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Survey of Industrial and Service Firms

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GENERAL INFORMATION

- I - Unless indicated otherwise, figures have been computed by the Bank of Italy.
- II - Symbols and Conventions:
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 - the phenomenon occurs but its value is not known;
 - :: the data are not statistically significant;
 - .. the value is known but is nil or less than half the final digit shown.

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This publication contains the main findings of the Bank of Italy's survey of industrial and service firms in 2006.

The data were collected in early 2007 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.

We would like to thank all the firms that agreed to take part in the survey, providing the information requested in a long and demanding interview.

SURVEY OF INDUSTRIAL AND SERVICE FIRMS ⁽¹⁾

Introduction ²

The interviews for the sample survey of industrial and service firms with 20 employees and over for the year 2006 were conducted in February and March 2007.

The sample consists of 3,109 industrial firms, excluding construction, 473 construction companies and 1,143 non-financial private service firms, representing 8.3, 6.1 and 4.1 per cent of the respective total reference populations. Because of the bigger sampling fraction³ of large firms, the three samples account for respectively 28.1, 19.3 and 17.2 per cent of payroll employment in the reference populations, which in turn represent a very substantial share of the sectoral aggregates (Table 1).

Table 1

Payroll employment, turnover and investment in firms with 20 employees and over ^(a)
(per cent of all firms)

	Payroll employment	Turnover	Investment
Industrial firms, excluding construction	70.1	80.6	80.3
Construction firms	31.0	31.4	26.3
Non-financial private service firms	58.0	48.7	56.9

(a) Sources: *Rilevazione sulle piccole e medie imprese e sull'esercizio di arti e professioni* and *Rilevazione sul sistema dei conti delle imprese*, Istat, 2003.

Over-sampling of the largest firms produces more accurate estimates of the totals of the most important aggregates (employment, turnover and investment) and of their fluctuations over a period of time.⁴ In the rest of the paper the implicit reference is to firms with 20 employees and over.

The report describes the salient features and main findings of the survey. Section I presents data on the activity of service firms and of non-construction industrial firms. In Section II some individual topics are discussed in detail.⁵ Section III is devoted to the construction sector.

The Methodological Notes (Appendix A) describe the composition of the sample and the universe, the sampling design, the collection of data and the estimation and weighting procedures. They also provide information about response behaviour and data quality. The statistical tables and the questionnaires can be found in Appendices B and C.

¹ By Claudia Biancotti, Leandro D'Aurizio and Caterina Di Benedetto. The branches of the Bank of Italy contributed greatly to the survey, being directly responsible for the collection of data.

² There may be discrepancies between some of the calculations based on data from previous surveys and the data published in earlier editions of the Supplement as a result of progressive revisions of the database.

³ This is the ratio of number of firms sampled to the respective reference population.

⁴ See the Methodological Notes for the properties of the estimators (Appendix A).

⁵ The topics covered include competitiveness and productivity, corporate strategies from 2000 to 2006, problems of governance and dimension, fixed, human and organisational capital, aspects associated with the purchase of electricity supply and professional services, and consumer credit.

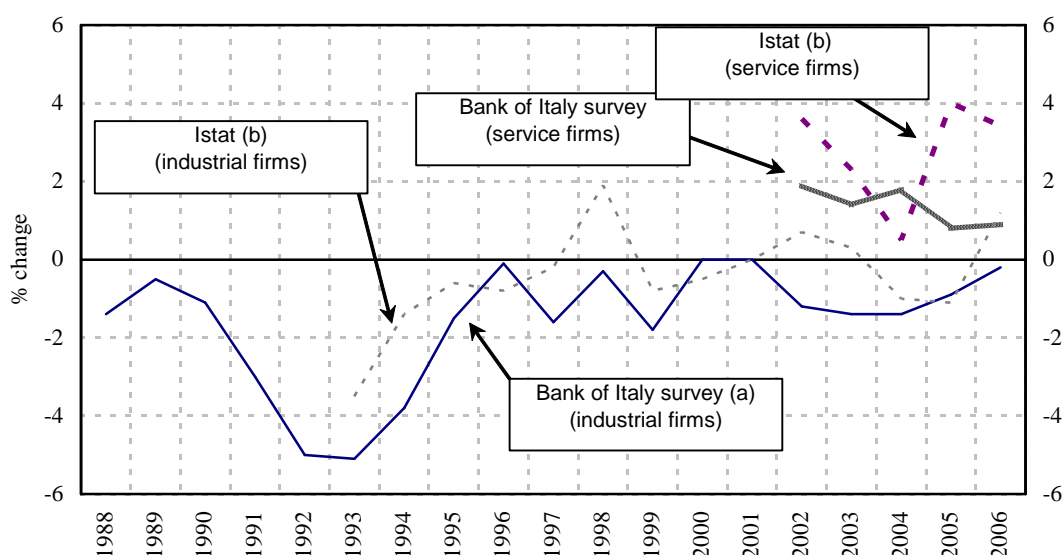
I – Labour, capital and production in service firms and non-construction industrial firms⁶

I.1 Employment

According to the survey, in 2006 average employment rose by 0.3 per cent, the result of a decline of 0.2 per cent in industrial firms and an increase of 0.9 per cent in the service sector (Figure 1; Tables C1 and H1).⁷ Although not large, the increase was the first positive result in five years; in 2005, a similar gain in employment in service firms was offset by a sharper decline in industry (Table H1).

Figure 1

Annual changes in average payroll employment, 1988-2006
(per cent)



- (a) Data for 1988-98 refer to manufacturing firms and data from 1999 to industry excluding construction. Data for 1988-2000 refer to firms with 50 employees and over and data from 2001 to firms with 20 employees and over.
 (b) National accounts; includes firms with fewer than 20 employees.

In industry, average employment increased slightly in the North-East and the Centre, but declined in the North-West and the South. Textile firms recorded a sharp downward trend (-2.8 per

⁶ For the sake of simplicity, the sector of industry excluding construction is abbreviated to 'industry'.

⁷ According to the national accounts, in the same period employment rose by 1.7 per cent in the economy as a whole – and payroll employment by 2.1 per cent; in industry excluding construction payroll employment increased by 1.2 per cent and in non-financial private services by 3.4 per cent. The difference with respect to the survey may be due to a particularly large growth in employment in small firms, which are not included in the sample; in fact, for employment in large firms, notably those with 500 or more employees, the difference between the survey results and Istat's findings is minimal (see the press release *Lavoro e retribuzioni nelle grandi imprese - Dicembre 2006*, issued in February 2007). The national accounts, unlike the survey, incorporate an estimate of unregulated employment.

cent), confirming the signals of previous years; in energy and extractive industries, where employment had risen in 2005, the gain was 2.5 per cent.

In the service sector, employment growth was concentrated in the North-East (2.4 per cent), in trade and tourism⁸ (1.9 per cent), and among firms with 500 employees and over (1.9 per cent). By contrast, employment in small firms fell by 0.5 per cent, similar to the result for the previous year. Firms predict that employment will grow in 2007, by 0.5 per cent in industry and by 1.5 per cent in services.⁹

Fixed-term employment contracts are more common in the service sector than in industry and accounted respectively for 10.3 and 5.8 per cent of the workforce at the end of the year (Table C3). The shares were highest in the regions of the South and the North-East and in trade and tourism. The total figure shows little change with respect to earlier years in either sector.

Hours of temporary work equalled 2.8 per cent of hours worked by payroll employees in industry and 1.2 per cent in services. Temporary employment is more frequent in the North and in chemical and engineering industries and has increased steadily among firms with 50 employees and over.¹⁰

Non-EU workers represented 4.1 per cent of the total workforce – 3.8 per cent in industry and 4.5 per cent in services – a slightly larger proportion than in 2005. They are concentrated in the northern regions and find employment mainly in business and household services, small industrial firms, and medium-to-large service firms. Their presence remains limited in the South.

Labour turnover¹¹ in 2006 was 25.4 per cent in industry and 47 per cent in services (Table C4). More than half of turnover is due to the creation or termination of fixed-term work contracts. Overall, hirings and terminations more or less balance out, although the former tend to outnumber the latter in the service sector, especially in hotels. In industry, turnover remains highest among firms in the South and lowest in the North-West, in energy and extractive firms, and among export-oriented businesses.

In 2006, hours actually worked per capita rose by 0.8 per cent in industry to 1,653 and remained unchanged at 1,639 in the service sector (Table C2). Higher average values are recorded for firms in the South and small businesses, the lowest value (1,532 hours) for energy and extractive industries, where hours worked fell by 4.6 per cent with respect to the previous year. Textile firms follow with 1,575 hours; despite a 1 per cent increase during 2006, the number of hours remains lower than in other branches of industry, a phenomenon present since the 1990s. Variations in working hours between different size classes of firms are more marked in the service sector than in industry.

The number of hours of overtime per employee rose by 4.7 per cent in industry and 0.8 per cent in the service sector, with the largest increases occurring in engineering (8 per cent) and among small businesses and firms with 200 to 499 employees. In percentage terms, hours of overtime increased from 4 to 4.2 per cent of total hours worked in industrial firms and remained unchanged at 5.5 per cent in the service sector.

⁸ The tourism sector includes hotels, bars and restaurants.

⁹ According to the quarterly survey *Indagine sulle aspettative di inflazione e crescita*, which the Bank of Italy conducts jointly with the financial newspaper *Il Sole-24 Ore* on a sample of 500 firms with 50 employees and over, in March 2007 some 30.7 per cent of industrial firms forecast a rise in employment by the end of June, while 20.2 per cent predicted a decrease; for service firms the respective proportions were 40.4 and 16.3 per cent.

¹⁰ See Table a8.21 in the appendix of the Italian version of the Bank of Italy's annual report, *Relazione Annuale sul 2006*.

¹¹ Labour turnover, which is a notable indicator of the speed of staff renewal, is the ratio between the sum of hirings and terminations in the year and average employment.

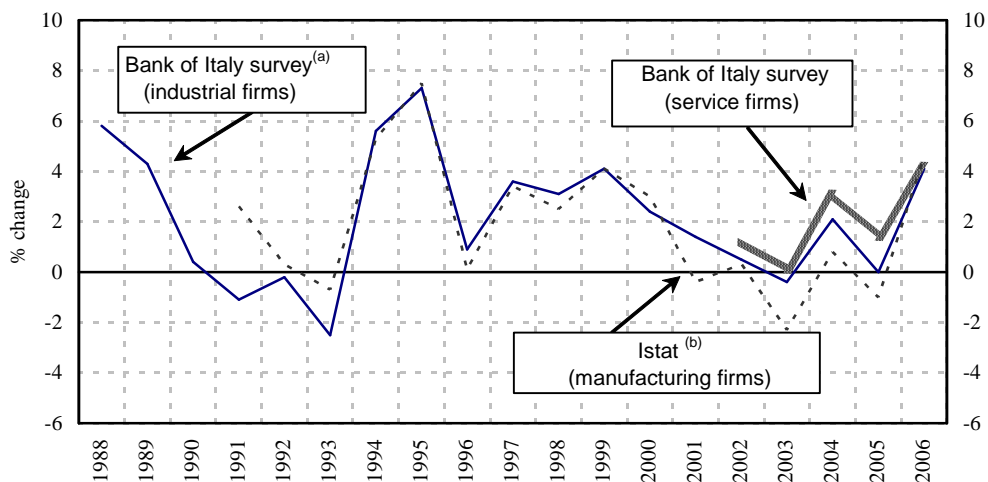
Annual gross per capita earnings averaged €27,300 in 2006, 2.6 per cent higher in nominal terms than in 2005. National minimum contract wages represented 87 per cent of the amounts effectively disbursed (Table C5). Some of the indications emerging from earlier surveys have been confirmed: pay is above average in energy and extractive and chemical industries, and lower in textiles. Wages and salaries increase with firm size and are higher in the North and the Centre than in the South and Islands, although the geographical variation is partly due to differences in the distribution of industry by size and sector.

I.2 Turnover and operating results

In 2006 turnover grew, at constant prices, by 4.1 per cent in industry and 4.2 per cent in services (Table E1). In industry this is the largest increase since 1999. Overall, the rate of growth was significantly faster than in 2005 (Figure 2), overtaking the forecasts of 0.2 and 2.1 per cent made at the time.

Figure 2

Annual changes in turnover, 1988-2006
(constant prices; per cent)



- (a) For 1988-98, manufacturing firms; from 1999, industry excluding construction. For 1988-2000, firms with 50 employees and over; from 2001, firms with 20 employees and over.
- (b) Indices of turnover at current prices for a sample of firms with 20 employees and over, deflated with the change in prices estimated in the Bank of Italy's survey.

In industry, turnover growth, which was fairly uniform throughout the country, was largest in the engineering sector (8 per cent); textile firms, which had performed poorly in the past, posted an increase of 3.7 per cent. For firms with 500 employees and over the increase in turnover (5 per cent) was above average.

In the service sector, the best results were posted by firms in the North-East (+5.2 per cent), followed by those in the North-West (+4.4 per cent); firms in the Centre performed slightly less well (+2.7 per cent). Turnover growth was largest in business and household services (5.2 per cent) and in trade (4.9 per cent) and smallest in transport and communication firms (1.8 per cent).

Projections for 2007 are of further increases of 2.4 per cent in industry and 1.6 per cent in services (Figure 2 and Table H5).

Export revenue amounted to 29.8 per cent of turnover in industry, virtually stationary with respect to 2005, and 11.7 per cent in services, an increase of 3 percentage points. The largest exporters were firms in the North-East (39.1 per cent of turnover) and textile and engineering firms (respectively 42.5 and 45.2 per cent). In the service sector, transport and communication firms obtained a substantial share of turnover from exports (24.7 per cent compared with 16.2 per cent in 2005), as did those providing business and household services (11.8 per cent). It is projected that the share of export revenue will increase slightly in industry in 2007 while remaining virtually stationary in the service sector.

In 2006, 66.8 per cent of firms posted a profit, 16.7 per cent a loss, and 16.5 per cent were in balance. The improvement with respect to 2005 reflects the more favourable economic situation, and the balance between firms showing a profit and firms showing a loss rose by 3.4 percentage points. The best performance in industry was recorded by energy and extractive firms, 77.1 per cent of which showed a profit, followed closely by engineering firms, with 71.6 per cent. Some 66 per cent of textile firms achieved slightly more than a balanced position, compared with 58 per cent in the previous survey. In the service sector 66.2 per cent of firms showed a profit in 2006, against 61.3 per cent in 2005; the best results were obtained by transport and communication firms (69.2 per cent in profit) and by firms in the Centre. The largest share of firms reporting a loss was recorded in the South (21.2 per cent).

I.3 Investment and capacity utilisation

According to the survey findings the overall performance of gross fixed investment¹² was positive in 2006 compared with 2005, with overall growth of 1.1 per cent in real terms¹³ (Table D1). The situation differs between industrial and service firms, however (Figure 3): in industry investment contracted by 2.5 per cent compared with 4.2 per cent in the previous year, while investment by firms in the service sector continued to grow (5.4 per cent, compared with 1.9 per cent in 2005).

In industry, an above-average decline in investment was reported by energy and extractive firms (−6.4 per cent), firms exporting less than a third of turnover (−4.9 per cent), those with 500 employees and over (−4.2 per cent) and businesses located in the Centre (−4 per cent). Firms based in the South reduced overall investment by 0.6 per cent, and investment actually located in the area by 3.3 per cent. By contrast, an increase in investment was recorded for export-oriented firms (3.6 per cent), firms with 50 to 199 employees (1.4 per cent) and engineering firms (1 per cent).

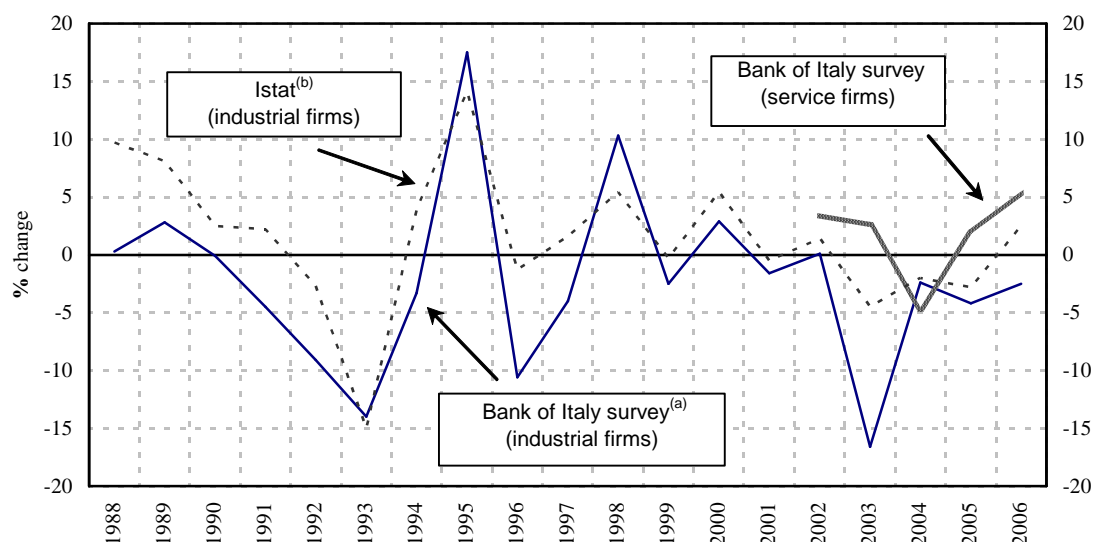
In the service sector investment increased sharply in the North-West: by 16.4 per cent on the basis of the location of the investing firm and by 20.9 per cent taking into account the actual site of the investment. Results are less good for other areas of the country: investment grew by 1.8 per cent in the South, was virtually stationary in the Centre, and fell by 1.7 per cent in the North-East. In terms of actually located investments, the difference is less than one percentage point in all three areas.

¹² In accordance with ESA95, gross fixed investment is defined as the addition of capital assets to the firm's existing stock in the reference period. Capital assets consist of tangible goods, software, databases and mineral exploration. They are the result of a production process and are used repeatedly or continuously in the production of goods and services for more than a year. Gross fixed investment includes depreciation and purchases of the tangible goods used, the latter being excluded from the national accounts aggregate. According to the survey they represented an estimated 2 per cent of the total in 2006.

¹³ See Appendix A for details of the method of deflation.

Figure 3

Annual changes in investment, 1988-2006
(at constant prices; per cent)



- (a) For 1988-98, manufacturing firms; from 1999, industry excluding construction. For 1988-2000, firms with 50 employees and over; from 2001, firms with 20 employees and over.
- (b) Time series of investments by ownership branch; includes firms with fewer than 20 employees. Chain-linked indices at 2000 prices.

Investment plans for 2006 reported in the 2005 survey indicated a slightly less favourable trend. The realisation rate¹⁴ in 2006 was 102.4 per cent (102.8 per cent for industry and 101.9 per cent for services), a marked improvement on the 93.4 per cent recorded in 2005. On the whole, only firms with 500 employees and over invested less than planned. 57.1 per cent of firms reported that they had invested more than planned at the end of 2005, even considerably more in 42.5 per cent of cases. On the other hand, 36.2 per cent invested less, of which 19.4 per cent, substantially less (Table D2). The reasons for amending investment plans are recorded only for firms with 50 employees and over. In the majority of cases the revisions, upward and downward alike, are due to questions of internal organisation, such as new objectives and strategies (Table D3).

Industrial firms predict that investment will pick up overall in 2007 by 7.2 per cent, although this figure conceals marked sectoral variations. The energy and extractive industries forecast an increase of 35.7 per cent, while textile firms project a contraction of 5.9 per cent. New investment will be concentrated among firms in the Centre, with an increase of 22.8 per cent.

These projections by firms need to be interpreted with caution, however. Industrial firms' investment forecasts¹⁵ were recently the subject of a study by economists at the Bank of Italy, which has revealed that although projections are closely correlated to effective investment they systematically overestimate. In the last seven years of the survey that overestimation has averaged

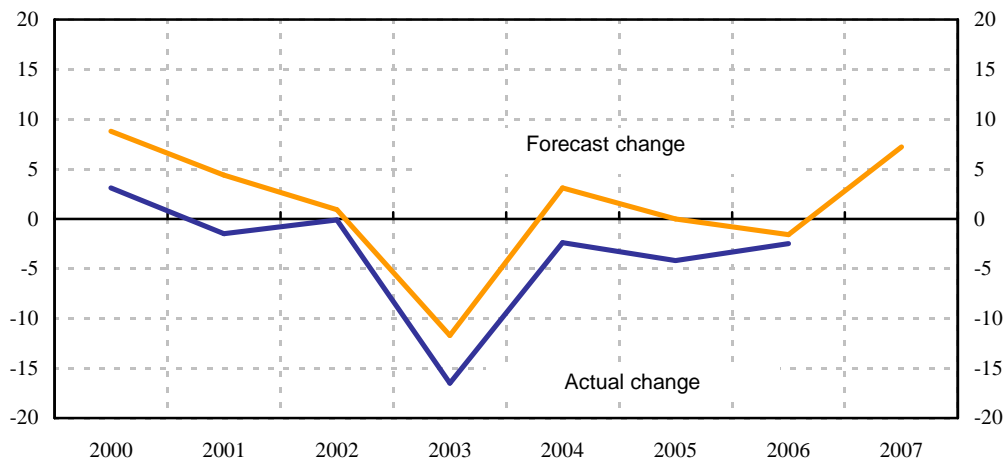
¹⁴ The realisation rate is the ratio between actual spending during the year and planned expenditure at the end of the previous year.

¹⁵ L. D'Aurizio, S. Iezzi and R. Tartaglia-Polcini (2007), *Investment plans in business surveys: an empirical analysis for the Italian manufacturing sector*, mimeo, Bank of Italy.

4 per cent (Figure 4). There are many reasons for this: recent managerial literature suggests that firms are determinedly optimistic¹⁶ and that managers tend to plan too many investments, making it easier for them to reallocate funds from one project to another.¹⁷

Figure 4

Actual and forecast annual change in investment by industrial firms, 2000-2006
(constant prices; per cent)^(a)



(a) Firms report forecasts of changes with respect to the previous calendar year during interviews conducted from January to April of each year; information on actual investment in the previous year is provided at the same time. For 2000-2001, includes only firms with 50 employees and over.

Expectations for 2007 relating to the service sector are negative (-2.3 per cent), particularly in the case of very small firms, which indicate a drop of 10.1 per cent in investment by firms with 20 to 49 employees and 11.8 per cent by firms with 50 to 199, as well as in the case of firms in trade and tourism (-7.4 per cent) and businesses in the South (-6 per cent).

The capacity utilisation rate of industrial firms with 50 employees and over rose by 3.7 per cent between 2005 and 2006 (Table D4), with an increase of 4.9 per cent forecast for 2007. As in the previous survey, the largest increases are both recorded and forecast for firms in the South (6.2 and 7 per cent respectively), the lowest for firms in the Centre (0.4 and 3.6 per cent). The increase in capacity utilisation appears to be inversely correlated with firm size. The average capacity utilisation rate for industrial firms with 50 employees and over was unchanged from 2005 at 80.9 per cent, with a further increase of 2.7 per cent forecast for 2007.

¹⁶ D. Lovallo and D. Kahneman (2003), *Delusions of Success: How Optimism Undermines Executives' Decisions*, Harvard Business Review, July, 56-63.

¹⁷ T.F. Rötheli (1998), *Forecasting among alternative strategies in the management of uncertainty*, Managerial and Decision Economics, 19/3, 179-187.

II – Focus topics relating to service firms and non-construction industrial firms

II.1 Ownership and organisation

The survey records information on the concentration of ownership, stock exchange listing, and controlling shareholders of industrial firms with 50 employees and over. In 2006 the leading shareholder held an average of 68.3 per cent of the company (Table B1), slightly more than in 2000 (65 per cent); the proportion owned by the first three shareholders averaged nine-tenths.

Control of the firm was in the hands of a person in 46.5 per cent of cases (Table B2) and of a holding or sub-holding company, usually Italian, in 35.6 per cent of cases. Foreign shareholders were found more often in larger and more export-oriented firms and in the chemical industry (24.8 per cent of firms). Between 1998 and 2006 the proportion of firms with shareholders' agreements (on voting or on the sale of shareholdings) rose from 6 to 11.6 per cent (Figure 5).¹⁸ Some 8.1 per cent of the firms surveyed were involved in a transfer of control during 2006, 30 per cent more than in the previous year. Reorganisations of this type took place mainly in textile and chemical firms and in large companies.

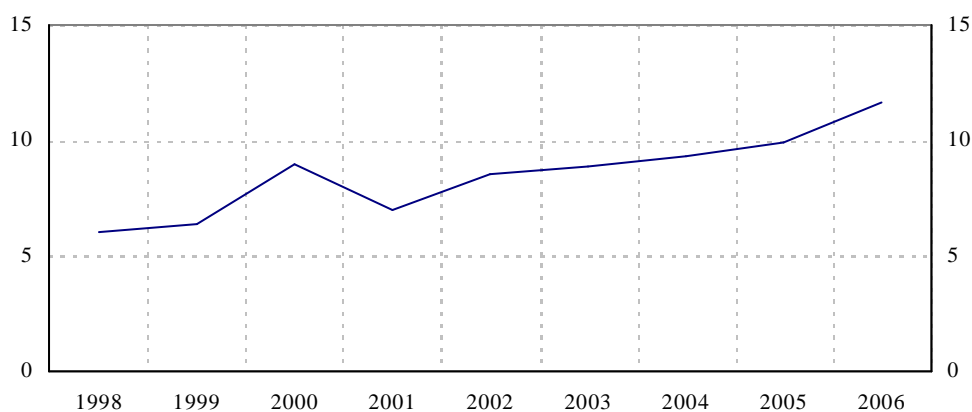
Major events such as splits, mergers, capital contributions and transfers concerned 4.6 per cent of firms in 2006 (Table B3), the same proportion as in 2005. The share of service firms with 50 employees and over that were involved in such events rose from 5.7 to 8.8 per cent between the two years.

According to the 2006 survey, 29.9 per cent of firms were part of a group (Table B4), a share that has risen steadily from 27.9 per cent in 2003. At the sectoral level, the percentage of group firms has increased more sharply among energy and extractive firms and in trade, hotels and restaurants. Approximately 80 per cent of groups are Italian and most of the remainder are from EU countries.

Figure 5

Shareholders' agreements in industrial firms with 50 employees and over

(per cent of firms)^(a)



(a) For 1998, manufacturing firms only.

¹⁸ Usually, the purpose of shareholders' agreements is to stabilise the ownership structure. In this respect they may lead to more efficient management, but they can also help to perpetuate inefficient arrangements (see M. Bianchi et al., *Proprietà e controllo delle imprese in Italia*, Bologna, Il Mulino, 2005). An increase in their number could indicate a growing perception that informal methods of exercising and stabilising control (family ties or personal friendship) have become less effective.

II.2 Some aspects of corporate financing

In 2006 some 9.3 per cent of firms declared that they wished to borrow more from banks and financial institutions at existing conditions regarding cost and collateral. The figure is similar to that recorded in 2005 and lower than in the period 2002-2004. It is higher than average for firms in the South (14.9 per cent) and for service firms (10.1 per cent compared with 8.6 per cent in industry) (Table 2).

Table 6

Firms wishing to borrow more, 2004-06 (per cent of total)

	Total			Would borrow even at worse conditions (a)			Turned down by lending institutions (b)			Both (a) and (b)		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Geographical area ⁽¹⁾												
Centre and North	10.3	8.4	8.1	4.1	4.0	3.5	5.0	2.7	2.4	2.5	1.8	1.3
South & Islands	20.9	15.3	14.9	8.7	6.6	6.6	8.1	5.2	5.4	4.7	2.8	3.5
Number of employees												
20-49.....	11.9	9.1	8.9	4.9	4.2	4.2	5.7	3.1	3.1	3.0	2.0	1.9
50 and over	12.5	10.7	10.1	4.9	5.0	3.6	5.0	3.4	2.4	2.5	1.9	1.2
Sector												
Industry.....	10.6	9.4	8.6	4.5	4.2	3.7	4.6	3.4	2.9	2.4	1.9	1.6
Services	14.1	9.8	10.1	5.4	4.9	4.4	6.7	2.8	3.0	3.5	2.1	1.8
Total	12.1	9.6	9.3	4.9	4.5	4.0	5.5	3.1	2.9	2.8	2.0	1.7

(1) Location of head office.

In order to assess to what extent these firms really need to borrow more funds the questionnaire asks for further information about the possible additional cost of such loans and any steps actually taken to obtain them. Only 4 per cent of the firms state that they would accept worse conditions (higher interest rate or extra collateral) in order to borrow more, a proportion that has been declining steadily since 2003. Some 2.9 per cent of firms that applied for additional funds were turned down. The percentage of firms that would agree to worse conditions in order to borrow more, but have been turned down has fallen steadily from 3.6 per cent in 2002 to just 1.7 per cent.

Firms stepped up their self-financing in 2006, particularly in manufacturing (Table F1). This is mainly due to the positive trend in operating profits. In the service sector, the largest growth in this source of funds was recorded in the transport and communication sector. More firms increased their recourse to bank borrowing (less in the service sector owing to a reverse trend among northern firms) and to venture capital, possibly as a result of the larger borrowing requirement generated by the upturn in economic activity.

Outstanding trade credit amounted to 23.9 per cent of turnover for industrial firms, against 20.6 per cent for service firms (Table F2).¹⁹ The average duration was around 87 days and was again greater in industry.²⁰

¹⁹ The volume of trade credit is particularly large in Italy. See, for instance, L. Cannari, S. Chiri, M. Omiccioli (eds), *Imprese e intermediari? Aspetti finanziari e commerciali del credito tra imprese in Italia*, Bologna, Il Mulino, 2005.

Two-part terms²¹ represented 12.4 per cent of total trade credit in 2006 (Table 3), down on the previous year. Industrial firms account for a larger share than service firms, mainly owing to the energy and extractive sector. Just under 28.7 per cent of all credit was paid late. Delays are systematically longer in services than in industry.

Table 3

Trade credit: two-part terms and late payments in 2006
(per cent of total credit)

	Firms with 20-49 employees		Firms with 50 employees and over		Total firms with 20 employees and over	
	two-part terms	late payments	two-part terms	two-part terms	late payments	two-part terms
Industry.....	8.6	25.6	15.2	24.6	13.5	24.8
of which: manufacturing	8.3	25.5	9.4	25.7	9.1	25.6
Services	11.7	35.7	9.7	35.0	10.5	35.3
Total	10.1	30.7	13.4	27.7	12.4	28.7

In 2006 trade debt amounted on average to 18.6 per cent of turnover. The percentage was slightly lower in industry (18.2 per cent, compared with 19.1 per cent in services). The average duration was 82.6 days overall.

II.3 Italy's evolving productive system

The questionnaire submitted to the firms contains not only the traditional sections, but also a series of questions regarding the main changes taking place in Italy's productive system. The results are described below.

With respect to competitors, 28.9 per cent of Italian firms believe themselves to be in a position of strength, 57.4 per cent that they are on an equal footing and 13.7 per cent that their position is weak (Table G1). The situation is more likely to be described as one of difficulty by industrial firms (17.7 per cent) than by service firms (8.1 per cent), which are less exposed to competition.

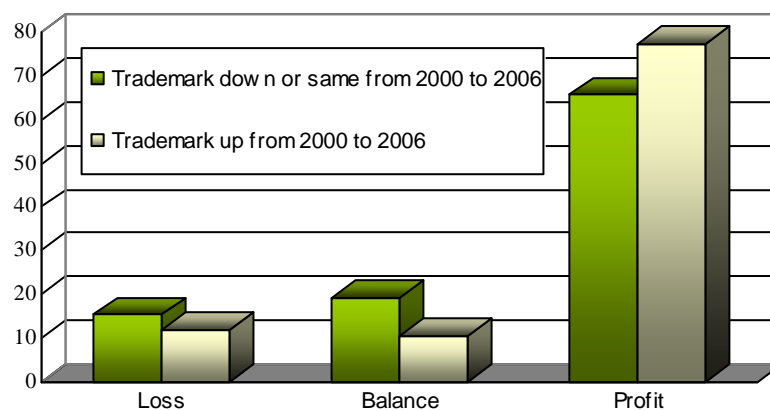
Among industrial firms, the situation is better in engineering and chemicals, worse in textiles, clothing and footwear, where almost 30 per cent of firms feel they are at a disadvantage with respect to their main competitors. Overall, anxiety is greatest among firms whose main competitors are China, the European countries that have not adopted the euro, and the category 'other countries', which includes Asia (Figure 6). In manufacturing, the gap is greatest among low-tech firms, which are increasingly worried by Chinese competitors.

²⁰ The ratio of trade credit to total turnover, multiplied by 360, gives an underestimate of the average actual duration. This is longer than the average duration of the contract, partly owing to late payment and partly to the fact that part of turnover is in cash.

²¹ Trade credit has two-part terms if the extension of payment entails a cost for the purchaser, such as forgoing a discount, allowance or gift and/or paying a supplement or an interest rate.

Figure 7

Role of trademark and operating results in industrial firms in 2006
(per cent of firms)



In the same period, the share of industrial firms with a direct presence abroad rose from 5.3 to 8 per cent and the share of those entering into collaboration agreements with foreign companies from 7.5 to 15.1 per cent. In total, one firm in five is operating outside the country in some form or other. Collaboration agreements with foreign companies are more popular with small firms (Table G4). Even service firms with 50 employees and over are expanding their presence abroad: their share has risen from 6.3 per cent of total firms in 2004 to 9 per cent in 2006.²⁵ Internationalisation, which is far less common in the South, has mainly taken the form of locating production abroad, a solution adopted by 3.8 per cent of firms in 2000 and 5.5 per cent in 2006. The establishment of a selling presence abroad is a less popular choice but it has increased nonetheless, from 1.5 to 2.5 per cent of firms. Among the largest firms, the growth in production abroad has outpaced the increase in their foreign selling presence, while the opposite is observed for firms with up to 50 employees. Very little research and development activity was carried out abroad in either year.

Internationalisation is influenced by a number of factors in addition to firm size. Small firms are usually driven by a need to reduce labour costs, large ones by proximity to their selling markets. Another explanation is the average size of firms in various sectors: firms are on average smaller in traditional sectors, and the main reason for moving production abroad is the lower cost of labour (Table 4). As to the choice of location, Italian firms are expanding into both China, where they had virtually no presence at the beginning of the decade, and, to a smaller extent, into Europe.

²⁵ Internationalisation is positively correlated with operating results: 75.9 per cent of firms with a direct presence abroad between 2000 and 2006 showed a profit, compared with 66.3 per cent of firms with no foreign ties.

Table 4

**Industrial firms with a presence abroad:
factors behind the decision to internationalise**
(average)^(a)

	More favourable legislation and taxation	Lower cost of labour	Proximity to selling markets	Other
Number of employees				
20 – 49	1.6	2.6	1.9	1.4
50 – 199	1.6	2.2	3.0	1.3
200 – 499	1.7	2.7	2.7	1.3
500 and over	1.6	2.1	3.2	1.1
Technological intensity				
Low.....	1.3	2.8	2.0	1.3
Medium-low to medium	1.8	2.6	2.7	1.2
Medium-high to high	1.7	2.0	2.7	1.4
Total	1.6	2.4	2.5	1.3

(a) 1=not important, 2=slightly important, 3=important, 4=very important.

These signs of modernisation have coincided with a widespread generational change at the helm of firms between 2002 and 2006. In 2006 the managing directors of industrial firms with 50 employees and over that are owned by a natural person were younger and better educated than four years earlier. In particular, the proportion of MDs over 65 years of age has dropped from 37.3 per cent in 2002 to 22.3 per cent in 2006. At the same time, those in the 36 to 55 age group have increased from 29.1 to 44.2 per cent (Table 5).

Table 5

**Industrial firms with 50 employees and over owned by a legal person:
age and education of the managing director in 2002 and 2006**
(per cent)

	Age				Education			
	35 and under	36 to 55	56 to 65	over 65	middle school	senior school	university degree	post- graduate
2002	2.2	29.1	31.4	37.3	22.3	51.9	22.9	2.8
2006	1.7	44.2	31.8	22.3	9.0	45.4	40.7	4.9

The proportion of managing directors with a university degree or post-graduate qualification has risen from 25.7 to 45.6 per cent. On the whole, in 2006 firms managed by a person under 65 years of age did best in terms of operating results.²⁶

²⁶ It emerges that 67.1 per cent of firms run by someone over 65 years of age posted a profit, compared with 69.6 per cent of those run by someone younger. These results bear out the calculations based on data from CERVED for the universe of joint-stock companies that filed a balance sheet in 2003 and 2004: the results show that turnover growth tends to slow as the age of the managing director increases.

The majority of firms (82.2 per cent) are content with their present size, although more believe themselves to be small compared with their competitors than too large: 15.8 and 1.9 per cent respectively (Table G5).²⁷ The firms that judge themselves to be undersized list lack of funds as the main impediment to growth; the next reason cited is shortage of managerial and organisational resources and the last, legal limitations and red tape. The perception of being undersized diminishes in industrial firms as their export propensity increases, but is particularly strong among firms in the North-East, which tend to place more than average blame on poor managerial and organisational resources. Legal limitations on expansion are cited most often by energy and extractive firms.²⁸ Around 40 per cent of firms that are ‘too small’ have missed a real opportunity to jump size class in the past ten years by failing to purchase another firm or turning down offers of acquisition.

ERP management software²⁹ is used by 26.8 per cent of firms and is positively correlated with size. It is less widespread in the Centre and the South and in traditional firms (Table G6). The proportion of industrial firms with 50 employees and over equipped with ERP software has risen from 20.1 per cent in 2000 to 36.4 per cent in 2006, testifying to increased focus on organisational aspects. Among firms posting a profit in 2006, those with ERP software outnumbered those without by 71.5 to 65.8 per cent.

In 2006, in industry the share of graduates in total staff was greater in large enterprises and in chemical, engineering, and energy and extractive firms, which are more technologically intensive (Table G6). By contrast, the share was smaller in textiles, clothing and footwear (3.9 per cent) and in the South. Among industrial firms with 50 employees and over, for which a comparison with previous surveys is possible, the share of graduates has risen from 6.9 per cent in 2000 to 9.5 per cent in 2006.³⁰

When recruiting graduates firms assign much more importance to candidates’ individual psychological profiles and work experience than to other elements such as post-graduate qualifications, provenance and reputation of the university.

Some 57.8 per cent of Italian industrial firms with 20 employees and over no longer purchase electricity from the former monopoly-holder (Table G7). The proportion drops to 37 per cent in the case of service firms, for which electricity costs are a less important factor. It is mainly firms with 200 employees and over that have moved to new suppliers. The firms that have stayed with the old monopoly-holder cite the quality of the service, as well as the price, as their main reason, while price again is by far the most popular reason given by firms that chose differently.

II.4 Consumer credit

One section of the questionnaire addressed to firms in the retail trade asked them for information about consumer credit. Some 43.3 per cent of firms offer the opportunity to purchase goods on instalment, financed by a bank or finance company, and this accounts for 16.6 per cent of

²⁷ Satisfaction with company size is correlated with the percentage of firms posting a profit in 2006, showing that entrepreneurs’ assessment of the firm’s size depends on its actual performance.

²⁸ The sector includes utilities, which are regulated in various ways.

²⁹ ERP (Enterprise Resource Planning) is the most complete and fully integrated version of the MRP system (Material Requirements Planning), used for optimal automated inventory management; it can notify when to issue new orders (for purchase or production) and for how much on the basis of inventory management criteria. It is useful when a product requires the assembly of several components with specific production times; it also serves to optimise timing (and quantities to be ordered) so that everything is ready as required. ERP has the following additional features with respect to MRP: quality control; automatic link to supplier’s stocks; client access to production and sales plans and optional automatic despatch of purchase order to supplier.

³⁰ The increase can be ascribed to the growing importance of research, marketing and sales network, which require better qualified human resources than in the past.

In terms of location, the firms carried out more than 60 per cent of public works in the North and less than 20 per cent in the South (Table 7). Forecasts are that these shares will be unchanged in the following year.

Table 7

Distribution of public works by location
(per cent)

	North-West	North-East	Centre	South & Islands
2006	28.3	34.0	18.9	18.8
2007 (forecast)	29.9	30.8	20.4	18.9

In response to questions regarding the factors that will probably be a hurdle to activity in the public works sector in the months following the survey, the most important reason cited was the low level of prices (Table I3). This was followed by uncertainty and delays affecting payments by the public authorities and local red tape.

Appendix A:
Methodological Notes

METHODOLOGICAL NOTES

A1. General remarks

The Bank of Italy has conducted sample surveys of firms since 1972.³³ Prior to 1998 the survey only covered industrial processing firms with 50 employees and over. In recent years the field of observation has been extended to include, since 1999, all manufacturing firms as well as energy and extractive industries, and since 2001 firms with 20 to 49 employees. In 2002 a similar survey of non-financial private service firms³⁴ with 20 or more employees was begun. From this year, the survey has been enlarged to include construction companies with 20 employees and over.

The sampling method was completely overhauled in 1987, with the adoption of a stratified design based on non-proportional selection probabilities. This has remained largely unchanged, although the overall number of firms sampled has gradually increased over the years. The Horvitz-Thompson estimator is employed, with appropriate re-weighting for the treatment of outliers. Over the years, the robustness of the estimates, particularly of variables with a large percentage of extreme data, has been improved by resorting to Winsorisation techniques.

Until 2003 firms were classified into size groups according to their workforce at the end of the year. In 2004, however, it was decided to use the average annual workforce instead for reasons of uniformity with external sources.

Below is a description of various methodological aspects of the present survey.³⁵

A2. Composition of the population and the sample

The reference population (Table A1) is composed of firms whose registered head office is in Italy, having 20 employees and over (Table 1a) and belonging to various branches of activity in the non-construction industry, the construction sector, and in the sector of non-financial private services (Table 2a).

The 2006 sample is composed of 3,109 non-construction industrial firms, of which 1,209 have 20 to 49 employees and 1,900 have 50 and over, of 473 construction firms, evenly distributed between those with 20 to 49 employees and those with 50 employees and over (236 and 237 of each), and of 1,143 non-financial private service firms, of which 428 have 20 to 49 employees and 715 have 50 and over (Table A1). The sampling fractions, which are 8.3 per cent for the non-construction industry, 6.1 per cent for construction firms and 4.1 per cent for services, increase considerably in the case of firms with 50 employees and over (Table 3a). As a result, the distribution of the sample is fairly biased in favour of large firms, with 60.4 per cent of the firms interviewed having 50 employees and over and the remaining 39.6 per cent between 20 and 49, compared with 30.3 and 69.7 per cent respectively of the target population.

³³ This is the reference year of the survey, which is actually conducted in the early months of the following year.

³⁴ The survey does not include financial intermediation (on which the Bank of Italy has a vast dataset collected for institutional purposes of banking supervision and monetary policy) and insurance, general government, the school and health sectors, and other social and personal public services.

³⁵ For further details the reader is referred to the first periodical publication of the survey, Banca d'Italia, 'Survey of Industrial and Service Firms – Year 2003', *Supplements to the Statistical Bulletin – Sample Surveys*, 55, 20 October 2005.

The sub-samples of industrial and service firms are distributed by branch of activity in much the same way as the target population. In industry, engineering firms are in the majority, while in the service sector trade and tourism companies predominate.

Table 1a

Distribution of firms and employees in the reference population in 2004^(a)
(number)

	Industry excluding construction		Construction		Non-financial private services	
	firms	employees	firms	employees	firms	employees
Geographical area^(b)						
North-West	14,076	1,259,000	2,215	102,677	9,525	1,129,643
North-East	11,912	855,998	1,851	88,822	6,858	540,184
Centre	6,263	476,220	1,431	63,189	5,705	819,368
South & Islands	5,388	315,390	2,207	92,403	5,477	367,759
Number of employees^(c)						
20 – 49	25,685	764,091	6,239	179,547	18,915	558,838
50 – 199	9,906	882,264	1,343	109,024	6,867	611,627
200 – 499	1,450	429,742	84	23,392	1,205	367,852
500 and over.....	598	830,511	38	35,128	578	1,318,637
Total	37,639	2,906,608	7,704	347,091	27,565	2,856,954

(a) Source: Istat, 2004. – (b) Location of head office. – (c) Average annual workforce.

Table 2a

Branches of activity

	Ateco 2002 section or sub-section	Branch of activity
Industry excluding construction	DA	Food products, beverages and tobacco
	DB,DC	Textiles, clothing, hides and leather
	DF, DG, DH	Chemicals, rubber and plastic
	DI	Non-metal minerals
	DJ, DK, DL, DM	Engineering
	DD, DE, DN	Other manufacturing
	CA, CB, E	Energy production and mining and quarrying
Construction	F	construction
Non-financial private services	G	Wholesale and retail trade and repair services
	H	Hotels and restaurants
	I	Transport, storage and communication
	K	Real-estate, renting and business activities

In addition, to improve the accuracy of estimates for the South and Islands, the location³⁶ of 17.9 per cent of firms with 20 employees and over in the sectors covered, 34.9 per cent of the sample is made up of southern firms.³⁷

The estimates take account of differences in the composition of the sample by means of weighting coefficients, details of which can be found in Section A6.³⁸

Table 3a

Firms observed and sampling fraction, 2001-06
(number and per cent)

	Number of firms						Sampling fraction					
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006
Industry excluding construction												
Number of employees												
20-49	1,022	1,194	1,236	1,234	1,277	1,209	3.7	4.6	4.7	4.8	5.0	4.7
50 and over	1,764	1,852	1,905	1,916	1,950	1,900	14.0	15.3	15.5	16.0	16.3	15.9
Total	2,786	3,046	3,141	3,150	3,227	3,109	6.9	7.9	8.2	8.4	8.6	8.3
Construction												
Number of employees												
20-49 .....	...	...	...	...	...	236	...	...	...	...	...	3.8
50 and over .....	...	...	...	...	...	237	...	...	...	...	...	16.2
Total .....	...	...	...	...	...	473	...	...	...	...	...	6.1
Non-financial private services												
Number of employees												
20-49 .....	...	367	374	410	444	428	...	2.1	2.0	2.2	2.3	2.3
50 and over .....	...	556	620	666	715	715	...	7.0	7.4	7.7	8.3	8.3
Total .....	...	923	994	1,076	1,159	1,143	...	3.6	3.7	3.9	4.2	4.1
Total for industry and services	2,786	3,969	4,135	4,226	4,386	4,725	...	6.2	6.4	6.5	6.7	6.7

A3. Sample design

The survey adopts a one-stage stratified sample design. The strata are combinations of branch of activity (according to the classification in Table 2a), size class (in terms of number of employees)³⁹ and regional location⁴⁰ of the firm's head office.

³⁶ Istat, *Archivio statistico delle imprese attive* [Statistical Archives of Active Firms], updated to 2004.

³⁷ In terms of workforce, the geographical distribution is more balanced, with firms in the South representing 12.7 per cent of the population and 12.5 per cent of sample; this is due to the fact that they tend, on average, to be smaller.

³⁸ Because the sampling fraction of large firms is larger, the three sub-samples represent respectively 2801, 19.3 and 17.2 per cent of the workforce in the reference populations.

³⁹ The size classes, which are based on the end-of-year workforce until 2003 and on the average annual workforce thereafter, are: 20-49, 50-99, 100-199, 200-499, 500-999, 1,000-4,999, and 5,000 and over employees. Firms in the last class form a self-representative (census) stratum. They are always included in the sample, except in rare cases of failure to answer.

⁴⁰ Piedmont and Valle d'Aosta are regarded as a single region.

The sample size is determined in two stages. First, the number of size classes is identified using the method known as *optimum allocation to strata*,⁴¹ which minimises variance of the sample means and variations of the main variables observed (employment, turnover and investments). Second, the number of units in each size class is divided among regions and branches of activity in proportion to the number of firms in the target population belonging to that stratum.⁴²

The firms are selected from the databases of the Company Accounts Data Service, Cerved, Kompass and other lists obtained independently by the Bank's branches in order to minimise the risk of under-coverage. The firms observed in the previous edition of the survey are always contacted again if they are still part of the target population,⁴³ while those no longer wishing to take part are replaced with others in the same branch of activity and size class.

A4. Data collection, questionnaire and response behaviour

The data for a survey referring to one year are collected in the course of interviews conducted by the Bank of Italy's branches between February and March of the following year.

The questionnaires (see Appendix C) are composed of a fixed part and a variable part. The fixed part contains general information on the firm and its structure, as well as annual data on investments, employment, turnover, operating result, capacity utilisation and financing.⁴⁴ The variable part covers different themes each year, which are the subject of detailed cyclical or structural analysis.

Separate questionnaires are prepared for industry excluding construction and for services, for firms with 20 to 49 employees and for firms with 50 and over. The general purpose of this distinction is to avoid having to ask questions that entail a greater respondent burden for small firms and to allow space, if necessary, to focus on separate topics for industry and services and for large and small firms. A smaller separate questionnaire is submitted to construction firms.

The Economic Research Department decides the content and structure of the questionnaires shortly before they are administered. New questions are tested by the Bank's branches by means of pilot questionnaires designed to assess whether they are easy to understand and whether the information is effectively available from the firms.

In the case of employment, investments and turnover, information is requested for three periods: the year just ended (preliminary results), the previous year (final results) and the following year (forecasts). The effort involved in answering the questionnaire is monitored via a question at the end of the interview and specific information obtained from the interviewees.

The involvement of the Bank of Italy's branches (which themselves make use of the data collected) allows us to achieve a high response rate. The participation rate in the 2006 survey, i.e. the proportion of firms interviewed in relation to all those contacted, was 79.4 per cent for non-construction industrial firms and 77.9 per cent for service firms (Table 4a), in both cases approximately 2 percentage points higher than in the previous survey.

⁴¹ See for example W. G. Cochran, *Sampling Techniques*, New York, John Wiley & Sons, 1977.

⁴² The number of firms assigned for each region is then divided among the Bank's branches, which collect the data. In some areas of the country over-sampling may be performed where necessary for use in studies of the local economy.

⁴³ Typical reasons for leaving the target population are change of activity and staff cutbacks to below the entry threshold. See Section A4.

⁴⁴ Investment and turnover are not recorded for construction firms; they are replaced by the value of production (total and relating to public works).

Table 4a

Distribution of firms contacted for the survey in 2006
(number and per cent)

	Industry excluding construction		Construction		Non-financial private services	
	number of firms	per cent	number of firms	per cent	number of firms	per cent
Firms contacted	3,944	100.0	506	100.0	1,483	100.0
Firms reporting.....	3,130	79.4	482	95.3	1,155	77.9
non-homogeneous data ^(a)	21	0.5	2	0.4	12	0.8
eligible data	3,109	78.8	480	94.9	1,143	77.1
Firms failing to co-operate	814	20.6	31	6.1	328	22.1

(a) For details concerning the treatment of these firms, see Section A5. – (b) Reasons for failure to co-operate include leaving the population covered by the survey.

A5. Data quality checks and imputation of missing data

The collected data are subjected to a system of quality checks. In particular, we check for the compatibility of values with the range allowed by the question, the time consistency of panel data, the squaring of certain figures and the presence of outliers. The data are verified at different levels, with each check being run on data that have passed the previous level.

The questionnaires are first checked by the officers in charge of the interviews, who apply their technical skills and knowledge of the local market⁴⁵ to assess the quality of the data collected. The data-entry procedure then rejects everything outside the defined range of the variable or incompatible with the internal consistency of the questionnaires.

Data accepted by the procedure may still be outside certain thresholds based on past statistics or external information. In this case the data are highlighted for the attention of the interviewers, who check them and, if necessary, contact the firm for clarification. Confirmation is recorded in a special field. Only at this point is the checked data entered in the database.

The second set of checks uses editing techniques founded on statistical assumptions that can detect extreme observations with respect to the frequencies based on (natural or logarithmic scale) cross-section distributions. The outliers are detected by comparing the value of each variable with the median of its distribution and setting as threshold a value proportional to the inter-quartile deviation.

Since the 2000 edition a further quality check has been put in place, called selective editing. This produces a list of priorities for checking outliers according to their importance for the final estimate. The values of each variable are compared with the predicted value of a simple regression model. On the basis of this statistic a Taylor approximation is used to build a score for each firm according to the impact each value would have on the final estimate in the model. The higher the score (i.e. the greater the impact of the observed value on the final estimate according to

⁴⁵ At this stage, the interviewers use a form containing the main variables provided by the firms taking part in the previous survey to run a preliminary check on data consistency.

the model), the more urgent it is to check the value of that variable for that firm.⁴⁶ This process is applied to a set of several variables to draw up a ranking from the highest score down.

This method improves the quality of the estimates while reducing the respondent burden in the final stage of data processing, because it is necessary to re-examine and possibly re-contact only the firms with a significant impact on the final estimates.⁴⁷

A treatment apart is reserved for data on firms affected by extraordinary events, such as mergers or splits. These firms are only included in the estimate if the data for final results, preliminary results and forecasts refer to a set of factories and workers that is homogeneous with the data collected in the same survey. The interviewer ensures their homogeneity either by considering the extraordinary event to have taken place at the beginning of the year of the final results, or by pretending the event never occurred and reconstructing the data accordingly; if this is not possible, the firm is excluded from further processing. Although this practice may cause distortions in the estimates (such as the total of investments), it does produce more stable estimates of changes and average values per employee, which are the main objective of the survey.

The firms taking part in the survey may have difficulty answering some of the questions. If the missing answer concerns one of the main variables, such as investment spending or turnover, the missing data are imputed.

In general, ratio estimators are used to impute data, setting the number of the firm's employees as denominator (since this information is always available, otherwise the firm is excluded from the survey) in order to capture the scale effect.⁴⁸ In some cases the firm's time series data are used for the reconstruction, in the form of individual effects. This method gives an estimate of a level per employee that is obtained by combining a general cross-section mean and an average based on the firm's time series. The levels at time t and $t+1$ are reconstructed in sequence, by calculating average changes in appropriate cells of homogeneous firms.⁴⁹

The percentage of imputed data is usually small. A higher rate of non-response, in the order of 10 per cent, tends to occur with questions involving forecasts, particularly of investments.

⁴⁶ For a detailed description of the process see P. Battipaglia, 'Selective Editing to Increase Efficiency in Survey Data Processing. An Application to the Bank of Italy's Business Survey on Industrial Firms', *Irving Fisher Committee Bulletin*, 13, December 2002, 149-154.

⁴⁷ Another method of data quality check, based on neural networks, is currently under study as a future complement of the existing editing processes. These focus on identifying the answers with the greatest impact on the most important variables and ignoring the others, which speeds up normal processing times so that the main results of the survey can be published as early as possible. Using neural networks would allow us to organise sample data according to reliability, regardless of their importance for the purpose of producing the estimates usually released. Research is based on an algorithm obtained by using neural networks to construct non-parametric and non-linear classifiers that can identify adaptively any outlier variables, thus improving the quality checks on micro-data. See C. Biancotti and R. Tartaglia-Polcini, 'Artificial Neural Networks for Data Editing', *Irving Fisher Committee Bulletin*, 21, July 2005, 99-07 and C. Biancotti, L. D'Aurizio and R. Tartaglia-Polcini, 'A Neural Network Architecture for Data Editing in the Bank of Italy's Business Surveys', paper presented at the *25th International Symposium on Forecasting*, San Antonio, USA, 12-15 June 2005.

⁴⁸ For an analysis of the situations in which a ratio estimator is preferable to the mean see F. Cicchitelli, A. Herzel and G. Montanari, *Il campionamento statistico*, Bologna, Il Mulino Editore, 1994.

⁴⁹ Other devices are also used when imputing data. For example, if a cell in which an average is to be calculated contains a very small number of firms, it is merged with neighbouring cells according to size class or geographical area. Moreover, robust averages are calculated in the cells, limiting the influence of outliers in the reconstruction. In some cases specific solutions are used that exploit data collected in the questionnaire, as when there are arithmetic constraints between the variables or weaker links that nonetheless allow a reliable reconstruction of the missing datum. For instance, if a firm does not report the number of hirings during the year, this is calculated by adding the number of terminations to the difference between the workforce at the beginning and end of the year; the same method is used for the number of terminations.

A6. Weighting

The weighting procedure is performed in two stages.

In step one, the combinations of branch of activity and size class are used as strata. Each firm is assigned an initial weight, given by the ratio of number of firms in the stratum cell to number of firms in the sample. Let h be the general stratum cell and, within it, N_h the number of firms in the target population and n_h the sample size.⁵⁰ The first stage weight of each firm in stratum h is therefore:

$$(1) \quad w_h^{(0)} = \frac{N_h}{n_h}$$

By construction, the sum of the weights of each cell therefore gives the size of the target population it contains.

In step two, post-stratification is performed using raking⁵¹ to take into account also the geographical area k where the firm's head office is located. The initial weight is modified by an adjustment factor f_k so that the final weights can be obtained:

$$(2) \quad w_{hk}^{(1)} = w_h^{(0)} f_k$$

the sum of which coincides, in the post-stratum cells, with the number of firms in the target population they contain.

Therefore the system of final weights does not take into account the complete combinations of sector, branch of activity and geographical area, partly because some of them may contain no sample units, and partly because such a system of weights might lead to overly variable estimates for some domains. Consequently, post-stratification is limited to reconstructing the combinations of a) North-West, North-East, Centre, South and Islands, b) firms with 20 to 49 and 50 and over employees, c) manufacturing, energy and extractive, construction and service firms (the latter divided by section; see Section A2).

At every survey the weights are recalculated according to the distribution of the population on the latest available date.⁵²

A7. Sample estimates

For a generic variable x , the aggregate is estimated with a Horvitz-Thompson unbiased estimator of the total,⁵³ given by:

$$(3) \quad X = \sum w_i x_i$$

⁵⁰ The symbol nh indicates the actual sample size. This allows the weights to be implicitly corrected to take account of the total of missing responses.

⁵¹ Iterative proportional fitting (or raking) simultaneously aligns the sample weights to the distribution of certain characteristics known from outside sources. See for instance V. Verma, *Advanced Sampling Method: Manual for Statistical Trainers*, Statistical Institute for Asia and the Pacific, Tokyo, 2000, 6.13-6.21.

⁵² The population of firms is that obtained from Istat, *Archivio statistico delle imprese attive*, 2004. Updates are published periodically for the population of about two years earlier. The estimates are revised periodically to take account of updates in the survey reference population.

⁵³ See F. Cicchitelli, A. Herzel and G. Montanari, *Il campionamento statistico*, Bologna, Il Mulino Editore, 1994.

The estimate of rates of change, for instance of turnover or investments, is obtained using as estimator the ratio of the sums of the levels for each firm, weighted with the inverse sampling fraction according to a formula of the following type:

$$(4) \quad r_{i,t-1} = \frac{\sum_i w_i X_i^t}{\sum_i w_i X_i^{t-1}}$$

The levels of the aggregate that are set as numerator and denominator of the formula are collected from the firm in the reference year, even when that firm has already taken part in the previous edition of the survey.⁵⁴

In the specific case of percentage changes in investment, robust estimation techniques have been used since the 1999 survey.⁵⁵ The empirical distribution of this variable is ridden with outliers, partly owing to the nature of the phenomenon of interest: measurement of the levels, the ratio of which gives the rate of change, is complicated by the simultaneous presence of factors such as the typical long-term nature of spending, uncertainty, classification errors, and other sources of measurement error.

Using the method known as ‘type II Winsorisation’, the rates of change above and below the cut-offs fixed on the basis of the empirical distribution are squashed against the cut-off, in proportion to the sampling fraction, according to the following formula:

$$(5) \quad y_i^{wins} = \begin{cases} fy_i + (1-f)J & y_i < J \\ fy_i + (1-f)K & y_i > K \\ y_i & otherwise \end{cases}$$

in which y_i^{wins} is the Winsorised rate, y_i the observed rate, f the sampling fraction, J and K respectively the lower and upper cut-offs. In the case of firms labelled as outliers, the extreme values are set equal to the cut-off, without taking the sampling fraction into account.⁵⁶

In a few cases the survey collects directly the rates of change in economic phenomena: this happens, for instance, with the rate of change of capacity utilisation or of percentages (such as the percentage of hours worked overtime). In this case, the estimate for the whole population is calculated as an average of the individual rates of change, weighted with the inverse sampling fraction times the amount of the phenomenon (or, if unavailable, a proxy).

⁵⁴ The estimate of the trend of phenomena based on the data of a single survey has proved much more stable than the estimate obtained from a comparison of the values recorded in adjacent surveys, which sometimes reflect structural changes in the firms that are difficult to take into account, as well as problems of classification and measurement. These aspects are monitored more closely within a same questionnaire, leading to more accurate estimates of changes. However, this method does not take full account of the entry and exit of firms in the target population.

⁵⁵ On robust estimation techniques in general see for example D.F. Andrews, P.J. Bickel, F.R. Hampel, P.J. Huber, W.H. Rogers and J.W. Tukey, *Robust estimates of location*, Princeton, Princeton University Press, 1972 or D.C. Hoaglin, F. Mosteller and J.W. Tukey (eds.), *Understanding robust and exploratory data*, New York, John Wiley & Sons, 1983. A classic reference for the theory is P. J. Huber, *Robust statistics*, New York, John Wiley & Sons, 1981.

⁵⁶ In the literature, changing the values based on (5) is called ‘type II Winsorisation’; when the sampling fraction is not taken into account it is called ‘type I Winsorisation’: in the latter case, the values beyond the cut-off are completely squashed against it. For a detailed description of the method used to estimate the changes in investments see P. Battipaglia, ‘Robust Estimates of Investments from the Bank of Italy’s Business Survey’, *Statistics Research Report*, London, London School of Economics, 2000.

The deflators for the levels of investments and turnover are calculated as sector means of the individual deflators collected directly from firms, weighted with the product of the coefficient of the ratio to the population and the amount of turnover.^{57 58}

A8. Estimating standard errors

Finding the analytical expressions of the variance of the estimators obtained from a non-proportional stratified sampling design, with weights adjusted to take account of post-stratified variables, can be a complex task⁵⁹ that suggests resorting to simulation methods able to take account of the original sample design.⁶⁰

The values are estimated using the jack-knife method, which is particularly well-suited to take account of the imposed structure of the data due to the nature of the sampling design, while ensuring that appropriate asymptotic properties are maintained.⁶¹

If T_n is the value of the estimator for a sample containing n units and $T_{n-1;i}$ is the value of the same estimator calculated for the sample in which the i th unit has been left out (*leave-one-out method*), we first calculate the ‘pseudo-values’ $\tilde{T}_{n;i}$ defined as:

$$(6) \quad \tilde{T}_{n;i} = nT_n - (n-1)T_{n-1;i} \quad 1 \leq i \leq n;$$

the jack-knife estimator of the variance of T_n is (Tukey, 1958):

$$(7) \quad \text{Var}_{JACK}(T_n) = \frac{1}{n(n-1)} \sum_{i=1}^n \left(\tilde{T}_{n;i} - \frac{1}{n} \sum_{j=1}^n \tilde{T}_{n;j} \right)^2.$$

The highest standard errors are found for the estimate of the variance of investments owing to their intrinsic variability (Table 5a). The lowest standard errors occur in the estimate of changes in turnover and employment. In the domain analyses, for example by firm size class or geographical area, the estimates are less accurate than the estimates for the total sample, a circumstance that should be taken into account when analysing the results.

The standard errors are also estimated for the forecasts of the main variables surveyed. These calculations take into account the fact that a fair portion of the data is affected by partial non-responses, which are imputed using the method described in Section A5.⁶² Multiple imputation is

⁵⁷ Research is under way to assess whether individual deflators can be used in place of average deflators to estimate variations at constant prices. Estimates based on individual deflators have a smaller standard error if there is a positive correlation between the deflators and the nominal variations at the individual level, which would reduce their variance. Empirical analysis has found that variations in turnover display this property even in the presence of measurement errors. The positive correlation was not found in the case of variations in investments. See L. D’Aurizio and R. Tartaglia-Polcini, ‘Use of Deflators in the Bank of Italy’s Business Surveys’, Working Paper, CESifo, Munich, 14-15 October 2005; <http://www.cesifo-group.de>

⁵⁸ For construction firms, total production at constant prices is calculated on the basis Istat’s latest deflator for construction, while the production of public works is calculated using Istat’s updated deflator for ‘other construction’, which does not include housing.

⁵⁹ See Chapter 7 in C. Särndal, B. Swensson and J. Wretman, *Model Assisted Survey Sampling*, New York, Springer-Verlag, 1992.

⁶⁰ A classic reference is K. M. Wolter, *Introduction to Variance Estimation*, New York, Springer Verlag, 1985.

⁶¹ This method is well suited to the purpose, as comparisons of its theoretical and empirical properties with those of other replication methods show. See, for example, J. Shao and D. Tu, *The Jackknife and Bootstrap*, New York, Springer, 1995, which contains a thorough comparative analysis of the two methods of estimating variance.

⁶² The partial non-response rates of firms in industry, excluding construction, and services regarding forecasts for 2007 are 10.1 per cent for average workforce, 8.6 per cent for turnover, and 18.6 per cent for investment.

used, which entails replicating independently a given number of datasets containing the complete observations so as to take account of the intrinsic variability of imputation. Twenty-five bootstrap samples are extracted from the original sample, only for observations based on complete original data, maintaining the sampling design. The imputation of the forecasting variables is replicated after the design weights have been realigned with the post-stratified variables. If \hat{t} is used to denote the estimator and m the number of replicated samples, the variance of \hat{t} can be estimated by the following expression:⁶³

$$(8) \quad \hat{v}(\hat{t}) = \frac{1}{m} \sum_{j=1}^m \hat{v}_{p(s)}(\hat{t}_j^*) + \left(1 + \frac{1}{m}\right) \sum_{j=1}^m \frac{(\hat{t}_j^* - \hat{t}_{mi})^2}{m-1}, \text{ dove } \hat{t}_{mi} = \frac{1}{m} \sum_{i=1}^m \hat{t}_j^*$$

The term $\hat{v}_{p(s)}(\hat{t}_j^*)$ indicates the variance estimated on the j th sample replicated for the estimator \hat{t} , using the information from the sample plan $p(s)$. The first sum is the average within imputation variance, while the second sum, known as the between imputation variance, is interpreted as the variability produced by the imputation. Table 6a gives the results. Clearly, the forecasting data show a greater degree of variability than the final results.

⁶³ See, for example, Chapter 4 in H. Lehtonen and E. Pahkinen, *Practical Methods for Design and Analysis of Complex Surveys*, New York, Wiley, 2004.

Table 5a

Standard errors of percentage changes, 2006 on 2005
(per cent)

	Change in total investments ^{(a) (b)}		Change in turnover ^(b)		Change in end-year workforce		Change in average workforce in year	
	estimate	standard error	estimate	standard error	estimate	standard error	estimate	standard error
Industry excluding construction								
Number of employees								
20–49	-2.9	2.8	4.3	0.6	0.4	0.5	-0.2	0.4
50–199	1.4	2.6	4.7	0.6	0.2	0.3	-0.5	0.3
200–499	-2.8	3.0	2.1	0.7	1.1	0.4	0.6	0.4
500 and over	-4.2	1.5	5.0	0.5	-0.9	0.3	-0.3	0.3
Geographical area^(c)								
North-West	-2.4	1.8	4.0	0.6	-0.1	0.3	-0.7	0.3
North-East	-2.0	2.6	4.6	0.5	0.4	0.3	0.3	0.3
Centre	-4.0	2.0	3.6	0.3	-0.5	0.4	0.4	0.4
South & Islands	-0.6	2.7	4.4	0.6	0.5	0.5	-0.3	0.4
Total	-2.5	1.1	4.1	0.3	0.0	0.2	-0.2	0.2
Non-financial private services								
Number of employees								
20–49	4.6	3.3	3.8	0.7	-0.4	1.2	-0.5	1.2
50–199	5.3	4.5	5.5	0.6	2.3	0.7	1.3	0.6
200–499	1.0	4.9	5.7	1.7	1.1	1.1	0.3	1.0
500 and over	7.0	3.8	2.5	1.0	1.6	0.8	1.9	0.6
Geographical area^(c)								
North-West	16.4	5.9	4.4	0.9	0.1	0.7	0.1	0.6
North-East	-1.7	3.8	5.2	0.7	3.4	0.9	2.4	0.8
Centre	0.7	1.8	2.7	0.7	2.4	0.6	1.7	0.5
South & Islands....	1.8	3.0	4.2	1.1	-1.9	2.0	-0.7	2.0
Total	5.4	2.2	4.2	0.4	1.2	0.5	0.9	0.4
Total	1.1	1.2	4.1	0.3	0.5	0.2	0.3	0.2

a) Estimated at constant 2006 prices using type II Winsorisation at the 5th and 95th percentile distribution of changes.

– (b) Location of head office.

Table 6a

Standard errors of forecast changes, 2007 on 2006
(per cent)

	Change in total investments ^{(a) (b)}		Change in turnover ^(b)		Change in end-year workforce	
	estimate	standard error	estimate	standard error	estimate	standard error
Industry excluding construction						
Number of employees						
20–49	-1.8	5.2	2.3	1.0	1.1	1.2
50–199	-1.9	4.0	2.9	1.0	0.1	1.6
200–499	3.2	4.5	1.3	1.2	0.9	2.0
500 and over	18.4	6.4	2.8	1.4	0.3	3.7
Geographical area^(c)						
North-West	3.5	4.9	2.5	0.9	0.5	2.5
North-East	2.9	4.6	3.8	0.8	0.7	1.9
Centre	22.8	8.4	0.7	2.2	0.7	1.4
South & Islands	-1.5	3.8	2.1	0.8	-0.2	1.5
Total	7.7	4.3	2.4	0.8	0.5	1.6
Non-financial private services						
Number of employees						
20–49	-10.1	3.3	0.7	0.5	0.7	0.7
50–199	-11.8	3.8	1.1	0.5	0.6	0.9
200–499	-2.0	4.9	1.1	0.9	1.7	1.1
500 and over	4.6	3.4	3.9	0.8	2.7	0.9
Geographical area^(c)						
North-West	-2.9	4.3	1.4	0.8	1.5	0.9
North-East	-3.9	5.6	1.8	0.6	1.7	0.7
Centre	0.9	3.8	1.7	0.6	1.7	0.7
South & Islands....	-6.0	3.3	1.3	0.7	0.9	0.8
Total	-2.3	2.7	1.6	0.4	1.5	0.6
Total	2.5	2.5	2.1	0.4	1.0	0.8

(a) Estimated at constant 2006 prices using type II Winsorisation at the 5th and 95th percentile distribution of changes.
– (b) Location of head office.

Appendix B
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Composition of the samples and reference populations

(units)

	Firms with 20-49 employees		Firms with 50 employees and over		Total firms with 20 employees and over	
	sample size 2006	population size ⁽¹⁾	sample size 2006	population size ⁽¹⁾	sample size 2006	population size ⁽¹⁾
Industry, excluding construction						
Geographical area ⁽²⁾						
North-West	182	9,077	525	4,999	707	14,076
North-East.....	202	8,064	435	3,848	637	11,912
Centre	245	4,511	413	1,752	658	6,263
South & Islands	580	4,033	527	1,355	1,107	5,388
Number of employees						
20 – 49	1,209	25,685	-	-	1,209	25,685
50 – 199	-	-	1,224	9,906	1,224	9,906
200 – 499	-	-	389	1,450	389	1,450
500 and over	-	-	287	598	287	598
Branch of activity						
Total manufacturing	1,172	25,230	1,838	11,677	3,010	36,907
Textile, clothing, leather, shoes	153	4,660	239	1,759	392	6,419
Chemicals, rubber and plastics .	122	2,138	213	1,418	335	3,556
Engineering	423	11,089	802	5,375	1,225	16,464
Other manufacturing	474	7,343	584	3,125	1,058	10,468
Energy and extraction.....	37	455	62	277	99	732
Total industry, excl. construction ..	1,209	25,685	1,900	11,954	3,109	37,639
Construction						
Geographical area ⁽²⁾						
North-West	42	1,796	44	419	86	2,215
North-East.....	36	1,356	67	495	103	1,851
Centre	66	1,225	51	206	117	1,431
South & Islands	92	1,862	75	345	167	2,207
Number of employees						
20 – 49	236	6,239	-	-	236	6,239
50 – 199	-	-	186	1,343	186	1,343
200 – 499	-	-	31	84	31	84
500 and over	-	-	20	38	20	38
Total construction	236	6,239	237	1,465	473	7,704
Services ⁽³⁾						
Geographical area ⁽²⁾						
North-West	89	6,195	159	3,330	248	9,525
North-East.....	72	4,846	173	2,012	245	6,858
Centre	108	3,915	166	1,790	274	5,705
South & Islands	159	3,959	217	1,518	376	5,477
Number of employees						
20 – 49	428	18,915	-	-	428	18,915
50 – 199	-	-	401	6,867	401	6,867
200 – 499	-	-	160	1,205	160	1,205
500 and over	-	-	154	578	154	578
Branch of activity						
Trade, hotels, restaurants	268	10,594	301	3,546	569	14,140
Transport and communication.....	88	3,281	199	1,868	287	5,149
Other h.hold & business services...	72	5,040	215	3,236	287	8,276
Total services.....	428	18,915	715	8,650	1,143	27,565
Total	1,873	50,839	2,852	22,069	4,725	72,908

(1) Population data are from Istat and refer to 2004. – (2) The geographical area is defined by the location of the registered head office (North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria; North-East = Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna; Centre = Tuscany, Umbria, Le Marche and Lazio; South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia). – (3) Does not include firms in credit and insurance, public services and other social and personal services.

Concentration of ownership, listed firms and transfers of control, 2006

(per cent)

	Quota of first shareholder	Quota of first three shareholders	Listed firms	Transfers of control
Industrial firms with 50 employees and over				
Geographical area				
North-West	69.0	90.2	1.8	9.7
North-East	71.5	92.0	1.7	7.6
Centre	64.3	89.2	0.9	8.4
South and Islands	61.8	90.7	0.5	2.9
Number of employees				
20 – 49	-	-	-	-
50 – 199	66.4	90.5	0.6	7.8
200 – 499	76.5	91.7	3.3	8.3
500 and over	79.5	91.2	12.4	12.3
Branch of activity				
Total manufacturing	68.5	90.9	1.3	8.1
Textiles, clothing, leather, shoes	64.5	91.4	2.1	11.5
Chemicals, rubber and plastics ..	77.6	94.1	0.8	12.5
Engineering	68.8	90.7	1.3	6.7
Other manufacturing	65.8	89.5	1.2	6.4
Energy and extraction.....	61.7	79.5	6.3	8.9
Share of exports				
Less than one-third	65.4	89.0	1.3	5.6
From one- to two-thirds	70.3	91.6	1.8	10.5
More than two-thirds	72.0	93.1	1.3	10.1
Total industrial firms	68.3	90.7	1.5	8.1

Type and nationality of leading shareholder, 2006

(per cent)

	Leading shareholder					Nationality		
	Legal person	Holding or sub-holding company	Bank ⁽¹⁾	Non-financial company	Total	Italian	Foreign	Total
Industrial firms with 50 employees and over								
Geographical area								
North-West	45.0	37.0	4.3	13.7	100.0	86.7	13.3	100.0
North-East	42.6	39.4	6.0	11.9	100.0	84.7	15.3	100.0
Centre	46.1	34.5	5.9	13.4	100.0	85.2	14.8	100.0
South and Islands	64.9	20.1	3.8	11.2	100.0	91.9	8.1	100.0
Number of employees								
20 – 49	-	-	-	-	-	-	-	-
50 – 199	52.1	30.6	5.0	12.3	100.0	88.4	11.6	100.0
200 – 499	23.0	57.5	4.9	14.6	100.0	78.6	21.4	100.0
500 and over	13.5	63.4	6.7	16.4	100.0	72.5	27.5	100.0
Branch of activity								
Total manufacturing	46.9	35.8	5.2	12.2	100.0	86.3	13.7	100.0
Textiles, clothing, leather, shoes	57.6	25.2	6.0	11.2	100.0	92.4	7.6	100.0
Chemicals, rubber and plastics	30.7	52.2	4.7	12.4	100.0	75.2	24.8	100.0
Engineering	45.6	37.2	5.5	11.7	100.0	83.8	16.2	100.0
Other manufacturing	50.7	31.6	4.3	13.3	100.0	92.6	7.4	100.0
Energy and extraction	29.6	26.1	2.2	42.1	100.0	87.8	12.2	100.0
Share of exports								
Less than one-third	52.0	32.7	3.2	12.1	100.0	89.9	10.1	100.0
From one- to two-thirds	41.5	39.1	7.0	12.4	100.0	86.4	13.6	100.0
More than two-thirds	41.7	37.0	6.4	14.9	100.0	78.5	21.5	100.0
Total industrial firms	46.5	35.6	5.1	12.8	100.0	86.3	13.7	100.0

(1) Including independent financial companies and insurance companies.

**Firms involved in mergers, acquisitions, contributions,
transfers and splits, 2006**
(per cent)

	Firms with 20-49 employees	Firms with 50 employees and over	Total firms with 20 employees and over
Industrial firms			
Geographical area			
North-West	3.4	5.8	4.2
North-East	2.1	7.3	3.8
Centre	3.4	5.7	4.0
South and Islands	2.5	4.6	3.0
Number of employees			
20 – 49	2.8	-	2.8
50 – 199	-	5.1	5.1
200 – 499	-	9.7	9.7
500 and over	-	14.1	14.1
Branch of activity			
Total manufacturing	2.7	6.0	3.8
Textiles, clothing, leather, shoes	2.1	6.2	3.2
Chemicals, rubber and plastics ..	4.6	7.1	5.6
Engineering	3.5	6.4	4.4
Other manufacturing	1.4	4.6	2.4
Energy and extraction.....	8.2	12.1	9.7
Share of exports			
Less than one-third	1.9	6.2	2.9
From one- to two-thirds	6.0	6.3	6.1
More than two-thirds	3.8	5.7	4.6
Total industrial firms.....	2.8	6.1	3.9
Service firms			
Geographical area			
North-West	4.8	8.5	6.1
North-East	4.0	12.1	6.4
Centre	3.6	9.1	5.3
South and Islands	3.4	4.6	3.7
Number of employees			
20 – 49	4.1	-	4.1
50 – 199	-	8.6	8.6
200 – 499	-	8.5	8.5
500 and over	-	11.6	11.6
Branch of activity			
Trade, hotels, restaurants	3.5	6.9	4.3
Transport and communication.....	2.5	8.8	4.8
Other h.hold & business services...	6.3	10.8	8.1
Total service firms.....	4.1	8.8	5.5
Total	3.4	7.2	4.6

Firms belonging to a group, 2006

(per cent)

	Firms belonging to a group	Nationality of the group			
		Italian	EU country ⁽¹⁾	Rest of the world	Total
Industrial firms					
Geographical area					
North-West	31.9	69.5	22.5	8.0	100.0
North-East	31.8	80.0	12.5	7.5	100.0
Centre	23.2	87.1	8.9	4.0	100.0
South and Islands	19.0	88.9	8.6	2.6	100.0
Number of employees					
20 – 49	19.7	79.6	13.8	6.6	100.0
50 – 199	40.3	76.9	17.6	5.5	100.0
200 – 499	78.4	74.4	17.0	8.6	100.0
500 and over	94.6	67.6	19.1	13.4	100.0
Branch of activity					
Total manufacturing	28.1	77.1	16.1	6.8	100.0
Textiles, clothing, leather, shoes ..	19.9	87.8	10.3	1.8	100.0
Chemicals, rubber and plastics ..	39.2	58.9	32.0	9.1	100.0
Engineering	30.3	74.2	18.1	7.7	100.0
Other manufacturing	25.7	86.8	7.0	6.2	100.0
Energy and extraction	52.4	86.7	6.5	6.9	100.0
Share of exports					
Less than one-third	25.4	82.1	12.2	5.7	100.0
From one- to two-thirds	35.6	74.6	21.3	4.1	100.0
More than two-thirds	31.8	66.9	19.3	13.8	100.0
Total industrial firms	28.6	77.4	15.8	6.8	100.0
Service firms					
Geographical area					
North-West	39.2	81.9	9.8	8.3	100.0
North-East	31.3	87.1	8.5	4.4	100.0
Centre	31.3	87.9	9.0	3.1	100.0
South and Islands	19.8	94.2	1.7	4.1	100.0
Number of employees					
20 – 49	26.1	88.5	7.0	4.5	100.0
50 – 199	40.6	81.5	11.0	7.5	100.0
200 – 499	48.5	89.2	3.2	7.6	100.0
500 and over	72.2	81.9	11.8	6.3	100.0
Branch of activity					
Trade, hotels, restaurants	28.3	79.0	12.6	8.4	100.0
Transport and communication	30.0	90.4	4.4	5.2	100.0
Other h.hold & business services...	38.3	92.6	4.8	2.6	100.0
Total service firms	31.7	86.0	8.3	5.7	100.0
Total	29.9	81.3	12.4	6.3	100.0

(1) European Union on 31-12-2003.

Workforce, 2006

(per cent)

	Percentage change on previous year		
	End-year workforce	average workforce	
	2006	2006	2007 ⁽¹⁾
	Industrial firms		
Geographical area			
North-West	-0.1	-0.7	0.5
North-East	0.4	0.3	0.7
Centre	-0.5	0.4	0.7
South and Islands	0.5	-0.3	-0.2
Area of employment			
North-West	-0.1	-0.7	0.5
North-East	0.3	0.4	0.9
Centre	0.1	0.2	0.1
South and Islands	-0.3	-0.3	0.4
Number of employees			
20 – 49	0.4	-0.2	1.1
50 – 199	0.2	-0.5	0.1
200 – 499	1.1	0.6	0.9
500 and over	-0.9	-0.3	0.3
Branch of activity			
Total manufacturing	0.1	-0.3	0.5
Textiles, clothing, leather, shoes ..	-2.1	-2.8	-2.1
Chemicals, rubber and plastics ..	-0.7	-0.6	1.7
Engineering	1.3	0.6	1.3
Other manufacturing	-0.6	-0.5	-0.4
Energy and extraction	-0.9	2.5	1.9
Share of exports			
Less than one-third	-0.2	0.1	0.5
From one- to two-thirds	-0.1	-0.9	0.3
More than two-thirds	0.9	0.3	0.9
Total industrial firms	0.0	-0.2	0.5
	Service firms		
Geographical area			
North-West	0.1	0.1	1.5
North-East	3.4	2.4	1.7
Centre	2.4	1.7	1.7
South and Islands	-1.9	-0.7	0.9
Area of employment			
North-West	0.3	0.3	1.6
North-East	2.4	1.8	1.4
Centre	3.0	1.6	1.8
South and Islands	-0.8	0.0	1.2
Number of employees			
20 – 49	-0.4	-0.5	0.7
50 – 199	2.3	1.3	0.6
200 – 499	1.1	0.3	1.7
500 and over	1.6	1.9	2.7
Branch of activity			
Trade, hotels, restaurants	2.3	1.9	1.4
Transport and communication	-1.0	-0.8	0.9
Other h.hold & business services ..	1.6	1.0	2.2
Total service firms	1.2	0.9	1.5
Total	0.5	0.3	1.0

(1) Forecast.

Hours worked and hours overtime per capita, 2006

(number; percentage change)

	2006		Percentage change on previous year	
	Hours worked per capita during the year	Annual hours overtime over hours worked	Hours worked per capita during the year	Annual hours overtime
Industrial firms				
Geographical area				
North-West	1,646	4.3	1.7	5.6
North-East	1,650	4.3	0.9	6.5
Centre	1,641	3.8	-0.7	-1.5
South and Islands	1,717	3.5	0.8	3.6
Number of employees				
20 – 49	1,702	3.6	1.4	6.2
50 – 199	1,664	4.1	0.8	4.1
200 – 499	1,646	4.1	1.7	7.0
500 and over	1,595	4.8	0.5	3.1
Branch of activity				
Total manufacturing	1,659	4.1	1.3	5.4
Textiles, clothing, leather, shoes	1,575	3.0	1.0	3.5
Chemicals, rubber and plastics ..	1,661	3.5	0.6	3.4
Engineering	1,677	4.6	1.9	8.0
Other manufacturing	1,669	3.9	0.7	1.1
Energy and extraction	1,532	5.6	-4.6	-5.6
Share of exports				
Less than one-third	1,652	4.0	0.4	3.3
From one- to two-thirds	1,654	4.3	2.1	7.3
More than two-thirds	1,652	4.2	1.0	4.3
Total industrial firms.....	1,653	4.2	1.0	4.7
Service firms				
Geographical area				
North-West	1,622	5.7	-0.6	-2.0
North-East	1,577	5.4	-0.5	0.4
Centre	1,662	6.0	-0.3	4.3
South and Islands	1,756	4.2	0.7	3.7
Number of employees				
20 – 49	1,767	3.8	-0.1	3.6
50 – 199	1,694	5.0	-1.0	-1.5
200 – 499	1,637	5.6	0.5	1.5
500 and over	1,506	7.3	-0.2	0.3
Branch of activity				
Trade, hotels, restaurants	1,617	4.3	-0.6	0.2
Transport and communication	1,662	7.1	-0.8	0.9
Other h.hold & business services...	1,647	5.6	0.4	2.1
Total service firms	1,639	5.5	-0.3	0.8
Total	1,647	4.7	0.3	1.7

Table C3

Fixed-term work, temporary work and immigrant workers, 2006

(per cent; units; average points)

	Fixed-term work	Temporary work ⁽¹⁾		Non-EU workers
	% of end-year workforce	number of assignments	% hours temporary work over total	% of end-year workforce
Industrial firms				
Geographical area				
North-West	4.8	15.0	2.9	3.5
North-East	6.4	15.4	3.4	5.3
Centre	5.9	10.5	1.9	3.2
South and Islands	8.4	4.9	1.4	0.7
Number of employees				
20 – 49	6.6	-	-	4.8
50 – 199	6.0	7.7	2.4	3.8
200 – 499	5.4	25.1	3.1	3.5
500 and over	4.8	86.4	3.2	2.2
Branch of activity				
Total manufacturing	5.9	13.4	2.9	3.9
Textiles, clothing, leather, shoes	5.9	5.1	1.2	3.7
Chemicals, rubber and plastics...	4.9	22.9	3.4	3.7
Engineering	5.7	14.3	3.3	3.8
Other manufacturing	6.9	12.8	2.6	4.1
Energy and extraction	2.4	6.3	0.7	0.6
Share of exports				
Less than one-third	6.2	12.1	2.4	4.2
From one- to two-thirds	5.3	12.5	3.1	3.5
More than two-thirds	5.4	16.8	3.1	3.1
Total industrial firms	5.8	13.2	2.8	3.8
Service firms				
Geographical area				
North-West	10.0	18.9	1.9	6.0
North-East	11.8	18.7	0.7	5.5
Centre	8.9	5.4	0.6	3.2
South and Islands	10.6	8.9	1.1	0.6
Number of employees				
20 – 49	10.9	-	-	3.1
50 – 199	12.4	8.3	1.2	3.2
200 – 499	10.1	10.9	0.7	6.5
500 and over	8.4	106.4	1.5	5.9
Branch of activity				
Trade, hotels, restaurants	13.3	22.4	1.1	3.8
Transport and communication	8.0	11.1	1.6	3.1
Other h.hold & business services ...	8.4	6.2	1.0	6.5
Total service firms	10.3	14.0	1.2	4.5
Total	7.8	13.5	2.2	4.1

(1) Only firms with 50 employees and over.

Table C4

Labour turnover, hirings and terminations, 2006

(per cent)

	Labour turnover ⁽¹⁾	Hirings			Terminations		
		Payroll employees	Fixed-term employees	Total	Other reasons	End of fixed-term contract	Total
Industrial firms							
Geographical area							
North-West	21.8	5.1	5.7	10.8	5.6	5.4	11.0
North-East	26.8	6.2	7.4	13.6	6.4	6.8	13.2
Centre	24.7	5.4	6.7	12.1	6.0	6.6	12.6
South and Islands	41.1	7.6	13.2	20.8	7.5	12.8	20.3
Number of employees							
20 – 49	27.1	6.4	7.3	13.7	6.7	6.7	13.4
50 – 199	26.9	6.1	7.4	13.5	6.3	7.0	13.4
200 – 499	24.5	5.3	7.5	12.8	4.3	7.4	11.7
500 and over	22.8	4.9	6.0	10.9	6.1	5.8	11.9
Branch of activity							
Total manufacturing	25.9	5.8	7.2	13.0	6.1	6.8	12.9
Textiles, clothing, leather, shoes	25.1	5.5	6.0	11.5	7.3	6.3	13.6
Chemicals, rubber and plastics	21.2	4.7	5.6	10.2	5.5	5.5	10.9
Engineering	24.3	6.1	6.7	12.8	5.7	5.8	11.5
Other manufacturing	31.9	5.9	9.7	15.6	6.5	9.7	16.2
Energy and extraction	16.2	4.3	3.4	7.7	5.6	2.9	8.6
Share of exports							
Less than one-third	27.1	5.9	7.5	13.4	6.4	7.2	13.7
From one- to two-thirds	24.0	5.4	6.5	12.0	5.7	6.4	12.0
More than two-thirds	23.5	5.7	6.4	12.2	5.7	5.6	11.3
Total industrial firms	25.4	5.7	7.0	12.7	6.1	6.6	12.7
Service firms							
Geographical area							
North-West	41.3	8.1	12.6	20.7	8.6	12.0	20.6
North-East	60.7	13.5	18.5	32.0	11.4	17.2	28.7
Centre	42.7	7.8	14.7	22.6	6.6	13.6	20.2
South and Islands	45.1	9.7	11.9	21.6	9.9	13.6	23.5
Number of employees							
20 – 49	47.2	8.2	15.2	23.4	8.6	15.2	23.8
50 – 199	55.6	11.0	18.0	28.9	9.2	17.4	26.7
200 – 499	43.9	8.7	13.8	22.5	9.0	12.5	21.4
500 and over	42.1	10.1	11.8	21.9	9.2	11.1	20.3
Branch of activity							
Trade, hotels, restaurants	62.9	11.1	21.5	32.6	10.4	19.9	30.3
Transport and communication	34.5	5.9	10.9	16.7	6.0	11.8	17.8
Other h.hold & business services...	37.8	10.9	8.8	19.7	9.7	8.4	18.1
Total service firms	47.0	9.6	14.5	24.1	9.0	13.9	22.9
Total	35.0	7.5	10.3	17.8	7.4	9.9	17.2

(1) Sum of flows of hirings and terminations during the year as a percentage of the mean of the workforce at the beginning and end of the year.

Total gross earnings and minimum wages per national agreements, 2006

(€ thousands; per cent)

	Total gross earnings	Guaranteed collective agreement wage, over total gross earnings
Industrial firms		
Geographical area		
North-West	28.3	82.4
North-East	27.6	83.6
Centre	28.0	91.5
South and Islands	22.8	93.4
Number of employees		
20 – 49	24.7	89.0
50 – 199	26.3	87.4
200 – 499	29.4	82.8
500 and over	30.9	82.2
Branch of activity		
Total manufacturing	27.0	84.7
Textiles, clothing, leather, shoes	22.4	88.2
Chemicals, rubber and plastics ..	30.1	83.6
Engineering	27.8	82.8
Other manufacturing	26.6	87.2
Energy and extraction.....	34.7	93.2
Share of exports		
Less than one-third	27.3	88.0
From one- to two-thirds	27.8	83.4
More than two-thirds	27.7	82.2
Total industrial firms.....	27.5	85.5
Service firms		
Geographical area		
North-West	27.7	84.3
North-East	25.6	87.3
Centre	29.7	92.9
South and Islands	23.9	94.3
Number of employees		
20 – 49	26.5	89.9
50 – 199	25.9	90.3
200 – 499	27.8	87.1
500 and over	28.4	88.5
Branch of activity		
Trade, hotels, restaurants	23.8	91.3
Transport and communication.....	32.2	88.9
Other h.hold & business services ...	26.6	87.0
Total service firms.....	27.1	89.1
Total	27.3	87.0

Investment, 2006

(€ thousands; per cent) ⁽¹⁾

	Gross fixed investment per capita	Percentage change on previous year in gross fixed investment ⁽²⁾		Realisation rate ⁽⁴⁾
		2006	2007 ⁽³⁾	
Industrial firms				
Geographical area				
North-West	11.4	-2.4	3.5	101.0
North-East	9.5	-2.0	2.9	103.8
Centre	19.2	-4.0	22.8	104.2
South & Islands	10.0	-0.6	-1.5	106.0
Area of investment				
North-West	10.1	-2.8	8.9	-
North-East	10.2	-2.9	9.3	-
Centre	12.6	-1.2	13.8	-
South & Islands	15.4	-3.3	1.0	-
Number of employees				
20 – 49	8.2	-2.9	-1.8	109.6
50 – 199	8.7	1.4	-1.9	104.9
200 – 499	11.8	-2.8	3.2	99.9
500 and over	19.0	-4.2	18.4	99.4
Branch of activity				
Total manufacturing.....	9.6	-1.4	-0.5	103.9
Textile, clothing, leather, shoes	5.5	-3.8	-5.9	112.0
Chemicals, rubber and plastics	13.6	0.1	2.8	101.1
Engineering	9.0	1.0	3.5	105.2
Other manufacturing	11.1	-4.6	-6.2	101.5
Energy and extraction.....	52.1	-6.4	35.7	98.9
Share of exports				
Less than one-third	13.8	-4.9	10.2	102.9
From one- to two-thirds	10.2	-0.1	3.2	102.2
Over two-thirds	9.3	3.6	3.1	103.3
Total industrial firms	11.9	-2.5	7.2	102.8
Service firms				
Geographical area				
North-West	13.2	16.4	-2.9	105.4
North-East	8.9	-1.7	-3.9	98.0
Centre	14.8	0.7	0.9	99.2
South & Islands	9.5	1.8	-6.0	104.0
Area of investment				
North-West	13.0	20.9	-6.9	-
North-East	9.9	-0.8	-1.3	-
Centre	11.5	0.9	2.4	-
South & Islands	11.4	0.6	-4.8	-
Number of employees				
20 – 49	8.5	4.6	-10.1	110.7
50 – 199	9.3	5.3	-11.8	107.9
200 – 499	9.1	1.0	-2.0	102.0
500 and over	17.7	7.0	4.6	96.3
Branch of activity				
Trade, hotels, restaurants	9.8	4.1	-7.4	107.3
Transport and communication.....	23.1	6.8	0.9	96.2
Other h.hold & business services	6.2	3.8	-3.5	114.2
Total service firms	12.0	5.4	-2.3	101.9
Total	11.9	1.1	2.5	102.4

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) At constant 2006 prices. The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (3) Forecast. – (4) Ratio between investment made and investment planned at the end of the previous year.

Review of investment plans, 2006

(per cent)⁽¹⁾

	Expenditure on gross fixed investment in 2006 compared with plans at end-2005 ⁽²⁾							
	much less	less	a little less	same	a little more	more	much more	Total
Industrial firms								
Geographical area								
North-West	20.7	12.9	3.6	4.0	2.8	12.9	43.1	100.0
North-East	20.7	12.4	3.8	3.2	3.8	13.9	42.3	100.0
Centre	24.4	9.5	2.2	8.5	2.8	12.1	40.5	100.0
South and Islands	21.2	6.7	3.5	16.0	2.1	9.7	40.8	100.0
Number of employees								
20 – 49	20.4	10.4	2.8	7.8	2.1	7.4	49.0	100.0
50 – 199	23.4	12.8	4.2	3.0	4.5	24.3	27.8	100.0
200 – 499	24.5	13.2	7.0	2.4	6.7	21.1	25.1	100.0
500 and over.....	22.3	20.8	8.6	0.3	5.2	21.6	21.1	100.0
Branch of activity								
Total manufacturing	21.6	10.7	3.2	6.3	2.9	12.8	42.6	100.0
Textiles, clothing, leather, shoes	22.6	9.4	0.7	7.4	2.1	12.5	45.2	100.0
Chemicals, rubber and plastics ..	23.2	13.7	2.4	2.2	10.3	19.4	28.8	100.0
Engineering	20.3	10.6	1.5	5.7	1.2	13.9	46.9	100.0
Other manufacturing	22.5	10.7	7.6	8.0	3.4	8.9	38.8	100.0
Energy and extraction.....	10.1	40.3	13.5	2.4	9.7	5.9	18.1	100.0
Share of exports								
Less than one-third	21.8	10.9	4.1	6.9	2.3	11.4	42.7	100.0
From one- to two-thirds	19.6	11.1	2.8	5.4	3.6	14.3	43.2	100.0
More than two-thirds	22.2	13.0	1.5	4.8	5.0	15.1	38.3	100.0
Total industrial firms.....	21.4	11.3	3.4	6.2	3.0	12.6	42.1	100.0
Service firms								
Geographical area								
North-West	15.0	9.3	10.5	5.2	1.6	12.7	45.7	100.0
North-East	18.9	14.4	11.5	7.4	0.7	8.3	38.7	100.0
Centre	13.8	8.1	7.3	7.0	1.9	13.5	48.4	100.0
South and Islands	20.2	9.0	7.6	10.6	3.0	11.0	38.6	100.0
Number of employees								
20 – 49	15.8	10.7	10.1	8.3	1.0	9.7	44.3	100.0
50 – 199	17.9	8.9	7.9	4.6	3.6	14.7	42.4	100.0
200 – 499	21.8	11.5	11.2	7.7	1.9	17.9	28.0	100.0
500 and over.....	22.6	11.1	4.3	0.7	2.5	14.7	44.2	100.0
Branch of activity								
Trade, hotels, restaurants	17.0	11.7	3.3	6.4	2.0	15.4	44.3	100.0
Transport and communication.....	15.2	9.4	11.7	8.1	2.7	7.7	45.2	100.0
Other h.hold & business services...	17.3	8.4	18.8	8.0	0.7	7.1	39.8	100.0
Total service firms.....	16.8	10.3	9.5	7.2	1.7	11.4	43.1	100.0
Total	19.4	10.8	6.0	6.6	2.5	12.1	42.5	100.0

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) 'much less' = less than 75 per cent of planned; 'less' = 75 to 95 per cent of planned; 'a little less' 95 to 100 per cent of planned; 'same' = 100 per cent of planned; 'a little more' 100 to 105 per cent of planned; 'more' = 105 to 125 per cent of planned; 'much more' = over 125 per cent of planned.

Table D3

Reasons for reviewing investment plans, 2006

(per cent)

	Industrial firms with 50 employees and over													
	Demand	Cost		Rules	Delivery times	Purchase price	Self-financing	Interest rates	Availability of finance		Unfinished planned investment	Anticipated investment	Internal organisation	Other reasons
		Level	Un-certainty						Shares	Loans				
	Cut-back in planned investment ⁽²⁾													
Geographical area														
North-West	23.1	12.1	10.5	4.9	15.3	6.3	7.3	6.0	4.1	7.3	34.0	7.4	60.5	15.9
North-East	13.9	6.1	4.0	6.0	16.7	13.1	12.0	9.8	3.0	7.6	35.1	11.9	73.3	9.3
Centre	17.9	7.3	6.5	2.5	11.0	5.4	9.1	5.4	3.3	3.0	28.8	2.7	64.4	11.6
South and Islands	20.2	1.8	6.6	5.1	3.3	0.9	7.8	1.6	2.0	7.4	26.9	3.8	69.4	5.9
Number of employees														
20 – 49	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 – 199	20.1	8.6	7.8	5.5	13.9	7.8	10.0	8.2	3.7	7.6	31.5	7.0	65.8	11.6
200 – 499	15.2	9.7	5.4	1.4	11.6	8.3	3.8	0.2	1.7	2.0	36.3	11.3	65.5	12.8
500 and over	15.1	2.5	7.4	3.8	18.3	4.6	9.4	0.0	3.2	4.3	43.9	7.2	68.3	19.7
Branch of activity														
Total manufacturing	19.4	8.7	7.3	5.0	14.2	7.9	8.4	6.8	3.5	6.5	32.6	7.8	65.7	12.0
Text., cloth., leather, shoes	27.6	5.1	1.3	0.5	12.2	3.5	9.5	2.1	6.8	8.5	39.8	6.8	59.3	7.3
Chemicals, rubber, plastic	14.8	3.2	5.0	0.0	14.5	0.0	5.9	5.0	0.4	11.6	57.9	5.0	65.4	8.7
Engineering	19.1	11.4	6.6	7.9	15.7	13.1	5.7	8.9	2.1	3.0	28.0	9.1	66.8	15.2
Other manufacturing	18.5	7.8	11.8	3.9	12.2	4.1	13.7	6.0	5.8	9.5	27.2	7.3	66.5	9.7
Energy and extraction.....	9.5	0.0	15.3	0.0	0.0	0.0	35.8	0.0	0.0	15.3	41.4	0.0	75.1	19.2
Share of exports														
Less than one-third	15.4	8.0	8.9	4.5	18.5	8.0	13.7	5.8	3.0	12.0	37.7	8.8	64.1	12.9
From one- to two-thirds	19.5	6.6	4.2	3.2	12.6	3.9	3.0	5.2	5.1	0.9	29.0	3.7	69.6	9.7
More than two-thirds	24.8	11.7	9.4	7.6	7.8	12.2	9.4	9.9	2.0	5.4	29.8	10.8	64.2	14.1
Total industrial firms.....	19.1	8.4	7.5	4.9	13.8	7.7	9.1	6.7	3.4	6.7	32.8	7.6	65.9	12.2
	Increase in planned investment ⁽³⁾													
Geographical area														
North-West	28.1	5.2	5.0	0.7	3.8	5.2	8.2	0.0	0.7	2.8	18.9	15.2	65.5	13.6
North-East	25.3	5.6	6.4	6.0	4.3	6.5	9.4	6.1	0.0	9.2	17.7	27.1	74.3	8.7
Centre	17.7	2.0	2.2	1.7	1.9	5.2	5.5	0.0	1.0	1.4	18.5	23.1	70.2	12.1
South and Islands	26.3	4.0	3.0	3.4	1.3	10.6	6.4	1.3	2.2	5.0	13.6	18.4	64.7	8.1
Number of employees														
20 – 49	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 – 199	25.1	4.4	5.0	3.2	3.2	6.2	8.6	2.4	0.9	5.3	15.6	19.4	69.5	10.9
200 – 499	26.5	5.9	3.0	1.1	2.6	6.3	2.0	0.0	0.0	2.8	30.1	22.8	67.8	11.1
500 and over	23.0	4.6	1.3	0.7	6.1	8.6	6.4	0.0	0.0	0.7	29.1	43.9	61.4	14.4
Branch of activity														
Total manufacturing	25.1	4.4	4.3	2.5	3.3	6.0	7.6	2.1	0.2	4.5	17.2	20.7	69.4	11.2
Text., cloth., leather, shoes	22.0	1.8	3.6	0.0	0.0	0.2	11.6	0.0	0.0	5.6	7.6	14.0	77.0	9.7
Chemicals, rubber, plastic	29.5	9.3	5.6	1.4	6.6	11.9	4.9	0.5	1.8	2.3	31.0	35.6	61.9	10.9
Engineering	28.4	5.3	4.2	3.7	2.7	6.7	7.6	1.6	0.0	5.2	18.9	16.9	71.6	13.4
Other manufacturing	19.3	2.6	4.5	2.5	5.5	6.4	6.0	5.0	0.0	3.4	15.2	26.3	63.3	8.2
Energy and extraction.....	28.7	18.7	34.6	32.2	0.0	34.6	23.9	0.0	47.0	34.6	58.9	25.2	33.9	0.0
Share of exports														
Less than one-third	20.0	4.1	3.6	3.0	4.3	6.2	7.1	3.4	0.8	5.0	17.6	19.9	69.9	9.0
From one- to two-thirds	32.6	4.4	7.2	2.3	3.1	7.6	7.9	1.0	0.0	4.8	16.8	24.5	66.0	10.9
More than two-thirds	27.0	6.3	3.6	3.5	0.9	4.9	9.5	0.3	1.7	4.7	19.5	17.4	71.2	16.3
Total industrial firms.....	25.1	4.6	4.7	2.9	3.3	6.3	7.8	2.1	0.7	4.9	17.7	20.8	69.0	11.0

(1) As every firm can give more than one reason for reviewing plans, each row may not sum to 100. – (2) Less than planned expenditure. – (3) More than planned expenditure.

Change in plant capacity and utilisation rate, 2006

(per cent)

	Change in plant capacity from previous year		Capacity utilisation rate		
			level	change from previous year	
	2006	2007 ⁽¹⁾	2006	2006	2007 ⁽¹⁾
Industrial firms with 50 employees and over					
Geographical area					
North-West	4.2	4.9	81.4	1.0	1.4
North-East	5.6	5.8	82.6	0.2	2.5
Centre	0.4	3.6	78.0	0.3	6.2
South and Islands	6.2	7.0	82.0	-1.3	1.4
Number of employees					
20 – 49	-	-	-	-	-
50 – 199	5.9	8.1	81.9	0.7	1.8
200 – 499	5.3	4.6	84.7	1.3	-0.2
500 and over.....	1.3	3.0	77.8	-0.2	5.2
Branch of activity					
Total manufacturing.....	4.7	5.3	82.1	0.8	1.6
Textiles, clothing, leather, shoes	3.0	4.0	82.0	2.1	0.3
Chemicals, rubber and plastics ..	3.7	5.6	85.0	0.7	-0.4
Engineering	5.9	5.7	80.7	0.9	3.1
Other manufacturing	4.5	4.5	80.4	0.1	1.9
Energy and extraction.....	-1.1	2.8	75.1	0.2	8.3
Share of exports					
Less than one-third	4.2	5.8	78.4	0.1	3.1
From one- to two-thirds	2.2	2.8	84.3	1.2	2.6
More than two-thirds	5.5	6.0	83.2	1.1	1.5
Total industrial firms	3.7	4.9	80.9	0.6	2.7

(1) Forecast.

Turnover, 2006

(€ thousands; per cent)

	Turnover per employee ⁽¹⁾	Percentage change in turnover on previous year ^{(1) (2)}		Share of turnover from exports	
	2006	2006	2007 ⁽³⁾	2006	2007 ⁽³⁾
Industrial firms					
Geographical area					
North-West	317.8	4.0	2.5	28.6	29.6
North-East	259.9	4.6	3.8	39.1	39.6
Centre	437.1	3.6	0.7	24.1	24.8
South and Islands	211.3	4.4	2.1	25.1	25.8
Number of employees					
20 – 49	231.2	4.3	2.3	25.6	26.3
50 – 199	242.3	4.7	2.9	34.1	35.7
200 – 499	362.7	2.1	1.3	21.0	22.0
500 and over.....	427.4	5.0	2.8	35.5	35.8
Branch of activity					
Total manufacturing.....	282.1	4.4	3.0	33.0	33.7
Textiles, clothing, leather, shoes	197.0	3.7	1.0	42.5	42.5
Chemicals, rubber and plastics ..	423.7	1.4	1.9	20.3	21.1
Engineering	270.0	8.0	4.5	45.2	46.0
Other manufacturing	278.5	2.3	2.2	22.6	22.7
Energy and extraction	790.9	2.2	-1.0	12.4	12.5
Share of exports					
Less than one-third	310.8	2.6	1.9	8.6	9.3
From one- to two-thirds	346.3	5.7	1.8	46.9	46.8
More than two-thirds	251.1	6.9	5.3	79.8	80.0
Total industrial firms	309.0	4.1	2.4	29.8	30.7
Service firms					
Geographical area					
North-West	283.7	4.4	1.4	10.9	11.5
North-East	257.5	5.2	1.8	11.9	11.8
Centre	253.5	2.7	1.7	10.4	9.6
South and Islands	225.2	4.2	1.3	15.9	15.5
Number of employees					
20 – 49	335.8	3.8	0.7	14.5	14.7
50 – 199	311.6	5.5	1.1	7.9	7.6
200 – 499	205.2	5.7	1.1	15.1	15.4
500 and over.....	196.3	2.5	3.9	10.2	10.3
Branch of activity					
Trade, hotels, restaurants	380.6	4.9	1.5	6.9	6.7
Transport and communication.....	240.4	1.8	1.5	24.7	24.6
Other h.hold & business services ...	132.5	5.2	2.0	11.8	12.7
Total service firms.....	261.9	4.2	1.6	11.7	11.7
Total	288.2	4.1	2.1	22.7	23.3

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) At constant 2006 prices. The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (3) Forecast.

Operating result, 2006

(per cent)

	Profit	Balance	Loss	Total
Industrial firms				
Geographical area				
North-West	66.8	17.5	15.8	100.0
North-East	66.6	19.4	14.1	100.0
Centre	71.1	15.0	14.0	100.0
South and Islands	65.8	19.0	15.1	100.0
Number of employees				
20 – 49	67.5	18.1	14.4	100.0
50 – 199	65.7	18.4	15.9	100.0
200 – 499	72.7	14.1	13.1	100.0
500 and over.....	71.5	5.4	23.1	100.0
Branch of activity				
Total manufacturing	67.1	18.0	14.9	100.0
Textiles, clothing, leather, shoes	66.0	19.5	14.5	100.0
Chemicals, rubber and plastics ..	66.6	15.7	17.8	100.0
Engineering	71.6	15.9	12.5	100.0
Other manufacturing	60.9	21.3	17.8	100.0
Energy and extraction.....	77.1	11.0	11.9	100.0
Share of exports				
Less than one-third	66.2	18.4	15.4	100.0
From one- to two-thirds	69.4	15.9	14.7	100.0
More than two-thirds	69.0	18.2	12.8	100.0
Total industrial firms.....	67.3	17.9	14.8	100.0
Service firms				
Geographical area				
North-West	66.9	13.9	19.2	100.0
North-East	66.3	15.4	18.3	100.0
Centre	68.6	13.2	18.1	100.0
South and Islands	62.7	16.2	21.2	100.0
Number of employees				
20 – 49	64.2	15.4	20.4	100.0
50 – 199	70.6	13.4	16.1	100.0
200 – 499	73.8	10.6	15.5	100.0
500 and over.....	68.7	10.3	21.0	100.0
Branch of activity				
Trade, hotels, restaurants	65.4	15.7	19.0	100.0
Transport and communication.....	69.2	13.5	17.3	100.0
Other h.hold & business services ...	65.9	13.4	20.7	100.0
Total service firms.....	66.2	14.6	19.2	100.0
Total	66.8	16.5	16.7	100.0

Change in sources of finance, 2006

(per cent)⁽¹⁾

	Cash flow		Equity capital		Bonds and other long-term securities		Bank loans	
	negative	positive	negative	positive	negative	positive	negative	positive
Industrial firms with 50 employees and over								
Geographical area								
North-West	29.7	54.8	2.4	6.1	2.2	2.8	20.5	34.4
North-East	37.3	51.5	4.2	12.8	2.9	1.1	18.6	34.8
Centre	38.2	48.7	4.2	9.9	0.8	1.0	22.9	31.9
South and Islands	22.1	39.7	2.5	11.3	0.1	1.6	14.1	26.9
Number of employees								
20 – 49	-	-	-	-	-	-	-	-
50 – 199	31.4	51.2	3.3	9.2	1.6	1.3	17.9	33.8
200 – 499	39.4	48.2	2.6	10.0	5.2	1.5	23.4	30.8
500 and over	43.1	51.9	6.3	16.8	1.7	9.8	35.0	32.4
Branch of activity								
Total manufacturing	32.9	50.9	3.3	9.7	2.0	1.7	19.5	33.3
Textiles, clothing, leather, shoes	34.1	48.0	1.3	12.0	1.3	1.3	19.8	34.2
Chemicals, rubber and plastics	35.9	52.7	6.1	7.6	1.8	1.3	17.4	28.2
Engineering	29.4	54.9	3.1	9.5	3.2	1.9	18.2	35.4
Other manufacturing	36.1	46.3	3.4	9.0	0.9	1.1	21.6	30.5
Energy and extraction	41.6	35.7	4.9	14.9	0.0	8.2	25.8	41.6
Share of exports								
Less than one-third	34.0	50.0	3.9	10.4	1.5	1.9	17.9	35.3
From one- to two-thirds	28.3	55.5	3.6	7.7	3.3	0.9	21.0	31.6
More than two-thirds	38.1	45.0	1.5	11.0	0.9	3.2	20.3	31.8
Total industrial firms	32.9	50.9	3.3	9.7	2.0	1.7	19.5	33.3
Service firms with 50 employees and over								
Geographical area								
North-West	34.8	48.7	2.0	7.4	0.5	1.3	25.3	25.3
North-East	37.0	49.8	7.4	23.2	0.2	4.7	23.8	29.2
Centre	42.1	50.1	3.4	17.0	0.0	0.4	21.5	34.8
South and Islands	29.7	49.2	3.3	20.9	0.7	0.2	13.4	33.1
Number of employees								
20 – 49	-	-	-	-	-	-	-	-
50 – 199	35.4	49.0	4.1	14.5	0.2	1.1	22.5	29.5
200 – 499	35.0	55.2	1.2	21.2	0.0	4.6	20.9	27.9
500 and over	47.9	41.0	6.3	22.6	3.6	4.2	17.5	37.8
Branch of activity								
Trade, hotels, restaurants	33.8	51.0	3.2	18.6	0.3	2.6	23.2	32.5
Transport and communication	31.9	54.1	7.8	15.2	0.6	0.3	21.0	31.9
Other h.hold & business services...	41.7	44.3	2.3	13.5	0.5	1.5	21.2	25.7
Total service firms	36.1	49.4	3.9	15.9	0.4	1.7	21.9	29.8
Total	34.2	50.3	3.6	12.2	1.3	1.8	20.5	31.8

(1) Percentage of firms reporting a change in sources of finance with respect to amounts outstanding at the end of the previous year. Answers were grouped into the categories 'negative', 'positive' and 'no change'. The percentage of firms reporting no change under each source is equal to the difference between the sum of the two percentages appearing in the table and 100.

Trade credit and trade debt, 2006

(per cent; days)

	Trade credit		Trade debt	
	Per cent of turnover	Average duration	Per cent of turnover	Average duration
Industrial firms				
Geographical area				
North-West	23.1	86.2	17.4	85.3
North-East	29.1	94.5	21.2	89.3
Centre	18.7	76.6	16.0	71.7
South and Islands	29.9	97.7	20.9	91.0
Number of employees				
20 – 49	28.7	92.5	19.8	83.0
50 – 199	28.0	94.1	19.1	87.7
200 – 499	19.2	92.6	15.5	80.7
500 and over	20.9	74.7	18.3	85.9
Branch of activity				
Total manufacturing	25.6	93.0	18.7	87.4
Textiles, clothing, leather, shoes	29.5	101.6	20.5	89.8
Chemicals, rubber and plastics ..	16.9	80.1	11.4	72.2
Engineering	28.4	95.7	22.7	92.2
Other manufacturing	27.5	92.6	18.5	85.6
Energy and extraction	15.8	34.9	15.8	60.5
Share of exports				
Less than one-third	23.5	88.5	16.8	80.3
From one- to two-thirds	24.0	85.7	19.0	88.2
More than two-thirds	25.1	91.0	22.0	90.6
Total industrial firms	23.9	88.0	18.2	84.8
Service firms				
Geographical area				
North-West	18.5	79.0	15.3	75.2
North-East	23.4	78.4	18.7	73.0
Centre	20.7	103.2	16.8	98.6
South and Islands	20.4	84.5	35.4	71.6
Number of employees				
20 – 49	20.8	85.0	22.0	72.5
50 – 199	23.8	79.0	17.8	73.5
200 – 499	22.1	77.8	19.4	80.8
500 and over	15.0	106.7	14.9	105.6
Branch of activity				
Trade, hotels, restaurants	19.4	81.6	17.3	71.4
Transport and communication	17.9	93.2	14.9	100.0
Other h.hold & business services...	30.1	86.9	33.2	86.5
Total service firms	20.6	84.9	19.1	79.0
Total	22.6	86.9	18.6	82.6

Position in relation to competitors, 2006

(per cent)

	Very weak to weak	Equal	Strong to very strong	Total
Industrial firms				
Geographical area				
North-West	17.3	54.5	28.2	100.0
North-East	18.2	54.0	27.8	100.0
Centre	17.5	55.7	26.8	100.0
South and Islands	17.7	54.9	27.4	100.0
Number of employees				
20 – 49	20.0	55.2	24.8	100.0
50 – 199	13.2	54.5	32.3	100.0
200 – 499	10.5	49.0	40.5	100.0
500 and over	8.3	44.5	47.2	100.0
Branch of activity				
Total manufacturing	17.7	54.5	27.8	100.0
Textiles, clothing, leather, shoes	28.7	54.0	17.2	100.0
Chemicals, rubber and plastics	16.7	53.4	29.9	100.0
Engineering	13.4	54.1	32.5	100.0
Other manufacturing	18.1	55.8	26.1	100.0
Energy and extraction.....	16.9	61.1	22.0	100.0
Share of exports				
Less than one-third	17.7	56.9	25.4	100.0
From one- to two-thirds	16.8	52.4	30.8	100.0
More than two-thirds	18.8	48.6	32.6	100.0
Total industrial firms.....	17.7	54.6	27.7	100.0
Service firms				
Geographical area				
North-West	7.2	61.4	31.4	100.0
North-East	10.4	55.0	34.5	100.0
Centre	7.2	66.0	26.8	100.0
South and Islands	7.7	63.8	28.4	100.0
Number of employees				
20 – 49	7.6	64.6	27.8	100.0
50 – 199	7.9	54.3	37.8	100.0
200 – 499	18.8	52.9	28.3	100.0
500 and over	7.9	47.2	44.9	100.0
Branch of activity				
Trade, hotels, restaurants	4.8	61.9	33.3	100.0
Transport and communication	14.8	60.6	24.6	100.0
Other h.hold & business services...	10.1	60.6	29.3	100.0
Total service firms	8.1	61.3	30.6	100.0
Total	13.7	57.4	28.9	100.0

Table G 2

Change in product range from 2000 to 2006

(per cent)

	Similar products (same sector)	Different products in neighbouring sectors	Very different products (other sectors)	Total
Geographical area				
North-West	86.6	11.9	1.4	100.0
North-East	88.2	10.5	1.3	100.0
Centre	88.2	11.0	0.8	100.0
South and Islands	90.5	8.9	0.6	100.0
Number of employees				
20 – 49	87.6	11.2	1.2	100.0
50 – 199	88.1	10.8	1.1	100.0
200 – 499	91.8	8.0	0.2	100.0
500 and over	95.7	4.1	0.2	100.0
Branch of activity				
Total manufacturing	87.8	11.0	1.2	100.0
Textiles, clothing, leather, shoes	87.1	12.6	0.3	100.0
Chemicals, rubber and plastics ..	86.9	11.7	1.4	100.0
Engineering	87.4	10.5	2.2	100.0
Other manufacturing	89.2	10.8	0.1	100.0
Energy and extraction.....	98.5	1.5	0.0	100.0
Share of exports				
Less than one-third	87.5	11.0	1.5	100.0
From one- to two-thirds	88.9	10.7	0.4	100.0
More than two-thirds	88.7	10.6	0.8	100.0
Total industrial firms.....	88.0	10.9	1.1	100.0

Table G3

Change in corporate strategy from 2000 to 2006

(per cent)

	Same strategy	Different strategy			Total
		change in products offered	investment in trademark	international- isation	
Geographical area					
North-West	41.6	36.4	13.0	9.0	100.0
North-East	46.0	28.2	17.4	8.4	100.0
Centre	53.1	27.0	15.1	4.7	100.0
South and Islands	52.7	27.7	16.2	3.4	100.0
Number of employees					
20 – 49	49.2	29.5	15.8	5.5	100.0
50 – 199	40.9	34.9	14.5	9.7	100.0
200 – 499	41.5	27.5	15.1	15.9	100.0
500 and over	43.9	25.6	7.3	23.2	100.0
Branch of activity					
Total manufacturing	46.2	31.2	15.2	7.3	100.0
Textiles, clothing, leather, shoes	40.2	36.3	13.1	10.4	100.0
Chemicals, rubber and plastics ..	47.4	29.2	14.5	9.0	100.0
Engineering	46.5	30.4	15.3	7.8	100.0
Other manufacturing	49.0	30.1	16.6	4.3	100.0
Energy and extraction.....	70.3	7.6	20.4	1.7	100.0
Share of exports					
Less than one-third	49.8	30.2	16.0	4.0	100.0
From one- to two-thirds	36.2	33.2	15.9	14.7	100.0
More than two-thirds	48.8	29.7	12.0	9.5	100.0
Total industrial firms.....	46.6	30.8	15.3	7.2	100.0

Direct and indirect internationalisation, 2006

(per cent)

	Internationalisation (1)	A – Direct internationalisation				B – Indirect internationalisation			
		main activity:			collaboration agreements ⁽²⁾ :				
		production	design & research	selling	commercial	technical/production	R&D		
Industrial firms – 2000									
Geographical area									
North-West	15.1	7.1	5.3	0.0	1.8	8.6	6.5	3.4	1.6
North-East	12.4	5.7	4.1	0.1	1.6	7.3	6.4	2.6	1.0
Centre	10.7	4.2	2.3	0.0	1.9	8.5	6.0	3.7	0.8
South and Islands	5.4	1.4	0.9	0.2	0.3	4.0	2.9	1.9	0.2
Number of employees									
20 – 49	8.0	3.3	2.6	0.0	0.7	5.0	4.0	1.8	0.4
50 – 199	18.2	7.5	5.2	0.0	2.3	11.8	9.1	5.0	2.1
200 – 499	30.5	16.6	8.9	0.5	7.2	17.9	15.2	7.2	3.9
500 and over	43.5	31.2	20.6	0.0	10.6	18.8	12.5	11.0	4.8
Branch of activity									
Total manufacturing	12.2	5.4	3.9	0.0	1.5	7.5	5.9	3.0	1.0
Textiles, cloth., leather, shoes	17.8	9.0	8.1	0.0	0.9	11.2	6.5	6.9	1.6
Chemicals, rubber, plastics	15.6	10.1	7.0	0.0	3.1	7.0	4.7	3.1	2.2
Engineering	12.6	5.0	2.9	0.1	2.1	8.0	7.1	2.4	1.0
Other manufacturing	7.0	2.1	1.5	0.0	0.6	4.8	4.0	1.6	0.4
Energy and extraction	3.4	0.4	0.4	0.0	0.0	3.4	2.2	1.6	2.0
Share of exports									
Less than one-third	7.8	2.9	2.6	0.0	0.3	5.4	4.4	2.2	1.0
From one- to two-thirds	20.6	10.9	7.4	0.1	3.4	11.4	8.7	3.9	1.3
More than two-thirds	16.8	6.9	2.9	0.1	3.9	9.9	7.5	4.8	1.0
Total industrial firms	12.1	5.3	3.8	0.0	1.5	7.5	5.9	3.0	1.1
Industrial firms – 2006									
Geographical area									
North-West	22.6	8.0	5.5	0.1	2.4	15.9	13.5	6.9	2.0
North-East	24.4	10.9	7.3	0.1	3.5	18.5	13.0	8.9	2.1
Centre	16.5	7.3	4.8	0.0	2.5	13.2	9.6	6.5	0.8
South and Islands	9.4	2.3	1.7	0.2	0.4	7.5	5.8	3.5	0.9
Number of employees									
20 – 49	15.6	4.9	3.5	0.0	1.4	12.3	9.6	5.2	0.7
50 – 199	26.6	11.2	7.1	0.0	4.1	19.9	14.7	10.0	3.2
200 – 499	44.3	29.0	20.2	1.0	7.8	25.9	20.9	13.8	6.2
500 and over	58.1	43.3	31.3	0.3	11.7	31.7	21.6	20.0	8.9
Branch of activity									
Total manufacturing	20.5	8.2	5.6	0.1	2.5	15.2	11.7	7.1	1.6
Textiles, cloth., leather, shoes	28.7	11.7	9.5	0.0	2.2	22.5	14.5	15.3	1.5
Chemicals, rubber, plastics	26.6	11.8	8.7	0.0	3.1	18.0	13.8	6.0	4.2
Engineering	21.2	9.2	5.6	0.2	3.4	15.2	12.4	6.5	1.8
Other manufacturing	12.1	3.1	2.0	0.0	1.1	9.8	7.9	3.4	0.5
Energy and extraction	6.5	0.6	0.6	0.0	0.0	6.5	5.2	2.4	5.5
Share of exports									
Less than one-third	13.5	4.4	3.8	0.0	0.6	10.6	8.5	4.7	1.3
From one- to two-thirds	33.5	15.4	9.5	0.1	5.8	23.1	17.1	9.7	1.9
More than two-thirds	27.6	11.8	6.6	0.1	5.1	21.2	15.7	12.2	2.6
Total industrial firms	20.2	8.0	5.5	0.1	2.5	15.1	11.6	7.0	1.7

(1) A firm may maintain a direct and an indirect presence abroad at the same time. - (2) A firm may enter into more than one type of collaboration agreement.

Table G5

Scale of production and possible impediments to growth, 2006

(per cent)

	Scale of production				If scale too small: impediments to growth			
	too small	too large	adequate	total	lack of funds	legal limits or red tape	management and organisation	other
Industrial firms								
Geographical area								
North-West	15.3	0.9	83.8	100.0	5.2	2.6	3.5	4.1
North-East	22.9	0.8	76.3	100.0	8.9	1.8	8.5	3.8
Centre	17.1	2.7	80.2	100.0	6.6	3.8	4.1	2.5
South and Islands	14.4	1.8	83.8	100.0	6.6	3.3	1.9	2.6
Number of employees								
20 – 49	19.6	1.0	79.4	100.0	8.1	3.0	5.4	3.0
50 – 199	14.9	1.9	83.2	100.0	4.0	2.1	4.3	4.5
200 – 499	9.7	2.4	87.9	100.0	3.6	0.1	2.1	3.9
500 and over	13.0	1.2	85.8	100.0	3.8	1.4	1.8	6.1
Branch of activity								
Total manufacturing	17.9	1.3	80.8	100.0	6.9	2.5	5.0	3.5
Textiles, clothing, leather, shoes	15.2	2.5	82.3	100.0	5.5	3.8	2.6	3.3
Chemicals, rubber and plastics	20.6	0.9	78.6	100.0	6.2	3.0	6.7	4.6
Engineering	18.0	1.2	80.8	100.0	5.8	2.3	6.7	3.2
Other manufacturing	18.5	1.0	80.5	100.0	9.6	2.0	3.2	3.7
Energy and extraction	18.6	0.0	81.4	100.0	4.1	10.5	0.8	3.1
Share of exports								
Less than one-third	19.3	1.4	79.3	100.0	7.3	3.3	4.6	4.0
From one- to two-thirds	16.2	1.3	82.5	100.0	6.2	1.7	5.5	2.8
More than two-thirds	14.9	0.9	84.2	100.0	5.6	1.2	5.5	2.6
Total industrial firms	17.9	1.3	80.8	100.0	6.8	2.7	5.0	3.5
Service firms								
Geographical area								
North-West	10.1	1.3	88.6	100.0	3.5	0.9	3.2	2.5
North-East	17.9	1.2	80.9	100.0	1.2	5.3	7.5	3.9
Centre	16.2	3.5	80.3	100.0	7.1	2.5	3.1	3.4
South and Islands	8.4	6.5	85.2	100.0	2.5	3.5	1.1	1.3
Number of employees								
20 – 49	12.9	3.3	83.8	100.0	3.8	2.9	4.2	2.0
50 – 199	13.4	1.9	84.7	100.0	3.1	2.5	2.6	5.1
200 – 499	11.0	2.3	86.7	100.0	2.5	1.2	4.1	3.3
500 and over	15.1	0.0	84.9	100.0	2.1	8.9	2.1	2.0
Branch of activity								
Trade, hotels, restaurants	11.9	3.5	84.6	100.0	2.7	2.9	3.5	2.8
Transport and communication	15.0	2.2	82.9	100.0	4.5	3.6	3.1	3.7
Other h.hold & business services...	13.7	2.2	84.1	100.0	4.4	2.3	4.7	2.3
Total service firms	13.0	2.8	84.2	100.0	3.5	2.9	3.8	2.8
Total	15.8	1.9	82.2	100.0	5.4	2.7	4.5	3.2

Organisation and human resources, 2006

(per cent; average points)

	ERP management software available	Percentage of graduates in staff	Criteria used in graduate recruitment: ⁽¹⁾				
			location	psycho-attitudinal profile	work experience	post-graduate study	reputation of university
Industrial firms							
Geographical area							
North-West	33.4	8.3	1.9	3.3	3.0	2.0	1.9
North-East	34.2	7.8	1.9	3.2	3.0	2.1	1.8
Centre	20.5	10.4	1.9	3.3	3.1	2.3	1.9
South and Islands	21.8	6.5	1.9	3.2	3.1	2.3	1.8
Number of employees							
20 – 49	23.0	5.6	1.9	3.2	3.0	2.1	1.8
50 – 199	40.8	7.5	1.9	3.3	3.0	2.2	1.9
200 – 499	65.0	9.7	2.0	3.4	3.1	2.3	2.0
500 and over	79.6	12.1	1.9	3.4	3.1	2.7	2.2
Branch of activity							
Total manufacturing	29.9	8.0	1.9	3.2	3.0	2.1	1.8
Textiles, clothing, leather, shoes	20.5	3.9	1.7	3.1	2.9	1.8	1.6
Chemicals, rubber and plastics	32.7	11.6	2.1	3.2	2.9	2.3	1.9
Engineering	35.2	9.4	1.9	3.3	3.1	2.2	1.9
Other manufacturing	25.9	6.2	1.8	3.2	3.0	2.1	1.8
Energy and extraction	18.3	13.0	1.9	3.3	3.0	2.3	2.0
Share of exports							
Less than one-third	25.5	7.5	1.9	3.2	3.0	2.2	1.9
From one- to two-thirds	38.3	8.4	2.0	3.2	3.1	2.1	1.8
More than two-thirds	35.0	10.2	1.9	3.3	2.9	1.9	1.7
Total industrial firms.....	29.6	8.3	1.9	3.2	3.0	2.1	1.8
Service firms							
Geographical area							
North-West	30.1	13.4	1.8	3.3	3.1	2.2	1.8
North-East	21.4	9.5	1.9	3.3	3.1	2.0	1.7
Centre	21.1	10.6	1.7	3.3	2.9	2.3	1.9
South and Islands	15.2	9.0	1.8	3.2	3.2	2.4	1.9
Number of employees							
20 – 49	20.0	10.1	1.8	3.3	3.1	2.2	1.8
50 – 199	29.0	10.4	1.8	3.2	3.1	2.2	1.8
200 – 499	32.1	10.6	1.8	3.4	3.2	2.0	1.8
500 and over	46.5	12.8	1.8	3.4	3.0	2.4	1.9
Branch of activity							
Trade, hotels, restaurants	22.9	5.5	1.8	3.3	3.2	2.1	1.8
Transport and communication	14.3	5.7	1.7	3.2	3.2	2.1	1.8
Other h.hold & business services.....	28.3	21.1	1.9	3.4	2.9	2.3	1.9
Total service firms	22.9	11.0	1.8	3.3	3.1	2.2	1.8
Total	26.8	9.5	1.9	3.3	3.0	2.2	1.8

(1) Average points: 1 = not important; 2 = not very important; 3 = important; 4 = very important.

Electricity supply, 2006

(per cent; average points)

	Main supplier is former monopoly holder					Main supplier no longer former monopoly holder				
	reasons for present choice ⁽¹⁾					reasons for present choice ⁽¹⁾				
	price	payment terms	quality of service	other		price	payment terms	quality of service	other	
Industrial firms										
Geographical area										
North-West	33.3	2.4	1.6	2.5	1.1	66.7	3.4	1.8	2.3	1.1
North-East	42.7	2.8	1.9	2.7	1.3	57.3	3.5	1.8	2.5	1.0
Centre	45.6	2.5	1.8	2.6	1.1	54.4	3.4	1.9	2.5	1.2
South and Islands	58.3	2.6	1.9	2.7	1.1	41.7	3.4	2.1	2.5	1.0
Number of employees										
20 – 49	45.8	2.5	1.8	2.7	1.2	54.2	3.4	1.9	2.4	1.1
50 – 199	35.6	2.7	1.8	2.6	1.1	64.4	3.4	1.8	2.4	1.1
200 – 499	27.2	2.7	1.7	2.6	1.2	72.8	3.4	1.8	2.5	1.0
500 and over	27.9	3.0	2.1	2.9	1.0	72.1	3.4	1.9	2.5	1.1
Branch of activity										
Total manufacturing	42.3	2.6	1.8	2.7	1.2	57.7	3.4	1.8	2.4	1.1
Textiles, clothing, leather, shoes	52.2	2.4	1.6	2.4	1.1	47.8	3.4	2.0	2.4	1.1
Chemicals, rubber and plastics	33.4	2.8	1.9	2.7	1.2	66.6	3.5	1.8	2.3	1.1
Engineering	45.2	2.6	1.9	2.8	1.2	54.8	3.4	1.8	2.4	1.1
Other manufacturing	35.0	2.6	1.8	2.7	1.2	65.0	3.4	1.8	2.5	1.0
Energy and extraction.....	34.3	2.7	2.0	2.3	1.0	65.7	3.3	1.9	2.3	1.5
Share of exports										
Less than one-third	42.6	2.6	1.9	2.7	1.2	57.4	3.4	1.9	2.4	1.1
From one- to two-thirds	40.4	2.5	1.7	2.6	1.2	59.6	3.5	1.7	2.4	1.1
More than two-thirds	43.0	2.5	1.7	2.7	1.2	57.0	3.4	1.7	2.4	1.1
Total industrial firms.....	42.2	2.6	1.8	2.7	1.2	57.8	3.4	1.8	2.4	1.1
Service firms										
Geographical area										
North-West	52.9	2.4	1.5	2.5	1.3	47.1	3.3	1.7	2.3	1.0
North-East	56.1	2.3	1.9	2.5	1.2	43.9	3.1	1.7	2.3	1.1
Centre	71.9	2.4	1.8	2.7	1.3	28.1	3.2	1.8	2.6	1.1
South and Islands	78.5	2.3	1.7	2.7	1.1	21.5	3.3	1.9	2.4	1.0
Number of employees										
20 – 49	62.3	2.3	1.7	2.7	1.2	37.7	3.2	1.8	2.4	1.1
50 – 199	65.6	2.5	1.8	2.6	1.3	34.4	3.2	1.5	2.3	1.0
200 – 499	63.8	2.0	1.7	2.3	1.1	36.2	3.0	1.5	2.2	1.1
500 and over	55.2	2.6	2.0	2.6	1.1	44.8	3.3	2.0	2.7	1.0
Branch of activity										
Trade, hotels, restaurants	57.3	2.4	1.8	2.7	1.2	42.7	3.3	1.7	2.3	1.0
Transport and communication	67.4	2.2	1.7	2.5	1.3	32.6	3.4	2.0	2.7	1.1
Other h.hold & business services...	70.0	2.3	1.7	2.5	1.2	30.0	2.8	1.6	2.4	1.1
Total service firms	63.0	2.3	1.7	2.6	1.2	37.0	3.2	1.7	2.4	1.0
Total	51.2	2.5	1.8	2.6	1.2	48.8	3.4	1.8	2.4	1.1

(1) Average points: 1 = not important; 2 = not very important; 3 = important; 4 = very important.

Change in average workforce, 2003-07

(per cent)

	2003	2004	2005	2006	2007 ⁽¹⁾
	Industrial firms				
Geographical area					
North-West	-1.8	-2.0	-1.3	-0.7	0.5
North-East	-1.0	-0.9	-0.7	0.3	0.7
Centre	-1.8	-1.5	-0.3	0.4	0.7
South & Islands	-0.2	-0.2	-0.4	-0.3	-0.2
Area of employment					
North-West	-1.7	-2.1	-1.0	-0.7	0.5
North-East	-1.3	-1.0	-0.8	0.4	0.9
Centre	-1.5	-0.9	-1.1	0.2	0.1
South & Islands	-0.9	-1.0	-0.5	-0.3	0.4
Number of employees					
20 – 49	-1.2	-1.2	-0.7	-0.2	1.1
50 – 199	-1.2	-0.7	-1.5	-0.5	0.1
200 – 499	-1.0	-0.3	-0.2	0.6	0.9
500 and over	-2.1	-2.9	-0.8	-0.3	0.3
Branch of activity					
Total manufacturing	-1.4	-1.3	-1.0	-0.3	0.5
Textile, clothing, leather, shoes	-3.2	-2.7	-2.8	-2.8	-2.1
Chemicals, rubber and plastics	0.3	-0.3	-0.8	-0.6	1.7
Engineering	-1.7	-1.4	-0.4	0.6	1.3
Other manufacturing	-0.4	-0.9	-1.1	-0.5	-0.4
Energy and extraction	-2.6	-3.4	0.7	2.5	1.9
Share of exports					
Less than one-third	-1.6	-1.6	-0.8	0.1	0.5
From one- to two-thirds	-1.5	-1.6	-1.2	-0.9	0.3
Over two-thirds	-0.8	-0.8	-0.8	0.3	0.9
Total industrial firms	-1.4	-1.4	-0.9	-0.2	0.5
	Service firms				
Geographical area					
North-West	1.6	1.4	1.0	0.1	1.5
North-East	3.1	2.1	1.5	2.4	1.7
Centre	-0.4	1.2	-0.3	1.7	1.7
South & Islands	1.2	3.5	1.0	-0.7	0.9
Area of employment					
North-West	1.8	2.0	1.5	0.3	1.6
North-East	2.9	1.0	1.1	1.8	1.4
Centre	0.3	1.5	-0.4	1.6	1.8
South & Islands	-0.2	3.2	0.5	0.0	1.2
Number of employees					
20 – 49	0.0	1.3	-0.7	-0.5	0.7
50 – 199	2.1	3.0	1.8	1.3	0.6
200 – 499	2.4	1.7	1.4	0.3	1.7
500 and over	1.7	1.4	1.0	1.9	2.7
Branch of activity					
Trade, hotels, restaurants	3.8	3.1	1.0	1.9	1.4
Transport and communication	-0.8	0.9	0.7	-0.8	0.9
Other h.hold & business services	0.2	1.0	0.7	1.0	2.2
Total service firms	1.4	1.8	0.8	0.9	1.5
Total	-0.2	0.0	-0.1	0.3	1.0

(1) Forecast.

Hours worked per capita, 2003-06

(units)

	2003	2004	2005	2006
	Industrial firms			
Geographical area				
North-West	1,628	1,651	1,631	1,646
North-East	1,633	1,647	1,634	1,650
Centre	1,614	1,638	1,648	1,641
South and Islands	1,687	1,704	1,696	1,717
Number of employees				
20 – 49	1,698	1,709	1,683	1,702
50 – 199	1,657	1,674	1,663	1,664
200 – 499	1,617	1,634	1,619	1,646
500 and over	1,553	1,586	1,584	1,595
Branch of activity				
Total manufacturing	1,641	1,657	1,642	1,659
Textiles, clothing, leather, shoes	1,565	1,552	1,572	1,575
Chemicals, rubber and plastics ..	1,686	1,684	1,670	1,661
Engineering	1,637	1,661	1,646	1,677
Other manufacturing	1,669	1,693	1,660	1,669
Energy and extraction	1,494	1,571	1,604	1,532
Share of exports				
Less than one-third	1,642	1,659	1,652	1,652
From one- to two-thirds	1,623	1,650	1,626	1,654
More than two-thirds	1,623	1,640	1,630	1,652
Total industrial firms	1,633	1,653	1,640	1,653
	Service firms			
Geographical area				
North-West	1,618	1,599	1,626	1,622
North-East	1,632	1,636	1,597	1,577
Centre	1,678	1,700	1,654	1,662
South and Islands	1,749	1,780	1,739	1,756
Number of employees				
20 – 49	1,736	1,748	1,743	1,767
50 – 199	1,748	1,737	1,736	1,694
200 – 499	1,659	1,677	1,630	1,637
500 and over	1,524	1,520	1,500	1,506
Branch of activity				
Trade, hotels, restaurants	1,618	1,620	1,625	1,617
Transport and communication	1,725	1,745	1,687	1,662
Other h.hold & business services...	1,639	1,627	1,622	1,647
Total service firms	1,652	1,654	1,640	1,639
Total	1,641	1,654	1,640	1,647

Annual change in investment, 2003-07

(per cent; constant 2006 prices)⁽¹⁾⁽²⁾

	2003	2004	2005	2006	2007 ⁽³⁾
	Industrial firms				
Geographical area					
North-West	-13.5	-3.1	-4.1	-2.4	3.5
North-East	-18.9	1.5	-3.4	-2.0	2.9
Centre	-21.7	-5.1	-5.1	-4.0	22.8
South & Islands	-11.4	-1.5	-4.7	-0.6	-1.5
Actual location of investment					
North-West	-14.9	-5.8	-7.7	-2.8	8.9
North-East	-18.7	0.2	-4.1	-2.9	9.3
Centre	-24.1	-2.4	-0.7	-1.2	13.8
South & Islands	-11.6	1.4	-0.5	-3.3	1.0
Number of employees					
20 – 49	-18.9	-0.7	-3.6	-2.9	-1.8
50 – 199	-14.0	-7.3	-4.3	1.4	-1.9
200 – 499	-10.9	1.9	-4.0	-2.8	3.2
500 and over	-19.0	-1.8	-4.5	-4.2	18.4
Branch of activity					
Total manufacturing	-16.7	-0.8	-3.6	-1.4	-0.5
Textile, clothing, leather, shoes	-25.3	-12.9	-11.3	-3.8	-5.9
Chemicals, rubber and plastics	-12.4	-3.8	-5.2	0.1	2.8
Engineering	-15.6	1.2	-2.2	1.0	3.5
Other manufacturing	-18.3	1.3	-2.7	-4.6	-6.2
Energy and extraction	-16.5	-6.7	-6.5	-6.4	35.7
Share of exports					
Less than one-third	-16.7	-2.4	-4.5	-4.9	10.2
From one- to two-thirds	-15.8	-3.7	-2.8	-0.1	3.2
Over two-thirds	-17.3	-0.3	-5.5	3.6	3.1
Total industrial firms	-16.6	-2.4	-4.2	-2.5	7.2
	Service firms				
Geographical area					
North-West	23.5	-8.1	3.1	16.4	-2.9
North-East	-9.4	-2.9	-1.1	-1.7	-3.9
Centre	-8.7	-1.4	3.7	0.7	0.9
South & Islands	-5.3	0.5	-1.0	1.8	-6.0
Area of investment					
North-West	1.7	-6.2	5.0	20.9	-6.9
North-East	0.1	-4.4	-3.8	-0.8	-1.3
Centre	1.9	-5.1	6.7	0.9	2.4
South & Islands	5.1	-0.8	6.0	0.6	-4.8
Number of employees					
20 – 49	-9.1	-5.6	4.6	4.6	-10.1
50 – 199	-9.6	-6.0	0.8	5.3	-11.8
200 – 499	-6.7	-5.1	-1.4	1.0	-2.0
500 and over	21.4	-3.6	2.1	7.0	4.6
Branch of activity					
Trade, hotels, restaurants	-10.9	-6.1	0.3	4.1	-7.4
Transport and communication	30.6	-4.4	4.8	6.8	0.9
Other h.hold & business services	-11.0	-3.0	-1.7	3.8	-3.5
Total service firms	2.6	-4.7	1.9	5.4	-2.3
Total	-7.9	-3.5	-1.5	1.1	2.5

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (3) Forecast.

Investment realisation rate, 2003-06

(per cent)^{(1) (2)}

	2003	2004	2005	2006
	Industrial firms			
Geographical area				
North-West	95.4	96.3	96.3	101.0
North-East	93.4	98.8	105.3	103.8
Centre	88.6	90.2	77.1	104.2
South and Islands	90.0	100.7	103.5	106.0
Number of employees				
20 – 49	100.4	109.5	117.6	109.6
50 – 199	95.2	98.5	102.6	104.9
200 – 499	97.0	102.2	99.7	99.9
500 and over	87.0	88.8	81.4	99.4
Branch of activity				
Total manufacturing	93.7	100.0	102.9	103.9
Textiles, clothing, leather, shoes ..	96.3	96.9	113.3	112.0
Chemicals, rubber and plastics ..	94.9	98.1	101.7	101.1
Engineering	92.3	98.9	100.8	105.2
Other manufacturing	94.3	103.3	104.4	101.5
Energy and extraction	90.5	85.8	73.5	98.9
Share of exports				
Less than one-third	93.8	94.8	92.4	102.9
From one- to two-thirds	89.0	96.1	94.3	102.2
More than two-thirds	94.9	101.0	101.6	103.3
Total industrial firms	92.8	95.9	94.1	102.8
	Service firms			
Geographical area				
North-West	142.4	101.4	72.9	105.4
North-East	104.2	96.9	111.8	98.0
Centre	115.5	101.9	104.5	99.2
South and Islands	100.9	106.0	117.3	104.0
Number of employees				
20 – 49	107.6	114.2	111.2	110.7
50 – 199	101.3	103.0	110.8	107.9
200 – 499	113.4	93.3	97.6	102.0
500 and over	141.1	98.0	80.0	96.3
Branch of activity				
Trade, hotels, restaurants	95.3	97.8	116.2	107.3
Transport and communication	152.5	101.9	79.7	96.2
Other h.hold & business services...	106.4	101.1	98.3	114.2
Total service firms	119.6	100.6	92.7	101.9
Total	105.0	98.3	93.4	102.4

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) Ratio between investments effectively made and investments planned at the end of the previous year.

Annual change in turnover, 2003-07

(per cent; constant 2006 prices)⁽¹⁾

	2003	2004	2005	2006	2007 ⁽²⁾
	Industrial firms				
Geographical area					
North-West	-0.9	1.2	-0.1	4.0	2.5
North-East	-0.5	1.8	1.3	4.6	3.8
Centre	0.4	5.7	-1.4	3.6	0.7
South and Islands	1.2	-0.1	0.8	4.4	2.1
Number of employees					
20 – 49	-1.3	-0.2	0.2	4.3	2.3
50 – 199	-0.8	1.0	0.2	4.7	2.9
200 – 499	0.1	1.5	1.1	2.1	1.3
500 and over	0.2	4.6	-0.9	5.0	2.8
Branch of activity					
Total manufacturing	-0.9	1.1	0.1	4.4	3.0
Textiles, clothing, leather, shoes	-4.1	-1.0	-1.4	3.7	1.0
Chemicals, rubber and plastics ..	-1.1	0.8	-1.9	1.4	1.9
Engineering	-1.2	1.7	1.5	8.0	4.5
Other manufacturing	1.0	1.0	0.5	2.3	2.2
Energy and extraction	3.3	9.3	-0.6	2.2	-1.0
Share of exports					
Less than one-third	0.4	1.5	-0.3	2.6	1.9
From one- to two-thirds	-1.2	3.9	-0.2	5.7	1.8
More than two-thirds	-1.9	1.2	1.6	6.9	5.3
Total industrial firms	-0.4	2.1	0.0	4.1	2.4
	Service firms				
Geographical area					
North-West	0.3	3.4	2.2	4.4	1.4
North-East	0.6	2.2	0.4	5.2	1.8
Centre	-1.7	2.5	1.4	2.7	1.7
South and Islands	1.1	6.0	1.6	4.2	1.3
Number of employees					
20 – 49	-2.9	2.8	0.2	3.8	0.7
50 – 199	1.6	4.4	2.2	5.5	1.1
200 – 499	3.3	5.2	1.1	5.7	1.1
500 and over	1.1	1.2	2.1	2.5	3.9
Branch of activity					
Trade, hotels, restaurants	1.2	2.6	0.8	4.9	1.5
Transport and communication	-3.8	3.6	3.0	1.8	1.5
Other h.hold & business services...	1.0	4.6	1.6	5.2	2.0
Total service firms	0.1	3.1	1.4	4.2	1.6
Total	-0.2	2.5	0.5	4.1	2.1

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (2) Forecast.

Capacity utilisation rate, 2002-07

(per cent)

	2002	2003	2004	2005	2006	2007 ⁽¹⁾
	Industrial firms with 50 employees and over					
Geographical area						
North-West	80.8	79.1	79.9	80.4	81.4	82.8
North-East	82.2	81.3	81.4	82.4	82.6	85.1
Centre	77.7	80.0	68.9	77.6	78.0	84.2
South and Islands	80.1	82.0	80.4	83.4	82.0	83.4
Number of employees						
20 – 49						
50 – 199	81.1	80.0	79.6	81.1	81.9	83.7
200 – 499	82.5	79.5	82.5	83.4	84.7	84.4
500 and over	79.3	80.1	74.9	77.9	77.8	83.0
Branch of activity						
Total manufacturing	81.3	80.0	80.5	81.3	82.1	83.7
Textiles, clothing, leather, shoes	82.4	79.7	80.5	79.9	82.0	82.3
Chemicals, rubber and plastics ..	82.4	80.2	82.3	84.2	85.0	84.6
Engineering	80.6	79.8	79.6	79.8	80.7	83.8
Other manufacturing	81.1	80.3	80.0	80.4	80.4	82.3
Energy and extraction.....	75.1	79.4	62.6	74.9	75.1	83.4
Share of exports						
Less than one-third	80.2	77.9	76.7	78.2	78.4	81.4
From one- to two-thirds	79.9	83.0	80.3	83.1	84.3	86.9
More than two-thirds	82.8	81.1	81.3	82.0	83.2	84.7
Total industrial firms.....	80.5	79.9	78.4	80.4	80.9	83.6

(1) Forecast.

Table I1

Construction firms: workforce and output, 2006

(per cent)

	Percentage change on previous year			
	average workforce		output ⁽¹⁾⁽²⁾	
	2006	2007 ⁽³⁾	2006	2007 ⁽³⁾
Geographical area				
North-West	-1.2	-1.9	0,0	-1,3
North-East	2.6	1.0	0,4	1,5
Centre	3.7	0.9	5,0	2,0
South and Islands	0.7	-0.7	1,0	2,5
Number of employees				
20 – 49	0.2	0.1	2,3	-1,3
50 – 199	1.3	0.0	1,2	1,1
200 – 499	2.7	0.0	1,3	8,9
500 and over	3.8	-2.8	-2,9	3,6
Total construction firms	1.1	-0.3	1,2	0,8
Change in output at current prices ⁽¹⁾			4.3	3.9

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) Constant 2006 prices. The deflator is calculated by Istat. For 2007 the last available rate of growth is assumed constant. – (3) Forecast.

Table I2

Construction firms: public works contracts, 2006

(per cent)

	Firms engaged in public works in 2005-2006	Share of public works in output		Percentage change of public works on previous year ⁽¹⁾⁽²⁾	
		2006	2007 ⁽³⁾	2006	2007 ⁽³⁾
Geographical area					
North-West	83.1	39.6	46,5	-7,6	14,6
North-East	78.7	44.8	46,0	2,8	2,2
Centre	83.8	45.8	45,5	5,5	1,2
South and Islands	81.6	62.5	63,2	-1,4	4,5
Number of employees					
20 – 49	80.4	42.0	42,8	0,1	0,2
50 – 199	87.0	46.2	50,7	-2,9	7,3
200 – 499	96.0	57.6	56,0	14,1	7,4
500 and over	93.7	51.1	58,6	-6,5	20,0
Total construction firms	81.8	45.7	48,4	-0,8	6,0
Change in output at current prices ⁽¹⁾				2.0	9.2

(1) Robust (Winsorised) means obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised Type II estimator). – (2) Constant 2006 prices. The deflator is calculated by Istat. For 2007 the last available rate of growth is assumed constant. – (3) Forecast.

**Construction firms: perceived difficulties in the public
works sector, 2006**
(average points)⁽¹⁾

	Uncertainty of national laws	Local red tape	Uncertain and delayed payment	Difficulty recruiting workforce	Difficulty obtaining bank loans	Unprofitable prices	Other
Geographical area							
North-West	1.6	1.8	2.2	1.5	1.4	2.7	1.3
North-East	1.6	1.7	2.0	1.6	1.2	2.7	1.4
Centre	1.6	1.9	2.3	1.5	1.4	2.6	1.2
South and Islands	1.6	2.1	2.3	1.5	1.4	2.6	1.1
Number of employees							
20 – 49	1.6	1.9	2.2	1.5	1.4	2.7	1.3
50 – 199	1.7	1.8	2.1	1.5	1.3	2.7	1.1
200 – 499	1.7	1.8	2.2	1.4	1.2	2.6	1.1
500 and over	1.7	1.5	2.2	1.2	1.1	2.4	1.0
Total construction firms	1.6	1.9	2.2	1.5	1.3	2.7	1.3

(1) Average points: 1 = not an impediment; 2 = small impediment; 3 = major impediment.

Appendix C
Questionnaires

Survey of industrial firms – 2006

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in the industrial sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and appropriate devices will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy.

PART A – General information

Bank of Italy codes: Branch code Firm code

(to be entered by BI branch) Registered office Type (sub-group)⁽¹⁾

Tax identification number

Name of firm

Legal status

SRL SPA SAPA SCRL SCRI SAS SNC Other

for SPA (public limited company) only: Did the firm adopt a governance model other than the traditional one?

no yes dualistic monistic

Branch of activity - Istat Ateco2002⁽²⁾ Year founded

Listed firm Total shareholders in firm

(1) See Central Credit Register. Nuova classificazione della clientela bancaria, 1991. (2) See ISTAT, Classificazione delle attività economiche. Metodi e norme, 2002.

Does the firm belong to a group?

yes no

If the firm belongs to a group (i.e. a set of firms directly or indirectly controlled – through one or more chains of control – by the same legal persons or the same public entity):

Is the firm the parent company?

no yes

Name of parent company

Name of group

Nationality of group

1 Italian 2 EU on 31-12-03 3 New EU member 4 Rest of world

Total holding of **first three shareholders** and relative information

	Share	Type ⁽¹⁾	Nationality ⁽²⁾		Nature ⁽³⁾	
1°	<input type="text"/> %	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2°	<input type="text"/> %	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3°	<input type="text"/> %	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) 1= legal person; 2= holding or sub-holding company; group financial company; 3= bank; 4= independent financial company (non-group); insurance company; 5= non-financial company; - (2) 1= Italian; 2= foreign. - (3) 1= public; 2= private.

Are there voting agreements between the shareholders or agreements on the sale of holdings?

no yes

Do the by-laws place conditions on the transfer of holdings (e.g. directors' acceptance, pre-emptive rights)

no yes

Did a **transfer of direct control** over the firm (or the majority of it) take place in 2006?

yes no

If yes

Did the transfer take place:

- within the same group?

no yes

- between relatives?

no yes

Changes that took place in 2006:

Split

no yes

Name of firm that split off

Incorporation

no yes

Name of incorporated firm

Merger

no yes

Name of merged firm

Spin-off

no yes

Name of firm making split

Capital contribution

no yes

Transfer of assets

no yes

Are you able to provide homogeneous data for 2005 and 2006? (see instructions)

no yes

PART B - Workforce and wages

(number)	Total workforce	Total workers & apprentices	Total fixed-term contracts	Total non-EU workforce
<u>2005</u> Average workforce				
Workforce at end of year				
Hirings				
Terminations				
<u>2006</u> Average workforce				
Workforce at end of year				
Hirings				
Terminations				
<u>2007</u> Average workforce (projection)				

Total actual hours worked by payroll employees

- of which: **per cent** overtime

Total hours paid by Wage Equalisation Fund

Number of temporary work assignments

Total hours of temporary work

2005	2006
_____ . _____ %	_____ . _____ %

Wages and salaries in 2006

Total gross annual wages per capita (€)⁽¹⁾

Minimum national contract wage⁽²⁾

(approximate per cent of total)

Workers & apprentices	Clerks & managers	General average
_____ %	_____ %	_____ %

(1) Includes social security and tax withheld on behalf of workers; does not include firms' payments on behalf of INPS (National Social Security Institute) and others. - (2) The part covered by national contract includes: minimum rates of pay, cost of living allowance, 13th month's pay (*tredecimesima*) and other additional months' pay, meal allowance, overtime, and shift allowance.

Please indicate share of labour costs in total costs in 2006 (see instructions) _____ %

PART C - Gross fixed investment in Italy (please enter amounts in € thousands; enter 0 for no investments)

	2005	2006	2007 projection
Expenditure on tangible assets			
- property			
- plant, machinery & equipment			
- of which: for tangible assets used			
- transport equipment			
Total expenditure on tangible assets			
Total expenditure on software, databases and mineral exploration ⁽¹⁾			
Expenditure on research and development and market analysis; design and test production			

(1) Including expenditure on original copyright of entertainment and works of literature and art.

	2006/2005	2007/2006 projection
Average annual percentage change in prices of tangible assets purchased	_____ %	_____ %
Average annual percentage change in prices of software, databases and mineral exploration purchased ⁽¹⁾	_____ %	_____ %

(1) Including expenditure on original copyright of entertainment, and works of literature and art.

Did you switch over to the new accounting criteria for investment in 2006 (the new **IFRS/IAS** standards)? (answer 'no' if you adopted the new criteria before 2006; see the instructions) no yes

Only to be completed by firms that took part in the previous survey.

If investment expenditure in 2006 diverged significantly (over 5% above or below) from the estimate given in the previous survey (see annex), to what was this due? (tick **one** box only)

- **exclusively** to differences between actual and estimated purchase prices no yes

- **also** to differences between actual and estimated quantities purchased yes

If you ticked the second answer, please say whether the difference in quantities purchased (plus or minus) was due to (*more than one answer possible; tick 'no' otherwise*)

- change in expectations regarding demand no yes

- change in expected production costs: level no yes
 uncertainty no yes

- change in regulations (taxes and tax deductions for investments, financial contributions, etc.) no yes

- change in delivery times of purchased capital goods imputable to the supplier no yes

- change in the purchase price of capital goods no yes

- change in self-financing no yes

- change in interest rates no yes

- change in availability of financing: shares no yes
 credit (subsidised or otherwise) no yes

- factors relating to the firm's internal organisation (for given external conditions) no yes

- investment originally planned for previous year and not yet completed no yes

- long-term investment planned for subsequent years brought forward no yes

- other (*please specify*) no yes

Geographical distribution of workforce and total fixed investment in 2005 and 2006 and projection for 2007:

	Average workforce			Total gross fixed investment		
	2005	2006	2007 (proj.)	2005	2006	2007 (proj.)
North-West ⁽¹⁾	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
North-East ⁽²⁾	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Centre ⁽³⁾	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
South and Islands ⁽⁴⁾	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Total	100 %	100 %	100 %	100 %	100 %	100 %
Same region ⁽⁵⁾	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

(1) North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria. - (2) North-East = Veneto, Trentino-Alto Adige, Friuli Venezia Giulia and Emilia Romagna. - (3) Centre = Tuscany, Umbria, Le Marche and Lazio. - (4) South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. - (5) Same region as the location of the registered office.

PART D - Production capacity

	2006/2005	2007/2006 projection
Percentage change in production capacity.....	<input type="text"/> %	<input type="text"/> %
<i>(production capacity is the maximum output obtainable with plant operating at full capacity, without altering the organisation of work shifts)</i>		
	2006	2007 projection
Capacity utilisation	<input type="text"/> %	<input type="text"/> %
<i>(actual output as a percentage of maximum obtainable output)</i>		

PART E – Turnover, prices and operating result

Turnover (€ thousand)	2005	2006	2007 (proj.)	2007/2006 (proj.)
Turnover from sales of goods & services in year				<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
- of which: exports				(a) <i>(turnover 2007/2006-1)*100</i>

	2006/2005	2007/2006(proj.)
Average annual percentage change in prices of goods and services sold (Italy and abroad)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	(b) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %

The projected **percentage change in 2007 on 2006** in turnover, adjusted for the percentage change in prices, is approximately (*sign and percentage change*)

% (a) - (b)

Please indicate a **range around this figure**, i.e. provide a forecast of minimum and maximum turnover, adjusted for the change in prices.

Min. (*sign and % change*) % Max. (*sign and % change*) %

Regarding turnover from sales of goods and services, please indicate for 2006 the change in average prices and the level of prices on foreign markets compared with Italy.

	Percentage change in average selling prices in euros 2006/2005	Assuming the average price in euros for your main product line on the domestic market to be 100 in 2006, what is the average price in euros for the same products on the following markets?
Italy	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> %	<input type="text"/> 1 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 0 <input type="text"/>
Abroad	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
of which: Euro area	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
USA – Canada	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
China.....	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Exporting firms only

Assuming your export turnover in 2006 to be 100, how much did you export to the following countries or areas?

Euro area % USA - Canada % China %

P Please describe the firm's **operating result** for 2006.....

1 large profit **2** moderate profit
 3 broad balance **4** moderate loss **5** large loss

PART F - Financing

Please state whether, **at the terms and conditions (cost and collateral) currently applied**, the firm would like to borrow more from banks or other lenders..... **yes** **no**

If yes, please say:

- whether the firm would be willing, at present, to pay a higher rate of interest or even to accept worse terms and conditions in order to borrow more..... **no** **yes**
- why do you think the firm has not been able so far to borrow as much as it would like? (*only one answer possible*)

- no banks or other lenders have been contacted for that purpose because it is assumed they will answer no to any request for more financing **no** **yes**

- no banks or other lenders have been contacted yet for other reasons **no** **yes**

- the lenders that have been contacted are not willing to increase the volume of lending to the firm **no** **yes**

Source of finance

	2005	2006	2007 projection
Cash flow ⁽¹⁾ (+/-) (€ thousands)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

(1) Please use the minus sign ('-') in case of negative cash flow. For the definition of cash flow, see the instructions.

For each of the following items, please say if there is any change with respect to the amounts outstanding at end of the preceding year and indicate how much.

(for a **negative** change please write: 1=over -20%, 2=from -20% to -1.1 %, 3=from -10% to -5.1%, 4=from -5% to -0.%; for a **positive** change please write: 5=from 0.1% to 5%, 6=from 5.1% to 10%, 7=from 10.1% to 20%, 8=over 20%)

	2006				2007 projection			
Equity capital ⁽¹⁾	no	yes	☞	<input type="text"/>	no	yes	☞	<input type="text"/>
of which: <i>private equity funds</i> ⁽²⁾	no	yes	☞	<input type="text"/>	no	yes	☞	<input type="text"/>
Bonds and other medium/long-term securities ⁽³⁾	no	yes	☞	<input type="text"/>	no	yes	☞	<input type="text"/>
Other ⁽³⁾	no	yes	☞	<input type="text"/>	no	yes	☞	<input type="text"/>
Bank borrowing	no	yes	☞	<input type="text"/>	no	yes	☞	<input type="text"/>

(1) Please consider only changes due to issues and redemptions of capital equities. Changes are negative in the case of redemptions. - (2) Minority stakeholders in unlisted firms that generally participate actively in the firm's management. - (3) Changes are negative for firms that **overall** reimburse bonds and/or securities.

PART G - Competitiveness and productivity

Where are your **main competitors** located?.....
 (1=same region of Italy; 2=other regions; 3=Euro-area countries; 4=other European countries; 5=USA - Canada; 6=China; 7=other)

How would you describe your **present** overall position in relation to your main competitors?.....
 (1=very weak; 2=weak; 3=equal; 4=strong; 5=very strong)

Do you have internal indicators of **productivity**? yes no

If you answered yes to the previous question

please indicate the percentage change in average labour productivity from 2005 to 2006 %

PART H - Corporate strategy (firms set up before 2000)

Regarding your product range, please indicate the main goods produced now compared with 2000
 (1=similar products, from the same sector; 2=different products, but from a related sector; 3=very different products, from a completely different sector)

Did the firm purchase patents from other firms in 2000-2006? yes no

If the firm belongs to a **group** and the answer to the previous question is **yes**, please indicate what percentage of these patents was purchased from firms in the same group %

Please indicate the percentage of turnover from the following:

products under own trademark

products with no trademark

manufacture under licence of other trademarks.....

Total.....

	2000			2006				
products under own trademark	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
products with no trademark	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
manufacture under licence of other trademarks	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Total	1	0	0	%	1	0	0	%

In 2000-2006 did you produce **goods** and **services** abroad? (through ownership/control of foreign firms, ownership of local production units without separate legal status) yes no

Please state the activity, number of employees and turnover of owned/controlled firms or foreign production units

Year	Main activity ⁽¹⁾	Employees abroad	Turnover abroad (€ thousand)
2000.....	<input type="text"/>	<input type="text"/>	<input type="text"/>
2006.....	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) 1=production; 2=design, research or similar; 3=selling, technical assistance or similar.

What role did the following factors play in your decision to **internationalise** your activity ⁽¹⁾?

- favourable legislation and taxation - lower cost of labour - proximity of sales markets

- other (please specify) ☞

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable.

Please name the **3 countries** in which you have the **greatest presence** (in terms of number of employees in the year)

2000 1 2 3 **2006** 1 2 3

In 2000-2006 have you entered into major collaboration agreements with foreign firms? yes no

Year	Commercial agreements	Technical/production agreements	Joint R&D activities
2000.....	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}
2006.....	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}	<input type="checkbox"/> no <input type="checkbox"/> yes <input type="text"/> Area ^{(1) (2)}

(1) Please indicate the location of the firms. - (2) 3=Euro-area countries; 4=other European countries; 5=USA-Canada; 6=China; 7=other.

Which of the following statements best describes your firm's behaviour in 2000-2006?
 (1=no change of strategy; 2= change of strategy, mainly involving substantial changes in the **range of products**; 3= change of strategy, mainly by increasing investment in **own trademark**; 4= change of strategy, mainly by acquiring a **presence abroad**)

Finally, do you think turnover in 2006 has been influenced more by your strategy than by the **trend** of demand? yes no

PART I – Governance and size

Is your firm owned by a natural person or by a controlling family?..... yes no

If yes, is the Managing Director (the person running the firm)
 1=the person or a member of the family that owns or controls the firm; 2=a manager recruited from outside the firm; 3=a manager chosen from within the firm?

Please give the following information about the MD ⁽¹⁾:

Nationality Sex: Age Qualification⁽⁴⁾:

(1) In the case of firms not run by a person or family, enter the details of the CEO . - (2) 1=Italian, 2=Euro area, 3=Rest of the world. - (3) 1=Male; 2=Female. - (4) 1=primary and middle school; 2=senior school; 3=university degree (BA or over); 4= post-graduate management course of 3 months or more at Italian or foreign university; 5=other post-graduate qualification.

Do you think the firm's present **size** is adequate compared with that of competitors?
 (1=no, the firm is too small; 2= no, the firm is too large; 3=yes, the firm's size is adequate)

- a) If the answer is 'too small', indicate the main impediment to growth (one answer only)**
- lack of funds 1
 - legal limitations or red tape 2
 - insufficient managerial or organisational resources 3
 - other (please specify) 4

- b) If the answer is 'too small' and you have ticked 'lack of funds' as the reason, please explain by distributing 100 points among the following options**
- difficulty or unwillingness to resort to banks or the bond market
 - difficulty introducing new shareholders or resorting to a private equity fund or the share market
 - unwillingness to introduce new shareholders or resort to a private equity fund or the share market for fear of loss of control or interference
 - other (please specify)
 - Total** **1** **0** **0**

If the answer is 'too small', have you in the past 10 years passed up a real opportunity to expand (e.g. by buying up another firm)? no yes

In the past 10 years, have you ever rejected an offer to buy the firm? (regardless of your opinion regarding the firm's size) no yes

PART J – Real assets, human resources and software

Compared with competitors, does your existing stock of machinery and equipment use sufficiently adequate technology? no yes

If not, what is the reason?

- difficulty adapting existing production processes and organisation to new techniques no yes
- impossible to exploit new machinery fully because of the scale of production..... no yes
- other (please specify) ☞ _____ no yes

Please indicate the percentage of graduate staff in your total average workforce in 2006 _____ %

When recruiting **university** graduates on their **first or second job**, how much importance do you assign to the following criteria ⁽¹⁾:

- place of origin - psycho-attitudinal profile.....
- work experience, if any - post-graduate qualification⁽²⁾
- reputation of university attended

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable. - (2) Including 5-year university degree, old-style university degree, Italian MA or PhD, foreign MA or PhD.

Does your firm have **ERP** management software? (see instructions) no yes

PART K - Electricity supply (except electricity producers and suppliers) and professional services

Please indicate the cost of **electricity** as a proportion of total costs in 2006 (see instructions) .. _____, _____ %

How important were the following considerations when choosing your present supplier ? ⁽¹⁾

- economical price - good terms of payment - quality of service
- other (please specify) ☞ _____

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable..

Is your **principal electricity supplier** still the former monopoly holder?..... yes no

Please provide the following information for each of the following **professional** services in 2006

	Were the services provided mainly by employees of the firm?		If the answer to the previous question is no, please indicate	
			the cost as a percentage of total costs in 2006 (see instructions)	whether a fixed fee was charged
Legal services	<input type="checkbox"/> yes	<input type="checkbox"/> no ☞	_____, _____ %	<input type="checkbox"/> yes <input type="checkbox"/> no
Bookkeeping	<input type="checkbox"/> yes	<input type="checkbox"/> no ☞	_____, _____ %	<input type="checkbox"/> yes <input type="checkbox"/> no
Engineers & architects.....	<input type="checkbox"/> yes	<input type="checkbox"/> no ☞	_____, _____ %	<input type="checkbox"/> yes <input type="checkbox"/> no
Other professional services	<input type="checkbox"/> yes	<input type="checkbox"/> no ☞	_____, _____ %	<input type="checkbox"/> yes <input type="checkbox"/> no
Total	<input type="checkbox"/> yes	<input type="checkbox"/> no ☞	_____, _____ %	<input type="checkbox"/> yes <input type="checkbox"/> no

PART L – Trade credit and trade debt

Trade credit (Please indicate average for 2006)

Amount of trade credit ⁽¹⁾ (€ thousands) Average duration of contract in days _____

Composition of trade credit by type of contract/effective terms of payment

net terms ⁽²⁾ _____ %	paid by deadline _____ %
two-part terms ⁽³⁾ _____ %	paid over deadline _____ % ⇒ average delay in days _____
Total credit 1 0 0 %	Total credit 1 0 0 %

Trade debt (Please indicate average for year)

Amount of trade debt⁽⁴⁾ (€ thousands) Actual average duration in days _____

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days instead of 40 days after delivery). - (3) The extension of payment entailed a cost for the purchaser, in the sense of forgoing a discount or a complimentary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

How would you rate the effort involved in completing the questionnaire? modest average large excessive

Comments: _____

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in the industrial sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and appropriate devices will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy..

PART A – General information

Bank of Italy codes: Branch code Firm code
 (to be entered by BI branch) Registered office Type (sub-group)⁽¹⁾

Tax identification number

Name of firm

Legal status
 SRL SPA SAPA SCRL SCRI SAS SNC Other

for SPA (public limited company) only: Did the firm adopt a governance model other than the traditional one?

no yes dualistic monistic

Branch of activity - Istat Ateco2002⁽²⁾ Year founded

Does the firm belong to a group yes no

If the firm belongs to a group (i.e. a set of firms directly or indirectly controlled – through one or more chains of control – by the same legal persons or the same public entity)

Is the firm the parent company? yes no

Name of parent company

Name of group

Nationality of group
 Italian Other EU on 31-12-03 New EU member Rest of world

Was the firm involved in extraordinary operations in 2006? yes no

If yes, are you able to provide homogenous data for 2005 and 2006? (see instructions) yes no

(1) See Centrale dei Rischi. Nuova classificazione della clientela bancaria, 1991. - (2) See ISTAT. Classificazione delle attività economiche. Metodi e norme, 2002.

PART B - Workforce and wages

(number)	Total workforce	Total workers & apprentices	Total fixed-term contracts	Total non-EU workforce
<u>2005</u> Average workforce				
Workforce at end of year				
Hirings				
Terminations				
<u>2006</u> Average workforce				
Workforce at end of year				
Hirings				
Terminations				
<u>2007</u> Average workforce (projection)				

Total actual hours worked by payroll employees
 - of which: per cent overtime

2005	2006
<input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> . <input type="text"/> %

Wages and salaries in 2006

Total gross annual wages per capita (€)⁽¹⁾

Minimum national contract wage (€)⁽²⁾
(approximate per cent of total)

Workers & apprentices	Clerks & managers	General average
_____ %	_____ %	_____ %

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost-of-living allowance, 13th month's pay (*tredicesima*) and other additional months' pay, meal allowance, overtime, and shift allowance.

Please indicate share of labour costs in total costs in 2006 (*see instructions*) _____ %

PART C - Gross fixed investment in Italy (please enter amounts in € thousands; enter 0 for no investments)

	2005	2006	2007 projection
Total expenditure on tangible assets ⁽¹⁾			
- of which: property			
Total expenditure on software, databases and mineral exploration ⁽²⁾			

(1) Tangible assets include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature and art.

PART D - Turnover and operating result

Turnover (€ thousands)	2005	2006	2007 projection
Turnover from sales of goods & services in year			
- of which: for export.....			

	2006/2005	2007/2006 projection
Average annual percentage change in prices of goods and services sold (Italy and abroad)	_____ %	_____ %

Regarding turnover from sales of goods and services, please indicate for 2006 the change in average prices and the level of prices on foreign markets compared with Italy.

	Percentage change in average selling prices in euros 2006/2005	If the average price for your main product line on the domestic market is €100 in 2006, what would it be for the same products on the following markets?
Italy	_____ %	1 0 0
Abroad	_____ %	_____

Please describe the firm's **operating result** for 2006 1 large profit 2 moderate profit 3 broad balance 4 moderate loss 5 large loss

PART E - Trade credit and trade debt

Trade credit (Please indicate average for 2006)

Amount of trade credit⁽¹⁾ (€ thousands) _____ Average duration of contract in days ... _____

Composition of trade credit by type of contract/effective terms of payment:

net terms ⁽²⁾ _____ %	paid by deadline _____ %	
two-part terms ⁽³⁾ _____ %	paid over deadline _____ %	average delay in _____ days
Total 1 0 0 %	Total 1 0 0 %	

Trade debt (Please indicate average for 2006)

Amount of trade debt⁽⁴⁾ (€ thousands) _____ Average actual duration in days _____

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days instead of 40 days after delivery). - (3) The extension of payment entailed a cost for the purchaser, in the sense of forgoing a discount or a complimentary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

PART F - Financing

Please state whether, **at the terms and conditions (cost and collateral) currently applied**, the firm would like to borrow more from banks or other lenders..... yes no

If yes, please say:

- whether the firm would be willing, at present, to pay a higher rate of interest or even to accept worse terms and conditions in order to borrow more..... no yes
- why do you think the firm has not been able so far to borrow as much as it would like? (only one answer possible)
- no banks or other lenders have been contacted for that purpose because it is assumed they will answer no to any request for more financing no yes
- no banks or other lenders have been contacted yet for other reasons no yes
- the lenders that have been contacted are not willing to increase the volume of lending to the firm no yes

PART G - Competitiveness and productivity

Where are your **main competitors** located?
(1=same region of Italy; 2=other regions; 3=Euro-area countries; 4=other European countries; 5=USA-Canada; 6=China; 7=other)

How would you describe your **present** overall position in relation to your main competitors?.....
(1=very weak; 2=weak; 3=equal; 4=strong; 5=very strong)

Do you have internal indicators of **productivity**? yes no

If you answered yes to the previous question, please indicate the percentage change in average labour productivity from 2005 to 2006? %

PART H - Corporate strategy (firms set up before 2000)

Regarding your product range, please indicate the main goods produced now compared with 2000
(1=similar products, from the same sector; 2=different products, but from a related sector; 3=very different products, from a completely different sector)

Did the firm purchase patents from other firms in 2000-2006?..... yes no

If the firm belongs to a **group** and the answer to the previous question is **yes**, please indicate what percentage of these patents was purchased from firms in the same group?..... %

Please indicate the percentage of turnover from the following:

- products under own trademark
- products with no trademark.....
- manufacture under licence of other trademarks.....
- Total**.....

2000				2006			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%
1	0	0	%	1	0	0	%

In 2000-2006 did you produce **goods** and **services** abroad? (through ownership/control of foreign firms, ownership of local production units without separate legal status) yes no

Please state the activity, number of employees and turnover of owned/controlled firms or foreign production units

Year	Main activity ⁽¹⁾	Employees abroad	Turnover abroad (€ thousand)
2000.....	<input type="checkbox"/>		
2006.....	<input type="checkbox"/>		

(1) 1=production; 2=design, research or similar; 3=selling, technical assistance or similar.

What role did the following factors play in your decision to **internationalise** your activity? ⁽¹⁾

- favourable legislation and taxation - lower cost of labour - proximity of sales markets
- other (please specify) ☞ _____

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable.

Please name the **3 countries** in which you have the **greatest presence** (in terms of number of employees in the year)

2000 1 2 3 **2006** 1 2 3

In 2000-2006 have you entered into major collaboration agreements with foreign firms? yes no

Year	Commercial agreements	Technical/production agreements	Joint R&D activities
2000.....	no yes <input type="checkbox"/> Area ^{(1) (2)}	no yes <input type="checkbox"/> Area ^{(1) (2)}	no yes <input type="checkbox"/> Area ^{(1) (2)}
2006.....	no yes <input type="checkbox"/> Area ^{(1) (2)}	no yes <input type="checkbox"/> Area ^{(1) (2)}	no yes <input type="checkbox"/> Area ^{(1) (2)}

(1) Please indicate the location of the firms. - (2) 3=Euro-area countries; 4=other European countries; 5=USA-Canada; 6=China; 7=other.

Which of the following statements best describes your firm's behaviour 2000-2006?.....

(1=change of strategy; 2= change of strategy, mainly involving substantial changes in the **range of products**; 3= change of strategy, mainly by increasing investment in **own trademark**; 4= change of strategy, mainly by acquiring a **presence abroad**)

Finally, do you think turnover in 2006 has been influenced more by your strategy than by the **trend** of demand? yes no

PART I - Governance and size

Is your firm owned by a legal person or owned or controlled by a family?..... yes no

If yes, is the Managing Director (the person running the firm)

1=the person or a member of the family that owns or controls the firm; 2=a manager recruited from outside the firm; 3=a manager chosen from within the firm?

Please give the following information about the MD ⁽¹⁾
 Nationality⁽²⁾ Sex⁽³⁾ Age Qualification⁽⁴⁾

(1) In the case of firms not run by a person or family, enter the details of the CEO . - (2) 1=Italian, 2=Euro area, 3=Rest of the world. - (3) 1=Male; 2=Female. - (4) 1=primary and middle school; 2=senior school; 3=university degree (BA or over); 4= post-graduate management course of 3 months or more at Italian or foreign university; 5=other post-graduate qualification.

Do you think the firm's present **size** is adequate compared with that of competitors?
 (1=no, the firm is too small; 2= no, the firm is too large; 3=yes, the firm's size is adequate)

- a) If the answer is 'too small', indicate the main impediment to growth (one answer only)**
- lack of funds 1
 - legal limitations or red tape 2
 - insufficient managerial or organisational resources 3
 - other (please specify) 4

- b) If the answer is 'too small' and you have ticked 'lack of funds' as the reason, please explain by distributing 100 points among the following options**
- difficulty or unwillingness to resort to banks or the bond market
 - difficulty introducing new shareholders or resorting to a private equity fund or the share market
 - unwillingness to introduce new shareholders or resort to a private equity fund or the share market for fear of loss of control or interference.....
 - other (please specify)
 - Total** 1 0 0

If the answer is 'too small', have you in the past 10 years passed up a real opportunity to expand (e.g. by buying up another firm)?..... no yes

In the past 10 years, have you ever rejected an offer to buy the firm? (regardless of your opinion regarding the firm's size)..... no yes

PART J – Real assets, human resources and software

Compared with competitors, does your existing stock of machinery and equipment use sufficiently adequate technology?

no yes

If not, what is the reason?

- difficulty adapting existing production processes and organisation to new techniques no yes
- impossible to exploit new machinery fully because of the scale of production..... no yes
- other (please specify) ☞ _____ no yes

Please indicate the percentage of graduate staff in your total average workforce in 2006 _____ %

When recruiting **university** graduates on their **first or second job**, how much importance do you assign to the following criteria?⁽¹⁾

- place of origin - psycho-attitudinal profile.....
- work experience, if any - post-graduate qualification⁽²⁾
- reputation of university attended

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable. - (2) Including 5-year university degree, old-style university degree, Italian MA or PhD, foreign MA or PhD.

Does your firm have **ERP** management software? (see instructions) no yes

PART K - Electricity supply (except electricity producers and suppliers)

Please indicate the cost of **electricity** as a proportion of total costs in 2006 (see instructions) .. _____ . _____ %

How important were the following considerations when choosing your present supplier? ⁽¹⁾

- economical price - good terms of payment - quality of service
- other (please specify) ☞ _____

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable.

Is your principal electricity supplier still the former monopoly holder? yes no

How would you rate the effort involved in completing the questionnaire? modest average large excessive

Comments: _____

Wages and salaries in 2006

Total gross annual wages per capita (€)⁽¹⁾

Minimum national contract wage (€)⁽²⁾

(approximate per cent of total)

Workers & apprentices	Clerks & managers	General average
%	%	%

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost-of-living allowance, 13th month's pay (*tredicesima*) and other additional months' pay, meal allowance, overtime, and shift allowance.

Please indicate share of labour costs in total costs in 2006 (*see instructions*) | | | %

PART C - Gross fixed investment in Italy (please enter amounts in € thousands; enter 0 for no investments)

	2005	2006	2007 projection
Total expenditure on tangible assets ⁽¹⁾			
- of which: property			
Total expenditure on software, databases and mineral exploration ⁽²⁾			

	2006/2005		2007/2006 projection	
Average annual percentage change in prices of tangible assets purchased .....	| | | %	| | | %	| | | %	| | | %
Average annual percentage change in prices of software, databases and mineral exploration purchased ⁽²⁾	%	%	%	%

(1) Tangible assets include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature and art.

Did you switch over to the new accounting criteria for investment in 2006 (the new **IFRS/IAS** standards)?
(answer 'no' if you adopted the new criteria before 2006; see the instructions) no yes

Geographical distribution of workforce and total fixed investment in 2005 and 2006 and projection for 2007

	Average workforce			Total gross fixed investment		
	2005	2006	2007 (proj.)	2005	2006	2007 (proj.)
North-West ⁽¹⁾	%	%	%	%	%	%
North-East ⁽²⁾	%	%	%	%	%	%
Centre ⁽³⁾	%	%	%	%	%	%
South and Islands ⁽⁴⁾	%	%	%	%	%	%
Total	100 %	100 %	100 %	100 %	100 %	100 %
Same region ⁽⁵⁾	%	%	%	%	%	%

(1) North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria. - (2) North-East = Veneto, Trentino-Alto Adige, Friuli Venezia Giulia and Emilia Romagna. - (3) Centre = Tuscany, Umbria, Le Marche and Lazio. - (4) South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. - (5) Same region as the location of the registered office.

PART D - Turnover, prices and operating result

Turnover (€ thousand)	2005	2006	2007 projection
Turnover from sales of goods & services in year			
- of which: exports ⁽¹⁾	%	%	%

(1) Sales to non-residents within the country.

	2006/2005		2007/2006 projection	
Average annual percentage change in prices of goods and services sold (Italy and abroad) .....	| | | . | | | %	| | | . | | | %	| | | . | | | %	| | | . | | | %
Please describe the firm's operating result for 2006	<input type="checkbox"/> 1 large profit	<input type="checkbox"/> 2 moderate profit	<input type="checkbox"/> 3 broad balance	<input type="checkbox"/> 4 moderate loss
	<input type="checkbox"/> 5 large loss			

PART E - Financing

Please state whether, **at the terms and conditions (cost and collateral) currently applied**, the firm would like to borrow more from banks or other lenders yes no

If yes, please say:

- whether the firm would be willing, at present, to pay a higher rate of interest or even to accept worse terms and conditions in order to borrow more..... no yes
- why do you think the firm has not been able so far to borrow as much as it would like? *(only one answer possible)*
 - no banks or other lenders have been contacted for that purpose because it is assumed they will answer no to any request for more financing no yes
 - no banks or other lenders have been contacted yet for other reasons no yes
 - the lenders that have been contacted are not willing to increase the volume of lending to the firm no yes

Source of finance

	2005	2006	2007 projection
Self-financing ⁽¹⁾ (+/-) (€ thousands).....	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) Please use the minus sign ('-') in case of negative self-financing. For the definition of self-financing see the instructions.

For each of the following items, please say if there is any change with respect to the amounts outstanding at end of the preceding year and indicate how much.

(for a **negative** change please write 1=over -20%, 2=from -20% to -1.1 %, 3=from -10% to -5.1%, 4=from -5% to -0.%; for a **positive** change please write 5=from 0.1% to 5%, 6=from 5.1% to 10%, 7=from 10.1% to 20%, 8=over 20%)

	2006		2007 projection	
Equity capital ⁽¹⁾	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes
of which: <i>private equity funds</i> ⁽²⁾	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes
Bonds and other medium/long-term securities ⁽³⁾	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes
Other ⁽³⁾	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes
Bank borrowing	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes

(1) Please consider only changes due to issues and redemptions of capital equities. Changes are negative in the case of redemptions. - (2) Minority stakeholders in unlisted firms that generally participate actively in the firm's management. - (3) Changes are negative for firms that **overall** reimburse bonds and/or securities.

PART F - Competitiveness and productivity

Where are your **main competitors** located?
 (1=same region of Italy; 2=other regions; 3=Euro-area countries; 4=other European countries; 5=USA-Canada; 6=China; 7=other)

How would you describe your **present** overall position in relation to your main competitors?.....
 (1=very weak; 2=weak; 3=equal; 4=strong; 5=very strong)

Do you have internal indicators of **productivity**? yes no

If you answered yes to the previous question,

please indicate the percentage change in average labour productivity from 2005 to 2006 %

PART G - Corporate strategy (firms set up before 2000)

In 2000-2006 did you produce **goods** and **services** abroad? (*through ownership/control of foreign firms, ownership of local production units without separate legal status*) yes no

Did you enter into major collaboration agreements with foreign firms in 2000-2006? yes no

Which of the following statements best describes your firm's behaviour in 2000-2006?

(1= no change of strategy; 2= change of strategy, mainly involving substantial changes in the **range of products**; 3= change of strategy, mainly by increasing investment in **own trademark**; 4= change of strategy, mainly by acquiring a **presence abroad**)

Finally, do you think turnover in 2006 has been influenced more by your strategy than by the **trend** of demand? yes no

PART H – Governance and size

Is your firm owned by a legal person or owned or controlled by a family? yes no

If yes, is the Managing Director (the person running the firm)

1=the person or a member of the family that owns or controls the firm; 2=a manager recruited from outside the firm; 3=a manager chosen from within the firm?

Please give the following information about the MD ⁽¹⁾

Nationality⁽²⁾ Sex⁽³⁾ Age Qualification⁽⁴⁾

(1) In the case of firms not run by a person or family, enter the details of the CEO. - (2) 1=Italian, 2=Euro area, 3=Rest of the world. - (3) 1=Male; 2=Female. - (4) 1=primary and middle school; 2=senior school; 3=university degree (BA or over); 4= post-graduate management course of 3 months or more at Italian or foreign university; 5=other post-graduate qualification.

Do you think the firm's present **size** is adequate compared with that of competitors?

(1=no, the firm is too small; 2= no, the firm is too large; 3=yes, the firm's size is adequate)

a) If the answer is 'too small', indicate the main impediment to growth (one answer only)

lack of funds 1

legal limitations or red tape 2

insufficient managerial or organisational resources 3

other (please specify) ☞ 4

b) If the answer is 'too small' and you have ticked 'lack of funds' as the reason, please explain by distributing 100 points among the following options

difficulty or unwillingness to resort to banks or the bond market

difficulty introducing new shareholders or resorting to a private equity fund or the share market

unwillingness to introduce new shareholders or resort to a private equity fund or the share market for fear of loss of control or interference.....

other (please specify) ☞

Total 1 0 0

If the answer is 'too small', have you *in the past 10 years* passed up a real opportunity to

expand (e.g. by buying up another firm)? no yes

In the past 10 years, have you ever rejected an offer to buy the firm?

(regardless of your opinion regarding the firm's size) no yes

PART I – Human resources and organisation

Please indicate the percentage of graduate staff in your total average workforce in 2006 %

When recruiting **university** graduates on their **first or second job**, how much importance do you assign to the following criteria? ⁽¹⁾

- place of origin - psycho-attitudinal profile.....

- work experience, if any - post-graduate qualification⁽²⁾

- reputation of university attended

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable. - (2) Including 5-year university degree, old-style university degree, Italian MA or PhD, foreign MA or PhD.

Does your firm have **ERP** management software? (see instructions) no yes

PART J – Electricity supply and professional services

Please indicate the cost of **electricity** as a proportion of total costs in 2006 (see instructions) %

How important were the following considerations when choosing your present supplier? ⁽¹⁾

- economical price - good terms of payment - quality of service

- other (please specify) ☞

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable.

Is your **principal electricity supplier** still the former monopoly holder? yes no

Please provide the following information for each of the following **professional** services in 2006

	Were the services provided mainly by employees of the firm?			If the answer to the previous question is no, please indicate:				
				the cost as a percentage of total costs in 2006 (see instructions)		whether a fixed fee was charged		
Legal services	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> yes	<input type="checkbox"/> no
Bookkeeping	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> yes	<input type="checkbox"/> no
Engineers & architects.....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> yes	<input type="checkbox"/> no
Other professional services	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> yes	<input type="checkbox"/> no
Total	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> yes	<input type="checkbox"/> no

PART K – Trade credit and trade debt

Trade credit (Please indicate average for 2006)

Amount of trade credit ⁽¹⁾ (€ thousands) Average duration of contract in days

Composition of trade credit by type of contract/effective terms of payment

net terms ⁽²⁾ <input type="text"/> %	paid by deadline	<input type="text"/> %	
two-part terms ⁽³⁾ <input type="text"/> %	paid over deadline	<input type="text"/> %	⇒ average delay in days <input type="text"/>
Total credit 1 0 0 %	Total credit	1 0 0 %	

Trade debt (Please indicate average for year)

Amount of trade debt⁽⁴⁾ (€ thousands) Actual average duration in days

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. – (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days instead of 40 days after delivery). – (3) The extension of payment entailed a cost for the purchaser, in the sense of forgoing a discount or a complimentary offer and/or of having to pay a higher price or a rate of interest. – (4) Average yearly amount outstanding.

PART L – Consumer credit

Does your firm also operate in the retail trade sector? yes no

If yes,

1) assuming that sales in 2006 total 100, very approximately, **how are customers' payments distributed among the following?**

a) cash and debit card	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
b) credit card	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
c) payment by instalment arranged through a finance company	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Total	1	0	0	%

If sales are paid in instalments through a finance company (answer **c** to question 1)

2) apart from the advantages in terms of sales volumes, what is the main economic effect for your firm of offering **payment by instalment**?

(If more than one finance company is used, refer to the main one)

(1=negative, the retailer bears all or part of the credit given to the customer; 2=none; 3=positive, part of the revenues of the finance company are passed back to the firm).

3) please indicate the type of **financial intermediary used to arrange the payment by instalment**? (if more than one finance company is used, refer to the main one – for a list see the instructions)

Bank	<input type="checkbox"/> no	<input type="checkbox"/> yes	main	Finance company	<input type="checkbox"/> no	<input type="checkbox"/> yes	main
		<input type="checkbox"/>	intermediary			<input type="checkbox"/>	intermediary

4) Does only **one company finance** all payments by instalment? yes no

If yes,

is this because the intermediary requested it? yes no

How would you rate the effort involved in completing the questionnaire? .. modest average large excessive

Comments: _____

Survey of service firms – 2006

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in the services sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and appropriate devices will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy.

PART A - General information

Bank of Italy codes: Branch code Firm code
 (to be entered by BI branch) Registered office Type (sub-group)⁽¹⁾

Tax identification number

Name of firm

Legal status
 Public company SRL SPA SAPA SCRL SCRI SAS SNC Other

for SPA (public limited company) only: Did the firm adopt a governance model other than the traditional one?

no yes dualistic monistic

Branch of activity - Istat Ateco2002⁽²⁾ Year founded

Does the firm belong to a group? yes no

If the firm belongs to a group (i.e. a set of firms directly or indirectly controlled – through one or more chains of control – by the same legal persons or the same public entity)

Is the firm the parent company? .. yes no Name of parent company

Name of group

Nationality of group
 Italian Other EU on 31-12-03 New EU member Rest of world

Was the firm involved in extraordinary operations in 2006? yes no

If yes, are you able to provide homogenous data for 2005 and 2006? (*see instructions*) yes no

(1) See Centrale dei Rischi. *Nuova classificazione della clientela bancaria*, 1991. - (2) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002.

PART B - Workforce and wages

(number)	Total workforce	Total workers & apprentices	Total fixed-term contracts	Total non-EU workforce
<u>2005</u> Average workforce				
- of which: <i>part-time</i>				
Workforce at end of year				
Hirings				
Terminations				
<u>2006</u> Average workforce				
- of which: <i>part-time</i>				
Workforce at end of year				
Hirings				
Terminations				
<u>2007</u> Average workforce (<i>projection</i>)				

Total actual hours worked by payroll employees

- of which: **per cent** overtime

Cost of **freelance collaborators**⁽¹⁾ (% of total cost of Payroll employees)

	2005	2006
	<input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> . <input type="text"/> %
	<input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> . <input type="text"/> %

(1) The item includes collaboration contracts, occasional freelance contracts (with VAT) and project contracts..

Wages and salaries in 2006

Total gross annual wages per capita (€)⁽¹⁾

Minimum national contract wage (€)⁽²⁾

(approximate per cent of total)

Workers & apprentices	Clerks & managers	General average
%	%	%

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost-of-living allowance, 13th month's pay (*tredecimesima*) and other additional months' pay, meal allowance, overtime, and shift allowance.

Please indicate share of labour costs in total costs in 2006 (*see instructions*) | | | %

PART C - Gross fixed investment in Italy (please enter amounts in € thousands; enter 0 for no investments)

	2005	2006	2007 projection
Total expenditure on tangible assets ⁽¹⁾			
- of which: property			
Total expenditure on software, databases and mineral exploration ⁽²⁾			

(1) Tangible assets include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature and art.

PART D - Turnover, prices and operating result

Turnover (€ thousand)	2005	2006	2007 projection
Turnover from sales of goods & services in year			
- of which: exports ⁽¹⁾	%	%	%

(1) Sales to non-residents within the country.

Please describe the firm's **operating result** for 2006?.....

<input type="checkbox"/> 1	large profit	<input type="checkbox"/> 2	moderate profit
<input type="checkbox"/> 3	broad balance	<input type="checkbox"/> 4	moderate loss
		<input type="checkbox"/> 5	large loss

PART E - Financing

Please state whether, **at the terms and conditions (cost and collateral) currently applied**, the firm would like to borrow more from banks or other lenders yes no

If yes, please say

- whether the firm would be willing, at present, to pay a higher rate of interest or even to accept worse terms and conditions in order to borrow more..... no yes
- why do you think the firm has not been able so far to borrow as much as it would like? (only one answer possible)
- no banks or other lenders have been contacted for that purpose because it is assumed they will answer no to any request for more financing no yes
- no banks or other lenders have been contacted yet for other reasons no yes
- the lenders that have been contacted are not willing to increase the volume of lending to the firms no yes

PART F - Competitiveness and productivity

Where are your **main competitors** located? | | |
 (1=same region of Italy; 2=other regions; 3=Euro-area countries; 4=other European countries; 5=USA-Canada; 6=China; 7=other)

How would you describe your **present** overall position in relation to your main competitors?..... | |
 (1=very weak; 2=weak; 3=equal; 4=strong; 5=very strong)

Do you have internal indicators of **productivity**? yes no

If you answered yes to the previous question, please indicate the percentage change in average labour productivity from 2005 to 2006 | | | | | %

PART G – Corporate strategy (firms set up before 2000)

In 2000-2006 did you produce **goods** and **services** abroad? (through ownership/control of foreign firms, ownership of local production units without separate legal status) yes no

Did you enter into major collaboration agreements with foreign firms in 2000-2006? yes no

Which of the following statements best describes your firm's behaviour in 2000-2006?
 (1= no change of strategy; 2= change of strategy, mainly involving substantial changes in the **range of products**; 3= change of strategy, mainly by increasing investment in **own trademark**; 4= change of strategy, mainly by acquiring a **presence abroad**)

Finally, do you think turnover in 2006 has been influenced more by your strategy than by the **trend** of demand? yes no

PART H – Governance and size

Is your firm owned by a legal person or owned or controlled by a family? yes no

If yes, is the Managing Director (the person running the firm)
 1=the person or a member of the family that owns or controls the firm; 2=a manager recruited from outside the firm; 3=a manager chosen from within the firm?

Please give the following information about the MD ⁽¹⁾

Nationality⁽²⁾ Sex⁽³⁾ Age Qualification⁽⁴⁾

(1) In the case of firms not run by a person or family, enter the details of the CEO . - (2) 1=Italian, 2=Euro area, 3=Rest of the world. - (3) 1=Male; 2=Female. - (4) 1=primary and middle school; 2=senior school; 3=university degree (BA or over); 4= post-graduate management course of 3 months or more at Italian or foreign university; 5=other post-graduate qualification.

Do you think the present **size** of the firm is adequate compared with that of competitors?
 (1=no, the firm is too small; 2= no, the firm is too large; 3=yes, the firm's size is adequate)

a) If the answer is 'too small', indicate the main impediment to growth: (one answer only)

lack of funds 1

legal limitations or red tape 2

insufficient managerial or organisational resources 3

other (please specify) ☞ 4

b) If the answer is 'too small' and you have ticked 'lack of funds' as the reason, please explain by distributing 100 points among the following options

difficulty or unwillingness to resort to banks or the bond market	<input type="text"/>	<input type="text"/>	<input type="text"/>
difficulty introducing new shareholders or resorting to a private equity fund or the share market	<input type="text"/>	<input type="text"/>	<input type="text"/>
unwillingness to introduce new shareholders or resort to a private equity fund or the share market for fear of loss of control or interference.....	<input type="text"/>	<input type="text"/>	<input type="text"/>
other (please specify) ☞	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	1	0	0

If the answer is 'too small', have you *in the past 10 years* passed up a real opportunity to expand (e.g. by buying up another firm)?..... no yes

In the past 10 years, have you ever rejected an offer to buy the firm? (regardless of your opinion regarding the firm's size) no yes

PART I – Human resources and organisation

Please indicate the percentage of graduate staff in your total average workforce in 2006 %

When recruiting **university** graduates on their **first or second job**, how much importance do you assign to the following criteria? ⁽¹⁾:

- place of origin	<input type="text"/>	- psycho-attitudinal profile.....	<input type="text"/>
- work experience, if any	<input type="text"/>	- post-graduate qualification ⁽²⁾	<input type="text"/>
- reputation of university attended	<input type="text"/>		

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable. - (2) Including 5-year university degree, old-style university degree, Italian MA or PhD, foreign MA or PhD.

Does your firm have **ERP** management software? (see instructions) no yes

PART J - Electricity supply

Please indicate the cost of **electricity** as a proportion of total costs in 2006 (*see instructions*) | | , | %

How important were the following considerations when choosing your present supplier? ⁽¹⁾

- economical price - good terms of payment - quality of service
 - other (*please specify*)

(1) 1=not important; 2=not very important; 3=important; 4=very important; 8=not applicable.

Is your **principal electricity supplier** still the former monopoly holder? yes no

PART K - Trade credit and trade debt

Trade credit (*Please indicate average for 2006*)

Amount of trade credit ⁽¹⁾ (**€ thousands**)..... | **Average** duration of contract in days

Composition of trade credit by type of contract/effective terms of payment

net terms ⁽²⁾	<input type="text"/> <input type="text"/> <input type="text"/> %	paid by deadline	<input type="text"/> <input type="text"/> <input type="text"/> %	
two-part terms ⁽³⁾	<input type="text"/> <input type="text"/> <input type="text"/> %	paid over deadline	<input type="text"/> <input type="text"/> <input type="text"/> %	⇒ average delay in days <input type="text"/>
Total credit	1 0 0 %	Total credit	1 0 0 %	

Trade debt (*Please indicate average for year*)

Amount of trade debt⁽⁴⁾ (**€ thousands**) | **Actual average** duration in days

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days instead of 40 days after delivery). - (3) The extension of payment entailed a cost for the purchaser, in the sense of forgoing a discount or a complimentary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

PART L - Consumer credit

Does your firms also operate in the retail trade sector? yes no

If yes:

1) assuming that sales in 2006 total 100, very approximately **how are customers' payments distributed among the following**

a) cash and debit card	<input type="text"/> <input type="text"/> <input type="text"/> %
b) credit card	<input type="text"/> <input type="text"/> <input type="text"/> %
c) payment by instalment arranged through a finance company	<input type="text"/> <input type="text"/> <input type="text"/> %
Total	1 0 0 %

If sales are paid in instalments through a finance company (answer **c** to **question 1**)

2) apart from the advantages in terms of sales volumes, what is the main economic effect for your firm of offering **payment by instalment**?

(*If more than one finance company is used, refer to the main one*)
 (1=negative, the retailer bears all or part of the credit given to the customer; 2=none; 3=positive, part of the revenues of the finance company are passed back to the firm).

3) please indicate the type of **financial intermediary used to arrange the payment by instalment**? (*if more than one finance company is used, refer to the main one - for a list see the instructions*)

Bank	<input type="text"/> no <input type="text"/> yes	main	Finance company	<input type="text"/> no <input type="text"/> yes	main
		intermediary			intermediary

4) Does only **one company finance** payments by instalment? yes no

If yes,
 is this because the intermediary concerned requested it? yes no

How would you rate the effort involved in completing the questionnaire? .. modest average large excessive

Comments: _____

BANCA D'ITALIA

Survey of construction and public works – 2006

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in the construction sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and appropriate devices will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy.

PART A - General information

Bank of Italy codes: Branch code Firm code.....

(to be entered by BI branch)

Tax identification number

Name of firm

Legal status
SRL SPA SAPA SCRL SCRI SAS SNC Other

Branch of activity - Istat Ateco2002⁽¹⁾

Was the firm involved in extraordinary operations in 2006? ⁽²⁾ yes no

If yes, are you able to provide homogenous data for 2005 and 2006? (*see instructions*) yes no

(1) See. ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002. – (2) Splits, incorporations, mergers, capital contributions or transfers of assets.

Does the firm belong to a group? yes no

If the firm belongs to a group (i.e. a set of firms directly or indirectly controlled – through one or more chains of control – by the same legal persons or the same public entity)

Is the firm the parent company? ... yes no

Name of parent company

Name of group

Nationality of group
Italian Other EU on 31-12-03 New EU member Rest of world

Was the firm a member of one or more consortiums in 2006? yes no

Name of the main consortium

PART B – Workforce and output

Average workforce (number)

of which: from new EU member countries

non-EU

on fixed-term contract

Value of production (€ thousand)

	2005	2006	2007 (projection)
Average workforce (number)			
of which: from new EU member countries			
non-EU			
on fixed-term contract			
Value of production (€ thousand)			

PART C – Financing and turnover

Please state whether, **at the terms and conditions (cost and collateral) currently applied**, the firm would like to borrow more from banks or other lenders..... yes no

If yes, please say

- whether the firm would be willing, at present, to pay a higher rate of interest or even to accept worse terms and conditions in order to borrow more..... no yes

- why do you think the firm has not been able so far to borrow as much as it would like?

(only one answer possible)

- no banks or other lenders have been contacted for that purpose because it is assumed they will answer no to any request for more financing no yes

- no banks or other lenders have been contacted yet for other reasons..... no yes

- the lenders that have been contacted are not willing to increase the volume of lending to the firm no yes

Please describe the firm's **operating result** for 2006

Legend: 1 = large loss; 2 = moderate loss; 3 = balance; 4 = moderate profit; 5 = large profit.

Was the company active in the public works sector in 2006?

(end of interview if answer to previous question is 'no')

yes no

PART D – Value of public works constructed in Italy

	2005	2006	2007 (projection)
Value of public works constructed (€ thousand)			
Share of public works sub-contracted from other firms	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Share of projects assigned to firm and sub-contracted to other firms	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

PART E – Public works projects in Italy

Construction of public works	2006	2007 (projection)
- completion of projects begun in previous years	<input type="text"/> %	<input type="text"/> %
- continuation of projects begun in previous years for completion in later years	<input type="text"/> %	<input type="text"/> %
- projects begun during the current year	<input type="text"/> %	<input type="text"/> %
Total	100 %	100 %

Distribution of public works projects over the following areas	2006	2007 (projection)
- North-West ⁽¹⁾	<input type="text"/> %	<input type="text"/> %
- North-East ⁽²⁾	<input type="text"/> %	<input type="text"/> %
- Centre ⁽³⁾	<input type="text"/> %	<input type="text"/> %
- South and Islands ⁽⁴⁾	<input type="text"/> %	<input type="text"/> %
Total	100 %	100 %
- same region ⁽⁵⁾	<input type="text"/> %	<input type="text"/> %

(1) North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria. – (2) North-East = Veneto, Trentino-Alto Adige, Friuli Venezia Giulia and Emilia Romagna. – (3) Centre = Tuscany, Umbria, Le Marche and Lazio. – (4) South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. – (5) Same region as the location of the registered office.

PART F - Impediments to construction of public works and prevalence of public-private sector partnerships

Please indicate whether and to what extent the following factors constitute in the immediate future (*i.e. within the next 6 months*) **impediments** to your firm operating in the **public works** sector? *Tick no more than 3 answers as very important factors (1=not an impediment; 2=small impediment; 3=major impediment).*

- uncertainty regarding national legislation (or regional legislation in the case of regions with a special statute)
- local administration/red tape
- uncertainty and/or delays in the allocation/disbursement of funds.....
- difficulty recruitment workforce.....
- difficulty obtaining bank loans
- prices too low (e.g. excessive discounts offered in an auction).....
- other (please specify) ☞

Forms of 'public-private sector partnership'⁽¹⁾ and proportion in public works contracts in Italy

	2006		2007 (projection)	
Project financing ⁽²⁾	no	yes ☞	<input type="text"/> %	<input type="text"/> %
Concession ⁽³⁾	no	yes ☞	<input type="text"/> %	<input type="text"/> %
Leasing ⁽⁴⁾	no	yes ☞	<input type="text"/> %	<input type="text"/> %
Other forms ⁽⁵⁾ (please specify) ☞	no	yes ☞	<input type="text"/> %	<input type="text"/> %

(1) Contribution of private capital in the design, construction and management of public works or services. – (2) Per Art. 37.bis ff. of Law 109/94, as amended. – (3) Per Art. 19 of Law 109/94, as amended. Through the medium of a private sector 'promoter'. – (4) Contract whereby a finance company leases to a public authority a good purchased or produced at the request of that authority, which, when the lease period expires, can either return the good or acquire ownership of it by paying an additional sum. – (5) Such as mixed public and private companies and other specifically regulated arrangements.

Average time in 2006 between the publication of a call for tenders and the start of construction work (months).....

We thank you for your co-operation. Please enter below the contact details of the person to be contacted for clarifications

(Name and surname)	☎ (telephone)
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Stampa su carta riciclata