per cent from 30.5 per cent in December (Table 19).

Workforce

Expectations for employment in the short term were less negative, on the whole. The proportion of firms expecting to increase staff in the next three months rose from 7.4 to 9.6 per cent, while those expecting their employment to diminish came down from 30.7 to 23.6 per cent (Table 20).

3. Construction companies

Construction firms' assessments of the general economic situation are more pessimistic than those of other industrial and service firms. Some 76 per cent of construction firms reported a worsening of economic conditions, while fewer than 1 per cent signaled an improvement (Table 4). The probability they ascribe to the emergence of a more favourable scenario in the next three months was negligible (Table 5).

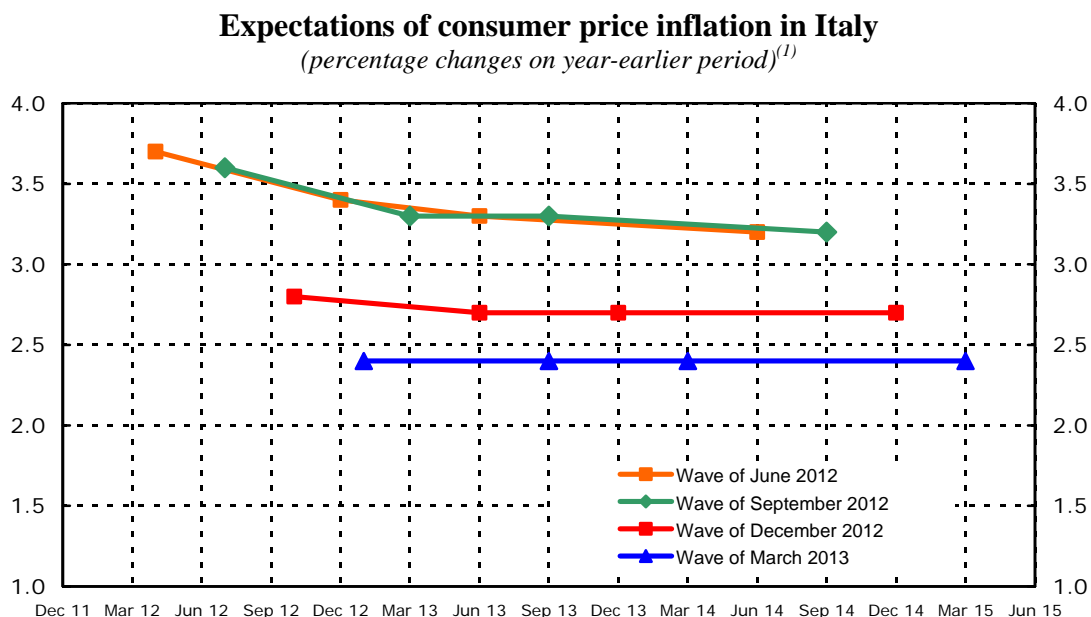
Construction firms painted a highly negative picture of the course of customer demand in the past three months. Nearly 50 per cent of those surveyed reported that demand had decreased, only 7.3 per cent that it had increased (Table 6). The short-term outlook (for the current quarter) is less dire: the balance between assessments of increasing and of decreasing demand is negative by 20 percentage points, and by just 7.1 points for firms that get at least a third of their revenue from residential building work.

Expectations for the economic environment for construction firms three months ahead are also pessimistic; 47.6 per cent of the respondents said conditions would worsen and just 2.8 per cent that they would improve (Table 10). For the next three years, 56.3 per cent of construction firms expect an improvement and 23.5 per cent a deterioration (Table 12).

Since the December survey, the portion of firms reporting a worsening of investment conditions increased, to 57.6 per cent (Table 13). And expectations of a reduction in investment in 2013 by comparison with 2012 far outweigh expectations of an increase (Table 14).

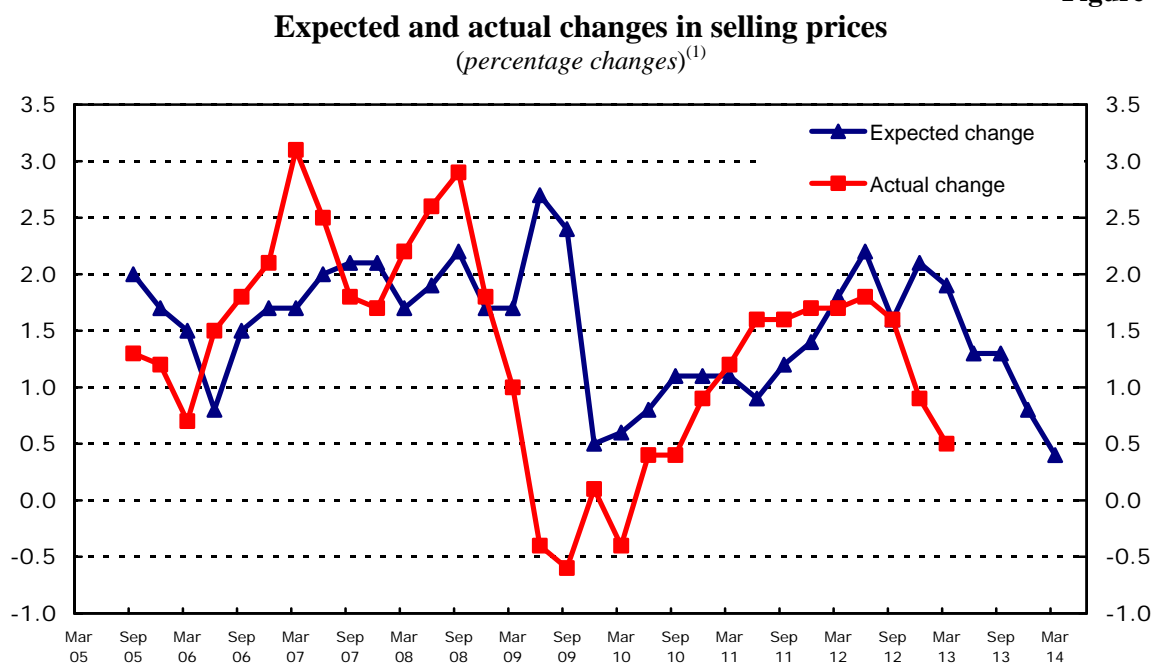
Construction firms expect a sharper decrease in staff over the next three months than firms in the rest of industry and in the service sectors (Table 20).

Figure 1



(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.

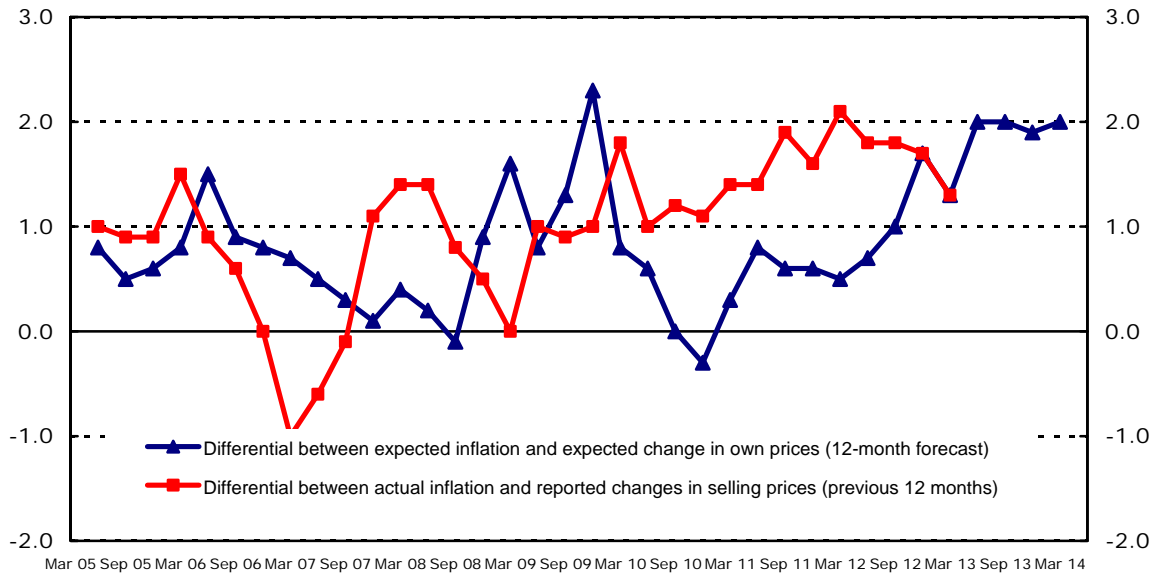
Figure 2



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

Figure 3

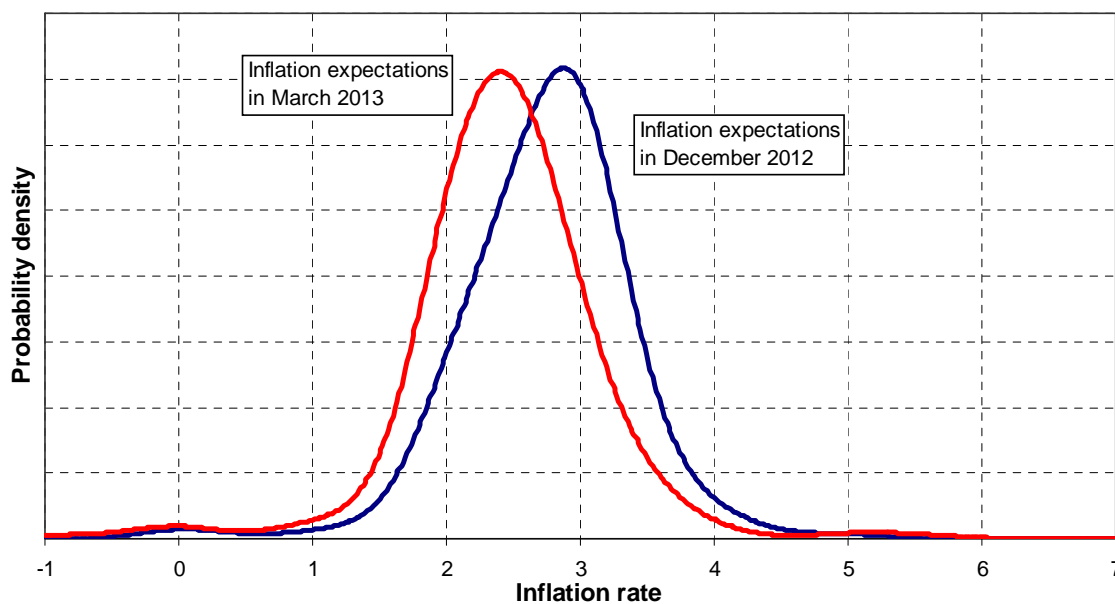
**Differential between price changes reported by firms and the inflation rate:
forecasts and outcomes**
(percentage points)⁽¹⁾



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

Figure 4

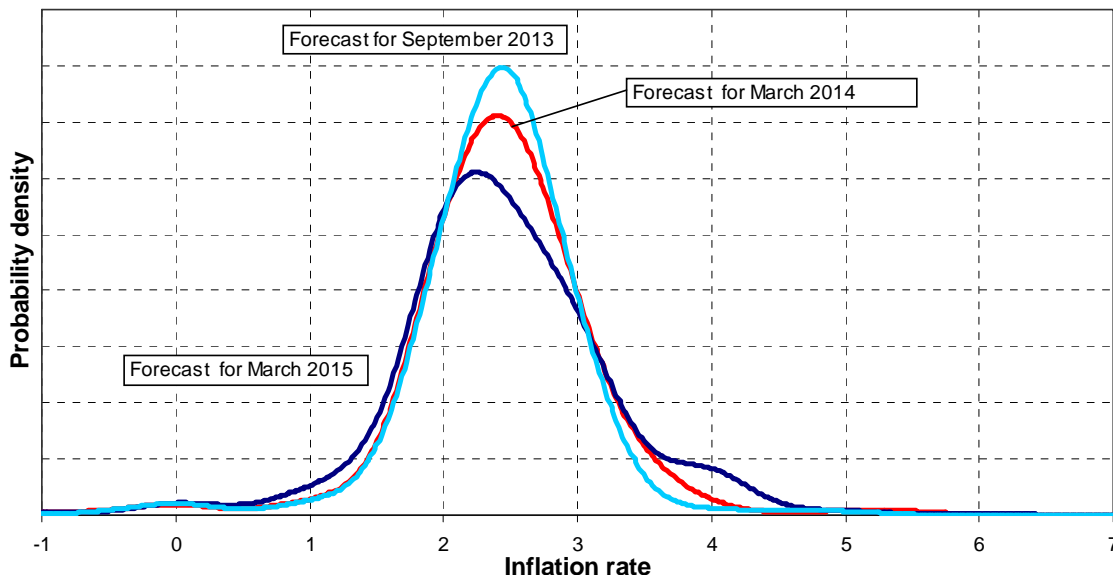
**Expectations of the inflation rate
over the next 12 months**
(kernel density)⁽¹⁾



(1) 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 2013. The blue line indicates the forecast made in December 2012.

Figure 5

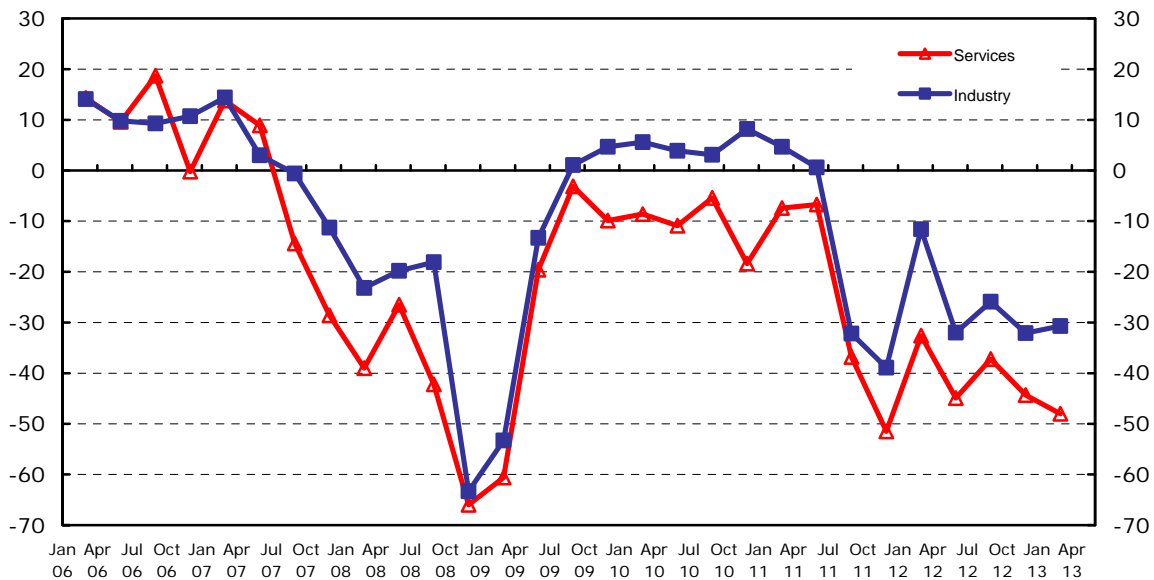
**Expectations of the inflation rate
over the next 6, 12 and 24 months
(kernel density)⁽¹⁾**



(1) 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.

Figure 6

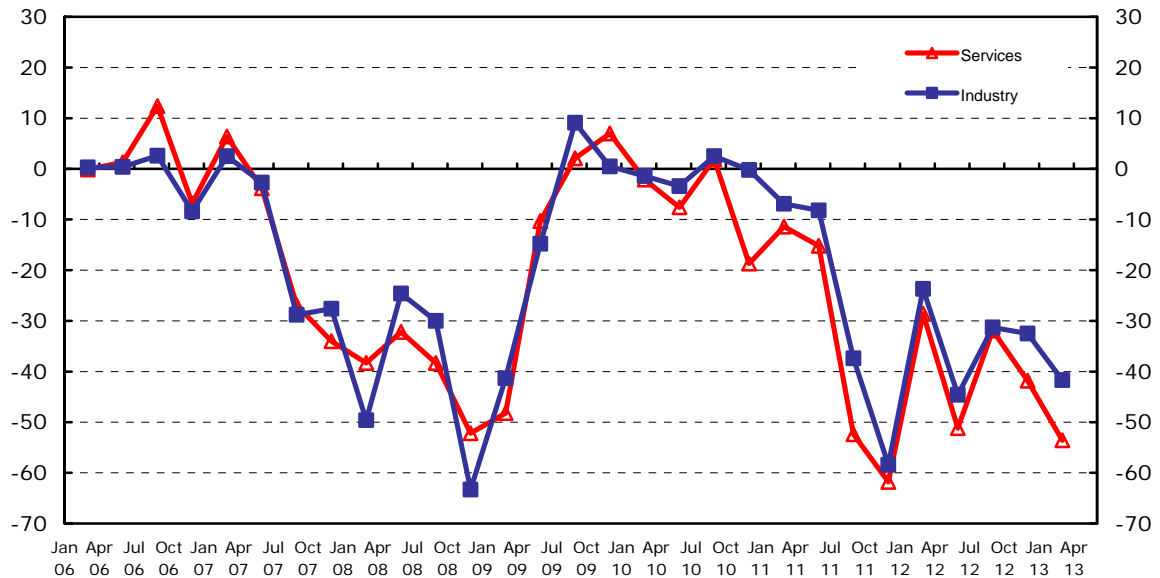
**Three-month forecast of the firm's business conditions
(percentage points)⁽¹⁾**



(1) Balance between expectations of an increase and expectations of a decrease.

Figure 7

Conditions for investment with respect to previous quarter
(percentage points)⁽¹⁾



(1) Balance between positive and negative judgments.

Appendix A:
Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

The Bank of Italy – Il Sole 24 Ore survey of inflation and growth expectations has been conducted since 1999, interviewing firms in industry excluding construction and in services with 50 or more workers. Starting in the fourth quarter of 2012, the survey has been extended to construction firms with at least 50 workers.

The sample for the first quarter of 2013 consisted of 1,030 firms: 412 firms in industry excluding construction, 422 service firms and 196 construction firms (Table A1).

The sample is stratified, with strata consisting of combinations of economic sector, size of firm (by number of workers) and geographical area. The need to ensure a large enough sample for every type of firm considered relevant means that, in some cases, the number of companies selected is disproportionate to the share of that category in the entire population of firms. This is in particular true of large companies.

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

Table A1

Composition of sample and universe

(units, percentages)

	Industry excluding construction and Services			Construction		
	Sample size (a)	Company universe ⁽¹⁾ (b)	Sample coverage rate (a / b) * 100	Sample size (c)	Company universe ⁽¹⁾ (d)	Sample coverage rate (c / d) * 100
Number of employees						
50-199.....	433	16,929	2.6	162	1,375	11.8
200-999.....	266	3,575	7.4	26	129	20.2
Over 999.....	135	540	25.0	8	8	100.0
Sector						
Industry.....	412	10,914	3.8	-	-	-
Services.....	422	10,130	4.2	-	-	-
Geographical area						
North-West.....	241	8,238	2.9	52	465	11.2
North-East.....	222	5,880	3.8	56	368	15.2
Centre.....	187	3,765	4.0	42	276	15.2
South and Islands.....	184	3,161	5.8	46	403	11.4
Total.....	834	21,044	4.0	196	1,512	13.0

(1) Istat (2010).

The estimates for inflation expectations 6, 12 and 24 months ahead are calculated on a sub-sample of 550 firms in industry excluding construction or services and 132

construction firms. The rest of the sample was given, on an experimental basis, a differently worded question on inflation expectations in order to assess the impact of the wording on the responses.²

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 A2).

Table A2

Response rates and data collection via Internet

(units, percentages)

	Industry excluding construction and Services		Construction	
	Companies contacted	Response rate ⁽¹⁾	Companies contacted	Response rate ⁽¹⁾
Number of employees				
50-199.....	1,389	31.2	534	30.3
200-999.....	370	71.9	117	22.2
Over 999.....	191	70.7	8	100.0
Sector				
Industry.....	1,068	38.6	-	-
Services.....	882	47.9	-	-
Geographical area				
North-West.....				
North-East.....	628	38.4	218	25.7
Centre.....	555	40.0	160	26.3
South and Islands.....	373	50.1	140	32.9
Total.....	1,950	42.8	659	29.7

(1) Percentage of companies contacted which participated in the survey.

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

² Specifically, these firms were asked to give their inflation expectations without informing them of Istat's latest release on inflation in Italy and the euro area. The results of the experiment will be described in a forthcoming edition of the survey.

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 A3).

Table A4 contains indicators of the standard errors of the main variables for the total sample.

Table A3

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

	Industry excluding construction and Services				Construction			
	Mean	Robust mean	Median	Non-response %	Mean	Robust mean	Median	Non-response %
Consumer price inflation in Italy in the next 6 months	2,4	2,4	2,5	0,0	2,3	2,3	2,5	0,0
Consumer price inflation in Italy in the next 12 months	2,4	2,4	2,5	0,0	2,3	2,3	2,4	0,0
Consumer price inflation in Italy in the next 24 months	2,4	2,4	2,4	0,0	2,3	2,3	2,2	0,0
Change in own prices in the last 12 months	0,7	0,5	0,0	4,2	-3,3	-3,2	-1,5	3,5
Change in own prices in the next 12 months.....	0,3	0,4	0,0	5,0	-2,5	-2,5	-0,3	3,5

Table A4

Standard errors
(percentages, scores)

	Industry excluding construction and Services	Construction
Consumer price inflation in Italy in the next 6 months	0,03	0,10
Consumer price inflation in Italy in the next 12 months	0,03	0,10
Consumer price inflation in Italy in the next 24 months	0,04	0,11
Change in own prices in the last 12 months	0,32	0,62
Change in own prices in the last 12 months (robust).....	0,22	0,60
Change in own prices in the next 12 months.....	0,28	0,75
Change in own prices in the next 12 months (robust)	0,24	0,72

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
Industry excluding construction and Services			
Number of employees			
50-199	2.4	2.5	2.5
200-999	2.4	2.4	2.4
Over 999	2.2	2.2	2.3
Sector			
Industry	2.4	2.4	2.4
Services.....	2.4	2.4	2.4
Geographical area			
North-West	2.4	2.4	2.4
North-East.....	2.4	2.5	2.6
Centre	2.3	2.3	2.4
South and Islands	2.4	2.4	2.4
Total industry and services	2.4	2.4	2.4
<i>Memorandum items:</i>			
December 2012.....	2.7	2.7	2.7
September 2012	3.3	3.3	3.2
June 2012.....	3.4	3.3	3.2
March 2012	3.2	3.2	3.0
	Construction		
Fraction of revenue derived from residential building			
Less than one third.....	2.3	2.3	2.3
More than one third	2.4	2.4	2.4
Geographical area			
North.....	2.3	2.4	2.4
Centre and South-Islands	2.3	2.3	2.2
Total construction	2.3	2.3	2.3

Table 2

Change in companies' selling prices
(percentages)⁽¹⁾

	Rate of change in own prices ...	
	... in last 12 months	... in next 12 months
	Mean (robust) ⁽²⁾	Mean (robust) ⁽²⁾
Industry excluding construction and Services		
Number of employees		
50-199	0.4	0.8
200-999	0.8	1.1
Over 999	0.5	0.0
Sector		
Industry	0.6	0.2
Services	0.5	0.6
Geographical area		
North-West	0.0	0.3
North-East	1.1	0.9
Centre	1.0	0.0
South and Islands	0.6	1.2
Total industry and services	0.6	0.4
<i>Memorandum items:</i>		
December 2012	0.9	0.8
September 2012	1.6	1.3
June 2012	1.8	1.3
March 2012	1.7	1.9
Construction		
Fraction of revenue derived from residential building		
Less than one third	-3.5	-2.6
More than one third	-2.6	-2.0
Geographical area		
North	-4.0	-3.2
Centre and South-Islands	-1.9	-1.2
Total construction	-3.2	-2.5

(1) Companies' responses are weighted by the number of employees to account for the impact of size.

(2) 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)⁽¹⁾

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors
Industry excluding construction and Services				
Number of employees				
50-199	-0.4	0.7	0.6	-0.7
200-999	-0.3	0.7	0.5	-0.4
Over 999	-0.3	0.8	0.3	-0.6
Sector				
Industry	-0.3	0.7	0.3	-0.5
Services	-0.4	0.7	0.5	-0.7
Geographical area				
North-West	-0.1	0.7	0.6	-0.4
North-East	-0.8	0.8	0.4	-1.0
Centre	-0.2	0.5	0.2	-0.4
South and Islands.....	-0.1	0.9	0.6	-0.5
Total industry and services	-0.3	0.7	0.4	-0.6
<i>Memorandum items:</i>				
December 2012.....	-0.4	0.6	0.4	-0.6
September 2012.....	-0.2	0.8	0.6	-0.6
June 2012.....	-0.1	0.6	0.4	-0.6
March 2012	0.7	1.6	0.3	-1.4
Construction				
Fraction of revenue derived from residential building				
Less than one third	0.3	1.0	0.9	-0.2
More than one third	-0.5	1.0	1.1	-0.6
Geographical area				
North	0.2	0.9	0.9	-0.2
Centre and South-Islands.....	-0.1	1.2	1.0	-0.4
Total construction.....	0.1	1.0	0.9	-0.3

(1) 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 (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	70.2	29.3	0.5	100.0	-69.7
200-999	65.5	33.8	0.7	100.0	-64.8
Over 999	56.9	39.6	3.5	100.0	-53.4
Sector					
Industry	64.7	34.1	1.1	100.0	-63.6
Services.....	73.7	26.2	0.1	100.0	-73.6
Geographical area					
North-West	66.5	32.6	0.9	100.0	-65.6
North-East.....	74.4	25.3	0.4	100.0	-74.0
Centre.....	71.0	28.7	0.3	100.0	-70.7
South and Islands	63.5	35.7	0.8	100.0	-62.7
Total industry and services.....	69.1	30.3	0.6	100.0	-68.5
<i>Memorandum items:</i>					
December 2012	57.5	38.7	3.8	100.0	-53.7
September 2012	50.6	42.9	6.4	100.0	-44.2
June 2012.....	69.9	27.7	2.5	100.0	-67.4
March 2012	41.5	41.0	17.5	100.0	-24.0
Construction					
Fraction of revenue derived from residential building					
Less than one third	74.6	25.4	0.0	100.0	-74.6
More than one third.....	78.4	19.9	1.8	100.0	-76.6
Geographical area					
North.....	81.0	17.9	1.1	100.0	-79.9
Centre and South-Islands	69.6	30.4	0.0	100.0	-69.6
Total construction	75.9	23.4	0.6	100.0	-75.3

Table 5

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

(percentages)

	Nulla	1-25%	26-50%	51-75%	76-100%	Totale	Media ⁽¹⁾
Industry excluding construction and Services							
Number of employees							
50-199	59.1	33.7	4.8	2.0	0.4	100	7.8
200-999	53.3	38.3	6.4	2.0	0.0	100	8.7
Over 999	35.6	43.4	14.4	5.7	1.0	100	15.5
Sector							
Industry	55.6	37.2	5.2	1.4	0.6	100	8.2
Services.....	59.6	32.1	5.3	2.9	0.1	100	8.1
Geographical area							
North-West	50.1	37.2	8.1	3.8	0.8	100	11.0
North-East.....	62.6	32.4	3.3	1.7	0.0	100	6.5
Centre	66.0	28.8	5.1	0.1	0.0	100	5.7
South and Islands.....	57.6	39.8	1.7	0.9	0.0	100	6.4
Exports' share of sales							
From Zero to 1/3.....	58.7	33.8	5.2	2.2	0.0	100	7.8
Between 1/3/ and 2/3	47.8	45.9	2.9	2.0	1.4	100	9.5
More than 2/3.....	65.9	23.6	8.6	1.8	0.0	100	7.5
Total industry and services	57.6	34.7	5.3	2.1	0.3	100	8.1
<i>Memorandum items:</i>							
December 2012.....	59.8	31.7	5.4	2.7	0.4	100.0	8.2
September 2012	52.3	35.9	7.8	3.8	0.2	100.0	10.2
June 2012.....	58.4	32.8	6.6	2.1	0.0	100.0	8.1
March 2012	40.4	39.1	11.0	7.9	1.6	100.0	15.7
Construction							
Fraction of revenue derived from residential building							
Less than one third.....	66.3	32.9	0.8	0.0	0.0	100.0	4.6
More than one third	65.5	26.6	6.2	1.7	0.0	100.0	6.9
Geographical area							
North.....	68.5	29.2	1.1	1.1	0.0	100.0	4.9
Centre and South-Islands	62.9	32.4	4.7	0.0	0.0	100.0	6.0
Total construction	66.0	30.6	2.8	0.6	0.0	100.0	5.4

) The average likelihood of an improvement is computed by assigning the centre value to each interval.

Table 6

**Trend in total demand for firm's product/work⁽¹⁾
with respect to previous quarter**
(percentages)

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	42.5	49.6	7.9	100.0	-34.6
200-999	36.3	52.8	10.9	100.0	-25.4
Over 999	39.0	52.8	8.2	100.0	-30.8
Sector					
Industry	36.8	52.7	10.5	100.0	-26.3
Services.....	46.3	47.5	6.2	100.0	-40.1
Geographical area					
North-West	40.9	51.7	7.4	100.0	-33.5
North-East.....	42.8	46.2	11.0	100.0	-31.8
Centre	40.4	53.6	6.0	100.0	-34.4
South and Islands	41.1	49.6	9.3	100.0	-31.8
Exports' share of sales					
From zero to 1/3.....	44.5	48.6	6.9	100.0	-37.6
Between 1/3/ and 2/3	37.6	50.1	12.3	100.0	-25.3
More than 2/3.....	34.0	56.8	9.2	100.0	-24.8
Total industry and services.....	41.4	50.2	8.4	100.0	-33.0
<i>Memorandum items:</i>					
December 2012.....	39.8	50.5	9.6	100.0	-30.2
September 2012	37.7	52.2	10.1	100.0	-27.6
June 2012	42.5	48.5	9.0	100.0	-33.5
March 2012	40.4	47.6	12.0	100.0	-28.4
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	45.0	46.4	8.6	100.0	-36.4
More than one third.....	58.6	36.3	5.0	100.0	-53.6
Geographical area					
North.....	51.9	40.8	7.3	100.0	-44.6
Centre and South-Islands	47.5	45.2	7.3	100.0	-40.2
Total construction	49.9	42.7	7.3	100.0	-42.6

(1) For firms in industry excluding construction and services, products; for construction firms, works.

Table 7

Three-month forecast of total demand for the firm's products/works⁽¹⁾
(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	27.7	57.6	14.6	100.0	-13.1
200-999	22.2	62.0	15.8	100.0	-6.4
Over 999	26.2	59.2	14.6	100.0	-11.6
Sector					
Industry	21.5	62.3	16.2	100.0	-5.3
Services.....	32.4	54.2	13.3	100.0	-19.1
Geographical area					
North-West	25.8	59.9	14.2	100.0	-11.6
North-East.....	31.3	54.8	13.9	100.0	-17.4
Centre	28.0	58.7	13.3	100.0	-14.7
South and Islands.....	19.0	61.0	20.0	100.0	1.0
Exports' share of sales					
From zero to 1/3.....	29.3	59.7	11.0	100.0	-18.3
Between 1/3/ and 2/3	23.9	54.8	21.3	100.0	-2.6
More than 2/3.....	20.6	58.2	21.2	100.0	0.6
Total industry and services.....	26.7	58.4	14.8	100.0	-11.9
<i>Memorandum items:</i>					
December 2012.....	29.0	59.1	11.8	100.0	-17.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	34.6	58.0	7.4	100.0	-27.2
More than one third.....	24.0	59.1	16.9	100.0	-7.1
Geographical area					
North.....	37.0	54.0	9.0	100.0	-28.0
Centre and South-Islands	23.1	63.8	13.1	100.0	-10.0
Total construction	30.8	58.4	10.8	100.0	-20.0

(1) For firms in industry excluding construction and services, products; for construction firms, works.

Table 8

**Foreign demand for the firm's products
with respect to previous quarter**
(Industry excluding construction and Services; percentages)⁽¹⁾

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
Number of employees					
50-199	21.7	51.7	26.6	100.0	4.9
200-999	12.2	55.4	32.4	100.0	20.2
Over 999	14.5	64.5	20.9	100.0	6.4
Sector					
Industry	19.8	51.2	29.1	100.0	9.3
Services.....	19.8	57.3	22.9	100.0	3.1
Geographical area					
North-West	18.4	53.0	28.7	100.0	10.3
North-East.....	19.1	48.4	32.5	100.0	13.4
Centre	20.5	59.9	19.5	100.0	-1.0
South and Islands.....	25.8	52.1	22.1	100.0	-3.7
Total industry and services	19.8	52.7	27.5	100.0	7.7
<i>Memorandum items:</i>					
December 2012.....	20.5	54.4	25.1	100.0	4.6
September 2012	22.4	45.4	32.1	100.0	9.7
June 2012.....	23.2	49.5	27.3	100.0	4.1
March 2012	24.0	51.0	24.9	100.0	0.9

(1) For exporting firms only.

Table 9

Three-month forecast of the foreign demand for the firm's products
(Industry excluding construction and Services; percentages)⁽¹⁾

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Number of employees					
50-199	11.2	53.6	35.1	100.0	23.9
200-999	8.5	58.8	32.7	100.0	24.2
Over 999	10.4	63.9	25.7	100.0	15.3
Sector					
Industry	10.9	52.2	36.9	100.0	26.0
Services.....	10.1	62.6	27.3	100.0	17.2
Geographical area					
North-West	12.1	55.4	32.5	100.0	20.4
North-East.....	8.7	53.4	38.0	100.0	29.3
Centre	8.9	59.3	31.8	100.0	22.9
South and Islands.....	13.6	50.0	36.4	100.0	22.8
Total industry and services	10.7	54.8	34.5	100.0	23.8
<i>Memorandum items:</i>					
December 2012.....	14.7	58.3	27.0	100.0	12.3
September 2012	15.7	55.0	29.3	100.0	13.6
June 2012.....	13.5	57.1	29.4	100.0	15.9
March 2012	12.0	55.9	32.1	100.0	20.1

(1) For exporting firms only.

Table 10

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	44.0	52.6	3.3	100.0	-40.7
200-999	35.1	61.2	3.7	100.0	-31.4
Over 999	38.1	59.3	2.6	100.0	-35.5
Sector					
Industry	34.7	61.4	4.0	100.0	-30.7
Services.....	50.7	46.6	2.7	100.0	-48.0
Geographical area					
North-West	41.8	54.4	3.9	100.0	-37.9
North-East.....	43.7	54.1	2.1	100.0	-41.6
Centre	44.0	52.8	3.2	100.0	-40.8
South and Islands.....	39.5	56.0	4.6	100.0	-34.9
Total industry and services.....	42.4	54.3	3.4	100.0	-39.0
<i>Memorandum items:</i>					
December 2012.....	41.9	54.2	3.9	100.0	-38.0
September 2012	37.1	57.1	5.8	100.0	-31.3
June 2012.....	41.4	55.0	3.6	100.0	-37.8
March 2012	31.1	59.3	9.6	100.0	-21.5
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	48.7	48.9	2.4	100.0	-46.3
More than one third.....	45.5	50.8	3.7	100.0	-41.8
Geographical area					
North.....	57.5	40.7	1.8	100.0	-55.7
Centre and South-Islands	35.4	60.5	4.1	100.0	-31.3
Total construction	47.6	49.6	2.8	100.0	-44.8

Table 11

Factors which will affect the firm's business conditions
(average scores)⁽¹⁾

	Change in demand	Trend in new sites	Trend in existing sites	Change in selling prices	Change in credit conditions
Industry excluding construction and Services					
Number of employees					
50-199	0.0	....	....	0.0	-0.6
200-999	-0.3	....	....	-0.2	-0.5
Over 999	-0.6	....	....	0.2	-0.5
Sector					
Industry	0.0	....	....	0.0	-0.5
Services.....	-0.2	....	....	-0.1	-0.6
Geographical area					
North-West	0.0	....	....	0.0	-0.5
North-East.....	-0.2	....	....	-0.1	-0.6
Centre	-0.2	....	....	0.0	-0.6
South and Islands.....	0.0	....	....	0.0	-0.7
Total industry and services.....	-0.1	....	....	0.0	-0.6
<i>Memorandum items:</i>					
December 2012.....	-0.4	....	....	-0.1	-1.0
September 2012	-0.3	....	....	-0.1	-0.9
June 2012.....	-0.4	....	....	-0.1	-1.0
March 2012	-0.1	....	....	0.0	-1.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	....	0.9	0.7	-0.7	-1.0
More than one third.....	....	0.6	0.6	-0.7	-0.8
Geographical area					
North.....	....	0.7	0.6	-0.9	-1.3
Centre and South-Islands .....	....	0.9	0.7	-0.4	-0.5
Total construction .....	....	0.8	0.7	-0.7	-1.0

(1) 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 12

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	23.9	20.9	55.2	100.0	31.3
200-999	18.1	17.0	65.0	100.0	46.9
Over 999	12.1	20.9	67.0	100.0	54.9
Sector					
Industry	18.4	16.4	65.2	100.0	46.8
Services.....	27.2	24.4	48.5	100.0	21.3
Geographical area					
North-West	16.9	20.1	63.0	100.0	46.1
North-East.....	31.5	20.1	48.4	100.0	16.9
Centre	23.3	20.1	56.6	100.0	33.3
South and Islands.....	20.3	20.9	58.8	100.0	38.5
Total industry and services	22.6	20.2	57.1	100.0	34.5
<i>Memorandum items:</i>					
December 2012.....	25.3	20.9	53.8	100.0	28.5
September 2012	20.0	19.0	61.0	100.0	41.0
June 2012.....	23.6	21.1	55.3	100.0	31.7
March 2012	19.3	21.7	59.0	100.0	39.7
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	21.7	22.0	56.3	100.0	34.6
More than one third	26.8	17.0	56.3	100.0	29.5
Geographical area					
North.....	25.3	21.7	53.0	100.0	27.7
Centre and South-Islands.....	21.4	18.3	60.3	100.0	38.9
Total construction	23.5	20.2	56.3	100.0	32.8

Table 13

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	50.7	46.8	2.4	100.0	-48.3
200-999	47.1	51.3	1.6	100.0	-45.5
Over 999	35.0	60.1	4.8	100.0	-30.2
Sector					
Industry	43.8	54.1	2.1	100.0	-41.7
Services.....	56.2	41.2	2.6	100.0	-53.6
Geographical area					
North-West	50.9	46.8	2.3	100.0	-48.6
North-East.....	48.7	49.2	2.2	100.0	-46.5
Centre	48.1	50.4	1.4	100.0	-46.7
South and Islands.....	50.6	45.4	4.0	100.0	-46.6
Total industry and services.....	49.7	47.9	2.4	100.0	-47.3
<i>Memorandum items:</i>					
December 2012.....	43.9	49.2	6.9	100.0	-37.0
September 2012	37.5	56.6	5.9	100.0	-31.6
June 2012.....	49.7	47.9	2.3	100.0	-47.4
March 2012	36.5	53.1	10.4	100.0	-26.1
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	57.1	40.9	2.0	100.0	-55.1
More than one third.....	58.4	36.5	5.1	100.0	-53.3
Geographical area					
North.....	64.2	32.2	3.6	100.0	-60.6
Centre and South-Islands	49.4	48.0	2.7	100.0	-46.7
Total construction	57.6	39.3	3.2	100.0	-54.4

Forecast changes in spending on fixed investment between 2012 and 2013

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	39.7	39.3	21.0	100.0	-18.7
200-999	40.4	39.5	20.0	100.0	-20.4
Over 999	39.6	36.9	23.5	100.0	-16.1
Sector					
Industry	37.1	37.6	25.3	100.0	-11.8
Services.....	42.8	41.0	16.2	100.0	-26.6
Geographical area					
North-West	38.2	41.1	20.7	100.0	-17.5
North-East.....	36.3	39.2	24.5	100.0	-11.8
Centre	45.3	37.0	17.7	100.0	-27.6
South and Islands.....	43.7	37.4	18.9	100.0	-24.8
Total industry and services.....	39.8	39.3	20.9	100.0	-18.9
<i>Memorandum items:</i>					
December 2012.....	33.4	47.3	19.4	100.0	-14.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	51.7	32.0	16.4	100.0	-35.3
More than one third.....	46.2	41.8	12.1	100.0	-34.1
Geographical area					
North.....	47.5	35.3	17.2	100.0	-30.3
Centre and South-Islands	52.4	35.8	11.9	100.0	-40.5
Total construction	49.7	35.5	14.8	100.0	-34.9

**Forecast changes in spending on fixed investment
between the second half of 2012 and the first half of 2013**

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	34.0	48.2	17.8	100.0	-16.2
200-999	36.1	42.4	21.5	100.0	-14.6
Over 999	42.0	38.6	19.4	100.0	-22.6
Sector					
Industry	32.7	48.9	18.4	100.0	-14.3
Services.....	36.5	44.9	18.6	100.0	-17.9
Geographical area					
North-West	28.8	50.9	20.3	100.0	-8.5
North-East.....	34.0	46.1	19.9	100.0	-14.1
Centre	44.2	39.2	16.6	100.0	-27.6
South and Islands.....	38.8	47.7	13.5	100.0	-25.3
Total industry and services.....	34.5	47.0	18.5	100.0	-16.0
<i>Memorandum items:</i>					
December 2012.....	35.3	45.4	19.3	100.0	-16.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	48.4	36.3	15.3	100.0	-33.1
More than one third.....	55.0	35.2	9.8	100.0	-45.2
Geographical area					
North.....	50.3	35.6	14.0	100.0	-36.3
Centre and South-Islands	51.3	36.2	12.5	100.0	-38.8
Total construction	50.8	35.9	13.3	100.0	-37.5

Table 16

Reduction in bank deposits in the last three months
(percentages)

	No	Yes	Total
Industry excluding construction and Services			
Number of employees			
50-199	59.2	40.8	100.0
200-999	64.9	35.1	100.0
Over 999	71.1	28.9	100.0
Sector			
Industry.....	61.1	38.9	100.0
Services	59.6	40.4	100.0
Geographical area			
North-West	68.5	31.5	100.0
North-East	59.7	40.3	100.0
Centre	52.9	47.1	100.0
South and Islands.....	49.3	50.7	100.0
Total industry and services	60.4	39.6	100.0
<i>per memoria:</i>			
September 2012	55.1	44.9	100.0
June 2012	57.2	42.8	100.0
March 2012	54.9	45.1	100.0
Construction			
Fraction of revenue derived from residential building			
Less than one third.....	36.4	63.6	100.0
More than one third	31.7	68.3	100.0
Geographical area			
North	34.0	66.0	100.0
Centre and South-Islands.....	35.5	64.5	100.0
Total construction	34.7	65.3	100.0

Table 17

**Factors contributing to the reduction in bank deposits
in the last three months**

(average scores)⁽¹⁾⁽²⁾

	Increasing difficulty in accessing credit	Reduction in revenues	Portfolio rebalancing
Industry excluding construction and Services			
Number of employees			
50-199	1.7	2.1	1.4
200-999	1.3	1.8	1.1
Over 999	1.2	1.8	1.2
Sector			
Industry	1.5	2.0	1.4
Services.....	1.7	2.2	1.3
Geographical area			
North-West	1.6	2.1	1.2
North-East.....	1.6	2.0	1.4
Centre	1.5	2.2	1.3
South and Islands.....	1.8	2.1	1.6
Total industry and services	1.6	2.1	1.3
<i>per memoria:</i>			
September 2012 .....	....	2.2	1.3
June 2012 .....	....	2.1	1.4
March 2012 .....	....	2.2	....
Construction			
Fraction of revenue derived from residential building			
Less than one third.....	2.0	2.6	1.6
More than one third	2.1	2.6	1.9
Geographical area			
North.....	2.2	2.7	1.9
Centre and South-Islands	1.9	2.4	1.4
Total construction	2.0	2.6	1.7

(1) The question was put only to firms that had responded affirmatively to the question on the reduction in bank deposits.
– (2) Firms' assessments of the intensity of the impact of each factor on the reduction of their bank deposits (none, small, average and large) were scored on a scale from 0 to 3. – (3) Figures are reported only where the comparison is possible.

Table 18

Overall liquidity position in the next three months
(percentages)

	Insufficient	Sufficient	More than sufficient	Total
Industry excluding construction and Services				
Number of employees				
50-199	29.0	59.7	11.4	100.0
200-999	21.6	63.0	15.4	100.0
Over 999	8.9	70.5	20.6	100.0
Sector				
Industry.....	26.8	61.4	11.8	100.0
Services	27.7	59.5	12.8	100.0
Geographical area				
North-West	21.8	65.1	13.1	100.0
North-East	22.9	63.6	13.6	100.0
Centre	36.8	52.5	10.6	100.0
South and Islands.....	37.6	52.5	9.9	100.0
Total industry and services	27.2	60.5	12.3	100.0
<i>Memorandum items:</i>				
December 2012.....	28.6	58.8	12.5	100.0
September 2012.....	24.8	63.4	11.8	100.0
June 2012.....	26.1	62.8	11.1	100.0
March 2012	27.8	60.5	11.7	100.0
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	44.2	50.4	5.4	100.0
More than one third	51.0	47.1	1.9	100.0
Geographical area				
North	46.5	47.7	5.8	100.0
Centre and South-Islands.....	46.8	51.1	2.2	100.0
Total construction	46.6	49.2	4.2	100.0

Table 19

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	30.5	68.8	0.7	100.0	-29.8
200-999	22.7	74.7	2.6	100.0	-20.1
Over 999	13.5	82.7	3.8	100.0	-9.7
Sector					
Industry.....	26.2	72.5	1.3	100.0	-24.9
Services	31.6	67.6	0.8	100.0	-30.8
Geographical area					
North-West	25.3	74.1	0.6	100.0	-24.7
North-East	27.7	72.1	0.2	100.0	-27.5
Centre	34.4	62.8	2.8	100.0	-31.6
South and Islands.....	33.2	65.0	1.8	100.0	-31.4
Total industry and services	28.8	70.1	1.1	100.0	-27.7
<i>Memorandum items:</i>					
December 2012.....	30.5	66.3	3.2	100.0	-27.3
September 2012.....	26.1	72.2	1.8	100.0	-24.3
June 2012.....	32.9	65.1	2.0	100.0	-30.9
March 2012	33.9	62.4	3.7	100.0	-30.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	48.4	50.4	1.3	100.0	-47.1
More than one third	54.0	44.3	1.7	100.0	-52.3
Geographical area					
North	51.1	47.5	1.5	100.0	-49.6
Centre and South-Islands.....	49.6	49.0	1.3	100.0	-48.3
Total construction	50.4	48.2	1.4	100.0	-49.0

Table 20

Three-month forecast of workforce
(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	22.9	67.8	9.3	100.0	-13.6
200-999	24.8	64.1	11.1	100.0	-13.7
Over 999	35.0	56.6	8.3	100.0	-26.7
Sector					
Industry.....	22.8	66.7	10.6	100.0	-12.2
Services	24.4	67.1	8.5	100.0	-15.9
Geographical area					
North-West	21.5	69.8	8.8	100.0	-12.7
North-East	24.5	64.5	11.0	100.0	-13.5
Centre	26.2	66.5	7.4	100.0	-18.8
South and Islands.....	24.2	64.3	11.5	100.0	-12.7
Total industry and services	23.6	66.9	9.6	100.0	-14.0
<i>Memorandum items:</i>					
December 2012.....	30.7	61.9	7.4	100.0	-23.3
September 2012.....	24.7	68.9	6.5	100.0	-18.2
June 2012.....	25.3	66.5	8.2	100.0	-17.1
March 2012	21.2	67.1	11.7	100.0	-9.5
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	33.7	58.9	7.4	100.0	-26.3
More than one third	30.6	61.4	8.0	100.0	-22.6
Geographical area					
North	35.0	57.1	7.9	100.0	-27.1
Centre and South-Islands.....	29.8	62.9	7.3	100.0	-22.5
Total construction	32.6	59.8	7.6	100.0	-25.0

Appendix C:
Questionnaire

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

MARCH 2013

Company Name _____

A0. Which is your firm's main sector? |__|

(1) MANUFACTURING

(2) OTHER INDUSTRY

- Mineral extraction from mines
- Elettrical, gas, vapour, air conditioning supply
- Water supply
- Sewerage, waste management, and redevelopment

(3) TRADING

(4) OTHER SERVICES

(5) CONSTRUCTION

- Buildings
- Engineering
- Special construction works
(demolition and preparation of building sites, plant installation, completion and finishing, etc.)

Fill in GREEN questionnaire

Fill in LIGHT BLUE questionnaire

INDUSTRY EXCLUDING CONSTRUCTION AND SERVICES

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

SEZIONE A – GENERAL INFORMATION

A1. Number of employees: |_|_|

A2. Share of sales revenues coming from exports: |_|_|

(1= more than 2/3; 2= Between 1/3 and 2/3; 3= Up to 1/3 and more than zero; 4=Zero)

SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in September 2013?	...in March 2014?	... in March 2015?
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 2.4 per cent in Italy and 2.0 per cent in the euro area. What do you think it will be in Italy...	|_|_|_|_|_|_|_|%	|_|_|_|_|_|_|_|%	|_|_|_|_|_|_|_|%
B1b. (about 1/3 of the sample) What do you think consumer price inflation in Italy, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, will be...	|_|_|_|_|_|_|_|%	|_|_|_|_|_|_|_|%	|_|_|_|_|_|_|_|%

B2. Compared with 3 months ago, do you consider Italy's general economic situation is ...? Better The same Worse

B3. 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 C – YOUR FIRM'S BUSINESS CONDITIONS

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

C1. in the next 3 months? Much better Better The same Worse Much worse

C2. 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		
C3. in the next 3 months	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	1	0	0
C4. 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
C5. changes in DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
C6. changes in YOUR PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
C7. AVAILABILITY and the COST OF CREDIT	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|

C8. Compared with 3 month ago, do you think conditions for investment are ... ? Better The same Worse

C9. What do you think your liquidity situation will be in the next 3 months, given the expected change in the conditions of access to credit? Insufficient Sufficient More than sufficient

C10. Compared with three months ago, is the total demand for your products ... ? Higher Unchanged Lower

C11. How will the total demand for your products vary in the next 3 months? Increase No change Decrease

(Answer to questions C12-C13 only if the share of sales revenues coming from exports is positive, otherwise go to C14)

C12. Compared with three months ago, is the foreign demand for your products ... ? Higher Unchanged Lower

C13. How will the foreign demand for your products vary in the next 3 months? Increase No change Decrease

C14. Compared with three months ago, are credit conditions for your company ...? Better Unchanged Worse

SECTION D – CHANGES IN YOUR FIRM'S SELLING PRICES

D1. In the last 12 months, what has been the average change in your firm's prices? |_|_|_|_|_|_|_|_|%

D2. For the next 12 months, what do you expect will be the average change in your firm's prices? |_|_|_|_|_|_|_|_|%

Please indicate direction and intensity of the following FACTORS as they 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
D3. TOTAL DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D4. RAW MATERIALS PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D5. LABOUR COSTS	1 _	2 _	3 _	1 _	2 _	3 _

D6. PRICING POLICIES of your firm's main competitors	1 _	2 _	3 _	1 _	2 _	3 _
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SECTION E – WORKFORCE

E1. Your firm's TOTAL NUMBER of employees in the next 3 months will be:	<i>Lower</i>	<i>Unchanged</i>	<i>Higher</i>
	1|_|	2|_|	3|_|

SECTION F – BANK DEPOSITS

F1. In the last three months, excluding normal seasonal fluctuations, did you reduce your bank deposits? No Yes

If yes, what contribution did each of the following factors make?

	<i>None</i>	<i>Small</i>	<i>Average</i>	<i>Large</i>
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F2. Increasing difficulty in accessing credit	1 _	2 _	3 _	4 _
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F3. Reduction in revenues	1 _	2 _	3 _	4 _
----------------------------------	-----	-----	-----	-----

F4. Portfolio rebalancing; perceived uncertainty on financial system	1 _	2 _	3 _	4 _
---	-----	-----	-----	-----

SEZIONE G – INVESTMENT

G1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2013 compared with that in 2012? Much higher A little higher About the same A little lower Much lower

G2. And what do you expect will be the nominal expenditure in the first half of 2013 compared with that in the second half of 2012: Much higher A little higher About the same A little lower Much lower

NOTE: The responses "much higher" and "much lower" also apply when, in the two periods compared, investments are zero.

CONSTRUCTION

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

SEZIONE A – GENERAL INFORMATION

A1. Number of employees: |__|

A2. Share of sales revenues coming from exports: |__|

(1= more than 2/3; 2= Between 1/3 and 2/3; 3= Up to 1/3 and more than zero; 4=Zero)

A3. Share of revenue from residential building: |__|

(1= more than 2/3; 2= Between 1/3 and 2/3; 3= Up to 1/3 and more than zero; 4=Zero)

SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in September 2013?	...in March 2014?	... in March 2015?
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 2.4 per cent in Italy and 2.0 per cent in the euro area. What do you think it will be in Italy...	|__| |__|_|.|__|%	|__| |__|_|.|__|%	|__| |__|_|.|__|%
B1b. (about 1/3 of the sample) What do you think consumer price inflation in Italy, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, will be...	|__| |__|_|.|__|%	|__| |__|_|.|__|%	|__| |__|_|.|__|%

B2. Compared with 3 months ago, do you consider Italy's general economic situation is ...? Better The same Worse

B3. 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 C – YOUR FIRM'S BUSINESS CONDITIONS

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

C2. in the next 3 months? Much better Better The same Worse Much worse

C2. 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		
C3. in the next 3 months										1	0	0
C4. 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
C5a. trend in NEW SITES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C5b. trend in existing SITES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C6. changes in YOUR PRICES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C7. AVAILABILITY and the COST OF CREDIT	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|

C8. Compared with 3 month ago, do you think conditions for investment are ... ? Better The same Worse

C9. What do you think your liquidity situation will be in the next 3 months, given the expected change in the conditions of access to credit? Insufficient Sufficient More than sufficient

C10. Compared with three months ago, is the total demand for your works ... ? Higher Unchanged Lower

C11. How will the total demand for your works vary in the next 3 months? Increase No change Decrease

(Answer to questions C12-C13 only if the share of revenue from residential building is positive, otherwise go to C14)

C12. How has demand for your residential building works changed compared with 3 months ago? Higher Unchanged Lower

C13. How will demand for your residential building works change in the next 3 months? Increase No change Decrease

C14. Compared with three months ago, are credit conditions for your company ...? Better Unchanged Worse

SECTION D – CHANGES IN YOUR FIRM'S SELLING PRICES

D1. In the last 12 months, what has been the average change in your firm's prices?

|__| |__|_|.|__|%

D2. For the next 12 months, what do you expect will be the average change in your firm's prices?

|__| |__|_|.|__|%

Please indicate direction and intensity of the following FACTORS as they 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)		
	<i>Downward</i>	<i>Neutral</i>	<i>Upward</i>	<i>Low</i>	<i>Average</i>	<i>High</i>
D3. TOTAL DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D4. RAW MATERIALS PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D5. LABOUR COSTS	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D6. PRICING POLICIES of your firm's main competitors	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
SECTION E – WORKFORCE						
E1. Your firm's TOTAL NUMBER of employees in the next 3 months will be:				<i>Lower</i>	<i>Unchanged</i>	<i>Higher</i>
				1|_|	2|_|	3|_|
SECTION F – BANK DEPOSITS						
F1. In the last three months, excluding normal seasonal fluctuations, did you reduce your bank deposits? <input type="checkbox"/> No <input type="checkbox"/> Yes						
If yes , what contribution did each of the following factors make?				<i>None</i>	<i>Small</i>	<i>Average</i>
						<i>Large</i>
F2. Increasing difficulty in accessing credit				1|_|	2|_|	3|_|
F3. Reduction in revenues				1|_|	2|_|	3|_|
F4. Portfolio rebalancing; perceived uncertainty on financial system				1|_|	2|_|	3|_|
SEZIONE G – INVESTMENT						
G1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2013 compared with that in 2012? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
G2. And what do you expect will be the nominal expenditure in the first half of 2013 compared with that in the second half of 2012: <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
NOTE: The responses "much higher" and "much lower" also apply when, in the two periods compared, investments are zero.						