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

The survey report has been prepared by Raffaele Tartaglia Polcini and Giordano Zevi. Stefania Coscarella is the editorial assistant for the Italian version.

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

SURVEY ON INFLATION AND GROWTH EXPECTATIONS

1. Introduction

The interviews for the December 2008 edition of the Bank of Italy–*Il Sole 24 Ore* quarterly survey on inflation and growth expectations were carried out between 3 and 19 December 2008. A total of 466 companies with at least 50 employees participated in the survey, 274 of which operate in the industrial sector and 192 in the services sector.

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

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

2. Main Findings

Changes in companies' selling prices

In December, companies report a 1.8 per cent increase in their selling prices in the past 12 months (2.5 for industry excluding construction and 2.6 in the North East), more than 1 percentage point less than the figure reported in September and fairly close to expectations expressed in December 2007 (1.7 per cent; Figure 1 and Table 13). For the next twelve months, they plan a rise of 0.5 per cent, which is measurably lower than in the last survey, when the corresponding figure was 2.4 per cent. Companies report that their prices will be driven down by competitors' pricing and, especially for industry, by changes in demand (Table 14).

Expectations of consumer price inflation in Italy

Inflation expectations for December 2009 are now down about one percentage point with respect to expectations for September 2009, reported three months ago. The increase in consumer prices would set up to 2.8 per cent (Table 1), a figure higher than those reported by professional forecasters, plausibly reflecting an influence on firms' expectations of latest official data available at the time of the interview (Figure 2).

In December 2008, consumer inflation was at 2.3 per cent, 0.3 percentage points lower than expectations expressed by firms in December 2007 (Figure 3)¹.

As regularly seen, companies expect their prices to increase by less than the general inflation rate projected for the next 12 months. With respect to the past, companies usually report lower price changes than the general inflation rate (Figure 4).

Assessment of the economic situation

The companies' assessments of recent trends in the general economic situation keep worsening vis-à-vis September 2008: 87.4 per cent of the companies interviewed think that the economic situation in Italy is worse than three months ago (was 56.1 in September), against 12 per cent thinking there has been no change (Table 2). Those reporting an improved overall economic situation are a negligible share. Firms having their headquarters in the Centre report a relatively less pessimistic view (17.8 per cent think the situation has not worsened with respect to September). 70.8 per cent evaluate the probability of an improvement in the next three months at zero and 23.8 per cent indicate a probability between 1 and 25 per cent (Table 3). Relatively less pessimistic expectations are reported by bigger firms (with at least 1,000 employees) and in the Centre.

¹ Provisional data.

Business climate

With respect to the preceding wave of the survey the percentage of firms envisaging a worsening of the business climate has risen significantly (66.3 per cent, from 38 per cent in September) while the percentage of firms foreseeing a better climate reduces to a very modest 1.5 per cent (from 6.2 per cent; Table 5). 32.2 per cent consider the business climate unchanged in the next three months (was 55.8 per cent). Opinions are particularly negative among firms in the South, where 79.5 per cent expect a deterioration.

Economic prospects are affected above all by trends in demand (with a higher score with respect to September; Table 7), in labour costs and in credit conditions (with a lower score with respect to September); only firms located in the South indicate a non-negligible effect of costs of raw materials.

Expectations with regard to the business situation in the next three years are overall positive: 48.7 per cent of companies expect an improvement, compared with 48.6 per cent in September, and 24.3 per cent expect conditions to worsen, against 20.4 per cent in September (Table 8). Industrial firms and those with at least 200 employees show a greater share (above 50 per cent) of those expecting an improvement in the next three years, while companies expecting a deterioration prevail in the North East and the South (about 27 per cent).

Investment climate

Some 65.6 per cent of companies (38.4 in September) judge that the investment climate has worsened in the last three months, 25.8 per cent (57.9 in September) consider it unchanged and the remaining 8.6 per cent (3.7 in September) think it has improved (Table 9). Compared with the previous quarter, the balance shifts from -34.7 to -57 percentage points. Opinions are particularly negative among firms located in the Centre and the South (where only 2 per cent judge that the climate has improved, as compared to 11.6 per cent in the North) and among bigger firms, 70 per cent of which indicate a deterioration.

Credit conditions

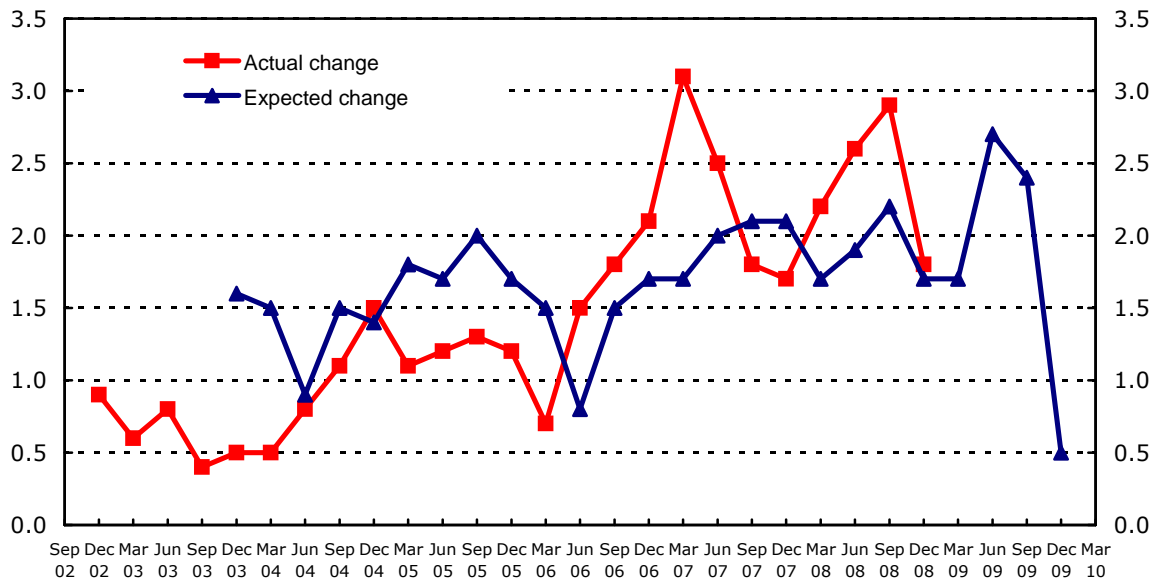
At the moment of the interviews, 56.6 per cent of companies report unchanged credit conditions with respect to September 2008 (Table 10). Access to credit has become more difficult than in the previous quarter according to 40.6 per cent of companies (compared with 26.7 per cent in the last survey); 2.8 per cent think that credit conditions have improved (was 1.5 per cent). The gap between positive and negative responses from companies has widened to -37.8 from -25.2 percentage points overall in September 2008 and is highest among companies located in the Centre (-49.4) and in the South (-43), lowest in the North East (-26 percentage points).

Employment situation

The share of companies expecting to reduce their total workforce in the next three months outweighs the share forecasting an increase (39.3 per cent and 5.4 per cent respectively; Table 12). The balance of forecasts of an increase and a reduction is still negative and has deteriorated since September 2008 (-33.9 against -12.7 percentage points). Balance is lowest (-17.6 percentage points) for firms with at least 1000 employees. Opinions remain more pessimistic among industrial firms than in services.

Figure 1

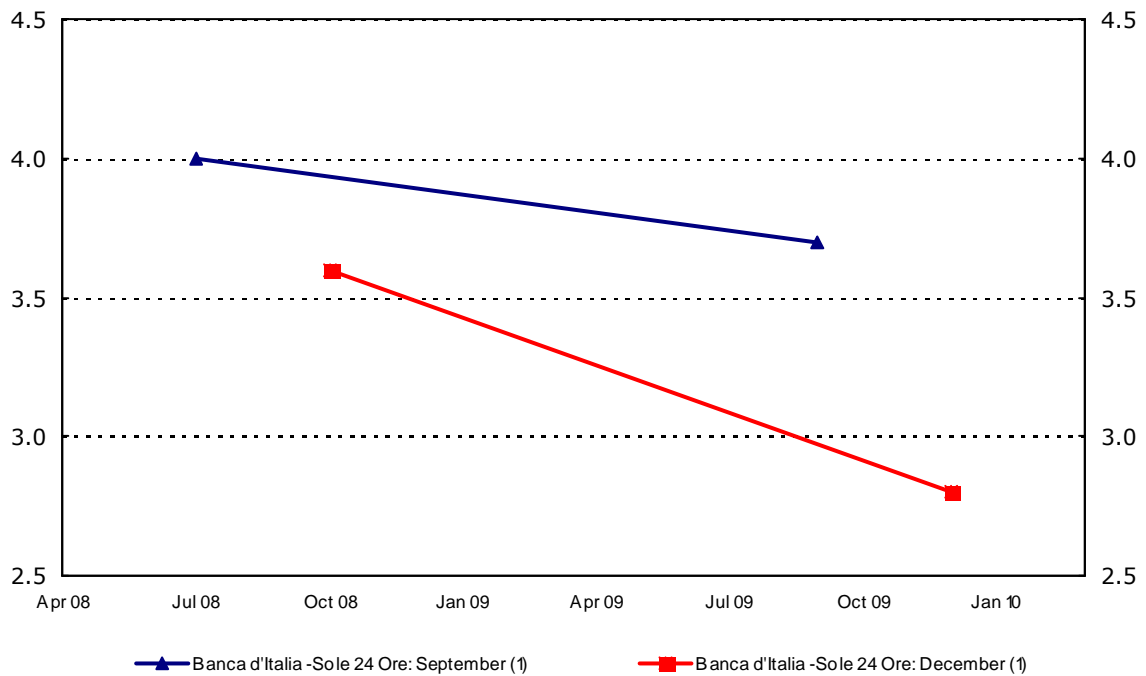
Expected and actual changes in selling prices
(percentage changes)^(*)



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

Figure 2

Expectations of consumer price inflation in Italy
(percentage changes)



(1) The first point in each curve is the final figure available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next twelve months.

Figure 3

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

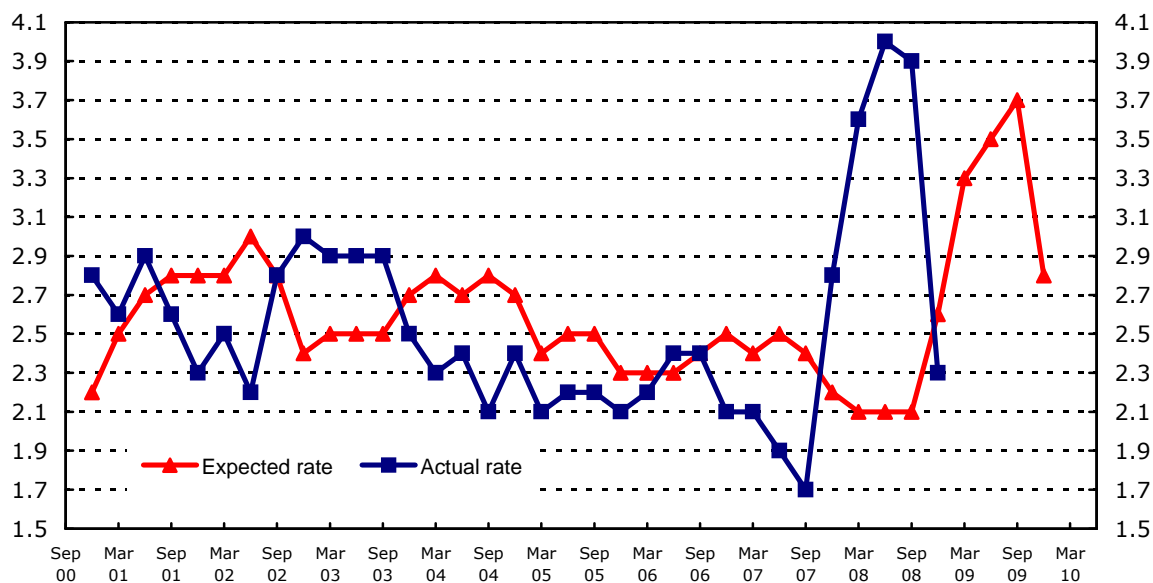
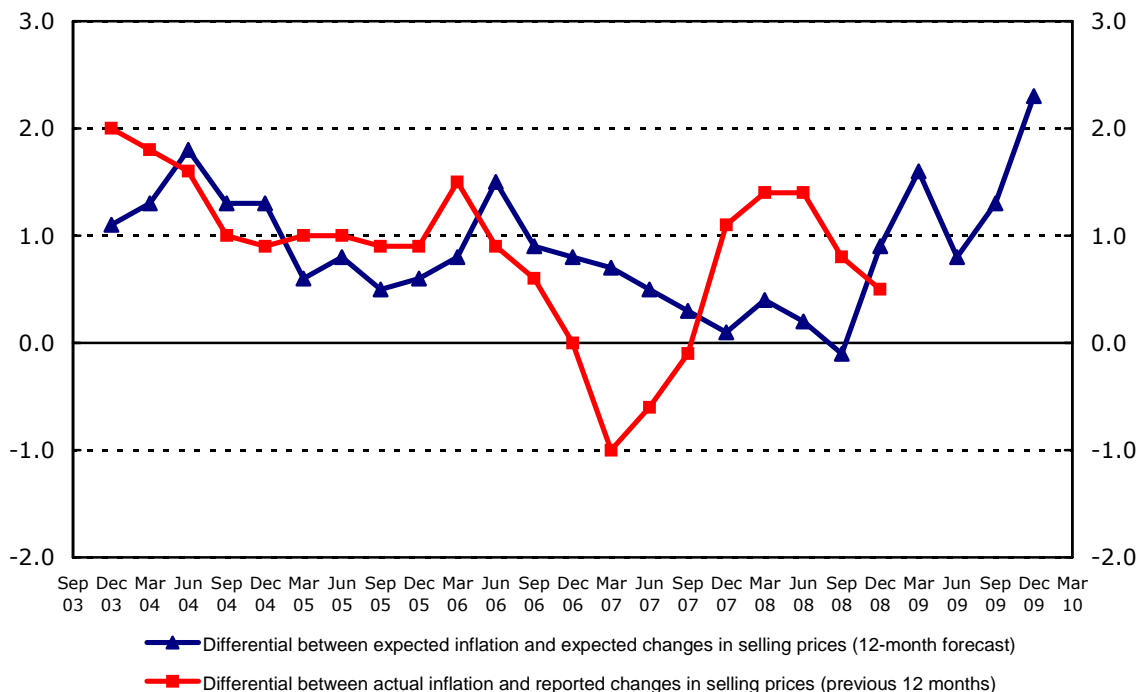


Figure 4

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



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

Appendix A
Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

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

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

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

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

Table 1a

Composition of sample and universe
(units, percentages)

	Sample size (a)	Company universe ^(*) (b)	Sample coverage rate (a / b) * 100
Number of employees			
50-199	210	16,983	1.2
200-999	156	3,370	4.6
Over 999	100	485	20.6
Sector			
Industry	274	11,796	2.3
Services.....	192	9,042	2.1
Geographical area			
North-West	169	8,358	2.0
North-East.....	158	5,871	2.7
Centre	88	3,618	2.4
South and Islands	51	2,991	1.7
Total	466	20,838	2.2

(*) Istat (2005).

A2. Data collection and estimates

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

Table 2a

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

	Companies contacted	Response rate (*)	Data collected via Internet (**)
Number of employees			
50-199.....	579	36.3	95.2
200-999.....	312	50.0	96.2
Over 999.....	123	81.3	96.0
Sector			
Industry.....	565	48.5	95.3
Services.....	449	42.8	96.4
Geographical area			
North-West.....	400	42.3	95.9
North-East.....	316	50.0	96.2
Centre.....	176	50.0	96.6
South and Islands.....	122	41.8	92.2
Total.....	1,014	46.0	95.7

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

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

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

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

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

Table 3a

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

	Mean	Mean (robust)	Median	Missing responses (percentages)
Consumer price inflation in Italy	2.8	2.8	3.0	0.0
Change in own prices in the last 12 months.....	1.7	1.8	1.1	0.0
Change in own prices in the next 12 months.....	0.4	0.5	0.0	0.0

Table 4a

Standard errors

Consumer price inflation in Italy	0.07
Change in own prices in the last 12 months.....	0.46
Change in own prices in the last 12 months (robust).....	0.41
Change in own prices in the next 12 months.....	0.23
Change in own prices in the next 12 months (robust)	0.16
<u>Factors which will affect the business climate</u>	
Demand.....	0.10
Own prices	0.08
Raw material prices.....	0.09
Labour costs.....	0.08
Availability and cost of credit.....	0.09
<u>Factors which will affect companies' prices</u>	
Demand.....	0.07
Raw material prices.....	0.07
Labour costs.....	0.07
Pricing policies of main competitors.....	0.07

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Table 1

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

	Rate of consumer price inflation
Number of employees	
50-199	2.9
200-999	2.7
Over 999	2.3
Sector	
Industry	2.7
Services.....	2.9
Geographical area	
North-West	2.7
North-East.....	2.7
Centre	2.9
South and Islands.....	3.3
Total	2.8
<i>Memorandum items:</i>	
September 2008	3.7
June 2008.....	3.5
March 2008.....	3.3
December 2007	2.6

Table 2

View of the general economic situation
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
Number of employees				
50-199	87.5	12.1	0.4	100.0
200-999	86.6	12.1	1.3	100.0
Over 999	90.3	9.7	0.0	100.0
Sector				
Industry	88.0	11.1	1.0	100.0
Services	87.0	12.7	0.2	100.0
Geographical area				
North-West	88.1	10.9	1.0	100.0
North-East	88.0	11.5	0.4	100.0
Centre	82.2	17.8	0.0	100.0
South and Islands	90.9	9.1	0.0	100.0
Total	87.4	12.0	0.5	100.0
<i>Memorandum items:</i>				
September 2008	56.1	40.4	3.5	100.0
June 2008	49.9	44.3	5.8	100.0
March 2008	72.6	26.1	1.3	100.0
December 2007	52.7	42.3	5.1	100.0

Table 3

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

(percentages)

	None	1-25%	26-50%	51-75%	76-100%	Total
Number of employees						
50-199.....	71.9	22.4	4.9	0.8	0.0	100.0
200-999.....	67.2	28.8	2.3	1.7	0.0	100.0
Over 999.....	54.0	37.3	6.6	2.2	0.0	100.0
Sector						
Industry.....	70.2	24.3	3.6	1.9	0.0	100.0
Services.....	71.2	23.3	5.3	0.3	0.0	100.0
Geographical area						
North-West.....	71.8	20.2	6.1	1.9	0.0	100.0
North-East.....	70.0	26.0	3.3	0.7	0.0	100.0
Centre.....	66.0	29.2	4.9	0.0	0.0	100.0
South and Islands.....	74.9	22.8	2.2	0.0	0.0	100.0
Total.....	70.8	23.8	4.5	1.0	0.0	100.0
<i>Memorandum items:</i>						
September 2008.....	52.5	37.4	7.2	2.1	0.8	100.0
June 2008.....	47.2	38.3	9.6	4.1	0.8	100.0
March 2008.....	56.7	30.7	7.1	5.5	0.0	100.0
December 2007.....	44.4	44.0	6.0	5.6	0.1	100.0

Table 4

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

(percentages)

	None	1-25%	26-50%	51-75%	76-100%	Total
View of the current general economic situation						
Worse than in 9/2008.....	74.3	19.7	5.2	0.8	0.0	100.0
Unchanged from 9/2008.....	50.9	48.6	0.1	0.4	0.0	100.0
Better than in 9/2008.....	...	...	...	...	...	100.0
Total.....	70.8	23.8	4.5	1.0	0.0	100.0

Table 5

Three-month forecast of the business climate
(percentages)

	Worsening	No change	Improvement	Total
Number of employees				
50-199.....	66.3	32.5	1.2	100.0
200-999.....	65.9	31.5	2.6	100.0
Over 999	69.9	28.5	1.5	100.0
Sector				
Industry.....	66.3	30.7	3.0	100.0
Services.....	66.3	33.4	0.3	100.0
Geographical area				
North-West	63.2	35.7	1.0	100.0
North-East.....	66.0	30.7	3.3	100.0
Centre	63.2	36.4	0.4	100.0
South and Islands.....	79.5	20.3	0.2	100.0
Total	66.3	32.2	1.5	100.0
<i>Memorandum items:</i>				
September 2008	38.0	55.8	6.2	100.0
June 2008.....	29.2	65.2	5.6	100.0
March 2008.....	36.6	53.3	10.1	100.0
December 2007.....	29.7	61.8	8.5	100.0

Table 6

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

	Worsening	No change	Improvement	Total
View of the current general economic situation				
Worse than 9/2008	72.7	26.5	0.8	100.0
Unchanged from 9/2008.....	22.8	72.5	4.7	100.0
Better than 9/2008.....	...	...	...	100.0
Total	66.3	32.2	1.5	100.0

Table 7

Factors which will affect the business climate

(average scores)^(*)

	Change in demand ^(**)	Change in own prices	Change in raw material prices	Change in labour costs	Change in credit conditions ^(***)
Number of employees					
50-199.....	-1.0	-0.3	-0.1	-0.9	-0.8
200-999.....	-1.1	-0.2	-0.1	-0.8	-0.9
Over 999.....	-1.1	0.0	0.2	-0.5	-0.8
Sector					
Industry.....	-1.1	-0.3	0.0	-0.8	-0.9
Services.....	-1.0	-0.2	-0.2	-0.9	-0.8
Geographical area					
North-West.....	-0.9	-0.3	0.1	-0.7	-0.6
North-East.....	-1.2	-0.1	-0.1	-1.0	-0.9
Centre.....	-0.9	-0.3	-0.4	-1.0	-1.5
South and Islands.....	-1.3	-0.3	-0.6	-0.8	-0.6
Total.....	-1.1	-0.3	-0.1	-0.8	-0.8
<i>Memorandum items:</i>					
September 2008.....	-0.2	-0.2	-1.2	-1.0	-1.0
June 2008.....	-0.1	-0.1	-1.2	-0.9	-0.9
March 2008.....	0.0	-0.3	-1.1	-0.6	-0.6
December 2007.....	0.1	-0.1	-1.2	-0.8	....

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

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

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

Table 8

Three-year forecast of the business climate
(percentages)

	Worsening	No change	Improvement	Total
Number of employees				
50-199.....	24.7	28.0	47.2	100.0
200-999.....	22.6	22.6	54.9	100.0
Over 999	19.7	23.5	56.7	100.0
Sector				
Industry.....	22.9	24.5	52.6	100.0
Services.....	25.3	29.0	45.7	100.0
Geographical area				
North-West	22.3	28.0	49.7	100.0
North-East.....	27.0	25.4	47.6	100.0
Centre	21.9	28.2	50.0	100.0
South and Islands.....	27.2	26.4	46.4	100.0
Total	24.3	27.1	48.7	100.0
<i>Memorandum items:</i>				
September 2008	20.4	31.0	48.6	100.0
June 2008.....	23.4	28.8	47.7	100.0
March 2008.....	26.8	34.7	38.4	100.0
December 2007	24.9	32.2	42.9	100.0

Table 9

View of the investment climate
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
Number of employees				
50-199	65.0	26.8	8.2	100.0
200-999	68.0	21.3	10.7	100.0
Over 999	70.5	22.5	7.0	100.0
Sector				
Industry	69.7	23.9	6.4	100.0
Services	62.4	27.4	10.2	100.0
Geographical area				
North-West.....	67.1	22.0	10.9	100.0
North-East.....	56.9	30.4	12.6	100.0
Centre.....	72.1	27.1	0.9	100.0
South and Islands	70.5	26.1	3.5	100.0
Total	65.6	25.8	8.6	100.0
<i>Memorandum items:</i>				
September 2008	38.4	57.9	3.7	100.0
June 2008	37.5	53.8	8.7	100.0
March 2008.....	47.5	48.1	4.4	100.0
December 2007	37.4	56.5	6.1	100.0

Table 10

View on credit conditions for businesses
(percentages)

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
Number of employees				
50-199	41.4	56.1	2.5	100.0
200-999	36.9	58.9	4.1	100.0
Over 999	40.8	57.5	1.7	100.0
Sector				
Industry	41.1	56.1	2.8	100.0
Services	40.3	57.0	2.7	100.0
Geographical area				
North-West.....	41.3	56.8	1.9	100.0
North-East.....	31.1	63.8	5.1	100.0
Centre.....	49.8	49.7	0.4	100.0
South and Islands	46.5	50.1	3.5	100.0
Total	40.6	56.6	2.8	100.0
<i>Memorandum item:</i>				
September 2008	26.7	71.8	1.5	100.0
June 2008	22.7	74.3	3.0	100.0
March 2008.....	19.1	77.4	3.5	100.0

Table 11

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

	Worse than previous quarter	Unchanged from previous quarter	Better than previous quarter	Total
Request for new credit lines or extension of existing credit lines				
Yes	74.6	23.8	1.6	100.0
No	24.5	72.2	3.3	100.0
Total	40.6	56.6	2.8	100.0

Table 12

Three-month forecast of employment
(percentages)

	Declining	Unchanged	Rising	Total
Number of employees				
50-199.....	38.0	57.1	4.9	100.0
200-999.....	46.7	46.5	6.8	100.0
Over 999.....	32.6	52.5	15.0	100.0
Sector				
Industry.....	41.6	57.1	1.3	100.0
Services.....	37.5	53.9	8.6	100.0
Geographical area				
North-West.....	37.9	57.8	4.2	100.0
North-East.....	38.0	55.1	6.9	100.0
Centre.....	42.1	53.7	4.2	100.0
South and Islands.....	42.2	50.5	7.3	100.0
Total.....	39.3	55.3	5.4	100.0
<i>Memorandum items:</i>				
September 2008.....	25.4	62.0	12.7	100.0
June 2008.....	20.1	65.5	14.4	100.0
March 2008.....	14.8	63.5	21.7	100.0
December 2007.....	16.4	59.9	23.7	100.0

Change in companies' selling prices
(percentages)^(*)

	Rate of change in selling prices...	
	... compared with 12 months earlier	... compared with 12 months earlier
	Mean (robust) (**)	Mean (robust) (**)
Number of employees		
50-199.....	1.8	0.5
200-999.....	1.6	1.1
Over 999.....	1.9	0.3
Sector		
Industry.....	2.5	0.5
Services.....	1.5	0.6
Geographical area		
North-West.....	1.3	0.4
North-East.....	2.6	1.2
Centre.....	1.9	0.1
South and Islands.....	1.3	1.3
Total.....	1.8	0.5
<i>Memorandum items:</i>	Rate of change in selling prices	
September 2008.....	2.9	2.4
June 2008.....	2.6	2.7
March 2008.....	2.2	1.7
December 2007.....	1.7	1.7

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

Table 14

Factors affecting companies' selling prices
(average scores) (*)

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors (**)
Number of employees				
50-199	-0.6	-0.1	0.5	-0.6
200-999	-0.3	-0.1	0.4	-0.5
Over 999	-0.1	0.3	0.0	-0.6
Sector				
Industry	-0.6	-0.1	0.4	-0.6
Services	-0.1	0.2	0.2	-0.6
Geographical area				
North-West	-0.2	-0.2	0.1	-0.8
North-East	-0.5	0.0	0.5	-0.5
Centre	-0.1	0.5	0.2	-0.5
South and Islands	-0.5	-0.2	0.1	-0.4
Total	-0.3	0.1	0.2	-0.6
<i>Memorandum items:</i>				
September 2008	0.0	0.7	0.6	-0.4
June 2008	0.1	1.1	0.6	-0.1
March 2008	0.1	0.7	0.6	....
December 2007	0.1	0.7	0.6	....

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

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

Appendix C

Questionnaire

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

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

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

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

SECTION A – GENERAL ECONOMIC SITUATION IN ITALY

A1. In October consumer price inflation, measured by the annual change in the HARMONIZED INDEX OF CONSUMER PRICES, was 3.6 per cent in Italy and 3.2 per cent in the euro area. What will it be in ITALY 12 months from now? |_| |_|_|.|_|_|%

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

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

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

SECTION B – BUSINESS CLIMATE FOR YOUR COMPANY

How you think the business climate for your company will be

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

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

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

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

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

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

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

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

SECTION C – CHANGES IN YOUR COMPANY'S SELLING PRICES

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

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

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

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

SECTION D – WORKFORCE

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

Decrease	Not change	Increase
1|_|	2|_|	3|_|

GENERAL INFORMATION

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

SUPPLEMENTS TO THE STATISTICAL BULLETIN

Money and Banking (monthly)

The Financial Market (monthly)

The Public Finances, borrowing requirement and debt (monthly)

Balance of Payments (monthly)

Financial Accounts (quarterly)

Payment System (half yearly)

Public Finance Statistics in the European Union (annual)

Local Government Debt (annual)

Household Wealth in Italy (annual)

Sample Surveys (irregular)

Methodological Notes (irregular)

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

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

