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CONTENTS

	page
1. Introduction.....	5
2. The main findings for firms in services and in industry excluding construction	5
3. Construction firms.....	7
Appendix A: Methodological Notes	13
Appendix B: Statistical Tables.....	19
Appendix C: Questionnaire.....	43

This publication contains the main findings of the survey on inflation and growth expectations conducted by the Bank of Italy in collaboration with the newspaper Il Sole 24 Ore. The data were collected in March 2013 exclusively for the purpose of economic analysis and have been handled and processed in aggregate form, in full compliance with Italy's law on the treatment of personal information.

The survey report has been prepared by Stefano Iezzi, Filippo Scoccianti and Raffaele Tartaglia Polcini.

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

SURVEY ON INFLATION AND GROWTH EXPECTATIONS

1. Introduction

The interviews for the latest Banca d'Italia – Il Sole 24 Ore quarterly survey on inflation and growth expectations were carried out between 2 and 24 September 2013. A total of 801 companies with 50 or more employees took part, of which 392 operate in industry excluding construction and 409 in services. The survey also polls construction firms¹ with 50 or more workers; in September 2013 the construction sample consisted of 210 firms (Table A1).

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

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

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

Inflation expectations in Italy and change in companies' selling prices

In September inflation expectations for the next six months stabilized at 1.5 per cent. Forecasts for one and two years ahead remained unchanged from the previous survey in June at 1.6 and 1.7 per cent respectively (Table 1 and Figure 1).

Businesses reported a modest increase of 0.2 per cent in their selling prices in the last twelve months (Table. 2). For the next twelve months, they forecast a more marked increase of 0.8 per cent. Cost pressures on raw materials were judged to be growing slightly compared with the previous survey, while there was less of a tendency towards price moderation in response to weak demand (Table 3).

Assessment of the general economic situation

Firms' assessments of the general economic situation were decidedly less pessimistic in the third quarter of 2013, continuing the trend that emerged in the previous survey. The negative balance of those expecting an improvement or a worsening of the current situation was further reduced to -17.4 percentage points from -49.9 points in the June survey (Table 4). The more favourable trend in opinions was of a similar size both in the industry and in the services sectors. The average probability of an improvement in the economic situation in the next three months rose slightly to 12.7 per cent from the 9.9 per cent recorded in the previous survey, and was more noticeable among the largest firms (20.5 per cent; Table 5).

Demand

The proportion of operators who saw a negative trend in demand for their products in the third quarter continued to shrink: the balance between those seeing an improvement and those

¹ According to the ATECO classification of economic activities, industry is divided into *Industry* and *Industry excluding construction*. In the rest of this report "industrial firms" means firms belonging to the *Industry excluding construction* category.

seeing a deterioration fell to -9.4 percentage points (-22 points in June), the lowest for the last two years. The improvement was more marked among exporting firms (Table 6). The balance between those seeing an improvement and those seeing a deterioration in the prospects for demand in the short term became positive again, standing at 2 percentage points (from -6.9 points in the previous survey; Table 7).

Firms' assessments of the cyclical situation of foreign demand for their own products in the third quarter of 2013 improved: the balance between positive and negative opinions was 17.5 percentage points (from 7.5 points in the June survey; Table 8). The outlook for the quarter under way remained favourable, basically unchanged from the previous survey at 21.9 percentage points (Table 9).

Assessment of firms' business conditions

Expectations concerning firms' business conditions over the next three months, although still pessimistic, were less unfavourable than in the previous survey. The balance between responses indicating an improvement or a deterioration was -12.3 percentage points, from -17 in June. More than 70 per cent of firms expected conditions to remain the same, in line with the previous survey. Industrial firms' expectations showed a more marked improvement (Table 10 and Figure 6). The negative influence of credit conditions on the business environment continues (Table 11).

Looking further ahead (three years), opinions remained more optimistic. The share of firms indicating an improvement in business conditions is growing (64.4 per cent against 61.1 per cent in June), especially among those in the service sector (60.4 per cent against 55.1 per cent in June; Table 12).

Investment

Investment conditions in the third quarter were considered to be less unfavourable than in the second. The negative balance between replies indicating an improvement or a deterioration fell to -13.7 percentage points (from -32 points in the June survey; Table 13 and Figure 7), returning to levels recorded before the summer of 2011.

Firms' liquidity and access to credit

Difficulties in accessing credit appear to be easing compared with the second quarter. The share of firms indicating a deterioration in financing conditions came to 20.8 per cent, down from the 26.9 per cent recorded in the June survey (Table 14).

Firms' expectations concerning their liquidity position over the next three months improved slightly compared with the previous survey: the share of those who expected it to be inadequate fell to 21.4 per cent, from 25.6 per cent in June, while those considering it more than adequate increased to 15.6 per cent, from 13.2 (Table 15). The picture remains relatively more favourable for the largest firms.

The economic situation and general government payments

Around 30 per cent of firms declared they are owed money by general government; just over 10 per cent of reported they had recently collected a substantial sum (16.2 per cent in the service sector and 5.4 in industry; Table 16). Some 4.2 per cent of firms receiving arrears said they

would be funding new investments, almost 25 per cent would be settling debts with suppliers and employees, and 30.3 per cent were going to reduce their bank debt (Table 17).

Some 28.5 per cent of firms thought that after the summer they had passed the worst stage of the economic crisis (31.1 per cent in industry and 25.6 in the service sector). As regards growth prospects for the coming months, almost 34 per cent of the firms in the sample expected a solid improvement in their own production/work rates, especially in industry (37.8 per cent; Table 18).

The survey showed that the proportions of firms expecting a solid improvement in their production/work rates in the coming months was significantly higher among those who had received arrears from general government compared with the rest of the sample (Table 18).

Employment

Expectations for employment in the short term are not improving: the proportion of firms estimating an increase in staff numbers in the next three months stayed at just under 10 per cent; those expecting a decline fell slightly from 24.5 per cent in the last survey to 23.1 per cent (Table 19).

3. Construction firms

Compared with the June survey, there was a marked moderation in the negative assessment of the current economic situation in Italy, including on the part of construction firms. The negative balance between assessments of an improvement and those of a deterioration came to around 35 percentage points, from 61.8 points in the previous survey (Table 4). The likelihood of the situation improving in the next three months increased slightly, rising from 8 to 9.4 per cent (Table 5).

Construction firms' assessments of total demand for their work in the preceding quarter remained unfavourable and basically in line with their opinions in the previous survey. For 34.2 per cent of firms, there had been a deterioration in demand while only 8.7 per cent reported an improvement (Table 6). Assessments for the current quarter were slightly worse: the balance between forecasts of an increase or a decrease in demand was -4.6 percentage points (compared with 0.8 points in the previous survey; Table 7).

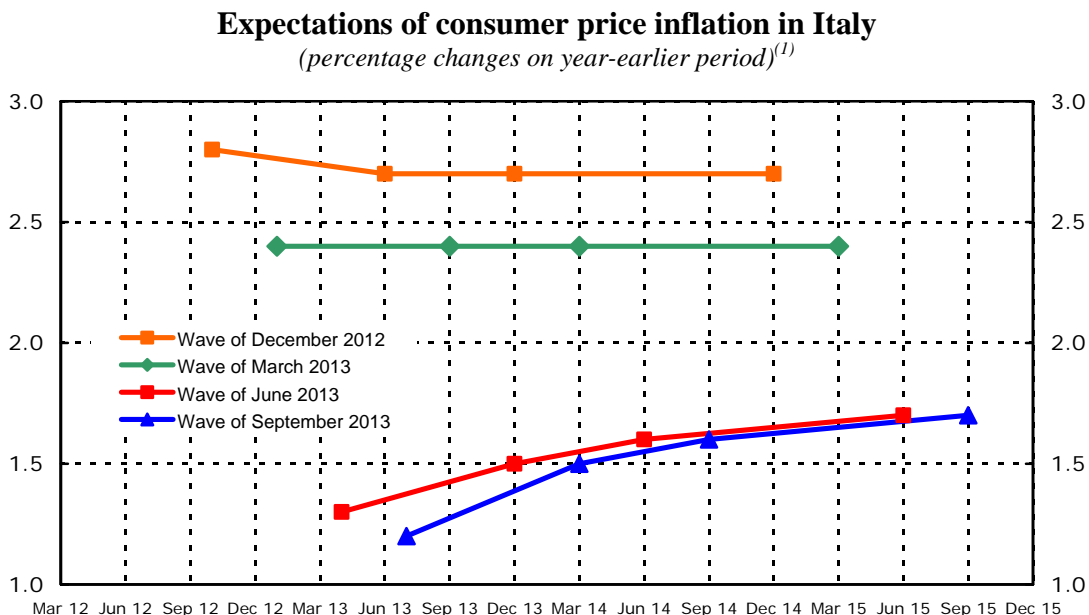
Expectations for business conditions for firms in this sector are worsening. The balance between firms expecting favourable or unfavourable developments in the next three months came to -27.6 percentage points (compared with the previous -19.7 points; Table 10). Construction firms are more prudent than service firms and industrial firms, including over the 3-year time horizon: 55.1 per cent (against 69.7 per cent in the previous survey) expects better business conditions while 21.8 per cent (against the previous 12.5 per cent) thinks conditions will worsen (Table 12).

Among construction firms, 25 per cent reported receiving payment arrears from general government (Table 16). Of these, most of them (52.7 per cent) stated they intended to use the sums received to reduce their exposure to the financial system while 32.6 per cent will use the funds to settle debts with employees or suppliers; and only 5 per cent intends to use arrears payments to finance new investments (Table 17).

A quarter of the firms thought that after the summer they had passed the worst stage of the economic crisis. As regards growth prospects for the coming months, just over 30 per cent of construction firms in the sample expected a solid improvement in their own production rates (Table 18).

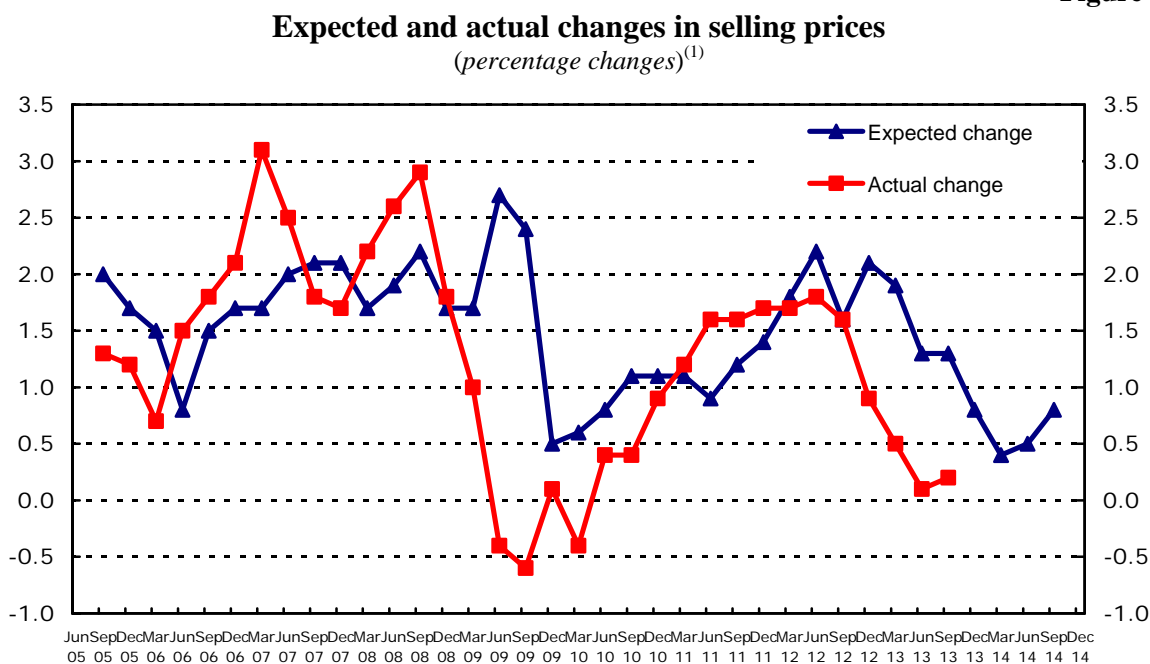
As regards staff numbers over the next three months, construction firms continue to forecast a decline (Table 19).

Figure 1



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

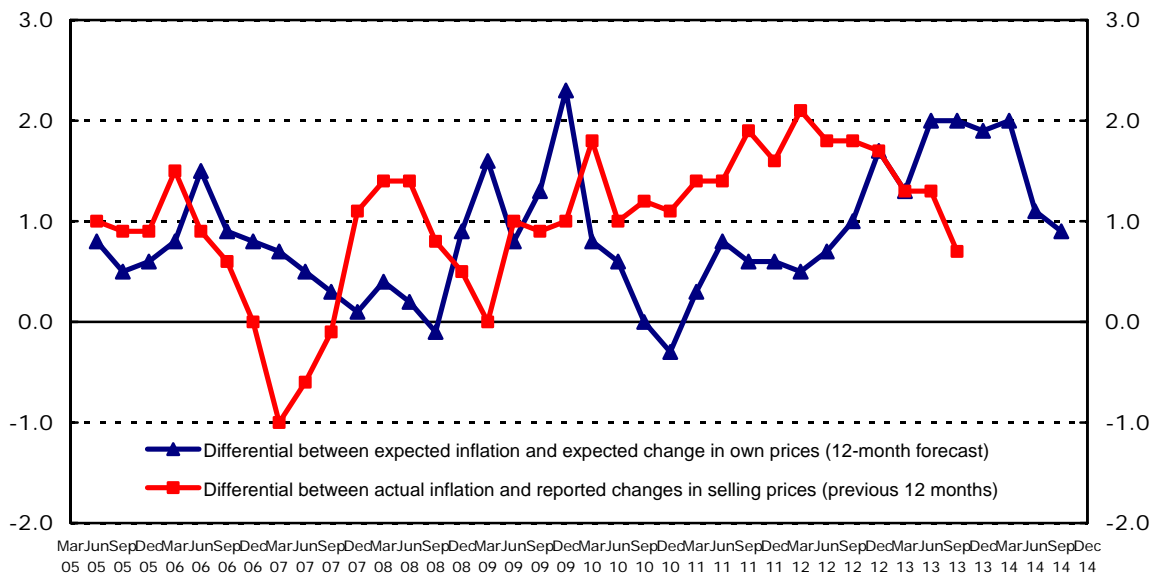
Figure 2



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

Figure 3

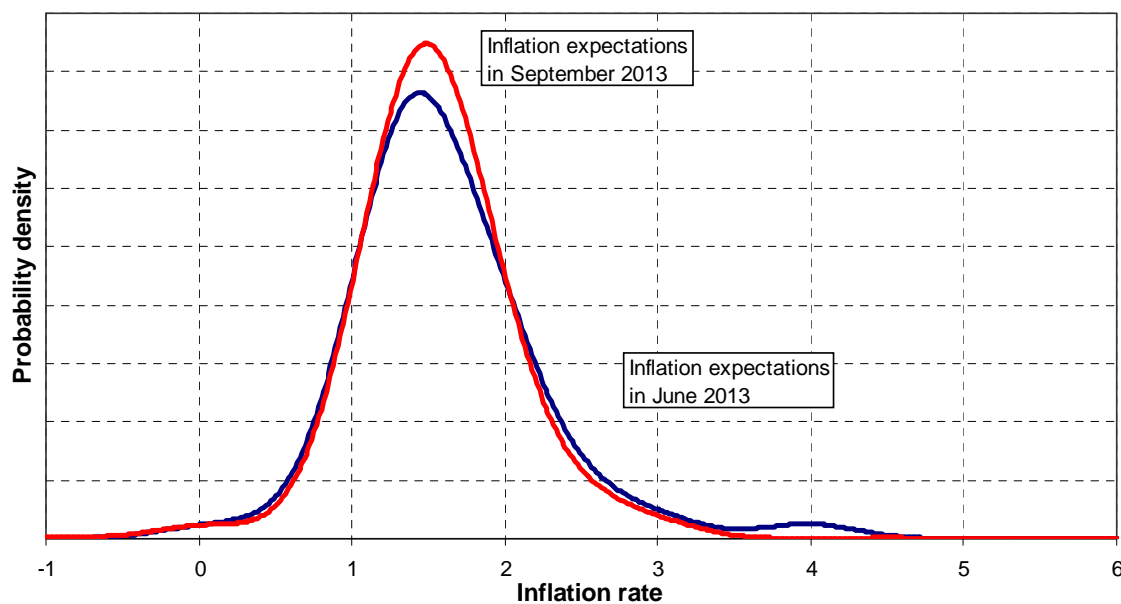
Differential between price changes reported by firms and the inflation rate: forecasts and outcomes
(percentage points)⁽¹⁾



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

Figure 4

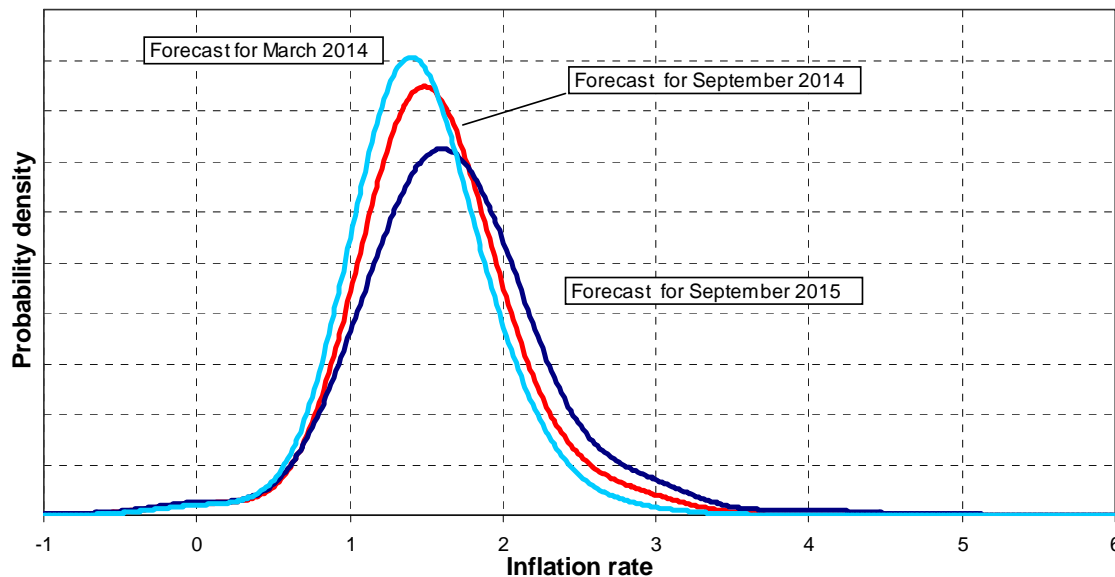
Expectations of the inflation rate over the next 12 months
(kernel density)⁽¹⁾



(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The red line indicates the forecast made in September 2013. The blue line indicates the forecast made in June 2013.

Figure 5

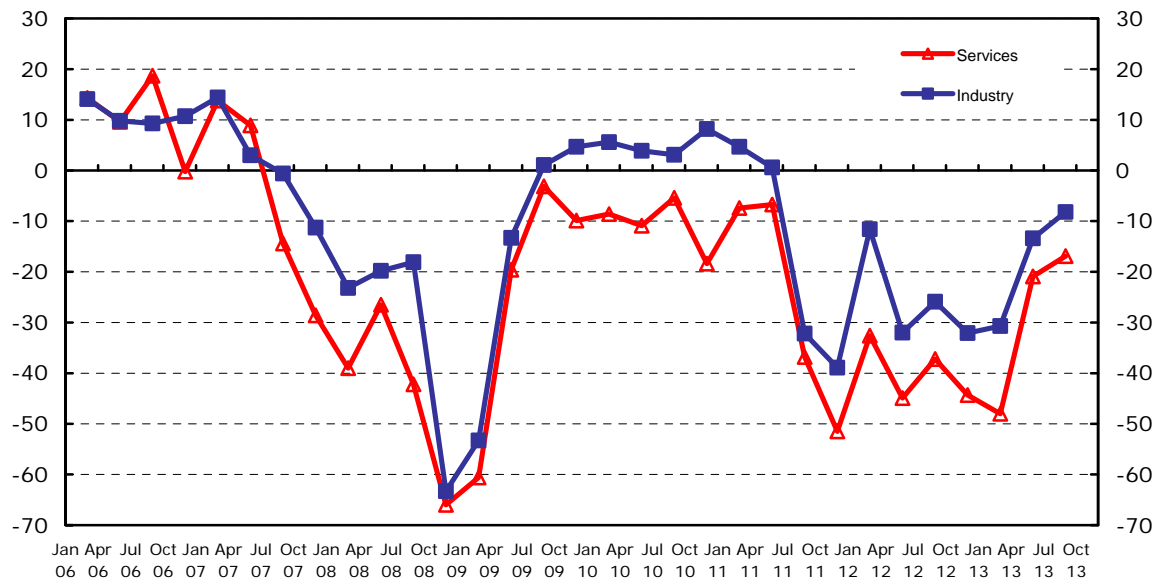
**Expectations of the inflation rate
over the next 6, 12 and 24 months
(kernel density)⁽¹⁾**



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

Figure 6

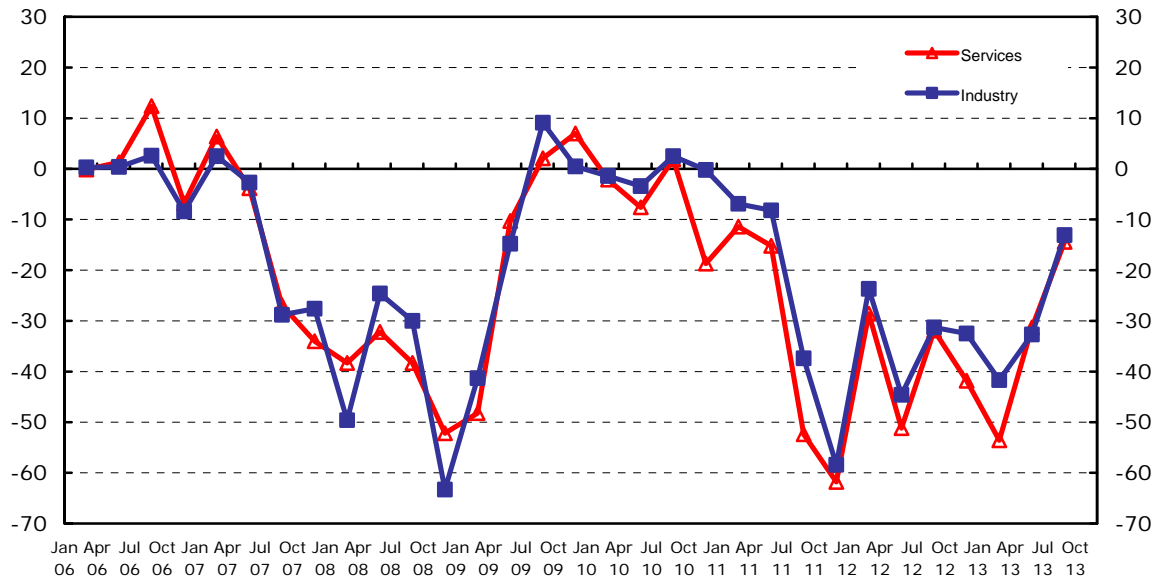
**Three-month forecast of the firm's business conditions
(percentage points)⁽¹⁾**



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

Figure 7

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



(1) Balance between positive and negative judgments.

Appendix A:

Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

The Bank of Italy – Il Sole 24 Ore survey of inflation and growth expectations has been conducted since 1999, interviewing firms in industry excluding construction and in services with 50 or more workers. Starting in the first quarter of 2013, the survey has been extended to construction firms with at least 50 workers.

The sample for the third quarter of 2013 consisted of 1,011 firms: 392 firms in industry excluding construction, 409 service firms and 210 construction firms (Table A1).

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

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

Table A1

Composition of sample and universe

(units, percentages)

	Industry excluding construction and Services			Construction		
	Sample size (a)	Company universe ⁽¹⁾ (b)	Sample coverage rate (a / b) * 100	Sample size (c)	Company universe ⁽¹⁾ (d)	Sample coverage rate (c / d) * 100
Number of employees						
50-199.....	407	16,929	2.4	174	1,375	12.7
200-999.....	261	3,575	7.3	31	129	24.0
Over 999.....	133	540	24.6	5	8	62.5
Sector						
Industry.....	392	10,914	3.6	-	-	-
Services.....	409	10,130	4.0	-	-	-
Geographical area						
North-West.....	228	8,238	2.8	63	465	13.5
North-East.....	215	5,880	3.7	55	368	14.9
Centre.....	178	3,765	4.7	49	276	17.8
South and Islands.....	180	3,161	5.7	43	403	10.7
Total.....	801	21,044	3.8	210	1,512	13.9

(1) Istat (2010).

The estimates for inflation expectations for 6, 12 and 24 months ahead are calculated on a sub-sample of 522 industrial firms and service firms, and 139 construction firms. The rest of the

sample was given a differently worded question on inflation expectations in order to assess the impact of the wording on the responses. In particular, these firms were asked to give their inflation expectations without being given the latest Istat data on inflation in Italy and the euro area. The results obtained so far indicate that anchoring has the advantage of reducing uncertainty in expressing expectations (by broadening the knowledge base), thus reducing the standard error in the estimates of the average value, without causing any significant distortion in the estimate of expectations. Further research is being carried out.

A2. Data collection and estimates

The survey data are collected by a specialist firm which distributes the questionnaire to company managers who are best informed about the topics covered. The respondents usually compile the questionnaire online using a purpose-designed interface. A small number of the companies submit their answers by fax (Table A2).

Table A2

Response rates and data collection via Internet

(units, percentages)

	Industry excluding construction and Services		Construction	
	Companies contacted	Response rate ⁽¹⁾	Companies contacted	Response rate ⁽¹⁾
Number of employees				
50-199.....	1,332	30.6	634	27.4
200-999.....	400	65.3	68	34.4
Over 999.....	198	67.2	30	62.5
Sector				
Industry.....	1,002	39.1	-	-
Services.....	928	44.1	-	-
Geographical area				
North-West.....	630	36.2	237	26.6
North-East.....	543	39.6	201	27.4
Centre.....	362	49.2	155	31.6
South and Islands.....	395	45.6	139	30.9
Total.....	1,930	41.5	732	28.7

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

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

The aggregates are evaluated using a weighting coefficient for each sample unit which, at the level of the stratification variables, takes into account the ratio between the number of

respondent companies and the number of companies in the reference universe. In the evaluation of the evolution of the variables attributed to the companies, the weighting also takes account of the size of the participating companies in terms of number of employees in order to provide more accurate indications of expected macroeconomic developments.

In order to verify the impact of outliers on the mean values for the main variables, the standard estimators are accompanied by robust estimators; specifically, values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles. The results are generally in line with those obtained from the total sample (Table A3).

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

Table A3

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

	Industry excluding construction and Services				Construction			
	Mean	Robust mean	Median	Non-response %	Mean	Robust mean	Median	Non-response %
Consumer price inflation in Italy in the next 6 months	1.5	1.4	1.5	0.0	1.4	1.4	1.4	0.0
Consumer price inflation in Italy in the next 12 months	1.6	1.6	1.5	0.0	1.5	1.4	1.4	0.0
Consumer price inflation in Italy in the next 24 months	1.7	1.7	1.6	0.0	1.5	1.5	1.5	0.0
Change in own prices in the last 12 months	0.2	0.2	0.0	4.1	2.8	-2.4	0.0	6.7
Change in own prices in the next 12 months.....	0.7	0.8	0.7	5.1	0.7	0.3	0.7	7.1

Table A4

Standard errors
(percentages, scores)

	Industry excluding construction and Services	Construction
Consumer price inflation in Italy in the next 6 months	0.05	0.06
Consumer price inflation in Italy in the next 12 months	0.04	0.06
Consumer price inflation in Italy in the next 24 months	0.04	0.07
Change in own prices in the last 12 months	0.25	0.86
Change in own prices in the last 12 months (robust).....	0.22	0.51
Change in own prices in the next 12 months.....	0.26	0.70
Change in own prices in the next 12 months (robust)	0.18	0.38

Appendix B:
Statistical Tables

LIST OF TABLES

		page
Tab. 1	Consumer price inflation expectations in Italy	21
Tab. 2	Change in companies' selling prices.....	22
Tab. 3	Factors that will affect firms' selling prices.....	23
Tab. 4	Assessment of the general state of the economy with respect to previous quarter.....	24
Tab. 5	Likelihood of an improvement in the general economic situation in the next three months.....	25
Tab. 6	Trend in total demand for firm's product/work with respect to previous quarter.....	26
Tab. 7	Three-month forecast of total demand for the firm's products/works	27
Tab. 8	Foreign demand for the firm's products with respect to previous quarter.....	28
Tab. 9	Three-month forecast of the foreign demand for the firm's products.....	29
Tab. 10	Three-month forecast of the firm's business conditions.....	30
Tab. 11	Factors which will affect the firm's business conditions	31
Tab. 12	Three-year forecast of the firm's business conditions	32
Tab. 13	Assessment of conditions for investment with respect to previous quarter.....	33
Tab. 14	Assessment of credit conditions for firms with respect to previous quarter.....	34
Tab. 15	Overall liquidity position in the next three months.....	35
Tab. 16	Payment of general government commercial credit arrears.....	36
Tab. 17	Prevalent use of commercial credit arrears received from general government	37
Tab. 18	Passing the worst stage of the ec. crisis and expectations for production/work rates....	38
Tab. 19	Three-month forecast of workforce	39
Tab. 20	Reduction in bank deposits in the last three months.....	40
Tab. 21	Factors contributing to the reduction in bank deposits in the last three months	41

Table 1

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

	Consumer price inflation expectations...		
	...after 6 months	...after 12 months	...after 24 months
Industry excluding construction and Services			
Number of employees			
50-199	1.5	1.6	1.7
200-999	1.5	1.6	1.7
Over 999	1.6	1.7	1.9
Sector			
Industry	1.5	1.6	1.7
Services.....	1.5	1.6	1.6
Geographical area			
North-West	1.6	1.7	1.8
North-East.....	1.5	1.6	1.7
Centre	1.5	1.5	1.6
South and Islands	1.3	1.5	1.5
Total industry and services	1.5	1.6	1.7
<i>Memorandum items:</i>			
June 2013.....	1.5	1.6	1.7
March 2013.....	2.4	2.4	2.4
December 2012.....	2.7	2.7	2.7
September 2012	3.3	3.3	3.2
Imprese delle costruzioni			
Fraction of revenue derived from residential building			
Less than one third.....	1.4	1.5	1.5
More than one third	1.4	1.5	1.6
Geographical area			
North.....	1.3	1.4	1.5
Centre and South-Islands	1.5	1.6	1.6
Total construction	1.4	1.5	1.5
<i>Memorandum items:</i>			
June 2013.....	1.4	1.4	1.6
March 2013.....	2.3	2.3	2.3

Table 2

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

	Rate of change in own prices ...	
	... in last 12 months	... in next 12 months
	Mean (robust) ⁽²⁾	Mean (robust) ⁽²⁾
Industry excluding construction and Services		
Number of employees		
50-199	0.4	1.0
200-999	0.7	1.1
Over 999	-0.1	0.6
Sector		
Industry	0.0	0.8
Services.....	0.3	0.8
Geographical area		
North-West.....	-0.2	0.9
North-East.....	0.7	1.0
Centre.....	0.2	0.4
South and Islands	0.6	1.1
Total industry and services.....	0.2	0.8
<i>Memorandum items:</i>		
June 2013	0.1	0.5
March 2013	0.6	0.4
December 2012.....	0.9	0.8
September 2012	1.6	1.3
Construction		
Fraction of revenue derived from residential building		
Less than one third	-2.3	0.4
More than one third.....	-3.2	-0.4
Geographical area		
North.....	-3.2	-0.4
Centre and South-Islands	-1.7	1.0
Total construction	-2.4	0.3
<i>Memorandum items:</i>		
June 2013	-2.2	-0.5
March 2013	-3.2	-2.5

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

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

Table 3

Factors that will affect firms' selling prices
(average scores)⁽¹⁾

	Change in demand	Change in raw materials prices	Change in labour costs	Pricing policies of main competitors
Industry excluding construction and Services				
Number of employees				
50-199	-0.1	0.7	0.6	-0.5
200-999	-0.1	0.6	0.6	-0.4
Over 999	-0.1	0.6	0.3	-0.7
Sector				
Industry	0.0	0.8	0.4	-0.5
Services	-0.3	0.4	0.5	-0.7
Geographical area				
North-West	0.0	0.8	0.5	-0.6
North-East	-0.4	0.7	0.5	-0.8
Centre	0.0	0.4	0.2	-0.4
South and Islands.....	-0.1	0.7	0.7	-0.3
Total industry and services	-0.1	0.6	0.5	-0.6
<i>Memorandum items:</i>				
June 2013.....	-0.3	0.3	0.4	-0.7
March 2013	-0.3	0.7	0.4	-0.6
December 2012.....	-0.4	0.6	0.4	-0.6
September 2012.....	-0.2	0.8	0.6	-0.6
Construction				
Fraction of revenue derived from residential building				
Less than one third	-0.4	1.0	0.8	-0.7
More than one third	-0.3	0.5	0.6	-0.7
Geographical area				
North	-0.5	0.5	0.4	-1.0
Centre and South-Islands.....	-0.3	1.2	1.1	-0.4
Total construction.....	-0.4	0.9	0.7	-0.7
<i>Memorandum items:</i>				
June 2013.....	-0.3	0.8	0.9	-0.7
March 2013	0.1	1.0	0.9	-0.3

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

Table 4

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	26.4	66.4	7.2	100.0	-19.2
200-999	20.4	70.0	9.6	100.0	-10.8
Over 999	20.6	61.5	17.9	100.0	-2.7
Sector					
Industry	24.0	68.9	7.1	100.0	-16.9
Services.....	26.6	64.7	8.7	100.0	-17.9
Geographical area					
North-West	18.6	69.3	12.1	100.0	-6.5
North-East.....	28.2	66.7	5.1	100.0	-23.1
Centre.....	29.0	66.6	4.4	100.0	-24.6
South and Islands	32.6	61.3	6.1	100.0	-26.5
Total industry and services.....	25.3	66.9	7.9	100.0	-17.4
<i>Memorandum items:</i>					
June 2013	52.8	44.3	2.9	100.0	-49.9
March 2013.....	69.1	30.3	0.6	100.0	-68.5
December 2012.....	57.5	38.7	3.8	100.0	-53.7
September 2012	50.6	42.9	6.4	100.0	-44.2
Construction					
Fraction of revenue derived from residential building					
Less than one third	40.6	54.3	5.1	100.0	-35.5
More than one third.....	39.7	54.4	5.8	100.0	-33.9
Geographical area					
North.....	40.9	55.1	4.0	100.0	-36.9
Centre and South-Islands	39.6	53.3	7.0	100.0	-32.6
Total construction	40.3	54.3	5.4	100.0	-34.9
<i>Memorandum items:</i>					
June 2013	65.3	31.2	3.5	100.0	-61.8
March 2013.....	75.9	23.4	0.6	100.0	-75.3

Table 5

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

(percentages)

	Zero	1-25%	26-50%	51-75%	76-100%	Total	Mean ⁽¹⁾
Industry excluding construction and Services							
Number of employees							
50-199	43.4	43.0	9.4	3.4	0.7	100.0	12.0
200-999	30.4	51.9	11.2	6.2	0.3	100.0	15.1
Over 999	23.5	49.5	12.5	13.8	0.8	100.0	20.5
Sector							
Industry	39.0	45.4	11.6	3.6	0.5	100.0	13.0
Services.....	42.5	44.0	7.9	4.7	0.9	100.0	12.5
Geographical area							
North-West	33.6	47.1	11.7	7.6	0.0	100.0	15.4
North-East.....	46.2	41.0	8.7	2.5	1.6	100.0	11.7
Centre	44.9	40.5	12.0	1.5	1.1	100.0	11.7
South and Islands.....	43.8	50.4	4.4	1.4	0.0	100.0	9.1
Exports' share of sales							
From Zero to 1/3.....	43.1	43.8	8.4	4.1	0.7	100.0	12.1
Between 1/3/ and 2/3	31.7	51.8	14.2	2.3	0.0	100.0	13.6
More than 2/3.....	42.5	39.7	9.8	6.5	1.4	100.0	14.2
Total industry and services	40.7	44.7	9.8	4.1	0.7	100.0	12.7
<i>Memorandum items:</i>							
June 2013.....	47.6	42.2	8.2	2.0	0.0	100.0	9.9
March 2013.....	57.6	34.7	5.3	2.1	0.3	100.0	8.1
December 2012.....	59.8	31.7	5.4	2.7	0.4	100.0	8.2
September 2012	52.3	35.9	7.8	3.8	0.2	100.0	10.2
Construction							
Fraction of revenue derived from residential building							
Less than one third.....	51.7	41.4	6.1	0.7	0.0	100.0	8.2
More than one third	44.4	39.7	11.1	4.8	0.0	100.0	12.4
Geographical area							
North.....	52.0	35.0	10.3	2.8	0.0	100.0	10.2
Centre and South-Islands	46.6	48.2	4.3	0.9	0.0	100.0	8.5
Total construction	49.5	40.9	7.6	1.9	0.0	100.0	9.4
<i>Memorandum items:</i>							
June 2013.....	57.6	34.2	6.7	1.6	0.0	100.0	8.0
March 2013.....	66.0	30.6	2.8	0.6	0.0	100.0	5.4

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

Table 6

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

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	24.9	60.5	14.5	100.0	-10.4
200-999	21.9	60.2	18.0	100.0	-3.9
Over 999	27.0	57.8	15.2	100.0	-11.8
Sector					
Industry	23.2	58.5	18.3	100.0	-4.9
Services.....	25.9	62.4	11.7	100.0	-14.2
Geographical area					
North-West	23.3	58.1	18.6	100.0	-4.7
North-East.....	22.0	64.2	13.8	100.0	-8.2
Centre	29.8	57.0	13.2	100.0	-16.6
South and Islands	25.8	63.5	10.7	100.0	-15.1
Exports' share of sales					
From zero to 1/3.....	26.3	61.1	12.5	100.0	-13.8
Between 1/3/ and 2/3	23.4	55.6	21.1	100.0	-2.3
More than 2/3.....	18.9	63.5	17.6	100.0	-1.3
Total industry and services.....	24.5	60.4	15.1	100.0	-9.4
<i>Memorandum items:</i>					
June 2013	32.7	56.5	10.7	100.0	-22.0
March 2013.....	41.4	50.2	8.4	100.0	-33.0
December 2012.....	39.8	50.5	9.6	100.0	-30.2
September 2012	37.7	52.2	10.1	100.0	-27.6
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	33.9	55.8	10.3	100.0	-23.6
More than one third.....	34.9	60.1	4.9	100.0	-30.0
Geographical area					
North.....	34.7	55.8	9.5	100.0	-25.2
Centre and South-Islands	33.6	58.6	7.7	100.0	-25.9
Total construction	34.2	57.1	8.7	100.0	-25.5
<i>Memorandum items:</i>					
June 2013	34.4	55.5	10.1	100.0	-24.3
March 2013.....	49.9	42.7	7.3	100.0	-42.6

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

Table 7

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

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	18.5	63.2	18.3	100.0	-0.2
200-999	13.1	61.6	25.3	100.0	12.2
Over 999	14.0	65.8	20.2	100.0	6.2
Sector					
Industry	15.4	59.9	24.7	100.0	9.3
Services.....	19.8	66.3	13.9	100.0	-5.9
Geographical area					
North-West	16.2	59.4	24.4	100.0	8.2
North-East.....	16.8	65.4	17.8	100.0	1.0
Centre	21.3	63.2	15.5	100.0	-5.8
South and Islands.....	17.6	67.6	14.8	100.0	-2.8
Exports' share of sales					
From zero to 1/3.....	19.7	62.5	17.8	100.0	-1.9
Between 1/3/ and 2/3	13.8	66.3	20.0	100.0	6.2
More than 2/3.....	14.0	60.8	25.2	100.0	11.2
Total industry and services.....	17.5	63.0	19.5	100.0	2.0
<i>Memorandum items:</i>					
June 2013.....	21.3	64.3	14.4	100.0	-6.9
March 2013.....	26.7	58.4	14.8	100.0	-11.9
December 2012.....	29.0	59.1	11.8	100.0	-17.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	22.3	58.0	19.7	100.0	-2.6
More than one third.....	21.6	66.1	12.2	100.0	-9.4
Geographical area					
North.....	23.2	60.0	16.7	100.0	-6.5
Centre and South-Islands	20.8	60.9	18.4	100.0	-2.4
Total construction	22.1	60.4	17.5	100.0	-4.6
<i>Memorandum items:</i>					
June 2013.....	16.4	66.4	17.2	100.0	0.8
March 2013.....	30.8	58.4	10.8	100.0	-20.0

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

Table 8

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

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
Number of employees					
50-199	15.6	53.5	30.9	100.0	15.3
200-999	11.2	49.5	39.3	100.0	28.1
Over 999	12.8	65.5	21.7	100.0	8.9
Sector					
Industry	15.5	49.3	35.1	100.0	19.6
Services.....	12.5	63.3	24.3	100.0	11.8
Geographical area					
North-West	16.0	53.0	31.0	100.0	15.0
North-East.....	11.0	47.7	41.3	100.0	30.3
Centre	16.2	59.4	24.3	100.0	8.1
South and Islands.....	16.9	57.7	25.4	100.0	8.5
Total industry and services	14.7	53.1	32.2	100.0	17.5
<i>Memorandum items:</i>					
June 2013.....	18.1	56.2	25.6	100.0	7.5
March 2013.....	19.8	52.7	27.5	100.0	7.7
December 2012.....	20.5	54.4	25.1	100.0	4.6
September 2012	22.4	45.4	32.1	100.0	9.7

(1) For exporting firms only.

Table 9

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

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Number of employees					
50-199	11.0	58.9	30.0	100.0	19.0
200-999	4.3	55.7	40.0	100.0	35.7
Over 999	11.2	67.4	21.5	100.0	10.3
Sector					
Industry	9.4	56.1	34.6	100.0	25.2
Services.....	11.0	65.2	23.8	100.0	12.8
Geographical area					
North-West	8.8	62.1	29.1	100.0	20.3
North-East.....	10.9	53.0	36.0	100.0	25.1
Centre	9.8	61.5	28.8	100.0	19.0
South and Islands.....	10.8	54.5	34.8	100.0	24.0
Total industry and services	9.8	58.5	31.7	100.0	21.9
<i>Memorandum items:</i>					
June 2013.....	10.9	59.3	29.8	100.0	18.9
March 2013.....	10.7	54.8	34.5	100.0	23.8
December 2012.....	14.7	58.3	27.0	100.0	12.3
September 2012	15.7	55.0	29.3	100.0	13.6

(1) For exporting firms only.

Table 10

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	22.0	70.0	8.0	100.0	-14.0
200-999	16.2	72.8	10.9	100.0	-5.3
Over 999	18.0	70.6	11.5	100.0	-6.5
Sector					
Industry	18.5	71.2	10.3	100.0	-8.2
Services.....	23.6	69.8	6.7	100.0	-16.9
Geographical area					
North-West	18.0	70.1	11.9	100.0	-6.1
North-East.....	25.0	68.0	7.0	100.0	-18.0
Centre	20.8	75.2	4.0	100.0	-16.8
South and Islands.....	21.1	70.7	8.2	100.0	-12.9
Total industry and services.....	20.9	70.5	8.6	100.0	-12.3
<i>Memorandum items:</i>					
June 2013.....	22.7	71.6	5.7	100.0	-17.0
March 2013.....	42.4	54.3	3.4	100.0	-39.0
December 2012.....	41.9	54.2	3.9	100.0	-38.0
September 2012	37.1	57.1	5.8	100.0	-31.3
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	35.6	58.4	6.0	100.0	-29.6
More than one third.....	31.0	60.8	8.1	100.0	-22.9
Geographical area					
North.....	36.6	57.4	6.1	100.0	-30.5
Centre and South-Islands	31.4	61.3	7.4	100.0	-24.0
Total construction	34.2	59.1	6.6	100.0	-27.6
<i>Memorandum items:</i>					
June 2013.....	27.3	65.1	7.6	100.0	-19.7
March 2013.....	47.6	49.6	2.8	100.0	-44.8

Table 11

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

	Change in demand	Trend in new sites	Trend in existing sites	Change in selling prices	Change in credit conditions
Industry excluding construction and Services					
Number of employees					
50-199	0.2	....	....	0.0	-0.4
200-999	0.1	....	....	0.1	-0.2
Over 999	-0.2	....	....	0.0	-0.5
Sector					
Industry	0.4	....	....	-0.1	-0.3
Services.....	0.0	....	....	0.1	-0.5
Geographical area					
North-West	0.2	....	....	-0.1	-0.3
North-East.....	0.2	....	....	0.0	-0.3
Centre	0.2	....	....	0.0	-0.5
South and Islands.....	0.2	....	....	0.0	-0.5
Total industry and services.....	0.2	....	....	0.0	-0.4
<i>Memorandum items:</i>					
June 2013.....	-0.0	....	....	-0.0	-0.5
March 2013.....	-0.1	....	....	0.0	-0.6
December 2012.....	-0.4	....	....	-0.1	-1.0
September 2012.....	-0.3	....	....	-0.1	-0.9
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	....	0.9	0.7	-0.5	-0.6
More than one third.....	....	0.8	0.5	-0.3	-0.7
Geographical area					
North.....	....	0.8	0.6	-0.5	-0.7
Centre and South-Islands .....	....	0.9	0.7	-0.3	-0.6
Total construction .....	....	0.8	0.6	-0.4	-0.7
<i>Memorandum items:</i>					
June 2013.....	....	0.9	0.8	-0.5	-0.5
March 2013.....	....	0.8	0.7	-0.7	-1.0

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

Table 12

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	17.7	18.9	63.4	100.0	45.7
200-999	11.4	20.4	68.2	100.0	56.8
Over 999	11.8	15.5	72.6	100.0	60.8
Sector					
Industry	14.9	16.9	68.1	100.0	53.2
Services.....	18.1	21.5	60.4	100.0	42.3
Geographical area					
North-West	16.2	12.0	71.9	100.0	55.7
North-East.....	15.7	27.5	56.8	100.0	41.1
Centre	18.7	21.6	59.7	100.0	41.0
South and Islands.....	16.1	18.8	65.2	100.0	49.1
Total industry and services	16.5	19.1	64.4	100.0	47.9
<i>Memorandum items:</i>					
June 2013.....	17.7	21.2	61.1	100.0	43.4
March 2013.....	22.6	20.2	57.1	100.0	34.5
December 2012.....	25.3	20.9	53.8	100.0	28.5
September 2012	20.0	19.0	61.0	100.0	41.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	22.0	24.0	54.0	100.0	32.0
More than one third	21.3	21.1	57.6	100.0	36.3
Geographical area					
North.....	21.0	22.8	56.2	100.0	35.2
Centre and South-Islands.....	22.8	23.5	53.7	100.0	30.9
Total construction	21.8	23.1	55.1	100.0	33.3
<i>Memorandum items:</i>					
June 2013.....	12.5	17.8	69.7	100.0	57.2
March 2013.....	23.5	20.2	56.3	100.0	32.8

Table 13

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	17.7	18.9	63.4	100.0	45.7
200-999	11.4	20.4	68.2	100.0	56.8
Over 999	11.8	15.5	72.6	100.0	60.8
Sector					
Industry	14.9	16.9	68.1	100.0	53.2
Services.....	18.1	21.5	60.4	100.0	42.3
Geographical area					
North-West	16.2	12.0	71.9	100.0	55.7
North-East.....	15.7	27.5	56.8	100.0	41.1
Centre	18.7	21.6	59.7	100.0	41.0
South and Islands.....	16.1	18.8	65.2	100.0	49.1
Total industry and services.....	16.5	19.1	64.4	100.0	47.9
<i>Memorandum items:</i>					
June 2013.....	17.7	21.2	61.1	100.0	43.4
March 2013.....	22.6	20.2	57.1	100.0	34.5
December 2012.....	25.3	20.9	53.8	100.0	28.5
September 2012	20.0	19.0	61.0	100.0	41.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	22.0	24.0	54.0	100.0	32.0
More than one third.....	21.3	21.1	57.6	100.0	36.3
Geographical area					
North.....	21.0	22.8	56.2	100.0	35.2
Centre and South-Islands	22.8	23.5	53.7	100.0	30.9
Total construction	21.8	23.1	55.1	100.0	33.3
<i>Memorandum items:</i>					
June 2013.....	12.5	17.8	69.7	100.0	57.2
March 2013.....	23.5	20.2	56.3	100.0	32.8

Table 14

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

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	23.5	73.5	3.0	100.0	-20.5
200-999	10.6	85.0	4.4	100.0	-6.2
Over 999	2.7	92.7	4.6	100.0	1.9
Sector					
Industry.....	21.3	74.9	3.8	100.0	-17.5
Services	20.2	77.1	2.7	100.0	-17.5
Geographical area					
North-West	17.1	79.0	4.0	100.0	-13.1
North-East	24.7	72.8	2.5	100.0	-22.2
Centre	19.5	77.9	2.6	100.0	-16.9
South and Islands.....	24.7	71.7	3.6	100.0	-21.1
Total industry and services	20.8	76.0	3.3	100.0	-17.5
<i>Memorandum items:</i>					
June 2013.....	26.9	69.4	3.7	100.0	-23.2
March 2013	28.8	70.1	1.1	100.0	-27.7
December 2012.....	30.5	66.3	3.2	100.0	-27.3
September 2012.....	26.1	72.2	1.8	100.0	-24.3
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	36.6	57.5	5.8	100.0	-30.8
More than one third	41.1	56.5	2.3	100.0	-38.8
Geographical area					
North	33.8	60.8	5.4	100.0	-28.4
Centre and South-Islands.....	43.1	52.9	4.0	100.0	-39.1
Total construction	38.0	57.2	4.8	100.0	-33.2
<i>Memorandum items:</i>					
June 2013.....	41.5	56.1	2.4	100.0	-39.1
March 2013	50.4	48.2	1.4	100.0	-49.0

Table 15

Overall liquidity position in the next three months
(percentages)

	Insufficient	Sufficient	More than sufficient	Total
Industry excluding construction and Services				
Number of employees				
50-199	23.7	61.5	14.8	100.0
200-999	12.2	69.5	18.3	100.0
Over 999	7.4	68.3	24.3	100.0
Sector				
Industry.....	21.7	59.1	19.2	100.0
Services	21.0	67.1	11.8	100.0
Geographical area				
North-West	15.7	65.6	18.7	100.0
North-East	18.6	64.0	17.4	100.0
Centre	28.3	55.8	15.9	100.0
South and Islands.....	33.1	62.8	4.0	100.0
Total industry and services	21.4	63.0	15.6	100.0
<i>Memorandum items:</i>				
June 2013.....	25.6	61.2	13.2	100.0
March 2013	27.2	60.5	12.3	100.0
December 2012.....	28.6	58.8	12.5	100.0
September 2012.....	24.8	63.4	11.8	100.0
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	46.3	50.3	3.4	100.0
More than one third	55.0	43.3	1.7	100.0
Geographical area				
North	41.6	54.3	4.1	100.0
Centre and South-Islands.....	57.5	41.0	1.5	100.0
Total construction	48.9	48.2	2.9	100.0
<i>Memorandum items:</i>				
June 2013.....	53.0	44.1	2.9	100.0
March 2013	46.6	49.2	4.2	100.0

Table 16

Payment of general government commercial credit arrears
(percentages)

	No commercial credit arrears	No payments received	Payments received	Total
Industry excluding construction and Services				
Number of employees				
50-199	69.7	19.9	10.4	100.0
200-999	65.7	23.3	11.1	100.0
Over 999	53.8	31.1	15.1	100.0
Sector				
Industry.....	78.4	16.1	5.4	100.0
Services	58.2	25.7	16.2	100.0
Geographical area				
North-West	72.5	20.0	7.6	100.0
North-East	72.4	16.8	10.8	100.0
Centre	57.6	29.2	13.2	100.0
South and Islands.....	65.3	19.8	14.9	100.0
Total industry and services	68.7	20.7	10.6	100.0
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	38.1	34.0	27.9	100.0
More than one third	51.4	30.6	18.0	100.0
Geographical area				
North	44.1	29.3	26.6	100.0
Centre and South-Islands.....	39.5	37.5	23.0	100.0
Total construction	42.0	33.0	25.0	100.0

Table 17

**Prevalent use of payments received from general government for
commercial credit arrears**
(per cent)

	Provisions	Reduction of exposure to the financial system	Reduction of exposure to general government	Reduction of debt to employees or suppliers	Funding of new investments	Other	Total
Industry excluding construction and Services							
Number of employees							
50-199	2.9	27.0	16.3	26.6	3.4	23.8	100.0
200-999	0.0	42.1	15.5	19.3	7.0	16.1	100.0
Over 999	0.0	47.5	21.7	14.4	8.9	7.4	100.0
Sector							
Industry	4.4	17.1	9.1	40.2	6.5	22.6	100.0
Services	1.5	35.1	19.0	19.3	3.3	21.7	100.0
Geographical area							
North-West.....	0.0	17.5	32.8	30.0	3.1	16.6	100.0
North-East.....	0.0	35.0	2.8	38.2	0.6	23.3	100.0
Centre.....	0.0	48.5	10.4	12.0	7.0	22.2	100.0
South and Islands	10.8	21.8	19.2	13.8	7.4	27.0	100.0
Total industry and services.....	2.3	30.3	16.3	24.9	4.2	22.0	100.0
Construction							
Fraction of revenue derived from residential building							
Less than one third	2.6	54.7	5.3	32.0	0.6	4.8	100.0
More than one third	0.0	45.0	10.0	35.0	0.0	10.0	100.0
Geographical area							
North	3.5	45.9	10.7	32.0	0.8	7.2	100.0
Centre and South-Islands	0.0	62.4	0.0	33.5	0.0	4.0	100.0
Total construction.....	2.0	52.7	6.3	32.6	0.5	5.9	100.0

Table 18

Passing the worst stage of the economic crisis and expectations for production rates

(per cent)

	The firm passed the most difficult stage of the economic crisis during the summer			The firm expects a solid improvement of its production/work rates in the coming months		
	No	Yes	No	Yes	No	Yes
Imprese dell'industria in senso stretto e dei servizi						
Number of employees						
50-199	72.8	27.2	100.0	67.2	32.8	100.0
200-999	66.4	33.6	100.0	62.5	37.5	100.0
Over 999	63.9	36.1	100.0	69.7	30.3	100.0
Sector						
Industry	68.9	31.1	100.0	62.2	37.8	100.0
Services	74.4	25.6	100.0	71.1	28.9	100.0
Geographical area						
North-West	66.4	33.6	100.0	64.0	36.0	100.0
North-East	75.9	24.1	100.0	70.8	29.2	100.0
Centre	74.5	25.5	100.0	68.1	31.9	100.0
South and Islands	73.3	26.7	100.0	63.1	36.9	100.0
General government payments of commercial credit arrears						
No credit arrears	71.0	29.0	100.0	66.3	33.7	100.0
No payment received	73.5	26.5	100.0	69.3	30.7	100.0
Received payments	71.3	28.7	100.0	62.0	38.0	100.0
Total industry and services	71.5	28.5	100.0	66.5	33.5	100.0
Imprese delle costruzioni						
Fraction of revenue derived from residen building						
Less than one third	72.0	28.0	100.0	71.1	28.9	100.0
More than one third	82.6	17.4	100.0	66.7	33.3	100.0
Geographical area						
North	77.9	22.1	100.0	72.1	27.9	100.0
Centre and South-Islands	71.8	28.2	100.0	66.9	33.1	100.0
General government payments of commercial credit arrears						
No credit arrears	68.3	31.7	100.0	68.2	31.8	100.0
No payment received	80.3	19.7	100.0	71.4	28.6	100.0
Received payments	79.9	20.1	100.0	70.3	29.7	100.0
Total construction	75.2	24.8	100.0	69.8	30.2	100.0

Table 19

Three-month forecast of workforce
(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	22.4	69.6	8.1	100.0	-14.3
200-999	25.1	62.8	12.1	100.0	-13.0
Over 999	33.2	55.0	11.7	100.0	-21.5
Sector					
Industry.....	20.8	69.6	9.7	100.0	-11.1
Services	25.7	66.4	7.9	100.0	-17.8
Geographical area					
North-West	22.1	69.7	8.2	100.0	-13.9
North-East	22.8	65.0	12.2	100.0	-10.6
Centre	23.9	67.7	8.4	100.0	-15.5
South and Islands.....	25.2	70.0	4.7	100.0	-20.5
Total industry and services	23.1	68.1	8.8	100.0	-14.3
<i>Memorandum items:</i>					
June 2013.....	24.5	67.3	8.2	100.0	-16.3
March 2013	23.6	66.9	9.6	100.0	-14.0
December 2012.....	30.7	61.9	7.4	100.0	-23.3
September 2012.....	24.7	68.9	6.5	100.0	-18.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	33.2	61.0	5.8	100.0	-27.4
More than one third	28.2	64.8	7.0	100.0	-21.2
Geographical area					
North	34.0	58.5	7.5	100.0	-26.5
Centre and South-Islands.....	28.9	66.5	4.6	100.0	-24.3
Total construction	31.7	62.1	6.2	100.0	-25.5
<i>Memorandum items:</i>					
June 2013.....	30.3	65.0	4.6	100.0	-25.7
March 2013	32.6	59.8	7.6	100.0	-25.0

Table 20

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

	No	Yes	Total
Industry excluding construction and Services			
Number of employees			
50-199	66.3	33.7	100.0
200-999	80.1	19.9	100.0
Over 999	81.7	18.3	100.0
Sector			
Industry.....	69.2	30.8	100.0
Services	68.9	31.1	100.0
Geographical area			
North-West	76.7	23.3	100.0
North-East	66.4	33.6	100.0
Centre	60.2	39.8	100.0
South and Islands.....	64.4	35.6	100.0
Total industry and services	69.0	31.0	100.0
<i>per memoria:</i>			
March 2013	60.4	39.6	100.0
September 2012	55.1	44.9	100.0
June 2012	57.2	42.8	100.0
March 2012	54.9	45.1	100.0
Construction			
Fraction of revenue derived from residential building			
Less than one third.....	42.9	57.1	100.0
More than one third	40.7	59.3	100.0
Geographical area			
North	44.9	55.1	100.0
Centre and South-Islands.....	38.9	61.1	100.0
Total construction	42.3	57.7	100.0
<i>per memoria:</i>			
March 2013	34.7	65.3	100.0

Table 21

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

(average scores)⁽¹⁾⁽²⁾

	Increasing difficulty in accessing credit	Reduction in revenues	Portfolio rebalancing
Industry excluding construction and Services			
Number of employees			
50-199	1.7	2.2	1.4
200-999	1.4	1.9	1.3
Over 999	1.0	1.8	0.6
Sector			
Industry	1.6	2.1	1.6
Services.....	1.6	2.2	1.2
Geographical area			
North-West	1.6	2.4	1.5
North-East.....	1.5	2.1	1.4
Centre	1.6	1.9	1.4
South and Islands	1.8	2.1	1.4
Total industry and services	1.6	2.1	1.4
<i>per memoria:</i>			
March 2013	1.6	2.1	1.3
September 2012 .....	....	2.2	1.3
June 2012 .....	....	2.1	1.4
March 2012 .....	....	2.2	....
Construction			
Fraction of revenue derived from residential building			
Less than one third	2.0	2.6	1.7
More than one third	2.1	2.4	1.9
Geographical area			
North.....	2.0	2.6	1.8
Centre and South-Islands	2.1	2.5	1.7
Total construction	2.0	2.5	1.7
<i>per memoria:</i>			
March 2013	2.0	2.6	1.7

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

Appendix C:
Questionnaire

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

SEPTEMBER 2013

Company Name _____

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

(1) MANUFACTURING

(2) OTHER INDUSTRY

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

(3) TRADING

(4) OTHER SERVICES

(5) CONSTRUCTION

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

Fill in GREEN questionnaire

Fill in LIGHT BLUE questionnaire

INDUSTRY EXCLUDING CONSTRUCTION AND SERVICES

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

SEZIONE A – GENERAL INFORMATION

A1. Number of employees: |_|_|

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

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

SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in March 2014?	...in September 2014?	... in September 2015?
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 1.2 per cent in Italy and 1.6 per cent in the euro area. What do you think it will be in Italy...	|_| |_|_|.|_|%	|_| |_|_|.|_|%	|_| |_|_|.|_|%
B1b. (about 1/3 of the sample) What do you think consumer price inflation in Italy, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, will be...	|_| |_|_|.|_|%	|_| |_|_|.|_|%	|_| |_|_|.|_|%

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

B3. What do you think is the probability of an improvement in Italy's general economic situation in the next 3 months?

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

SECTION C – YOUR FIRM'S BUSINESS CONDITIONS

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

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

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

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

	Better			The same			Worse			Total		
C3. in the next 3 months	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	1	0	0
C4. in the next 3 years	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	|_|	1	0	0

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

Factors affecting your firm's business in the next 3 months	Effect on business			Intensity (if not nil)		
	Negative	Nil	Positive	Low	Average	High
C5. changes in DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
C6. changes in YOUR PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
C7. AVAILABILITY and the COST OF CREDIT	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|

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

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

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

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

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

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

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

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

C15 Overall, do you think your firm passed the most difficult stage of the economic crisis during the course of the summer? No Yes

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

SECTION D – CHANGES IN YOUR FIRM'S SELLING PRICES

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

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

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

Factors affecting your firm's prices in the next 12 months	Effect on firm's selling prices			Intensity (if not nil)		
	Downward	Neutral	Upward	Low	Average	High
	_	_	_	_	_	_

D3. TOTAL DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D4. RAW MATERIALS PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D5. LABOUR COSTS	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D6. PRICING POLICIES of your firm's main competitors	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|

SECTION E – WORKFORCE

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

SECTION F – BANK DEPOSITS

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

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

	<i>None</i>	<i>Small</i>	<i>Average</i>	<i>Large</i>
--	-------------	--------------	----------------	--------------

F2. Increasing difficulty in accessing credit	1 _	2 _	3 _	4 _
--	-----	-----	-----	-----

F3. Reduction in revenues	1 _	2 _	3 _	4 _
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F4. Portfolio rebalancing; perceived uncertainty on financial system	1 _	2 _	3 _	4 _
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SECTION G – GENERAL GOVERNMENT PAYMENTS

G1. In recent months, have you received a sizeable sum from general government in payment of commercial credit arrears? No, I was not due any arrears from general government No, I have not received any arrears Yes

G2. If yes, what use have you made or do you plan to make, mainly before the end of the year, of the arrears you have received?

Provisions; Reduction of exposure to the financial system; Reduction of exposure to general government;

Reduction of debt to employees or suppliers; Funding of new investments; Other.

CONSTRUCTION

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

SEZIONE A – GENERAL INFORMATION

A1. Number of employees: |__|

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

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

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

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

SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in March 2014?	...In September 2014?	... in September 2015?
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 1.2 per cent in Italy and 1.6 per cent in the euro area. What do you think it will be in Italy...	|__| |__|_|,|__|%	|__| |__|_|,|__|%	|__| |__|_|,|__|%
B1b. (about 1/3 of the sample) What do you think consumer price inflation in Italy, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES, will be...	|__| |__|_|,|__|%	|__| |__|_|,|__|%	|__| |__|_|,|__|%

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

B3. What do you think is the probability of an improvement in Italy's general economic situation in the next 3 months?

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

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

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

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

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

	Better			The same			Worse			Total		
C3. in the next 3 months										1	0	0
C4. in the next 3 years										1	0	0

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

Factors affecting your firm's business In the next 3 months	Effect on business			Intensity (if not nil)		
	Negative	Nil	Positive	Low	Average	High
C5a. trend in NEW SITES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C5b. trend in existing SITES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C6. changes in YOUR PRICES	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C7. AVAILABILITY and the COST OF CREDIT	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|

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

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

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

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

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

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

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

C15 Overall, do you think your firm passed the most difficult stage of the economic crisis during the course of the summer? No Yes

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

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

Please indicate direction and intensity of the following **FACTORS** as they will affect your firm's selling prices in the next 12 months:

Factors affecting your firm's prices in the next 12 months	Effect on firm's selling prices			Intensity (if not nil)		
	Downward	Neutral	Upward	Low	Average	High
D3. TOTAL DEMAND	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D4. RAW MATERIALS PRICES	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D5. LABOUR COSTS	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
D6. PRICING POLICIES of your firm's main competitors	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|

SECTION E – WORKFORCE

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

SECTION F – BANK DEPOSITS

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

If yes, what contribution did each of the following factors make?	None	Small	Average	Large
F2. Increasing difficulty in accessing credit	1|_|	2|_|	3|_|	4|_|
F3. Reduction in revenues	1|_|	2|_|	3|_|	4|_|
F4. Portfolio rebalancing; perceived uncertainty on financial system	1|_|	2|_|	3|_|	4|_|

SECTION G – GENERAL GOVERNMENT PAYMENTS

G1. In recent months, have you received a sizeable sum from general government in payment of commercial credit arrears? No, I was not due any arrears from general government No, I have not received any arrears Yes

G2. If yes, what use have you made or do you plan to make, mainly before the end of the year, of the arrears you have received?

- Provisions; Reduction of exposure to the financial system; Reduction of exposure to general government;
 Reduction of debt to employees or suppliers; Funding of new investments; Other.

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.

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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)

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