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This publication contains the main findings of the survey on inflation and growth expectations conducted by the Bank of Italy in collaboration with the newspaper Il Sole 24 Ore. The data were collected in September 2011 exclusively for the purpose of economic analysis and have been handled and processed in aggregate form, in full compliance with Italy's law on the treatment of personal information.

The survey report has been prepared by Stefano Iezzi, Mario Porqueddu and Raffaele Tartaglia Polcini. Stefania Coscarella helped with the editing and the tables.

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

SURVEY ON INFLATION AND GROWTH EXPECTATIONS

1. Introduction

The interviews for the latest Banca d'Italia – Il Sole 24 Ore quarterly survey on inflation and growth expectations were carried out between 1 and 17 September 2011. A total of 486 companies with 50 or more employees took part, 279 of which operate in industry and 207 in services (Table 1a). The response rate was 50.9 per cent (Table 2a).

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

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

2. The main findings

Inflation expectations in Italy and change in companies' selling prices

The expected rates of consumer price inflation show a decrease of 0.3 percentage points compared with the June survey for all the time horizons considered, to 2.5 per cent for the 6-month horizon and to 2.6 per cent for the 1- and 2-year horizons (Table 1 and Figure 3). The projections are higher than the corresponding forecasts by professional analysts, especially for the longer time horizons. In September the twelve-month increase in consumer prices was 3.5 per cent,¹ 1.7 percentage points higher than expected in the September 2010 survey.

Businesses reported that they had raised their selling prices by 1.6 per cent from a year earlier (Table 2), the same as in the June survey. The increase was larger than firms had expected for the following twelve months in September 2010 (1.2 per cent). The largest upward movements were among firms operating in industry and those located in the Centre.

For the next twelve months firms expect to raise their selling prices by 1.6 per cent, much less than forecast in June. Among the factors that will influence selling prices there is a slight reduction in the contribution of raw material prices and an increase in that of labour costs, while greater importance is attached to the pricing policies of firms' main competitors in curbing the upward pressure on prices (Table 3).

Assessments of the general economic situation

About two thirds of the sample firms reported a worsening in the general economic situation in the third quarter of 2011 (Table 4). The balance with respect to those that reported an improvement rose sharply to 62 percentage points, from 14 points in the previous survey. The proportion of firms reporting a worsening in the general economic situation was higher in the North, in services and among medium-sized and large firms.

More than half the firms surveyed saw zero probability of an improvement in the general economic situation in the next three months, as against 41.8 per cent in the previous survey (Table 5). The growing pessimism was also found among exporting firms.

¹ Provisional figure published by Istat on 30 September 2011.

Demand

Firms' assessments of the demand for their products in the last three months were less favourable: the balance between expectations of an increase and a decrease turned negative, swinging from +3.1 percentage points in the June survey to -22.2 points (Table 6). The deterioration was less pronounced for large firms and those in industry.

Among exporting firms 24.2 per cent considered that the demand for their products on foreign markets had decreased, as against 20.1 per cent that reported an increase (Table 7). The balance turned negative, swinging from +22.8 percentage points in the June survey to -4.1 points. There was also a deterioration in exporting firms' expectations for the next three months: the proportion of those expecting an increase in foreign demand for their products fell from 35 to 21.6 per cent, while the proportion of those expecting a decrease rose from 5.6 to 18 per cent (Table 8).

Assessments of firms' business conditions

Compared with the June survey, the proportion of firms expecting a deterioration in business conditions in the next three months more than doubled, rising from 18.4 to 38.1 per cent, while that of firms expecting an improvement fell from 15.7 to 3.8 per cent (Table 9). Among the factors expected to influence business conditions in the next three months the contribution of the change in demand fell to zero, while that, already negative, of credit conditions deteriorated further (Table 10).

Although the majority of firms continued to expect an improvement in business conditions over the next three years, the proportion fell to 49.8 per cent, from 60.1 per cent in June (Table 11). By contrast, about a quarter of the firms surveyed expected business conditions to worsen, against 17.9 per cent in June.

Conditions for investment

More than half of the sample firms reported a worsening in investment conditions. Compared with the previous survey the negative balance between firms expecting an improvement and those expecting a deterioration widened significantly, from -11.3 to -44.2 percentage points (Table 12). More than half the firms surveyed (57.1 per cent) were of the opinion that the increased uncertainty due to the turbulence on financial markets had a significant impact on investment conditions, only 9.2 per cent of the respondents considered the impact to be negligible (Table 13).

Conditions of access to credit

The proportion of firms reporting that their conditions of access to credit had deteriorated in the last three months nearly doubled, rising from 15.2 to 28.6 per cent (Table 14); only 3.4 per cent of firms reported that they had improved.

Employment

The proportion of firms expecting their employment to remain unchanged in the next three months declined by 2 percentage points compared with the June survey, to 64.5 per cent (Table 15). The negative balance between expectations of an increase and a decrease widened further from, -1.5 to -9.5 points.

Figure 1

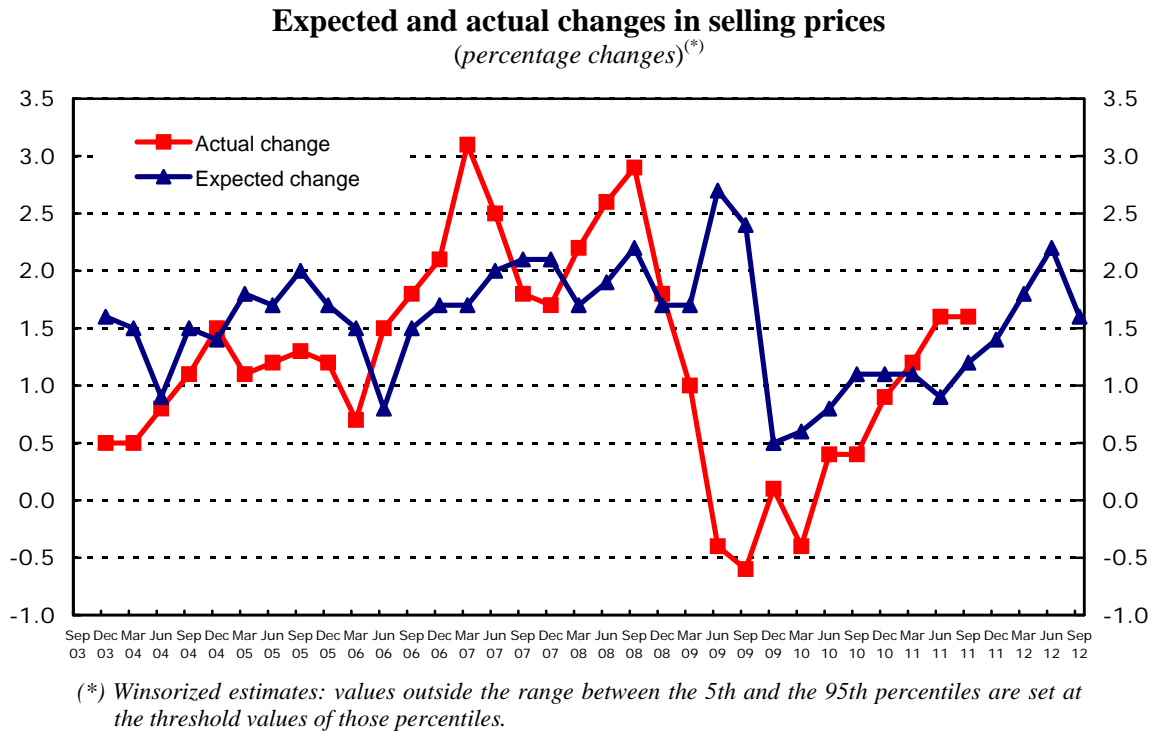


Figure 2

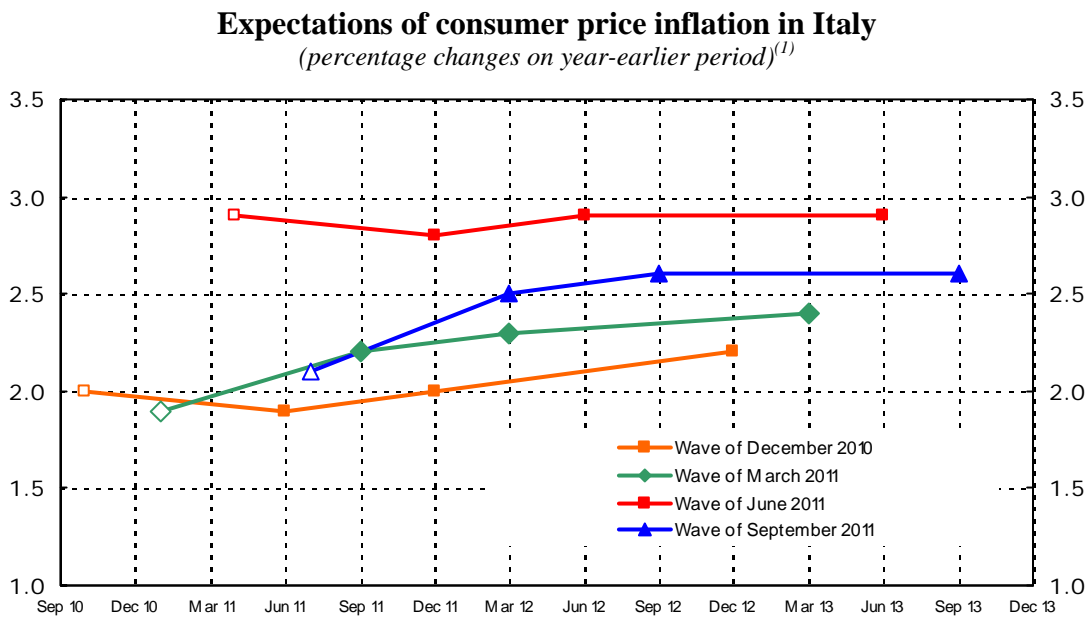
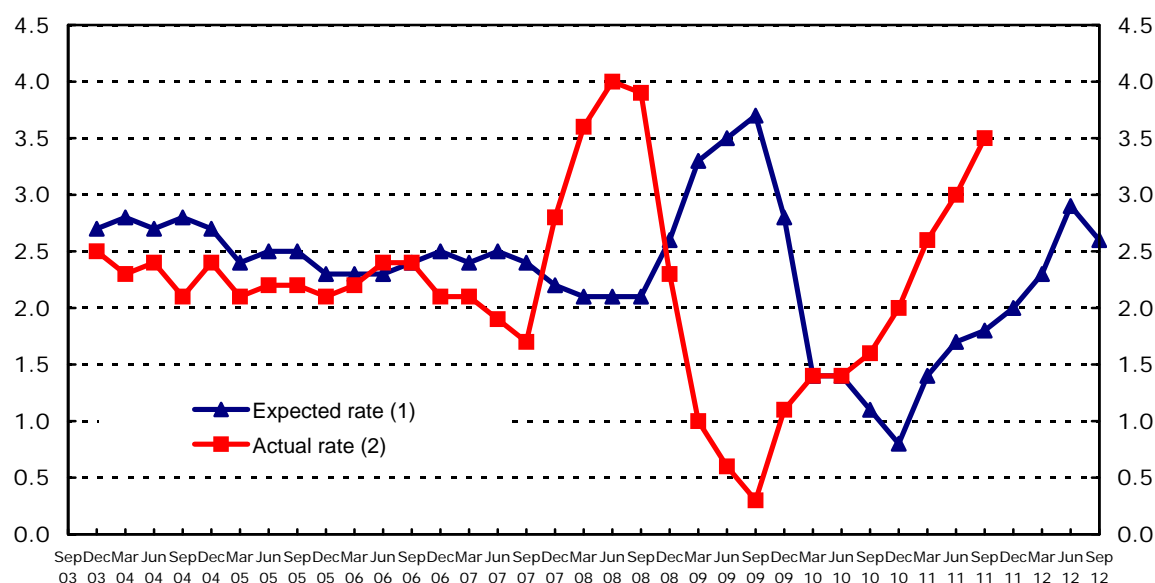


Figure 3

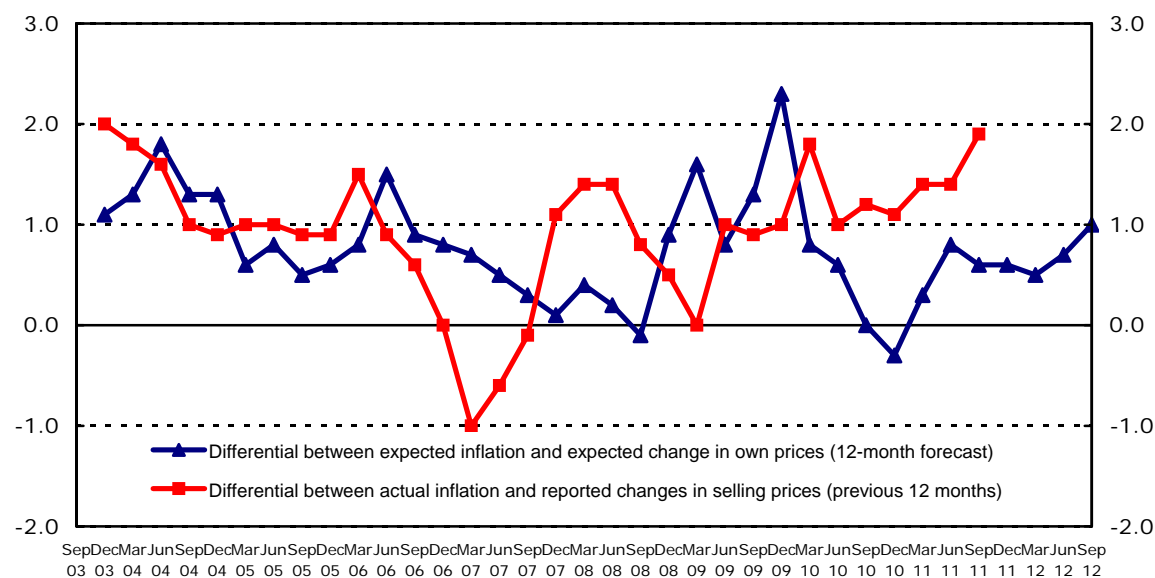
Expectations of consumer price inflation in Italy and actual rate
(percentages)



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

Figure 4

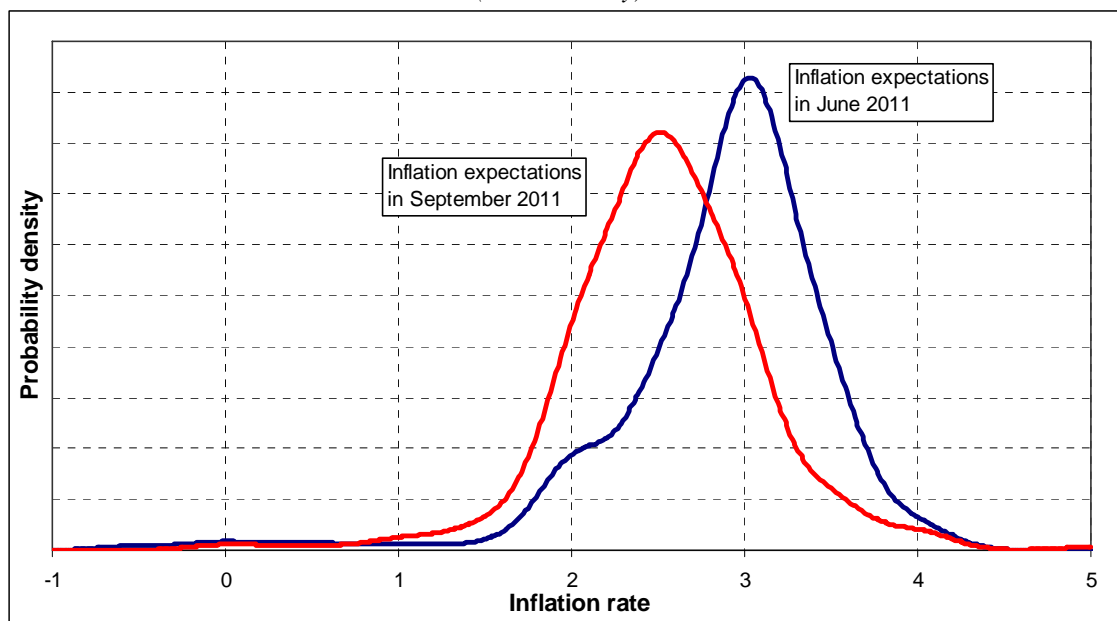
Differential between price changes reported by firms and the inflation rate: forecasts and outcomes
(percentage points)^(*)



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

Figure 5

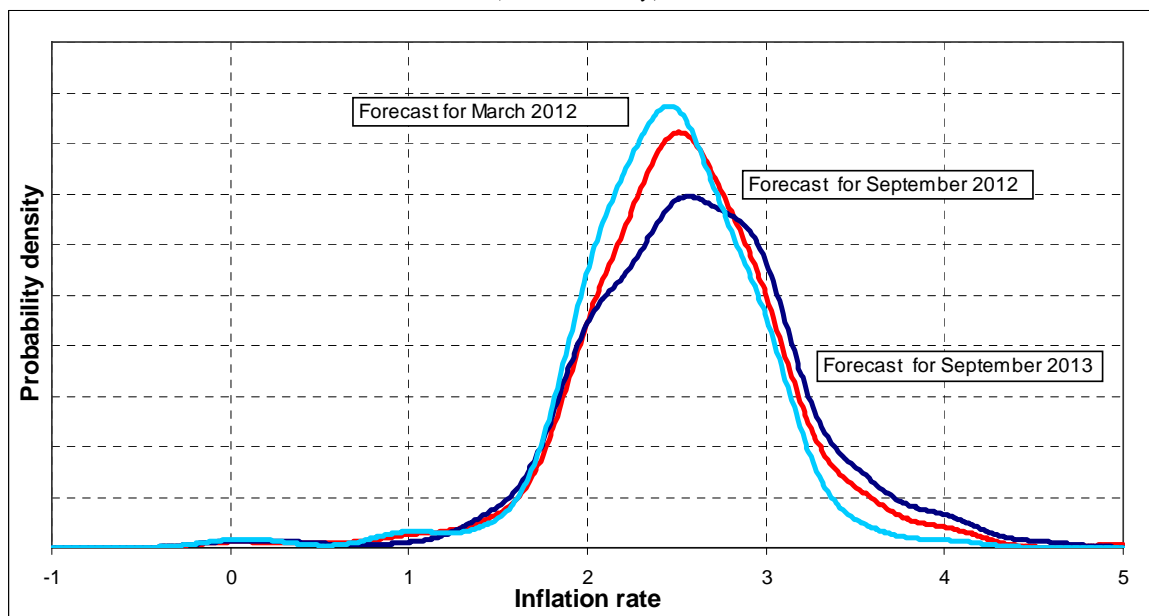
**Expectations of the inflation rate
over the next 12 months
(kernel density)^(*)**



(*) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The red line indicates the forecast made in September 2011. The blue line indicates the forecast made in June 2011.

Figure 6

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



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

Appendix A:
Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

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

The sample usually consists of around 500 companies with at least 50 employees operating in the main sectors of the economy, with the exception of agriculture and construction.

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

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

Table 1a

Composition of sample and universe

(units, percentages)

	Sample size (a)	Company universe ^(*) (b)	Sample coverage rate (a / b) * 100
Number of employees			
50-199.....	213	17,490	1.2
200-999.....	162	3,513	4.6
Over 999.....	111	500	22.2
Sector			
Industry.....	279	11,727	2.4
Services.....	207	9,776	2.1
Geographical area			
North-West.....	178	8,484	2.1
North-East.....	158	6,134	2.6
Centre.....	86	3,774	2.3
South and Islands.....	64	3,111	2.1
Total.....	486	21,503	2.3

(*) Istat (2007).

A2. Data collection and estimates

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

Table 2a**Response rates and data collection via Internet***(units, percentages)*

	Companies contacted	Response rate ^(*)	Data collected via Internet ^(**)
Number of employees			
50-199.....	555	38.4	94.8
200-999.....	254	63.8	97.5
Over 999.....	146	76.0	98.2
Sector			
Industry.....	541	51.6	95.0
Services.....	414	50.0	98.6
Geographical area			
North-West.....	370	48.1	98.9
North-East.....	285	55.4	96.2
Centre.....	160	53.8	93.0
South and Islands.....	140	45.7	95.3
Total.....	955	50.9	96.5

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

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

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

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

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

Table 3a

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

	Mean	Robust mean	Median	Non-response (percentages)
Consumer price inflation in Italy in the next 6 months.....	2.5	2.4	2.5	0.0
Consumer price inflation in Italy in the next 12 months.....	2.6	2.5	2.5	0.0
Consumer price inflation in Italy in the next 24 months.....	2.6	2.6	2.5	0.0
Change in own prices in the last 12 months.....	1.6	1.6	1.3	6.0
Change in own prices in the next 12 months.....	1.6	1.6	1.6	6.2

Table 4a

Standard errors
(percentages, scores)

Consumer price inflation in Italy in the next 6 months	0.04
Consumer price inflation in Italy in the next 12 months	0.04
Consumer price inflation in Italy in the next 24 months	0.04
Change in own prices in the last 12 months	0.25
Change in own prices in the last 12 months (robust).....	0.22
Change in own prices in the next 12 months.....	0.17
Change in own prices in the next 12 months (robust)	0.11
<u>Factors that will affect the firm's selling prices</u>	
Demand.....	0.06
Raw materials prices	0.07
Labour costs.....	0.06
Main competitors' pricing policies.....	0.06
<u>Factors that will influence the firm's business conditions</u>	
Demand	0.09
Selling prices.....	0.07
Raw materials prices	0.07
Labour costs.....	0.06
Availability and cost of credit.....	0.08

Appendix B:
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Table 1

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

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

Table 2

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

	Rate of change in own prices ...	
	... in last 12 months	... in next 12 months
	Mean (robust) (**)	Mean (robust) (**)
Number of employees		
50-199.....	1.6	1.6
200-999.....	1.6	1.6
Over 999	1.6	1.6
Sector		
Industry.....	1.9	1.8
Services.....	1.5	1.4
Geographical area		
North-West	1.6	1.6
North-East.....	1.8	1.6
Centre	2.2	1.6
South and Islands.....	1.1	1.6
Total	1.6	1.6
<i>Memorandum items:</i>		
June 2011	1.6	2.2
March 2011	1.2	1.8
December 2010	0.9	1.4
September 2010	0.4	1.2

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

(**) Values outside the range between the 5th and the 95th percentiles have been set at the threshold values of those percentiles.

Table 3

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

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

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

Table 4

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

	Worse	Unchanged	Better	Total
Number of employees				
50-199	61.4	37.7	0.8	100.0
200-999	70.1	27.2	2.7	100.0
Over 999	76.7	22.4	1.0	100.0
Sector				
Industry	59.1	39.8	1.1	100.0
Services	68.2	30.6	1.2	100.0
Geographical area				
North-West.....	65.6	34.3	0.1	100.0
North-East.....	65.5	32.1	2.4	100.0
Centre.....	57.5	42.0	0.5	100.0
South and Islands	59.2	38.3	2.5	100.0
Total	63.3	35.6	1.1	100.0
<i>Memorandum items:</i>				
June 2011	26.0	61.8	12.3	100.0
March 2011	19.6	60.8	19.7	100.0
December 2010	25.4	65.3	9.3	100.0
September 2010	13.7	66.1	20.1	100.0

Table 5

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

(percentages)

	Nil	1-25%	26-50%	51-75%	76-100%	Total
Number of employees						
50-199	54.9	34.5	8.6	2.0	0.0	100.0
200-999	49.1	40.5	8.3	2.1	0.0	100.0
Over 999	48.2	39.6	9.6	2.6	0.0	100.0
Sector						
Industry	50.8	39.6	7.4	2.3	0.0	100.0
Services.....	57.4	30.9	10.0	1.7	0.0	100.0
Geographical area						
North-West	44.3	40.0	12.0	3.6	0.0	100.0
North-East.....	64.6	28.9	6.2	0.3	0.0	100.0
Centre	58.8	35.1	4.3	1.8	0.0	100.0
South and Islands	52.5	37.6	8.8	1.1	0.0	100.0
Exports' share of sales						
From Zero to 1/3.....	56.2	34.4	8.2	1.2	0.0	100.0
Between 1/3/ and 2/3	43.2	42.8	8.5	5.5	0.0	100.0
More than 2/3.....	57.9	30.9	10.3	1.0	0.0	100.0
Total	53.8	35.6	8.6	2.0	0.0	100.0
<i>Memorandum items:</i>						
June 2011	41.8	41.7	13.2	2.8	0.5	100.0
March 2011	34.5	48.9	14.1	1.8	0.7	100.0
December 2010	38.2	43.1	12.6	4.5	1.5	100.0
September 2010	29.9	49.8	13.2	5.6	1.5	100.0

Table 6

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

	Decreased	Unchanged	Increased	Total
Number of employees				
50-199	32.4	58.0	9.6	100.0
200-999	34.5	52.6	13.0	100.0
Over 999	22.0	68.9	9.1	100.0
Sector				
Industry	27.4	59.7	12.9	100.0
Services.....	38.5	54.7	6.9	100.0
Geographical area				
North-West	31.9	61.7	6.4	100.0
North-East.....	41.8	50.2	7.9	100.0
Centre	28.1	48.6	23.3	100.0
South and Islands.....	20.4	70.1	9.5	100.0
Exports' share of sales				
From Zero to 1/3.....	35.2	55.2	9.6	100.0
Between 1/3 and 2/3	23.8	60.3	15.9	100.0
More than 2/3.....	31.8	64.0	4.2	100.0
Total	32.4	57.4	10.2	100.0
<i>Memorandum items:</i>				
June 2011	21.5	53.9	24.6	100.0
March 2011	19.3	54.2	26.5	100.0
December 2010	24.5	52.5	23.0	100.0
September 2010	16.6	57.9	25.6	100.0

Table 7

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

	Decreased	Unchanged	Increased	Total
Number of employees				
50-199	24.4	57.1	18.5	100.0
200-999	24.2	48.3	27.4	100.0
Over 999	18.0	64.9	17.1	100.0
Sector				
Industry	23.9	54.0	22.2	100.0
Services.....	25.6	61.9	12.4	100.0
Geographical area				
North-West	17.3	63.3	19.4	100.0
North-East.....	30.2	51.1	18.7	100.0
Centre	28.0	43.9	28.0	100.0
South and Islands.....	28.9	57.0	14.1	100.0
Total	24.2	55.7	20.1	100.0
<i>Memorandum items:</i>				
June 2011	16.4	44.4	39.2	100.0
March 2011	11.5	50.0	38.5	100.0
December 2010	19.1	46.9	33.9	100.0
September 2010	10.7	51.2	38.1	100.0

(*) For exporting firms only.

Table 8

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

	Decrease	No change	Increase	Total
Number of employees				
50-199	18.2	61.5	20.3	100.0
200-999	17.1	56.0	26.9	100.0
Over 999	20.6	52.2	27.3	100.0
Sector				
Industry	16.0	59.7	24.3	100.0
Services.....	25.5	63.0	11.5	100.0
Geographical area				
North-West	13.4	64.5	22.1	100.0
North-East.....	22.2	57.2	20.5	100.0
Centre	23.3	53.7	23.1	100.0
South and Islands	16.1	63.6	20.4	100.0
Total	18.0	60.4	21.6	100.0
<i>Memorandum items:</i>				
June 2011	5.6	59.4	35.0	100.0

(*) For exporting firms only.

Table 9

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

	Deterioration	No change	Improvement	Total
Number of employees				
50-199	37.5	59.0	3.5	100.0
200-999	39.2	55.9	4.9	100.0
Over 999	50.2	43.1	6.7	100.0
Sector				
Industry	35.9	60.4	3.7	100.0
Services.....	40.7	55.4	3.9	100.0
Geographical area				
North-West	38.3	58.2	3.5	100.0
North-East.....	42.2	54.8	3.0	100.0
Centre	35.0	62.2	2.8	100.0
South and Islands.....	33.3	59.4	7.3	100.0
Total	38.1	58.1	3.8	100.0
<i>Memorandum items:</i>				
June 2011	18.4	65.9	15.7	100.0
March 2011	15.8	69.1	15.1	100.0
December 2010	19.0	65.8	15.2	100.0
September 2010.....	14.5	71.6	13.9	100.0

Table 10

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

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

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

Table 11

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

	Deterioration	No change	Improvement	Total
Number of employees				
50-199	26.1	25.0	48.9	100.0
200-999	24.0	23.8	52.2	100.0
Over 999	17.6	16.8	65.6	100.0
Sector				
Industry	23.2	21.6	55.2	100.0
Services.....	28.3	28.2	43.4	100.0
Geographical area				
North-West	23.3	20.2	56.5	100.0
North-East.....	31.4	27.4	41.2	100.0
Centre	29.0	26.7	44.3	100.0
South and Islands.....	16.2	28.7	55.1	100.0
Total	25.6	24.6	49.8	100.0
<i>Memorandum items:</i>				
June 2011	17.9	21.9	60.1	100.0
March 2011	14.0	21.3	64.7	100.0
December 2010	15.7	20.0	64.3	100.0
September 2010.....	14.8	21.5	63.7	100.0

Table 12

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

	Worse	Unchanged	Better	Total
Number of employees				
50-199	50.0	43.2	6.8	100.0
200-999	51.0	44.6	4.4	100.0
Over 999	62.5	35.8	1.7	100.0
Sector				
Industry	43.6	50.3	6.2	100.0
Services	58.8	34.8	6.4	100.0
Geographical area				
North-West.....	43.1	48.4	8.5	100.0
North-East.....	55.6	39.7	4.8	100.0
Centre.....	57.2	35.4	7.3	100.0
South and Islands	52.8	45.5	1.7	100.0
Total	50.5	43.3	6.3	100.0
<i>Memorandum items:</i>				
June 2011	20.7	69.9	9.4	100.0
March 2011	19.9	69.2	10.9	100.0
December 2010	18.2	72.1	9.7	100.0
September 2010	11.9	73.9	14.2	100.0

Table 13

**Effect on the conditions for investment of the greater uncertainty
due to the turbulence on financial markets**
(percentages)

	Negligible	Moderate	Significant	Total
Number of employees				
50-199	9.9	33.2	56.9	100.0
200-999	7.0	34.9	58.2	100.0
Over 999	4.1	39.3	56.7	100.0
Sector				
Industry	12.1	30.1	57.9	100.0
Services	5.8	38.1	56.2	100.0
Geographical area				
North-West	11.7	33.6	54.7	100.0
North-East.....	8.8	29.5	61.7	100.0
Centre	6.1	37.4	56.5	100.0
South and Islands.....	7.2	37.5	55.3	100.0
Total	9.2	33.7	57.1	100.0

Table 14

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

	Worse	Unchanged	Better	Total
Number of employees				
50-199	29.0	67.5	3.5	100.0
200-999	28.2	68.9	2.9	100.0
Over 999	17.3	82.1	0.6	100.0
Sector				
Industry	23.9	73.0	3.1	100.0
Services	34.2	62.1	3.7	100.0
Geographical area				
North-West	23.5	72.1	4.4	100.0
North-East	31.9	66.7	1.4	100.0
Centre	37.5	58.8	3.7	100.0
South and Islands	25.8	70.3	4.0	100.0
Total	28.6	68.1	3.4	100.0
<i>Memorandum items:</i>				
June 2011	15.2	79.1	5.7	100.0
March 2011	15.1	82.7	2.2	100.0
December 2010	13.9	81.0	5.1	100.0
September 2010	12.4	84.2	3.4	100.0

Table 15

Three-month forecast of workforce
(percentages)

	Decrease	No change	Increase	Total
Number of employees				
50-199	22.2	65.6	12.2	100.0
200-999	25.0	59.6	15.4	100.0
Over 999	23.4	63.5	13.1	100.0
Sector				
Industry	23.6	63.7	12.8	100.0
Services.....	21.6	65.6	12.8	100.0
Geographical area				
North-West	20.0	70.0	10.0	100.0
North-East.....	23.8	63.3	12.8	100.0
Centre	21.0	65.9	13.0	100.0
South and Islands.....	29.7	50.1	20.2	100.0
Total	22.7	64.5	12.8	100.0
<i>Memorandum items:</i>				
June 2011	17.5	66.6	16.0	100.0
March 2011	15.2	69.6	15.2	100.0
December 2010	21.7	65.4	12.9	100.0
September 2010	18.4	66.9	14.7	100.0

Appendix C:
Questionnaire

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

Company name _____

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

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

A1. In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, was 2.1 per cent in Italy and 2.5 per cent in the euro area. What do you think it will be in Italy...
 ...in March 2012? ...in Sep. 2012? ...in Sep. 2013?
 _____% _____% _____%

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

A3. What do you think is the probability of an improvement in Italy's general economic situation in the next 3 months?

Zero 1-25 per cent 26-50 per cent 51-75 per cent 76-99 per cent 100 per cent

SECTION B – YOUR FIRM'S BUSINESS CONDITIONS

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

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

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

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

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

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

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

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

B11. To what extent have the conditions for investment been affected by the greater uncertainty due to turbulence on financial markets? Negligible Moderate Significant

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

B13. Compared with three months ago, is the foreign demand for your products ... ? Higher Unchanged Lower

B14. How will the foreign demand for your products vary in the next 3 months? Increase No change Decrease

B15. Compared with three months ago, are credit conditions for your company ...? Better Unchanged Worse

SECTION C – CHANGES IN YOUR FIRM'S SELLING PRICES

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

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

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

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

SECTION D – WORKFORCE

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

	Lower	Unchanged	Higher
	1 _	2 _	3 _

GENERAL INFORMATION

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

SUPPLEMENTS TO THE STATISTICAL BULLETIN

Money and Banking (monthly)

The Financial Market (monthly)

The Public Finances, borrowing requirement and debt (monthly)

Balance of Payments and International Investment Position (monthly)

Financial Accounts (quarterly)

Payment System (half yearly)

Public Finance Statistics in the European Union (annual)

Local Government Debt (annual)

Household Wealth in Italy (annual)

Sample Surveys (irregular)

Methodological Notes (irregular)

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

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

