



BANCA D'ITALIA  
EUROSISTEMA

# Supplements to the Statistical Bulletin

---

Sample Surveys

Survey on Inflation and Growth Expectations

June 2015

New series

Year XXV - 13 July 2015

Number

36



## CONTENTS

1. Introduction .....	3
2. The main results for firms in services and industry excluding construction .....	3
3. Construction firms .....	5
Appendix A: Methodological Notes .....	11
Appendix B: Statistical Tables.....	17
Appendix C: Questionnaire.....	43

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 2015 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 Tatiana Cesaroni and Antonio Maria Conti.

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 1 and 19 June 2015. A total of 1,003 firms with 50 or more employees took part, of which 387 operate in industry excluding construction, 417 in services and 199 in construction (Table A1).

The firms were asked to provide forecasts on macroeconomic matters – such as developments in the inflation rate and the general state of the productive economy in Italy and, for the first time since the survey began, the effects of the recent monetary policy measures implemented by the ECB – and on issues regarding their own business. In some cases, the forward-looking opinions are accompanied by backward-looking assessments.

The main findings of the survey are summarized below. Appendices A, B and C contain the methodological notes, the statistical tables and the questionnaire.

### **2. The main findings for firms in services and in industry excluding construction**

#### **Inflation expectations in Italy and change in firms' selling prices**

In June firms raised their consumer inflation expectations for the next six months up slightly, to 0.3 per cent from 0.2 per cent in the March survey, while expectations one and two years ahead were stable at 0.5 and 0.8 per cent, respectively. By contrast, forecasts for the next three to five years were revised down slightly, to 1.0 per cent from 1.2 per cent in the previous survey (Table 1 and Figure 1).

Firms reported that they had lowered their selling prices by 0.2 per cent compared to one year earlier (they were unchanged in March; Table 2); list prices fell both in industry excluding construction and, to a lesser extent, in services. Selling prices are expected to increase moderately in both sectors over the next twelve months: overall, firms expect an upward adjustment of 0.7 per cent, barely higher than that envisaged in the March survey (0.6 per cent).

For the first time since March 2012 the firms surveyed viewed demand as a factor giving a positive, albeit limited, boost to future selling prices. Upward pressures stemming from changes in commodity prices and labour costs were confirmed, while the pricing policies of competitors are still the main inhibiting factor (Table 3).

#### **Assessment of the general economic situation**

Firms' assessments of Italy's general economic situation continued to be positive, though slightly less so following the marked improvement reported in the previous survey: the balance between judgments of improvement and deterioration was equal to 15.8 percentage points (from 18.6 percentage points in March and -23.1 percentage points last December; Table 4); the proportion of firms reiterating their view that Italy's situation is stable increased, from two thirds to just under three quarters of the survey sample. The average probability assigned to an improvement of the economic situation in the next three months also remained basically stable at positive levels (Table 5).

#### **Demand**

The balance between firms reporting an increase in demand for their products in the last quarter compared with those reporting a decrease rose significantly (to 11.5 per cent, against 1.0 per cent in the previous survey; Table 6). This reflected both the increase in the number of firms recording an improvement and the decrease in those recording a deterioration. Trends were particularly

favourable for firms in industry excluding construction and those operating in Italy's South and Islands. Short-term expectations remained in positive territory, with a balance between positive and negative opinions that was slightly lower than in March (down to 17.3 from 21.2 per cent). There was also an increase in the number of firms expecting the situation to remain substantially unchanged (Table 7).

Firms' opinions on foreign demand for their products, both current and over the next three months, were also positive and reportedly improving (Tables 8 and 9), though not as markedly as in the previous survey.

### **Assessment of business conditions**

Firms' expectations concerning the economic conditions in which they will be operating over the next three months continued to be cautiously optimistic, although the bulk of responses indicated expectations of stability (78.9 per cent compared with 71.6 in March; Table 10 and Figure 6). The balance between firms expecting an improvement and those expecting a deterioration, which turned positive in the March survey, remained substantially stable (at 5.4 percentage points from 4.9 percentage points): the increase recorded in the assessments of firms in services offset the fall in manufacturing. Economic activity is expected to benefit from the positive contribution of variations in demand and prices, and in the euro-dollar exchange rate, both factors reported to be improving, though only marginally; the brake represented by uncertainty stemming from economic and political factors appears to be basically unchanged from March (Table 11).

The share of firms reporting a decrease in their 'normal' level of activity in the last two years has gone up from 37.6 to 39.5 per cent, although this is still well below the figures reported for December 2014 (Table 17); by contrast, 26.0 per cent reported an increase in activity while about 27 per cent reported no change.

### **Investment conditions**

Firms' assessments of investment conditions remained favourable, albeit slightly less so than in the previous quarter: the balance between responses indicating an improvement and those indicating a deterioration fell to 8.7 per cent from 14.5 per cent, though these figures are still among the highest reported since 2006 (Table 13 and Figure 7); there were broadly similar trends in manufacturing and services.

The balance between firms expecting an increase in nominal investment expenditure in the first half of 2015 compared to the second half of 2014 and those expecting a decrease is over 11 per cent (up from the 5.5 per cent reported in the previous survey). The improvement mainly reflected trends in the manufacturing sector and among medium to large companies (with over 200 employees); almost 60 per cent of firms expected nominal investment expenditure to remain unchanged compared to the second half of 2014 (Table 14).

For 2015 as a whole the balance between firms forecasting an increase in investment and those expecting a decrease has narrowed to 14.1 per cent (from 16.4 per cent in the last survey), mainly reflecting a marked downward adjustment of investment plans in the service sector; just under half of respondent firms expect total investment expenditure to remain unchanged compared with 2014 (against 45.4 per cent in the previous survey; Table 15).

Some 43.9 per cent of respondent firms declared that they have overcome the most difficult phase of the downturn, down from 47.1 per cent in March (Table 21); the percentage of firms predicting a substantial improvement in their output in the coming months remained stable at 46.4 per cent.

### Liquidity and access to credit

Access to credit continued to ease, in line with the trend under way since December 2012. In the last quarter the balance between the share of firms reporting easier access to credit compared with the previous quarter and those indicating greater difficulty was positive for the second time since the question was included in the survey in September 2008, increasing to 7.8 percentage points (from 4.7 points; Table 18). More specifically, 14.4 per cent of firms report an easing in access to credit, compared with 12.3 per cent in March, while 6.6 per cent report a tightening, compared with 7.6 per cent in the previous quarter. The improvement was more marked in manufacturing and was reported all over Italy including, for the first time, firms in the South and Islands. The most recent monetary policy measures adopted by the ECB also seem to have helped bring about more favourable funding conditions and large firms in particular reported a positive impact. Overall, 37.0 per cent of firms identified in easier access to credit their key driving factor, while for 40.6 per cent of firms the key driver was an improvement in confidence (Table 16).

Firms' expectations concerning their liquidity position in the short term also improved slightly: the share of those expecting it to be inadequate in the next quarter remained stable at 15.6 per cent, while those considering it more than adequate rose from 21.6 to 22.2 per cent (Table 19).

### Employment

Expectations for employment in the short term improved slightly. The share of firms estimating an increase in staff numbers in the next three months rose to 19.1 per cent, up from 18.2 per cent in December; those expecting a decline also increased, from 14.4 to 14.9 per cent (Table 20), while roughly two thirds of firms expect the situation to remain basically unchanged.

## 3. Construction firms

In June the moderate optimism of construction firms concerning the general economic outlook, as reported in the previous quarter, strengthened further: the balance between judgments of an improvement and a deterioration remained positive at 2.1 per cent, (down from 3.0 per cent in March; compared with -34.9 per cent in December, Table 4). The probability assigned to an improvement in the scenario in the next three months was also largely unchanged at 12.8 per cent, having almost doubled in the previous survey (Table 5).

Assessments of demand for reporting firms' own services were slightly less favourable on average than in the previous quarter, and the balance between firms reporting an improvement and those reporting a deterioration narrowed to 2.2 per cent, from 3.4 in March (Table 6). The balance of answers on the short-term outlook for demand remained positive but was virtually halved, falling from 17.5 to 9.4 percentage points (Table 7).

The respondent firms' assessments of the economic conditions in which they are operating remained stable following the improvement reported in the March survey. The balance on assessments for the next three months stood at -2.0 per cent, as in the previous survey (Table 10). Apart from the uncertainty attributable to economic and political factors, other – though more minor - obstacles could include oil price developments and the euro-dollar exchange rate. Positive stimuli to the economy appear to be coming mainly from increased demand for firms' services (both new and pre-existing orders) and from an improvement in the terms of access to credit.

Expectations three years ahead remained positive, though less so compared to the previous survey. The balance between firms expecting an improvement and those expecting a deterioration fell from 60.0 to 49.1 percentage points, as against 36.3 percentage points in December (Table 12), mainly because of a decrease in the share of firms expecting an improvement.

The percentage of firms reporting a decrease in their 'normal' level of activity in the last two years was 59.4 per cent, higher than that reported in the March survey. Conversely, the percentage of firms reporting an increase was lower, down from 15.8 to 11.7 per cent (Table 17).

Construction firms' views on investment conditions mirror those of firms in manufacturing and services: in the last quarter the balance between firms expecting an improvement and those expecting a deterioration remained positive at 2.1 percentage points (from 7.3; Table 13). The balance between the percentage of firms predicting an increase in their nominal expenditure on fixed investment in the first six months of 2015 compared with the second half of 2014 turned positive (2.7 per cent, from -4.5 per cent in March; Table 14). For 2015 as a whole compared with 2014 the balance was -1.2 per cent (from -8.0), reflecting above all the improvement for firms mainly involved in residential construction (Table 15).

The share of construction firms reporting that in the previous months they had overcome the most difficult phase of the downturn was stable at 35.8 per cent (Table 21), while those expecting a 'substantial increase' in output in the upcoming months fell to 44.0 per cent, having risen sharply in March, to 48.4 per cent from 29.2 in December.

Expectations for employment over the next few months are more pessimistic than in the last survey: the negative balance between expectations of an improvement and a deterioration has widened to -24.3 per cent, from -14.1 in March (Table 20).

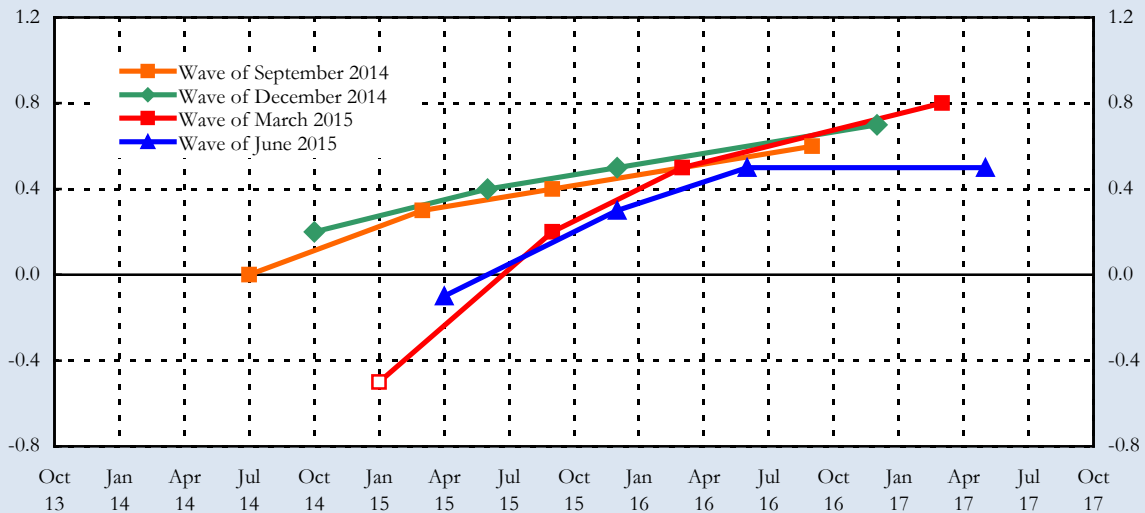
Firms' views on the conditions of access to credit improved: the balance went from -4.7 to -1.7 per cent, also as a result of the impact of the recent monetary policy measures adopted by the ECB: among those construction firms significantly affected, more than half stated that the factor having the largest impact was the easing of funding conditions (Table 17).



Figure 1

### Expectations of consumer price inflation in Italy

(Industry excluding construction and Services; percentage changes on year-earlier period) <sup>(1)</sup>

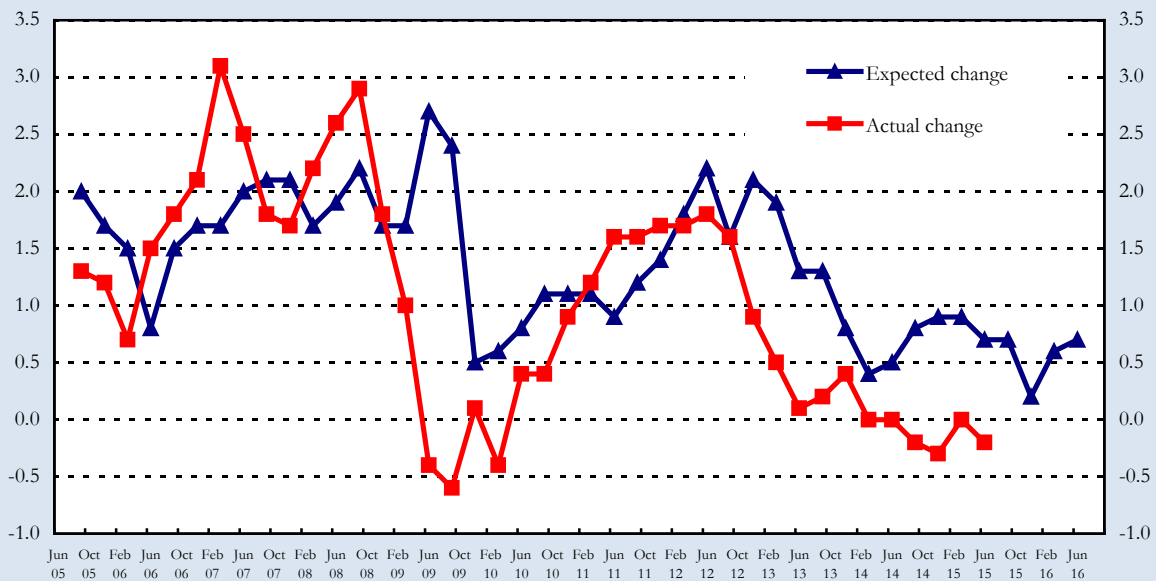


(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next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

### Expected and actual changes in selling prices

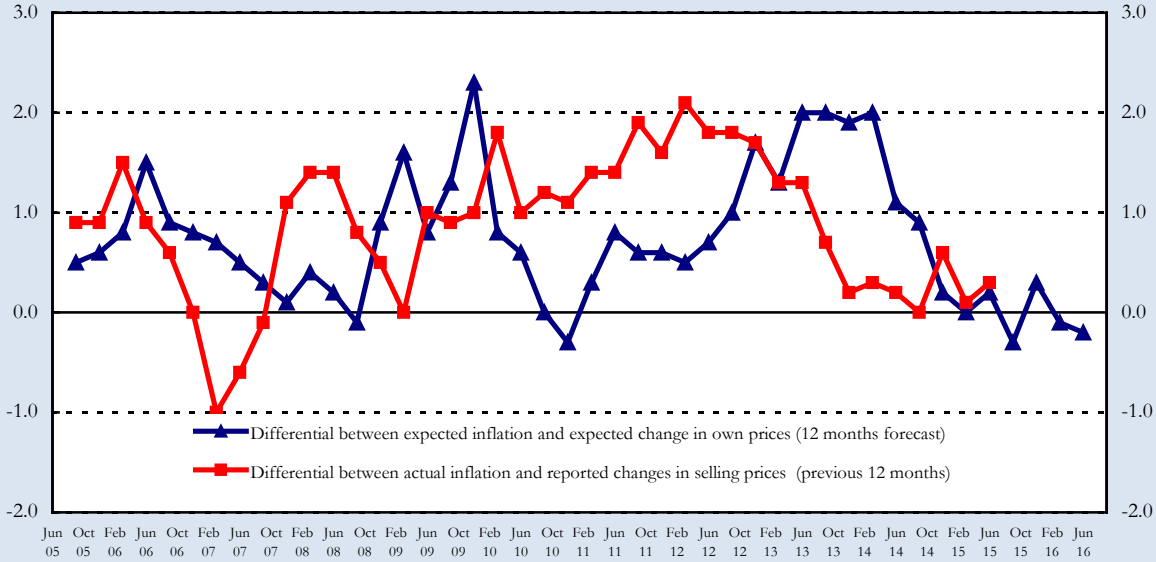
(Industry excluding construction and Services; percentage changes) <sup>(1)</sup>



(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

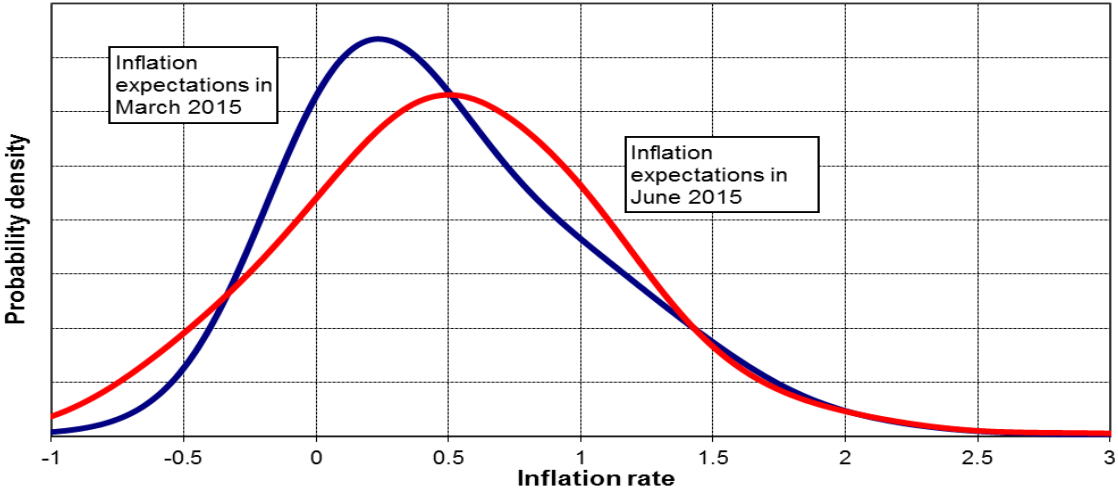
Differential between price changes reported by firms and the inflation rate:  
forecasts and outcomes  
*(Industry excluding construction and Services; percentage points) <sup>(1)</sup>*



(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  
*(Industry excluding construction and Services; kernel density) <sup>(1)</sup>*

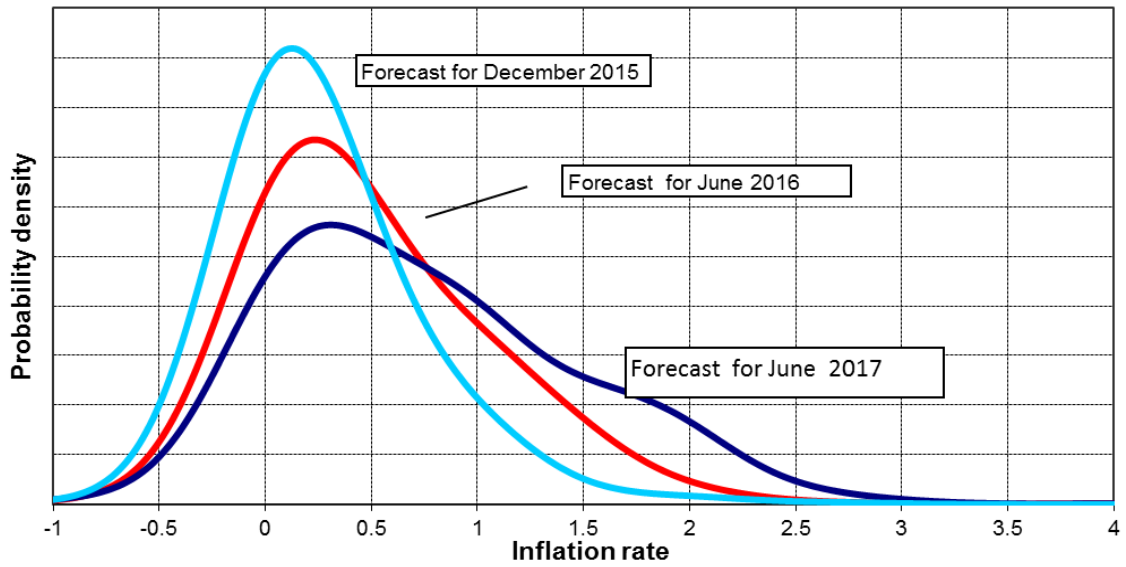


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The red line indicates the forecast made in September 2014. The blue line indicates the forecast made in September 2014.

Figure 5

Expectations of the inflation rate  
over the next 6, 12 and 24 months

(Industry excluding construction and Services, non parametric estimates)<sup>(1)</sup>

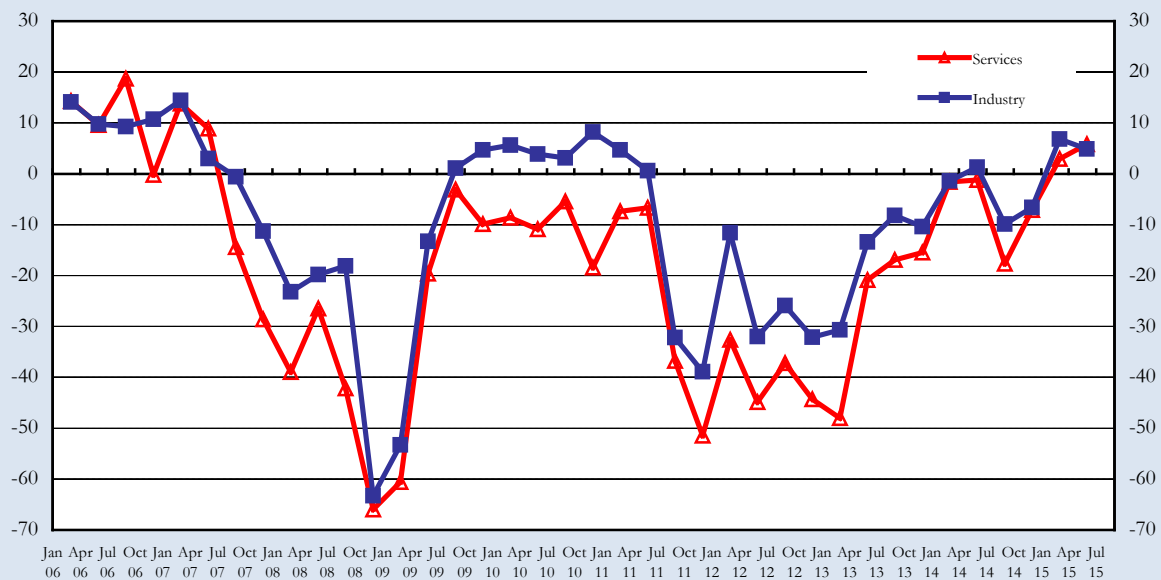


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The light blue line indicates the forecast over the next 6 months. The red line indicates the forecast over the next 12 months. The dark blue line indicates the forecast over the next 24 months.

Figure 6

Three-month forecast of the firm's business conditions

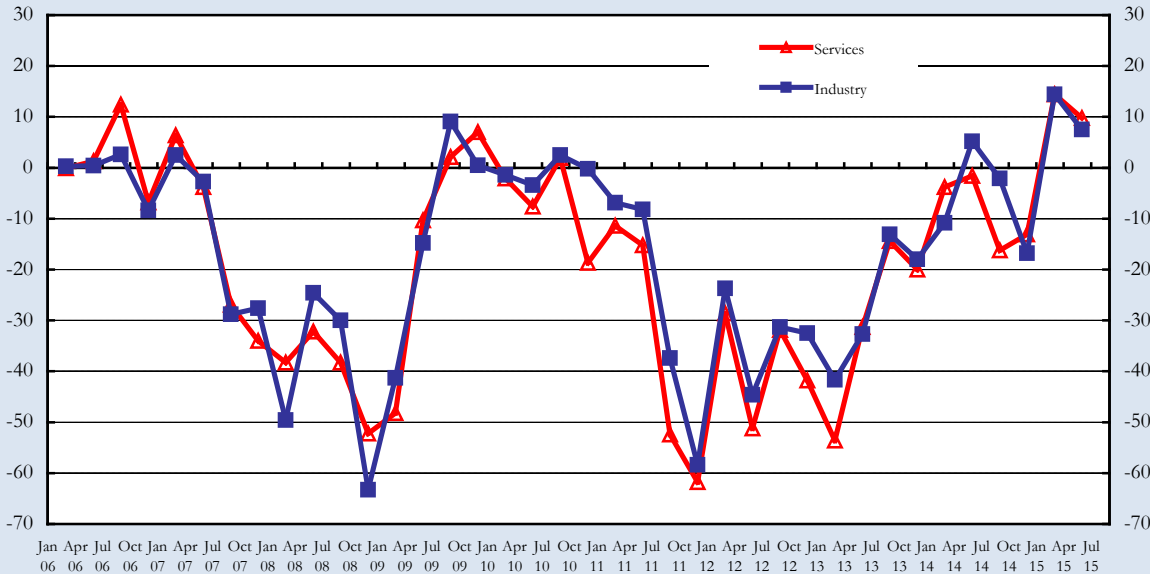
(Industry excluding construction and Services; percentage points)<sup>(1)</sup>



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

Figure 7

Conditions for investment with respect to previous quarter  
(Industry excluding construction and Services; percentage points)<sup>(1)</sup>



(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 first quarter of 2013, the survey has been extended to construction firms with at least 50 workers.

The sample for the second quarter of 2015 consisted of 1,003 firms: 387 firms in industry excluding construction, 417 service firms and 199 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. A1).

**Tab. A1 - Composition of sample and universe**  
(units, percentages)

	Industry excluding construction and Services			Construction		
	Sample size (a)	Company universe <sup>(1)</sup> (b)	Sample coverage rate (a/b) * 100	Sample size (c)	Company universe <sup>(1)</sup> (d)	Sample coverage rate (c / d) * 100
<b>Number of employees</b>						
50-199 .....	416	16,844	2.5	161	1,199	13.4
200-999 .....	256	3,465	7.4	31	110	28.2
Over 999.....	132	528	25.0	7	7	100.0
<b>Sector</b>						
Industry.....	387	10,690	3.6	–	–	–
Services .....	417	10,147	4.1	–	–	–
<b>Geographical area</b>						
North-West.....	231	8,167	2.8	58	415	14.0
North-East.....	229	5,786	4.0	57	344	16.6
Centre.....	172	3,775	4.6	36	242	14.9
South and Islands .....	172	3,109	5.5	48	315	15.2
<b>Total.....</b>	<b>804</b>	<b>20,837</b>	<b>3.9</b>	<b>199</b>	<b>1,316</b>	<b>15.1</b>

(1) Istat (2010).

The estimates for inflation expectations for 6, 12 and 24 months ahead are calculated on a sub-sample of 551 industrial firms and service firms, and 135 construction firms. The rest of the sample was given a differently worded question on inflation expectations in order to assess the impact of the wording on the responses. In particular, these firms were asked to give their inflation expectations without being given the latest Istat data on inflation in Italy and the euro area. The results

obtained so far indicate that anchoring has the advantage of reducing uncertainty in expressing expectations (by broadening the knowledge base), thus reducing the standard error in the estimates of the average value, without causing any significant distortion in the estimate of expectations. Further research is being carried out.

## **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).

The response rate is equal to 44.7 per cent for industry and 32.5 for construction (tab A2).

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 A3).

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



**Tab. A2 - Response rates and data collection via Internet**  
(units, percentages)

	Industry excluding construction and Services		Construction	
	Companies contacted	Response rate <sup>(1)</sup>	Companies contacted	Response rate <sup>(1)</sup>
<b>Number of employees</b>				
50-199 .....	1,185	35.1	535	30.1
200-999 .....	411	62.3	57	54.4
Over 999 .....	201	65.7	21	33.3
<b>Sector</b>				
Industry	912	42.4	–	–
Services .....	885	47.1	–	–
<b>Geographical area</b>				
North West .....	585	39.5	190	30.5
North East .....	512	44.7	170	33.5
Centre.....	327	52.6	122	29.5
South and Islands .....	373	46.1	131	36.6
<b>Total.....</b>	<b>1,797</b>	<b>44.7</b>	<b>613</b>	<b>32.5</b>

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

**Tab. 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.....	0.3	0.3	0.1	0.0	0.2	0.2	0.0	0.0
Consumer price inflation in Italy in the next 12 months .....	0.5	0.5	0.4	0.0	0.4	0.3	0.2	0.0
Consumer price inflation in Italy in the next 24 months .....	0.8	0.8	0.6	0.0	0.6	0.5	0.4	0.0
Change in own prices in the last 12 months.....	-0.3	-0.2	0.0	8.2	0.3	0.6	0.0	13.3
Change in own prices in the next 12 months.....	0.5	0.6	0.5	8.5	-1.0	-0.5	0.0	11.9

**Tab. A4 -Standard errors***(percentage)*

	Industry excluding construction and Services	Construction
Consumer price inflation in Italy in the next 6 months .....	0.03	0.04
Consumer price inflation in Italy in the next 12 months.....	0.03	0.05
Consumer price inflation in Italy in the next 24 months.....	0.04	0.06
Change in own prices in the last 12 months.....	0.36	1.74
Change in own prices in the last 12 months (robust).....	0.35	1.68
Change in own prices in the next 12 months.....	0.22	0.48
Change in own prices in the next 12 months (robust).....	0.11	0.35

## **Appendix B:**

### **Tables**



Tab. 1	Consumer price inflation expectations in Italy.....	21
Tab. 2	Change in companies' selling prices.....	22
Tab. 3	Factors that will affect firms' selling prices.....	23
Tab. 4	Assessment of the general state of the economy with respect to previous quarter.....	24
Tab. 5	Likelihood of an improvement in the general economic situation in the next three months.....	25
Tab. 6	Trend in total demand for firm's product/work <sup>(1)</sup> with respect to previous quarter.....	26
Tab. 7	Three-month forecast of total demand for the firm's products/works <sup>(1)</sup> .....	27
Tab. 8	Foreign demand for the firm's products with respect to previous quarter.....	28
Tab. 9	Three-month forecast of the foreign demand for the firm's products.....	29
Tab.10	Three-month forecast of the firm's business conditions .....	30
Tab.11	Factors which will affect the firm's business conditions .....	31
Tab.12	Three-year forecast of the firm's business conditions.....	32
Tab.13	Assessment of conditions for investment with respect to previous quarter.....	33
Tab.14	Forecast changes on fixed investment between first half 2015 and second half of 2014 (percentages).....	34
Tab.15	Forecast changes on fixed investment between 2015 and 2014.....	35
Tab.16	Impact of the recent monetary policy measures .....	36
Tab.17	Changes to the normal level of the economic activity in the last two years .....	37
Tab.18	Assessment of credit conditions for firms with respect to previous quarter.....	38
Tab.19	Overall liquidity position in the next three months.....	39
Tab.20	Three-month forecast of workforce .....	40
Tab.21	Passing the worst stage of the economic situation and expectations for production rates .....	41



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	... between 3 and 5 years
<b>Industry excluding construction and Services</b>				
<b>Number of employees</b>				
50-199 .....	0.3	0.5	0.7	1.0
200-999 .....	0.4	0.7	0.9	1.3
Over 999 .....	0.4	0.8	1.1	1.4
<b>Sector</b>				
Industry.....	0.3	0.5	0.8	1.1
Services .....	0.3	0.5	0.7	0.9
<b>Geographical area</b>				
North West .....	0.4	0.5	0.8	1.1
North East .....	0.2	0.5	0.8	1.1
Centre.....	0.3	0.5	0.7	1.0
South and Islands .....	0.2	0.4	0.5	0.8
<b>Total Industry and services .....</b>	<b>0.3</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>
<i>Memorandum items:</i>				
March 2015.....	0.2	0.5	0.8	1.2
December 2014.....	0.4	0.5	0.7	0.9
September 2014.....	0.3	0.4	0.6	0.8
June 2014.....	0.7	0.9	1.0	1.2
<b>Construction</b>				
<b>Fraction of revenue derived from residential building</b>				
Less than one third.....	0.2	0.4	0.5	0.7
More than one third.....	0.2	0.4	0.6	0.7
<b>Geographical area</b>				
North.....	0.2	0.3	0.5	0.7
Center and South -Islands.....	0.2	0.4	0.6	0.8
<b>Total construction.....</b>	<b>0.2</b>	<b>0.4</b>	<b>0.6</b>	<b>0.7</b>
<i>Memorandum items:</i>				
March 2015.....	0.2	0.4	0.7	0.9
December 2014.....	0.3	0.4	0.7	0.9
September 2014.....	0.3	0.4	0.6	0.8
June 2014.....	0.7	0.8	0.9	1.0

Table 2

## Change in companies' selling prices

(percentages) <sup>(1)</sup>

	Rate of change in own prices ...	
	... in last 12 months	... in next 12 months
	Mean (robust) <sup>(2)</sup>	Mean (robust) <sup>(2)</sup>
<b>Industry excluding construction and Services</b>		
<b>Number of employees</b>		
50-199 .....	0.0	0.8
200-999 .....	0.3	0.8
Over 999 .....	-0.6	0.6
<b>Sector</b>		
Industry.....	-0.4	0.8
Services .....	-0.1	0.5
<b>Geographical area</b>		
North West .....	0.1	0.7
North East .....	0.0	0.6
Centre.....	-1.0	0.7
South and Islands .....	0.0	0.6
<b>Total Industry and services .....</b>	<b>-0.2</b>	<b>0.7</b>
<i>Memorandum items:</i>		
March 2015 .....	0.0	0.6
December 2014.....	-0.3	0.2
September 2014 .....	-0.2	0.7
June 2014.....	0.0	0.7
<b>Construction</b>		
<b>Fraction of revenue derived from residential building</b>		
Less than one third.....	0.9	-0.6
More than one third.....	-1.1	0.2
<b>Geographical area</b>		
North.....	-2.7	-1.2
Centre and South-Islands.....	3.9	0.2
<b>Total construction.....</b>	<b>0.6</b>	<b>-0.5</b>
<i>Memorandum items:</i>		
March 2015 .....	-0.1	0.7
December 2014.....	-0.9	-0.1
September 2014 .....	-2.2	0.1
June 2014.....	-1.6	0.5

(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) <sup>(1)</sup>

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors
<b>Industry excluding construction and Services</b>				
<b>Number of employees</b>				
50-199.....	0.0	0.6	0.5	-0.5
200-999.....	0.1	0.4	0.3	-0.5
Over 999.....	0.2	0.5	0.3	-0.7
<b>Sector</b>				
Industry.....	0.2	0.6	0.4	-0.3
Services.....	0.0	0.4	0.4	-0.8
<b>Geographical area</b>				
North-West.....	0.1	0.6	0.4	-0.5
North-East.....	-0.1	0.5	0.4	-0.8
Centre.....	0.3	0.4	0.3	-0.4
South and Islands.....	0.2	0.7	0.7	-0.6
<b>Total Industry and services.....</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4</b>	<b>-0.6</b>
<i>Memorandum items:</i>				
March 2015.....	0.0	0.5	0.4	-0.6
December 2014.....	-0.3	0.3	0.4	-0.7
September 2014.....	-0.1	0.4	0.4	-0.5
June 2014.....	-0.1	0.5	0.5	-0.6
<b>Construction</b>				
<b>Fraction of revenue derived from residential building</b>				
Less than one third.....	0.1	0.4	0.4	-0.9
More than one third.....	0.3	1.0	0.9	-0.1
<b>Geographical area</b>				
North.....	-0.1	0.6	0.7	-0.9
Centre and South-Islands.....	0.4	0.4	0.3	-0.7
<b>Total construction.....</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>-0.8</b>
<i>Memorandum items:</i>				
March 2015.....	0.5	0.6	0.8	-0.6
December 2014.....	-0.3	0.2	0.4	-0.8
September 2014.....	0.4	0.8	0.4	-0.7
June 2014.....	0.2	0.8	0.6	-0.8

(1) I 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**

(percentage)

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199.....	6.6	73.4	20.0	100.0	13.4
200-999.....	4.9	64.7	30.4	100.0	25.5
Over 999.....	2.0	66.5	31.4	100.0	29.4
<b>Sector</b>					
Industry.....	4.7	72.0	23.4	100.0	18.7
Services.....	7.9	71.6	20.5	100.0	12.6
<b>Geographical area</b>					
North-West.....	4.7	71.6	23.6	100.0	18.9
North-East.....	3.8	75.1	21.1	100.0	17.3
Centre.....	9.6	73	17.4	100.0	7.8
South and Islands.....	10.6	64.5	24.8	100.0	14.2
<b>Total industry and services.....</b>	<b>6.2</b>	<b>71.8</b>	<b>22.0</b>	<b>100.0</b>	<b>15.8</b>
<i>Memorandum items:</i>					
March 2015.....	7.4	66.6	26.0	100.0	18.6
December 2014.....	27.8	67.5	4.7	100.0	-23.1
September 2014.....	33.0	62.7	4.3	100.0	-28.7
June 2014.....	16.3	67.9	15.8	100.0	-0.5
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	12.4	74.1	13.5	100.0	1.1
More than one third.....	8.0	79.8	12.2	100.0	4.2
<b>Geographical area</b>					
North.....	12.2	73.6	14.1	100.0	1.9
Centre and South-Islands.....	9.6	78.6	11.8	100.0	2.2
<b>Total construction.....</b>	<b>11.1</b>	<b>75.7</b>	<b>13.2</b>	<b>100.0</b>	<b>2.1</b>
<i>Memorandum items:</i>					
March 2015.....	13.0	71.0	16.0	100.0	3.0
December 2014.....	37.2	60.6	2.3	100.0	-34.9
September 2014.....	40.2	57.4	2.3	100.0	-37.9
June 2014.....	25.9	62.2	11.8	100.0	-14.1

Table 5

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

(percentages)

	Zero	1-25%	26-50%	51-75%	76-100%	Total	Mean <sup>(1)</sup>
<b>Industry excluding construction and Services</b>							
<b>Number of employees</b>							
50-199 .....	30.0	49.9	11.1	7.5	1.4	100.0	16.7
200-999 .....	18.1	51.9	16.7	10.8	2.5	100.0	22.1
Over 999 .....	11.6	45.8	23.4	17.6	1.5	100.0	27.3
<b>Sector</b>							
Industry.....	27.7	48.6	14.4	7.9	1.5	100.0	18.0
Services .....	27.4	51.7	10.3	8.8	1.7	100.0	17.7
<b>Geographical area</b>							
North West .....	20.2	51.3	16.9	11.0	0.5	100.0	20.5
North East .....	28.7	50.1	10.2	7.5	3.4	100.0	18.2
Centre.....	37.6	45.6	8.2	6.5	2.1	100.0	15.0
South and Islands .....	32.5	52.7	9.5	5.1	0.3	100.0	13.9
<b>Exports' share of sales</b>							
From Zero to 1/3 .....	30.2	48.6	10.2	9.0	2.0	100.0	17.6
Between 1/3/ and 2/3 .....	23.3	56.7	13.5	5.5	1.0	100.0	16.9
More than 2/3.....	23.6	46.9	19.1	9.8	0.7	100.0	20.2
<b>Total Industry and services .....</b>	<b>27.6</b>	<b>50.2</b>	<b>12.4</b>	<b>8.3</b>	<b>1.6</b>	<b>100.0</b>	<b>17.9</b>
<i>Memorandum items:</i>							
March 2015 .....	25.0	52.3	12.9	8.5	1.3	100.0	18.2
December 2014 .....	43.7	42.6	9.6	3.6	0.6	100.0	11.9
September 2014 .....	43.6	42.6	10.1	3.0	0.7	100.0	11.9
June 2014 .....	32.2	47.5	12.8	6.4	1.2	100.0	16.1
<b>Construction</b>							
<b>Fraction of revenue derived from residential building</b>							
Less than one third .....	36.7	52.3	5.1	4.3	1.6	100.0	12.8
More than one third .....	35.6	51.5	8.7	4.2	0.0	100.0	12.6
<b>Geographical area</b>							
North.....	27.4	59.3	6.3	5.0	2.0	100.0	15.0
Centre and South-Islands .....	48.8	42.2	5.7	3.3	0.0	100.0	9.7
<b>Total construction .....</b>	<b>36.4</b>	<b>52.1</b>	<b>6.1</b>	<b>4.3</b>	<b>1.1</b>	<b>100.0</b>	<b>12.8</b>
<i>Memorandum items:</i>							
March 2015 .....	34.1	52.1	8.9	3.8	1.1	100.0	13.6
December 2014 .....	54.6	40.0	4.5	1.0	0.0	100.0	7.5
September 2014 .....	57.0	35.0	7.3	0.7	0.0	100.0	7.8
June 2014 .....	43.2	45.7	7.3	3.2	0.6	100.0	11.3

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

Table 6

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

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	14.1	60.6	25.3	100.0	11.2
200-999 .....	9.4	69.2	21.4	100.0	12.0
Over 999.....	11.8	56.7	31.5	100.0	19.7
<b>Sector</b>					
Industry.....	12.3	58.6	29.2	100.0	16.9
Services .....	14.3	65.4	20.2	100.0	5.9
<b>Geographical area</b>					
North West .....	14.7	60.0	25.3	100.0	10.6
North East .....	13.0	62.9	24.1	100.0	11.1
Centre.....	14.1	60.5	25.4	100.0	11.3
South and Islands .....	8.8	66.9	24.3	100.0	15.5
<b>Exports' share of sales</b>					
From Zero to 1/3 .....	13.9	65.3	20.9	100.0	7.0
Between 1/3/ and 2/3 .....	11.6	57.1	31.3	100.0	19.7
More than 2/3.....	13.3	55.9	30.8	100.0	17.5
<b>Total Industry and services.....</b>	<b>13.3</b>	<b>61.9</b>	<b>24.8</b>	<b>100.0</b>	<b>11.5</b>
<i>Memorandum items:</i>					
March 2015 .....	19.5	60.0	20.5	100.0	1.0
December 2014 .....	23.5	58.8	17.7	100.0	-5.8
September 2014 .....	23.2	60.3	16.4	100.0	-6.8
June 2014 .....	17.2	61.4	21.4	100.0	4.2
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	19.1	58.0	22.9	100.0	3.8
More than one third.....	7.7	86.2	6.1	100.0	-1.6
<b>Geographical area</b>					
North.....	17.8	62.0	20.2	100.0	2.4
Centre and South-Islands.....	13.4	71.3	15.3	100.0	1.9
<b>Total construction.....</b>	<b>15.9</b>	<b>66.0</b>	<b>18.1</b>	<b>100.0</b>	<b>2.2</b>
<i>Memorandum items:</i>					
March 2015 .....	17.2	62.1	20.6	100.0	3.4
December 2014 .....	26.7	59.6	13.7	100.0	-13.0
September 2014 .....	25.4	63.5	11.1	100.0	-14.3
June 2014 .....	23.8	59.6	16.6	100.0	-7.2

(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<sup>(1)</sup>**  
(percentages)

	Diminuirà (a)	Resterà invariata	Aumenterà (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	9.3	65.2	25.5	100.0	16.2
200-999 .....	5.5	66.9	27.6	100.0	22.1
Over 999.....	9.4	60.7	29.9	100.0	20.5
<b>Sector</b>					
Industry.....	8.4	63.2	28.4	100.0	20.0
Services .....	8.9	67.6	23.5	100.0	14.6
<b>Geographical area</b>					
North West.....	8.4	66.6	25.0	100.0	16.6
North East .....	8.3	66.5	25.1	100.0	16.8
Centre.....	10.8	66.0	23.2	100.0	12.4
South and Islands .....	7.5	58.9	33.6	100.0	26.1
<b>Exports' share of sales</b>					
From Zero to 1/3 .....	10.1	66.9	23.0	100.0	12.9
Between 1/3/ and 2/3 .....	6.6	58.4	35.0	100.0	28.4
More than 2/3.....	6.0	69.2	24.8	100.0	18.8
<b>Total Industry and services .....</b>	<b>8.7</b>	<b>65.3</b>	<b>26.0</b>	<b>100.0</b>	<b>17.3</b>
<i>Memorandum items:</i>					
March 2015 .....	9.1	60.6	30.3	100.0	21.2
December 2014 .....	16.8	64.4	18.9	100.0	2.1
September 2014 .....	14.2	66.1	19.7	100.0	5.5
June 2014 .....	10.3	63.1	26.6	100.0	16.3
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	12.0	67.4	20.6	100.0	8.6
More than one third.....	8.0	72.4	19.6	100.0	11.6
<b>Geographical area</b>					
North.....	10.0	63.7	26.3	100.0	16.3
Centre and South-Islands.....	12.1	75.7	12.2	100.0	0.1
<b>Total construction.....</b>	<b>10.9</b>	<b>68.8</b>	<b>20.3</b>	<b>100.0</b>	<b>9.4</b>
<i>Memorandum items:</i>					
March 2015 .....	9.8	62.9	27.3	100.0	17.5
December 2014 .....	15.1	66.9	18.0	100.0	2.9
September 2014 .....	14.8	66.3	18.9	100.0	4.1
June 2014 .....	13.0	61.3	25.7	100.0	12.7

(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) <sup>(1)</sup>

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
<b>Number of employees</b>					
50-199 .....	12.5	57.8	29.7	100.0	17.2
200-999 .....	6.0	59.1	34.9	100.0	28.9
Over 999 .....	13.0	62.4	24.6	100.0	11.6
<b>Sector</b>					
Industry.....	12.9	53.9	33.2	100.0	20.3
Services .....	7.2	69.9	22.9	100.0	15.7
<b>Geographical area</b>					
North West .....	12.5	60.7	26.8	100.0	14.3
North East .....	7.5	61.5	31.0	100.0	23.5
Centre.....	16.0	50.4	33.5	100.0	17.5
South and Islands .....	9.4	49.2	41.4	100.0	32.0
<b>Total Industry and services .....</b>	<b>11.4</b>	<b>58.1</b>	<b>30.5</b>	<b>100.0</b>	<b>19.1</b>
<i>Memorandum items:</i>					
March 2015 .....	13.1	56.8	30.0	100.0	16.9
December 2014 .....	14.7	58.0	27.3	100.0	12.6
September 2014 .....	12.9	60.7	26.4	100.0	13.5
June 2014 .....	11.3	50.3	38.4	100.0	27.1

(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) <sup>(1)</sup>

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
<b>Number of employees</b>					
50-199 .....	7.5	62.5	30.0	100.0	22.5
200-999 .....	2.2	56.4	41.4	100.0	39.2
Over 999.....	11.7	58.1	30.2	100.0	18.5
<b>Sector</b>					
Industry.....	8.2	58.7	33.1	100.0	24.9
Services .....	2.6	68.7	28.7	100.0	26.1
<b>Geographical area</b>					
North West .....	6.3	67.4	26.3	100.0	20.0
North East .....	5.0	53.0	42.0	100.0	37.0
Centre.....	10.4	63.8	25.8	100.0	15.4
South and Islands .....	7.0	53.3	39.8	100.0	32.8
<b>Total Industry and services .....</b>	<b>6.7</b>	<b>61.4</b>	<b>31.9</b>	<b>100.0</b>	<b>25.2</b>
<i>Memorandum items:</i>					
March 2015 .....	6.0	51.0	43.1	100.0	37.1
December 2014 .....	8.5	57.2	34.3	100.0	25.8
September 2014 .....	9.4	61.7	28.9	100.0	19.5
June 2014 .....	5.3	54.8	39.9	100.0	34.6

(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)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	8.5	78.5	13.0	100.0	4.5
200-999 .....	4.9	81.7	13.3	100.0	8.4
Over 999 .....	4.3	74.5	21.2	100.0	16.9
<b>Sector</b>					
Industry.....	7.1	80.9	12.0	100.0	4.9
Services .....	8.7	76.8	14.5	100.0	5.8
<b>Geographical area</b>					
North West .....	7.4	80.7	11.9	100.0	4.5
North East .....	6.2	79.3	14.5	100.0	8.3
Centre.....	11.8	74.3	13.9	100.0	2.1
South and Islands .....	7.2	79.2	13.6	100.0	6.4
<b>Total Industry and services .....</b>	<b>7.8</b>	<b>78.9</b>	<b>13.2</b>	<b>100.0</b>	<b>5.4</b>
<i>Memorandum items:</i>					
March 2015 .....	11.7	71.6	16.6	100.0	4.9
December 2014 .....	15.5	75.8	8.7	100.0	-6.8
September 2014 .....	20.8	71.9	7.2	100.0	-13.6
June 2014 .....	11.9	76.0	12.1	100.0	0.2
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	14.5	73.9	11.6	100.0	-2.9
More than one third.....	5.9	87.9	6.2	100.0	0.3
<b>Geographical area</b>					
North.....	13.6	75.8	10.6	100.0	-3.0
Centre and South-Islands.....	10.0	80.6	9.4	100.0	-0.6
<b>Total construction .....</b>	<b>12.1</b>	<b>77.8</b>	<b>10.1</b>	<b>100.0</b>	<b>-2.0</b>
<i>Memorandum items:</i>					
March 2015 .....	12.2	77.6	10.2	100.0	-2.0
December 2014 .....	24.6	69.1	6.3	100.0	-18.3
September 2014 .....	25.4	69.7	4.8	100.0	-20.6
June 2014 .....	19.6	70.2	10.2	100.0	-9.4



Table 11

## Factors which will affect the firm's business conditions

(average scores) <sup>(1)</sup>

	Change in demand	Trend in new sites	Trend in existing sites	Change in selling prices	Change in credit conditions	Economic and political factors uncertainty	Exchange Rate dynamics	Oil Price
<b>Industry excluding construction and Services</b>								
<b>Number of employees</b>								
50-199.....	0.7	...	...	0.3	0.2	-0.6	0.2	0.0
200-999.....	0.6	...	...	0.1	0.4	-0.6	0.3	0.2
Over 999 .....	0.7	...	...	0.1	0.3	-0.6	0.2	0.1
<b>Sector</b>								
Industry.....	0.7	...	...	0.3	0.2	-0.5	0.2	0.2
Services.....	0.6	...	...	0.3	0.3	-0.7	0.1	-0.1
<b>Geographical area</b>								
North West.....	0.7	...	...	0.4	0.3	-0.7	0.3	0.0
North East.....	0.6	...	...	0.1	0.2	-0.8	0.1	0.1
Centre.....	0.6	...	...	0.1	0.1	-0.5	0.1	0.0
South and Islands.....	0.8	...	...	0.4	0.2	-0.4	0.3	0.1
<b>Total Industry and services.....</b>	<b>0.7</b>	<b>...</b>	<b>...</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.6</b>	<b>0.2</b>	<b>0.0</b>
<i>Memorandum items:</i>								
March 2015.....	0.6	...	...	0.3	0.2	-0.6	0.3	...
December 2014 .....	0.4	...	...	0.1	0.0	-1.0	...	...
September 2014 .....	0.4	...	...	0.1	0.0	...	...	...
June 2014 .....	0.6	...	...	0.2	0.0	...	...	...
<b>Construction</b>								
<b>Fraction of revenue derived from residential building</b>								
Less than one third.....	...	1.2	0.9	0.0	0.1	-0.9	-0.1	-0.2
More than one third.....	...	1.3	0.9	0.4	0.5	-0.7	0.0	0.0
<b>Geographical area</b>								
North.....	...	1.2	0.9	0.0	0.1	-1.0	-0.1	-0.2
Centre and South-Islands.....	...	1.2	1.0	0.2	0.4	-0.7	-0.1	0.0
<b>Total construction.....</b>	<b>...</b>	<b>1.2</b>	<b>0.9</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.9</b>	<b>-0.1</b>	<b>-0.1</b>
<i>Memorandum items:</i>								
March 2015.....	...	1.2	0.8	0.1	0.2	-0.9	0.2	...
December 2014 .....	...	1.0	0.6	-0.2	-0.2	-1.3	...	...
September 2014 .....	...	1.1	0.7	-0.2	-0.1	...	...	...
June 2014 .....	...	1.1	0.9	-0.1	0.0	...	...	...

(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 1 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)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	13.1	26.7	60.2	100.0	47.1
200-999 .....	6.9	21.4	71.6	100.0	64.7
Over 999 .....	4.2	19.9	76.0	100.0	71.8
<b>Sector</b>					
Industry.....	8.8	26.4	64.7	100.0	55.9
Services .....	15.1	24.7	60.2	100.0	45.1
<b>Geographical area</b>					
North West .....	9.6	24.5	65.9	100.0	56.3
North East .....	12.1	28.0	59.9	100.0	47.8
Centre.....	14.9	25.7	59.4	100.0	44.5
South and Islands .....	13.5	24.0	62.5	100.0	49.0
<b>Total Industry and services .....</b>	<b>11.8</b>	<b>25.6</b>	<b>62.5</b>	<b>100.0</b>	<b>50.7</b>
<i>Memorandum items:</i>					
March 2015 .....	10.9	23.0	66.1	100.0	55.2
December 2014 .....	16.3	25.7	58.0	100.0	41.7
September 2014 .....	18.4	23.9	57.7	100.0	39.3
June 2014 .....	12.4	23.6	64.0	100.0	51.6
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	11.2	29.5	59.3	100.0	48.1
More than one third.....	8.2	31.6	60.2	100.0	52.0
<b>Geographical area</b>					
North.....	10.5	28.6	60.9	100.0	50.4
Centre and South-Islands.....	10.3	32.1	57.7	100.0	47.4
<b>Total construction.....</b>	<b>10.4</b>	<b>30.1</b>	<b>59.5</b>	<b>100.0</b>	<b>49.1</b>
<i>Memorandum items:</i>					
March 2015 .....	11.1	17.8	71.1	100.0	60.0
December 2014 .....	17.8	28.0	54.1	100.0	36.3
September 2014 .....	14.4	31.1	54.5	100.0	40.1
June 2014 .....	13.7	23.4	62.8	100.0	49.1

**Table 13**

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	8.8	75.5	15.7	100.0	6.9
200-999 .....	4.1	76.0	19.9	100.0	15.8
Over 999 .....	2.1	76.0	21.9	100.0	19.8
<b>Sector</b>					
Industry .....	6.4	79.7	13.9	100.0	7.5
Services .....	9.5	71.2	19.3	100.0	9.8
<b>Geographical area</b>					
North West .....	7.2	77.1	15.8	100.0	8.6
North East .....	5.2	79.8	15.0	100.0	9.8
Centre .....	10.2	71	18.8	100.0	8.6
South and Islands .....	11.9	69.3	18.8	100.0	6.9
<b>Total Industry and services .....</b>	<b>7.9</b>	<b>75.6</b>	<b>16.6</b>	<b>100.0</b>	<b>8.7</b>
<i>Memorandum items:</i>					
March 2015 .....	6.9	71.6	21.4	100.0	14.5
December 2014 .....	21.9	71.3	6.9	100.0	-15.0
September 2014 .....	19.8	69.4	10.9	100.0	-8.9
June 2014 .....	11.0	76.1	12.9	100.0	1.9
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third .....	14.9	71.6	13.6	100.0	-1.3
More than one third .....	6.0	75.1	18.9	100.0	12.9
<b>Geographical area</b>					
North .....	10.4	66.9	22.6	100.0	12.2
Centre and South-Islands .....	15.1	80.0	4.9	100.0	-10.2
<b>Total construction .....</b>	<b>12.4</b>	<b>72.5</b>	<b>15.0</b>	<b>100.0</b>	<b>2.6</b>
<i>Memorandum items:</i>					
March 2015 .....	9.4	73.9	16.7	100.0	7.3
December 2014 .....	27.9	67.2	5.0	100.0	-22.9
September 2014 .....	24.7	68.4	6.9	100.0	-17.8
June 2014 .....	19.1	70.4	10.5	100.0	-8.6

Table 14

### Forecast changes on fixed investment between first half 2015 and second half of 2014

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	15.5	60.5	24.0	100.0	8.5
200-999 .....	12.9	51.2	36.0	100.0	23.1
Over 999.....	17.1	54.0	29.0	100.0	11.9
<b>Sector</b>					
Industry.....	14.6	60.8	24.6	100.0	10.0
Services .....	15.7	56.7	27.6	100.0	11.9
<b>Geographical area</b>					
North West .....	17.3	54.5	28.2	100.0	10.9
North East .....	13.5	60.2	26.3	100.0	12.8
Centre.....	15.4	62.0	22.7	100.0	7.3
South and Islands .....	12.0	63.7	24.3	100.0	12.3
<b>Total Industry and services .....</b>	<b>15.1</b>	<b>58.8</b>	<b>26.1</b>	<b>100.0</b>	<b>11.0</b>
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	13.6	67.8	18.6	100.0	5.0
More than one third.....	14.4	74.6	11.0	100.0	-3.4
<b>Geographical area</b>					
North.....	13.2	69.1	17.6	100.0	4.4
Centre and South-Islands.....	14.6	70.6	14.8	100.0	0.2
<b>Total construction.....</b>	<b>13.8</b>	<b>69.7</b>	<b>16.5</b>	<b>100.0</b>	<b>2.7</b>

Table 15

### Forecast changes on fixed investment excluding investment in property between 2015 and 2014

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	19.0	49.8	31.2	100.0	12.2
200-999 .....	15.7	45.2	39.2	100.0	23.5
Over 999 .....	19.7	44.3	36.0	100.0	16.3
<b>Sector</b>					
Industry.....	18.7	48.5	32.8	100.0	14.1
Services .....	18.3	49.3	32.4	100.0	14.1
<b>Geographical area</b>					
North West .....	17.0	48.8	34.2	100.0	17.2
North East .....	18.3	48.6	33.1	100.0	14.8
Centre.....	20.6	46.4	33.0	100.0	12.4
South and Islands .....	20.1	52.6	27.2	100.0	7.1
<b>Total Industry and services .....</b>	<b>18.5</b>	<b>48.9</b>	<b>32.6</b>	<b>100.0</b>	<b>14.1</b>
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Da zero a un terzo.....	22.2	56.0	21.8	100.0	-0.4
Oltre un terzo.....	22.1	58.8	19.1	100.0	-3.0
<b>Geographical area</b>					
North.....	22.8	54.6	22.6	100.0	-0.2
Centre and South-Islands.....	21.3	59.8	18.9	100.0	-2.4
<b>Total construction.....</b>	<b>22.2</b>	<b>56.8</b>	<b>21.0</b>	<b>100.0</b>	<b>-1.2</b>

Table 16

## Impact of the recent monetary policy measures

	Impact of recent monetary policy measures	Factors on which monetary policy measures had an impact					
		Exchange rate	Financing conditions	Confidence climate	Other	I don't know	Total
<b>Industry excluding construction and Services</b>							
<b>Number of employees</b>							
50-199 .....	0.3	18.0	37.0	41.9	0.0	3.1	100.0
200-999 .....	0.5	25.1	34.5	37.3	1.3	1.8	100.0
Over 999.....	0.7	13.8	48.7	35.1	2.4	0.0	100.0
<b>Sector</b>							
Industry.....	0.3	24.7	30.8	43.2	0.5	0.8	100.0
Services .....	0.3	13.9	43.1	38.1	0.2	4.7	100.0
<b>Geographical area</b>							
North West.....	0.4	20.3	27.9	50.5	0.3	1.0	100.0
North East .....	0.3	26.0	40.6	29.8	0.9	2.6	100.0
Centre.....	0.3	13.0	35.7	48.0	0.0	3.3	100.0
South and Islands .....	0.3	10.0	58.5	23.9	0.0	7.7	100.0
<b>Total Industry and services .....</b>	<b>0.3</b>	<b>19.3</b>	<b>37.0</b>	<b>40.6</b>	<b>0.4</b>	<b>2.7</b>	<b>100.0</b>
<b>Construction</b>							
<b>Fraction of revenue derived from residential building</b>							
Less than one third.....	0.3	3.0	58.0	32.8	...	6.2	100.0
More than one third.....	0.3	20.4	42.2	28.3	...	9.1	100.0
<b>Geographical area</b>							
North.....	0.3	1.9	51.8	42.3	...	4.0	100.0
Centre and South-Islands.....	0.3	15	56.8	17.2	...	11.0	100.0
<b>Total construction.....</b>	<b>0.3</b>	<b>7.4</b>	<b>53.9</b>	<b>31.7</b>	<b>...</b>	<b>7.0</b>	<b>100.0</b>

(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 1 to 3. A neutral position was assigned a score of 0

Table 17

**Changes to the normal level of the  
economic activity in the last two years**

(percentages)

	No	Yes, an increase	Yes, a decrease	I don't know	Total
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	26.0	24.3	41.6	8.1	100.0
200-999 .....	30.1	34.0	30.0	5.9	100.0
Over 999 .....	30.1	26.5	35.9	7.5	100.0
<b>Sector</b>					
Industry.....	27.6	30.2	36.0	6.2	100.0
Services .....	26.0	21.4	43.3	9.3	100.0
<b>Geographical area</b>					
North West .....	25.0	32.8	36.5	5.7	100.0
North East .....	28.0	24.8	38.2	9.0	100.0
Centre.....	28.5	17.4	49.3	4.7	100.0
South and Islands .....	27.3	19.8	38.6	14.3	100.0
<b>Total Industry and services .....</b>	<b>26.8</b>	<b>26.0</b>	<b>39.5</b>	<b>7.7</b>	<b>100.0</b>
<i>Memorandum items:</i>					
March 2015 .....	29.7	23.9	37.6	8.7	100.0
December 2014.....	26.5	22.7	44.2	6.6	100.0
September 2014 .....	26.0	24.4	42.0	7.5	100.0
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	23.3	14.4	57.5	4.8	100.0
More than one third .....	20.8	4.4	64.3	10.4	100.0
<b>Geographical area</b>					
North.....	22.8	11.1	60.2	5.9	100.0
Centre and South-Islands.....	22.3	12.4	58.3	7.0	100.0
<b>Total construction.....</b>	<b>22.6</b>	<b>11.7</b>	<b>59.4</b>	<b>6.4</b>	<b>100.0</b>
<i>Memorandum items:</i>					
March 2015 .....	24.2	15.8	54.7	5.3	100.0
December 2014.....	21.3	14.2	54.9	9.6	100.0
September 2014 .....	19.9	15.6	58.1	6.5	100.0

Table 18

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	7.7	77.8	14.5	100.0	6.8
200-999 .....	1.8	85.5	12.7	100.0	10.9
Over 999.....	2.7	76.8	20.5	100.0	17.8
<b>Sector</b>					
Industry.....	5.2	80.8	14.0	100.0	8.8
Services .....	8.1	77.2	14.8	100.0	6.7
<b>Geographical area</b>					
North West.....	3.0	82.5	14.5	100.0	11.5
North East .....	8.1	73.6	18.3	100.0	10.2
Centre.....	10.1	82.5	7.5	100.0	-2.6
South and Islands .....	9.0	75.9	15.2	100.0	6.2
<b>Total Industry and services .....</b>	<b>6.6</b>	<b>79.0</b>	<b>14.4</b>	<b>100.0</b>	<b>7.8</b>
<i>Memorandum items:</i>					
March 2015 .....	7.6	80.1	12.3	100.0	4.7
December 2014 .....	12.5	77.4	10.1	100.0	-2.4
September 2014 .....	12.0	79.1	8.9	100.0	-3.1
June 2014 .....	11.8	80.5	7.7	100.0	-4.1
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Da zero a un terzo.....	14.3	71.2	14.5	100.0	0.2
Oltre un terzo.....	12.0	83.0	5.0	100.0	-7.0
<b>Geographical area</b>					
North.....	15.3	71.6	13.2	100.0	-2.1
Centre and South-Islands.....	11.4	78.6	10.0	100.0	-1.4
<b>Total construction.....</b>	<b>13.6</b>	<b>74.5</b>	<b>11.9</b>	<b>100.0</b>	<b>-1.7</b>
<i>Memorandum items:</i>					
March 2015 .....	17.0	70.6	12.3	100.0	-4.7
December 2014 .....	25.8	69.4	4.8	100.0	-21.0
September 2014 .....	24.2	70.9	4.9	100.0	-19.3
June 2014 .....	26.5	69.2	4.3	100.0	-22.2



Table 19

## Overall liquidity position in the next three months

(percentages)

	Insufficient	Sufficient	More than sufficient	Total
<b>Industry excluding construction and Services</b>				
<b>Number of employees</b>				
50-199 addetti.....	17.7	61.7	20.6	100.0
200-999 addetti .....	6.7	64.8	28.5	100.0
Oltre 999 addetti .....	7.5	61.2	31.3	100.0
<b>Sector</b>				
Industry.....	18.0	60.4	21.6	100.0
Services .....	13.2	64.0	22.8	100.0
<b>Geographical area</b>				
North West .....	6.4	66.8	26.8	100.0
North East .....	16.9	55.8	27.3	100.0
Centre.....	24.8	57.9	17.3	100.0
South and Islands .....	26.4	67.1	6.5	100.0
<b>Total Industry and services .....</b>	<b>15.6</b>	<b>62.2</b>	<b>22.2</b>	<b>100.0</b>
<i>Memorandum items:</i>				
March 2015 .....	15.5	62.8	21.6	100.0
December 2014 .....	19.9	61.6	18.5	100.0
September 2014 .....	19.1	63.5	17.4	100.0
June 2014 .....	17.8	62.5	19.7	100.0
<b>Construction</b>				
<b>Fraction of revenue derived from residential building</b>				
Less than one third.....	32.6	59.7	7.7	100.0
More than one third.....	50.0	45.8	4.2	100.0
<b>Geographical area</b>				
North.....	35.2	53.6	11.1	100.0
Centre and South-Islands.....	40.4	58.9	0.7	100.0
<b>Total construction .....</b>	<b>37.4</b>	<b>55.8</b>	<b>6.8</b>	<b>100.0</b>
<i>Memorandum items:</i>				
March 2015 .....	36.2	55.6	8.3	100.0
December 2014 .....	41.5	53.8	4.8	100.0
September 2014 .....	40.8	52.8	6.4	100.0
June 2014 .....	41.8	54.5	3.7	100.0

Table 20

## Three-month forecast of workforce

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
<b>Industry excluding construction and Services</b>					
<b>Number of employees</b>					
50-199 .....	14.7	66.7	18.5	100.0	3.8
200-999 .....	14.9	63.8	21.2	100.0	6.3
Over 999 .....	18.4	58.6	23.0	100.0	4.6
<b>Sector</b>					
Industry.....	13.4	69.0	17.6	100.0	4.2
Services .....	16.4	62.9	20.7	100.0	4.3
<b>Geographical area</b>					
North West .....	9.4	68.8	21.8	100.0	12.4
North East .....	18.3	65.6	16.1	100.0	-2.2
Centre.....	16.8	65.9	17.2	100.0	0.4
South and Islands .....	20.3	59.9	19.9	100.0	-0.4
<b>Total Industry and services .....</b>	<b>14.9</b>	<b>66.0</b>	<b>19.1</b>	<b>100.0</b>	<b>4.2</b>
<i>Memorandum items:</i>					
March 2015 .....	14.4	67.4	18.2	100.0	3.8
December 2014 .....	19.9	68.3	11.8	100.0	-8.1
September 2014 .....	20.4	67.9	11.8	100.0	-8.6
June 2014 .....	16.3	69.5	14.3	100.0	-2.0
<b>Construction</b>					
<b>Fraction of revenue derived from residential building</b>					
Less than one third.....	28.0	66.8	5.2	100.0	-22.8
More than one third.....	28.4	71.6	0.0	100.0	-28.4
<b>Geographical area</b>					
North.....	30.8	64.7	4.5	100.0	-26.3
Centre and South-Islands.....	24.5	72.8	2.7	100.0	-21.8
<b>Total construction.....</b>	<b>28.1</b>	<b>68.2</b>	<b>3.8</b>	<b>100.0</b>	<b>-24.3</b>
<i>Memorandum items:</i>					
March 2015 .....	26.4	61.3	12.3	100.0	-14.1
December 2014 .....	28.5	63.4	8.2	100.0	-20.3
September 2014 .....	29.1	60.3	10.5	100.0	-18.6
June 2014 .....	27.1	64.1	8.7	100.0	-18.4

Table 21

**Passing the worst stage of the economic situation  
and expectations for production rates**

*(percentages)*

	The firm passed the most difficult stage of the economic situation during the second half of 2014			The firm expects a solid improvement of its production/work rates in the coming months		
	No	Yes	Total	No	Yes	Total
<b>Industry excluding construction and Services</b>						
<b>Number of employees</b>						
50-199 .....	59.4	40.6	100.0	53.2	46.8	100.0
200-999 .....	42.6	57.4	100.0	56.0	44.0	100.0
Over 999 .....	39.6	60.4	100.0	51.8	48.2	100.0
<b>Sector</b>						
Industry.....	56.3	43.7	100.0	54.0	46.0	100.0
Services .....	55.9	44.1	100.0	53.3	46.7	100.0
<b>Geographical area</b>						
North West .....	50.9	49.1	100.0	53.6	46.4	100.0
North East .....	60.9	39.1	100.0	56.8	43.2	100.0
Centre.....	62.0	38.0	100.0	56.0	44.0	100.0
South and Islands .....	53.4	46.6	100.0	44.9	55.1	100.0
<b>Exports' share of sales</b>						
From zero to 1/3.....	57.0	43.0	100.0	56.4	43.6	100.0
Between 1/3/ and 2/3 .....	58.1	41.9	100.0	48.8	51.2	100.0
More than 2/3.....	50.0	50.0	100.0	50.0	50.0	100.0
<b>Total Industry and services .....</b>	<b>56.1</b>	<b>43.9</b>	<b>100.0</b>	<b>53.6</b>	<b>46.4</b>	<b>100.0</b>
<b>Construction</b>						
<b>Fraction of revenue derived from residential building</b>						
Less than one third.....	62.3	37.7	100.0	53.0	47.0	100.0
More than one third.....	69.0	31.0	100.0	63.8	36.2	100.0
<b>Geographical area</b>						
North.....	64.1	35.9	100.0	64.3	35.7	100.0
Centre and South-Islands.....	64.3	35.7	100.0	44.6	55.4	100.0
<b>Total construction.....</b>	<b>64.2</b>	<b>35.8</b>	<b>100.0</b>	<b>56.0</b>	<b>44.0</b>	<b>100.0</b>



**Appendix C:**  
**The questionnaire**



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

JUNE 2015

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 December 2015?	...in June 2016?	...in June 2017?	... on average between June 2018 and June 2020 ?
<b>B1a. (about 2/3 of the sample)</b> In April consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.1 per cent in Italy and 0.0 per cent in the euro area. What do you think it will be in Italy...	_ _ _ _ _ _ _ %	_ _ _ _ _ _ _ %	_ _ _ _ _ _ _ %	_ _ _ _ _ _ _ %
<b>B1b. (about 1/3 of the sample)</b> 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		
<b>C3.</b> in the next 3 months	_	_	_	_	_	_	_	_	_	1	0	0
<b>C4.</b> 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
<b>C5.</b> Changes in demand	1 _	2 _	3 _	1 _	2 _	3 _
<b>C6.</b> Changes in YOUR PRICES	1 _	2 _	3 _	1 _	2 _	3 _
<b>C7.</b> AVAILABILITY and the COST OF CREDIT	1 _	2 _	3 _	1 _	2 _	3 _
<b>C7.Bis</b> UNCERTAINTY DUE TO ECONOMIC AND POLITICAL FACTORS	1 _	2 _	3 _	1 _	2 _	3 _
<b>C7.Ter</b> EXCHANGE RATE DYNAMICS	1 _	2 _	3 _	1 _	2 _	3 _
<b>C7. Quarter</b> OIL PRICE DYNAMICS	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

**C15** Overall, do you think your firm passed the most difficult stage of the economic situation?  No  Yes

**C16** Do you expect a solid improvement of your production/work rates in the coming months?  No  Yes

**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 <b>FACTORS</b> as they will affect your firm's selling prices <u>in the next 12 months</u> :						
Factors affecting your firm's <b>prices</b> <u>in the next 12 months</u>	<b>Effect on firm's selling prices</b>			<b>Intensity (if not nil)</b>		
	<i>Downward</i>	<i>Neutral</i>	<i>Upward</i>	<i>Low</i>	<i>Average</i>	<i>High</i>
<b>D3.</b> TOTAL DEMAND	1 _	2 _	3 _	1 _	2 _	3 _
<b>D4.</b> RAW MATERIALS PRICES	1 _	2 _	3 _	1 _	2 _	3 _
<b>D5.</b> LABOUR COSTS	1 _	2 _	3 _	1 _	2 _	3 _
<b>D6.</b> PRICING POLICIES of your firm's main competitors	1 _	2 _	3 _	1 _	2 _	3 _
<b>SECTION E – WORKFORCE</b>						
<b>E1.</b> 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 _
<b>SECTION F – INVESTMENT</b>						
<b>F1.</b> What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2015 compared with that in 2014? <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						
<b>F2.</b> And what do you expect will be the nominal expenditure in the second half of 2015 compared with that in the first half of 2015: <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.						

## 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)

### SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in December 2015?	...in June 2016?	...in June 2017?	... on average between June 2018 and June 2020 ?
<b>B1a. (about 2/3 of the sample)</b> In April consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.1 per cent in Italy and 0.0 per cent in the euro area. What do you think it will be in Italy...	__   __ , __ %	__   __ , __ %	__   __ , __ %	__   __ , __ %
<b>B1b. (about 1/3 of the sample)</b> 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		
<b>C3.</b> in the next 3 months										1	0	0
<b>C4.</b> 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
<b>C5.</b> changes in demand	1 __	2 __	3 __	1 __	2 __	3 __
<b>C6.</b> changes in YOUR PRICES	1 __	2 __	3 __	1 __	2 __	3 __
<b>C7.</b> AVAILABILITY and the COST OF CREDIT	1 __	2 __	3 __	1 __	2 __	3 __
<b>C7.Bis</b> UNCERTAINTY DUE TO ECONOMIC AND POLITICAL FACTORS	1 __	2 __	3 __	1 __	2 __	3 __
<b>C7.Ter</b> EXCHANGE RATE DYNAMICS	1 __	2 __	3 __	1 __	2 __	3 __
<b>C7. Quarter</b> OIL PRICE DYNAMICS	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

**C15** Overall, do you think your firm passed the most difficult stage of the economic situation during the second half of 2013?  No  Yes

**C16** Do you expect a solid improvement of your production/work rates in the coming months?  No  Yes

### 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
<b>D3.</b> TOTAL DEMAND	1 __	2 __	3 __	1 __	2 __	3 __
<b>D4.</b> RAW MATERIALS PRICES	1 __	2 __	3 __	1 __	2 __	3 __
<b>D5.</b> LABOUR COSTS	1 __	2 __	3 __	1 __	2 __	3 __
<b>D6.</b> PRICING POLICIES of your firm's main competitors	1 __	2 __	3 __	1 __	2 __	3 __

**SECTION E – WORKFORCE**

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

**SECTION F – INVESTMENT**

**F1.** What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2015 compared with that in 2014? Much higher A little higher About the same A little lower Much lower

**F2.** And what do you expect will be the nominal expenditure in the second half of 2015 compared with that in the first half of 2015: 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.



## 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** (half yearly)

**Local Government Debt** (half yearly)

**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](http://www.bancaditalia.it)).*

*Requests for clarifications concerning data contained in this publication can be sent by e-mail to [statistiche@bancaditalia.it](mailto:statistiche@bancaditalia.it)*

*Printed by the Printing and Publishing Division of the Bank of Italy*

---

Registration with the Court of Rome No. 24/2008, 25 January 2008 - *Director: EUGENIO GAIOTTI* -