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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 December 2014 exclusively for the purpose of economic analysis and have been handled and processed in aggregate form, in full compliance with Italy's law on the treatment of personal information.

The survey report has been prepared by Tatiana Cesaroni and Claire Giordano.

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 December 2014. A total of 1,000 companies with 50 or more employees took part, of which 417 operate in industry excluding construction, 406 in services and 204 in construction firms¹ with 50 or more workers (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 results for firms in services and industry excluding construction

Inflation expectations for Italy and changes in firms' prices

Expectations for consumer price inflation remained very modest in December, including for the relatively long term, although they were revised very modestly upwards (by 0.1 percentage points for all time horizons) by comparison with the September survey. Six-month expectations rose to 0.4 per cent, those for a year to 0.5 per cent and those for two years to 0.7 per cent; those three to five years ahead rose to 0.9 per cent (Table 1 and Figure 1).

Firms reported that they had lowered their prices by an average of 0.3 per cent in the last year (0.2 per cent in the September survey; Table 2). For the next twelve months they expect to raise list prices by just 0.2 per cent (0.7 per cent in September). This sharp downward revision was due above all to an adjustment of the forecasts of industrial firms. Slack demand and competitors' prices continued to be the main factors in the significant price moderation (Table 3).

Assessment of the general economic situation

The fourth quarter saw a slight attenuation of firms' pessimism concerning the general economic situation. The percentage balance between judgments of improvement and deterioration, which had gone sharply negative again in September, recovered modestly, from -28.7 to -23.1 percentage points (Table 4). About two thirds of the respondent firms, slightly more than in the previous survey, saw the economic situation as stable. The average probability assigned to an overall economic improvement in the next quarter was unchanged at 11.9 per cent (Table 5).

Demand

Firms' evaluations of trends in the demand for their products in the last quarter were marginally less unfavourable than in September. The negative balance between reports of increase and decrease narrowed to 5.8 percentage points, from 6.8 in the previous survey (Table 6). Opinions on the short-term outlook, however, worsened again, the positive balance shrinking from 5.5 to 2.1 percentage points (Table 7).

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.

Assessments of foreign demand, current and above all expected, remain more favourable, although the positive balance between reports of improvement and deterioration in the last three months fell to 12.6 percentage points, the lowest level recorded since December 2013 (Table 8). However, short-term expectations for foreign demand improved, the difference between forecasts of expansion and contraction increasing by more than 6 percentage points to 25.8 points (Table 9).

Assessment of business conditions

Expectations three months ahead concerning business conditions for firms continue to be dominated by predictions of stability (75.8 per cent, up from 71.9 per cent; Table 10 and Figure 6). The negative balance between judgments of improvement and deterioration was attenuated, from 13.6 points in September to 6.8 points in December. Firms do not expect their business conditions to be affected by changes in the terms of credit, but they do fear uncertainty ascribed to economic and political factors (Table 11).

Expectations on business conditions three years ahead were slightly improved. The positive balance between forecasts of improvement and deterioration edged up from 39.3 percentage points in September to 41.7 in December (Table 12).

According to 44.2 per cent of the respondent firms, in the past two years the “normal” level of activity has diminished. In September, when this question was first asked, 42.0 per cent had made this judgment; the share judging the level to have increased declined from 24.4 to 22.7 per cent (Table 18).

Investment conditions

Firms gave more unfavorable assessments of the conditions for investing than in September. The negative balance between responses of improvement and deterioration widened from 8.9 to 15.0 percentage points (Table 13 and Figure 7). The overall trend was the resultant of worsening judgments in industry excluding construction and a slight improvement in services.

Investment in the first half of 2015 should be broadly at the same level as in the second half of 2014; 48.9 per cent of firms expected unchanged investment spending, while the positive balance between expectations of increase and decrease narrowed to 3.2 percentage points (Table 14). The December survey also asked specifically about non-construction investment, finding that 57.9 per cent of respondents expect stabilization, while the balance between forecasts of expansion and contraction was only marginally negative, by 0.7 percentage points (Table 15).

Investment plans for all of 2015 also suggest capital formation in line with 2014. About 48.2 per cent of firms expected investment spending to be unchanged for the year, while the balance between forecasts of increase and decrease came to 3.6 percentage points (Table 16). Net of the construction sector, the outlook was slightly less positive: the share of firms expecting stabilization came to 58.2 per cent and the balance between predictions of increase and decrease was just barely positive at 0.2 points (Table 17).

Some 33.5 per cent of the respondents judged that in the past few months they had gotten past the worst of the recession, compared with 27.6 per cent in the September survey (Table 22). The portion expecting a substantial increase in production in the next few months also rose, from 34.1 to 35.5 per cent. Industrial firms were more positive than the average in their assessments both of the present situation and of the outlook.

Liquidity and access to credit

The conditions of access to credit were basically unchanged from the previous survey. The negative balance between firms reporting that during the quarter access had become easier and those reporting greater difficulty eased slightly, from 3.1 to 2.4 percentage points (Table 19); there was an improvement in the balance in the service sector, partly offset by a worsening in industry.

Expectations concerning short-term liquidity were also broadly unchanged. The share of firms seeing their liquidity over the next few months as insufficient rose from 19.1 to 19.9 per cent, but those considering it to be more than sufficient also increased, from 17.4 to 18.5 per cent (Table 20).

Employment

Employment forecasts for the coming months too were practically unchanged. The share of firms expecting to increase their staff in the next three months fell from 20.4 per cent in September to 19.9 per cent in December, while those expecting to reduce staff held at 11.8 per cent (Table 21).

3. Construction

Builders' pessimism over the general economic situation moderated slightly in December, the negative balance between assessments of improvement and deterioration stood at 34.9 percentage points, compared with 37.9 points in September (Table 4). However, the probability of a better scenario in the next three months declined from 7.8 to 7.5 per cent (Table 5).

Judgments on developments in demand for the reporting firms' own services were marginally better, the negative difference between reports of expansion and contraction narrowing from 14.3 to 13.0 percentage points since the previous survey (Table 6). Meanwhile, the positive balance between short-term expectations of increase and decrease slipped further, from 4.1 to 2.9 points (Table 7); and for firms that draw more than a third of their turnover from residential building, the balance turned negative by 8.2 points.

Expectations concerning firms' operating environment improved slightly between September and December. The negative balance on assessments for the coming three months moderated from 20.6 to 18.3 percentage points (Table 10). The firms cited uncertainty due to economic and political factors as the primary obstacle to their activity. Expectations for the three-year horizon deteriorated, the positive balance between firms expecting improvement and deterioration slipping from 40.1 to 36.3 percentage points (Table 12).

Some 54.9 per cent of the firms interviewed reported a reduction in their "normal" level of activity over the past two years; this was 3 percentage points less than in September. At the same time the percentage of firms that reported no change or that could not answer this question increased (Table 18).

Assessments of investment conditions in the previous quarter worsened in the construction industry as well. The negative balance between judgments of improvement and deterioration widened from 17.8 to 22.9 percentage points (Table 13). Most firms expected their investment spending to be continue in the first half at about the pace as in the second half of last year, and also to be the same in 2015 as a whole as in 2014 (Tables 14 and 16). At both horizons the firms forecasting a decrease in investment outnumbered those expecting an increase.

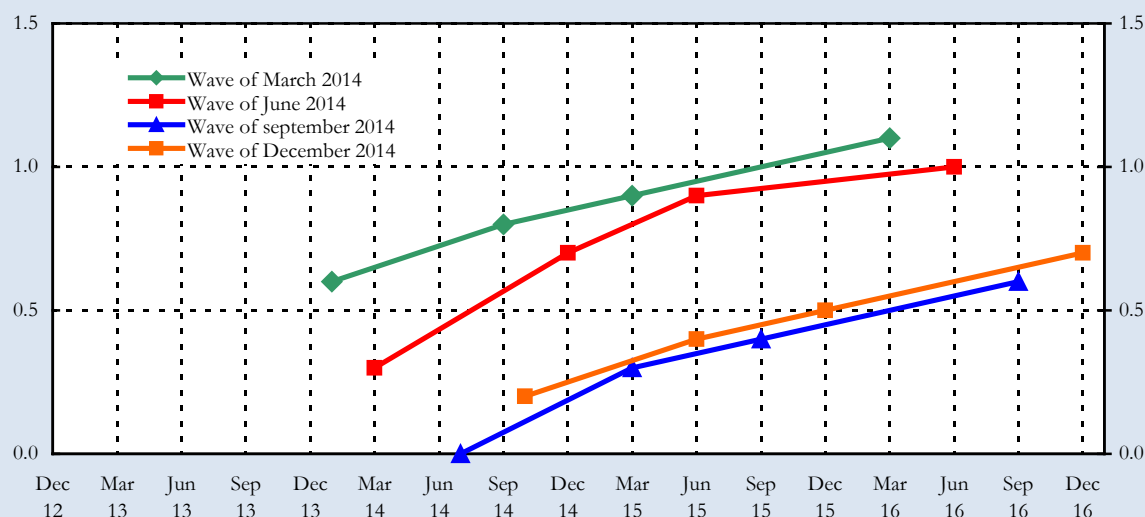
The share of builders reporting that they had passed the worst of the recession in the past few months rose from 22.0 in September to 24.2 per cent in December, but the portion expecting a strong increase in output in the coming months fell from 33.8 to 29.2 per cent (Table 22).

Construction firms generally expected a further decrease in their work force over the next three months. The negative balance between responses of increase and decrease widened from 18.6 to 20.3 percentage points (Table 21).

Figure 1

Expectations of consumer price inflation in Italy

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

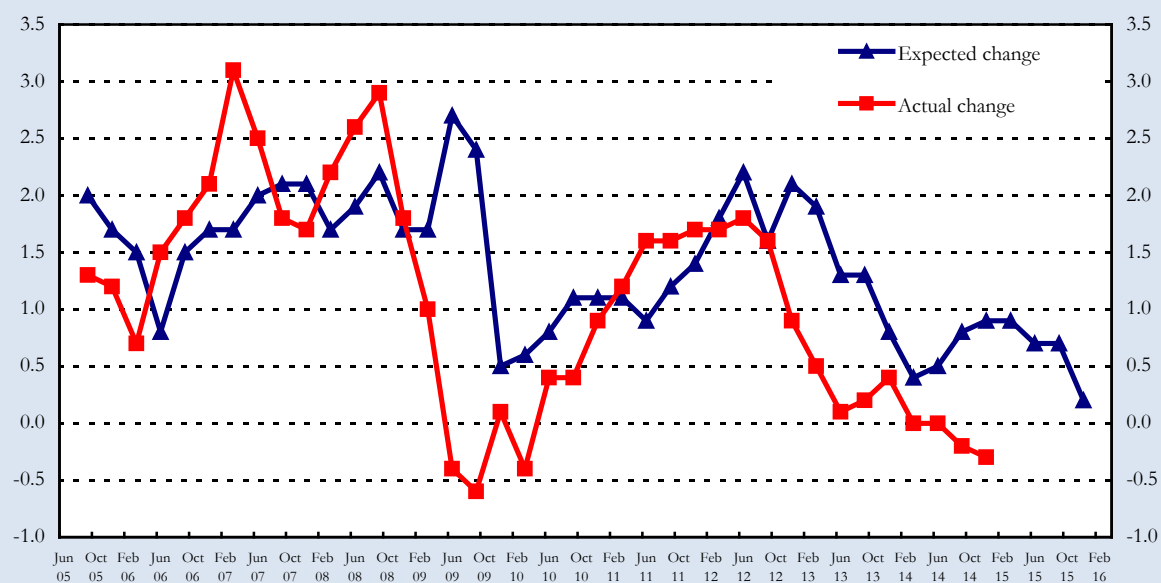


(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next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

Expected and actual changes in selling prices

(Industry excluding construction and Services; percentage changes) ⁽¹⁾

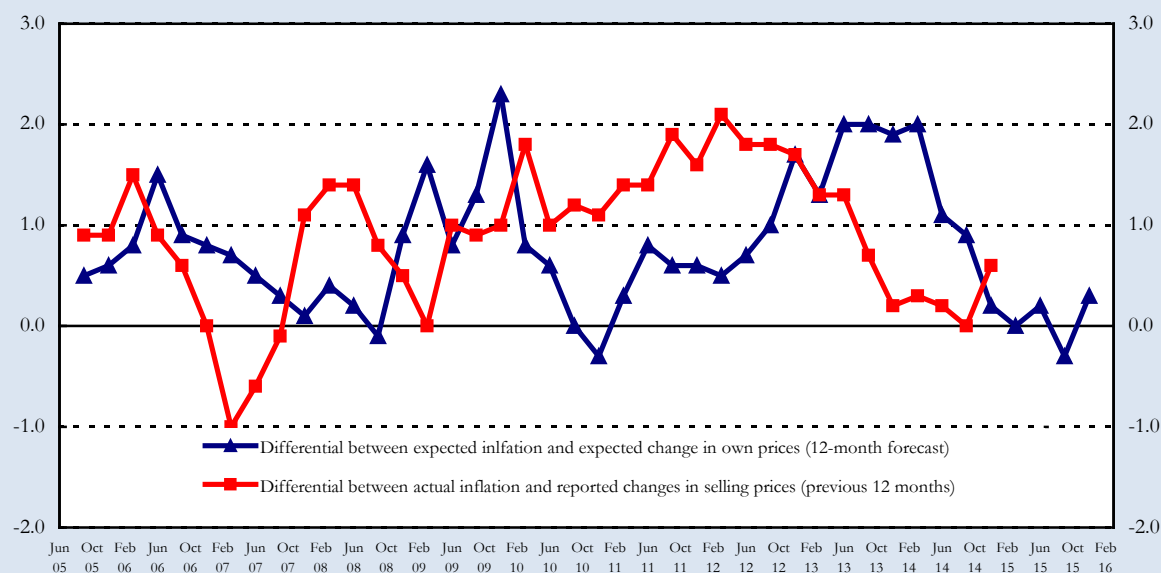


(1) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles.

Figure 3

Differential between price changes reported by firms and the inflation rate: forecasts and outcomes

(Industry excluding construction and Services; percentage points) ⁽¹⁾

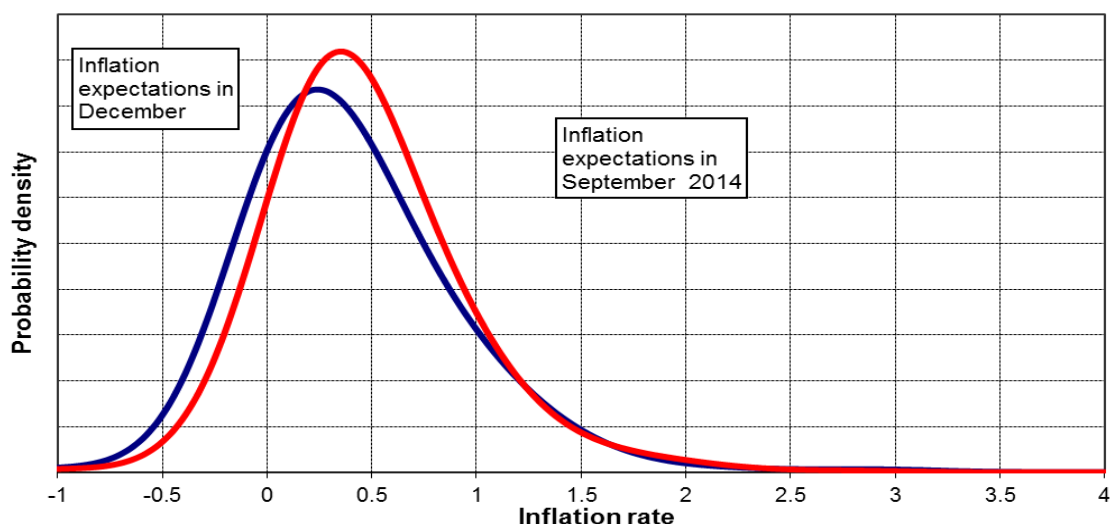


(1) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles.

Figure 4

Expectations of the inflation rate over the next 12 months

(Industry excluding construction and Services; kernel density) ⁽¹⁾

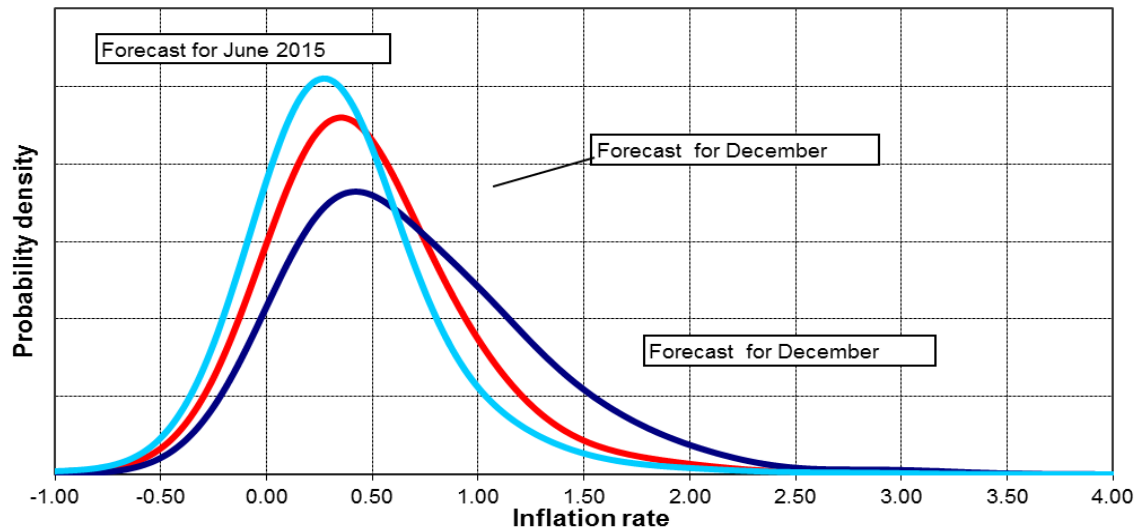


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The red line indicates the forecast made in September 2014. The blue line indicates the forecast made in September 2014.

Figure 5

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

(Industry excluding construction and Services, non parametric estimates)⁽¹⁾

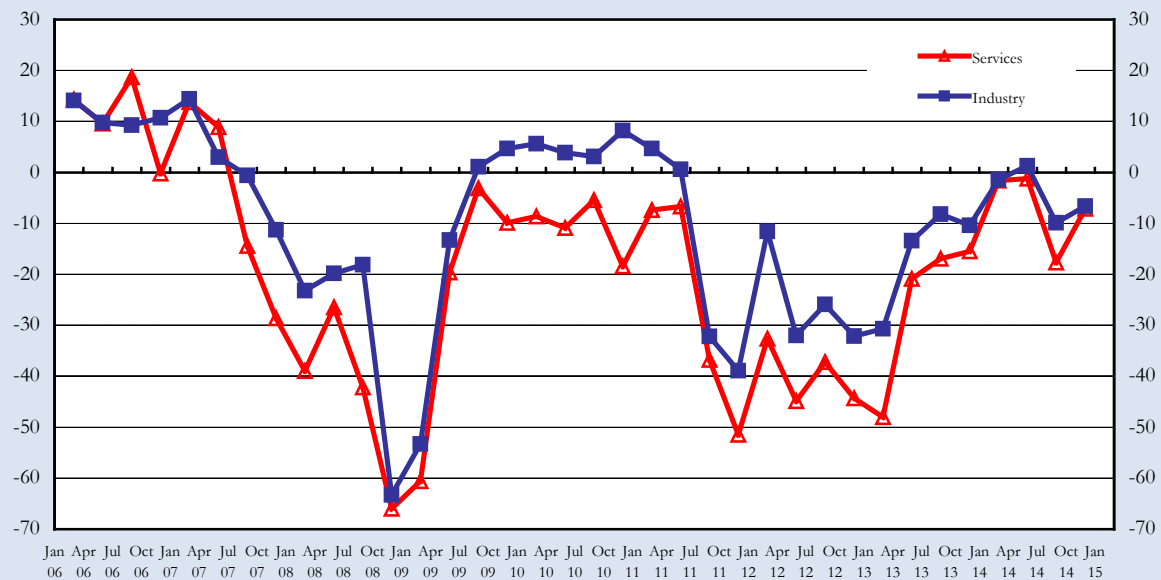


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The light blue line indicates the forecast over the next 6 months. The red line indicates the forecast over the next 12 months. The dark blue line indicates the forecast over the next 24 months.

Figure 6

Three-month forecast of the firm's business conditions

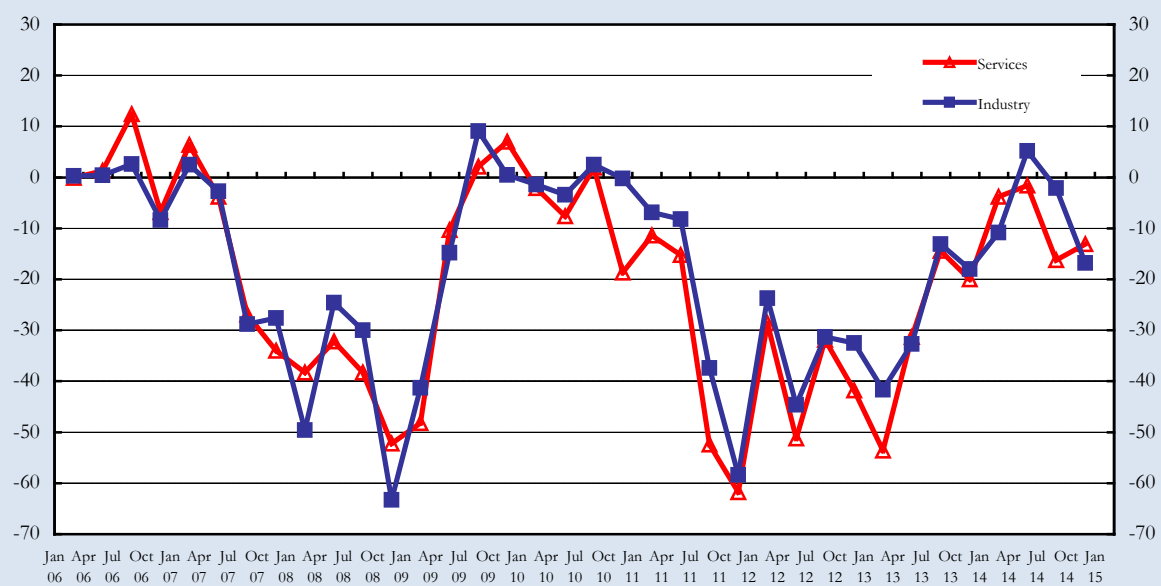
(Industry excluding construction and Services; percentage points)⁽¹⁾



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

Figure 7

Conditions for investment with respect to previous quarter
(Industry excluding construction and Services; 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 last quarter of 2014 consisted of 1,000 firms: 379 firms in industry excluding construction, 417 service firms and 204 construction firms (Table A1).

The sample is stratified, with strata consisting of combinations of economic sector, size of firm (by number of workers) and geographical area. The need to ensure a large enough sample for every type of firm considered relevant means that, in some cases, the number of companies selected is disproportionate to the share of that category in the entire population of firms. This is in particular true of large companies (Table. A1).

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

	Industry excluding construction and Services			Construction		
	Sample size (a)	Company universe ⁽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	412	16,929	2,4	160	1.375	11,6
200-999	251	3,575	7,0	37	129	28,7
Over 999	133	540	24,6	7	8	87,5
Sector						
Industry.....	379	10,914	3,5	—	—	—
Services	417	10,130	4,1	—	—	—
Geographical area						
North-West.....	226	8,238	2,7	58	465	12,5
North-East.....	232	5,880	3,9	62	368	16,8
Centre.....	166	3,765	4,4	36	276	13,0
South and Islands	172	3,161	5,4	48	403	11,9
Total.....	796	21,044	3,8	204	1.512	13,5

(1) Istat (2010).

The estimates for inflation expectations for 6, 12 and 24 months ahead are calculated on a sub-sample of 550 industrial firms and service firms, and 145 construction firms. The rest of the sample was given a differently worded question on inflation expectations in order to assess the impact of the wording on the responses. In particular, these firms were asked to give their inflation expectations without being given the latest Istat data on inflation in Italy and the euro area. The results obtained so far indicate that anchoring has the advantage of reducing uncertainty in expressing expectations (by broadening the knowledge base), thus reducing the standard error in the estimates of the average value, without causing any significant distortion in the estimate of expectations. Further research is being carried out.

A2. Data collection and estimates

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

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

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

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

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

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

	Industry excluding construction and Services		Construction	
	Companies contacted	Response rate ⁽¹⁾	Companies contacted	Response rate ⁽¹⁾
Number of employees				
50-199	1,179	38.9	535	308
200-999	405	62.2	66	56.1
Over 999	196	65.3	23	30.4
Sector				
Industry	901	42.4	—	—
Services	879	46.5	—	—
Geographical area				
North West	586	38.4	184	32.1
North East	513	45.2	176	35.2
Centre.....	325	50.8	128	28.9
South and Islands	356	47.5	136	37.5
Total.....	1,780	44.4	624	33.5

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

Tab. A3 - Estimates of the main variables surveyed and non-response
(percentages)

	Industry excluding construction and Services				Construction			
	Mean	Robust mean	Median	Non- response	Mean	Robust mean	Median	Non- response
Consumer price inflation in Italy in the next 6 months.....	0.4	0.4	0.3	0.0	0.3	0.3	0.2	0.0
Consumer price inflation in Italy in the next 12 months	0.5	0.5	0.4	0.0	0.4	0.4	0.3	0.0
Consumer price inflation in Italy in the next 24 months	0.7	0.7	0.5	0.0	0.7	0.6	0.5	0.0
Change in own prices in the last 12 months	-0.6	-0.3	0.0	5.4	-1.0	-0.9	0.0	4.9
Change in own prices in the next 12 months	0.0	0.2	0.1	5.8	-2.0	-0.1	0.0	3.9

Tab. A4 -Standard errors*(percentage)*

	Industry excluding construction and Services	Construction
Consumer price inflation in Italy in the next 6 months	0.02	0.03
Consumer price inflation in Italy in the next 12 months	0.02	0.04
Consumer price inflation in Italy in the next 24 months	0.03	0.06
Change in own prices in the last 12 months.....	0.44	0.43
Change in own prices in the last 12 months (robust)	0.35	0.33
Change in own prices in the next 12 months.....	0.23	0.27
Change in own prices in the next 12 months (robust)	0.19	0.19

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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	... between 3 and 5 years
Industry excluding construction and Services				
Number of employees				
50-199	0.4	0.5	0.7	0.9
200-999	0.4	0.5	0.7	1.0
Over 999.....	0.4	0.5	0.9	1.1
Sector				
Industry.....	0.4	0.5	0.8	1.0
Services	0.3	0.4	0.6	0.8
Geographical area				
North West	0.4	0.5	0.7	0.9
North East	0.4	0.5	0.7	0.9
Centre.....	0.4	0.5	0.6	0.8
South and Islands	0.4	0.5	0.6	0.8
Total Industry and services	0.4	0.5	0.7	0.9
<i>Memorandum items:</i>				
September 2014.....	0.3	0.4	0.6	0.8
June 2014.....	0.7	0.9	1.0	1.2
March 2014.....	0.8	0.9	1.1	1.2
December 2013.....	0.9	1.1	1.2
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	0.3	0.4	0.7	0.9
More than one third.....	0.3	0.3	0.6	0.8
Geographical area				
North.....	0.3	0.4	0.6	0.8
Center and South -Islands.....	0.4	0.4	0.8	0.9
Total construction.....	0.3	0.4	0.7	0.9
<i>Memorandum items:</i>				
September 2014.....	0.3	0.4	0.6	0.8
June 2014.....	0.7	0.8	0.9	1.0
March 2014.....	0.8	0.9	1.0	1.1
December 2013.....	0.9	0.9	1.1

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	-0.1	0.3
200-999	0.1	0.5
Over 999	-0.7	-0.1
Sector		
Industry.....	-0.5	0.1
Services	-0.1	0.3
Geographical area		
North West	0.0	0.2
North East	0.1	0.3
Centre.....	-1.4	-0.2
South and Islands	0.2	0.9
Total Industry and services	-0.3	0.2
<i>Memorandum items:</i>		
September 2014	-0.2	0.7
June 2014.....	0.0	0.7
March 2014.....	0.0	0.9
December 2013.....	0.4	0.9
Construction		
Fraction of revenue derived from residential building		
Less than one third.....	-0.9	-0.1
More than one third.....	-1.2	-0.2
Geographical area		
North.....	-1.5	-0.3
Centre and South-Islands.....	-0.1	0.2
Total construction.....	-0.9	-0.1
<i>Memorandum items:</i>		
September 2014	-2.2	0.1
June 2014.....	-1.6	0.5
March 2014.....	-2.0	0.1
December 2013.....	-0.5	-0.5

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

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

Table 3

Factors that will affect firms' selling prices

(average scores) ⁽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	0.3	0.5	-0.6
200-999	-0.2	0.4	0.4	-0.6
Over 999	-0.4	0.1	0.4	-0.8
Sector				
Industry	-0.2	0.2	0.3	-0.5
Services	-0.3	0.3	0.5	-0.9
Geographical area				
North-West	-0.2	0.2	0.5	-0.7
North-East	-0.4	0.4	0.4	-0.9
Centre	-0.4	0.1	0.2	-0.4
South and Islands	0.2	0.5	0.6	-0.5
Total Industry and services...	-0.3	0.3	0.4	-0.7
<i>Memorandum items:</i>				
September 2014	-0.1	0.4	0.4	-0.5
June 2014	-0.1	0.5	0.5	-0.6
March 2014	-0.1	0.5	0.4	-0.6
December 2013	-0.2	0.6	0.4	-0.6
Construction				
Fraction of revenue derived from residential building				
Less than one third	-0.3	0.1	0.3	-0.8
More than one third	-0.7	0.7	0.9	-0.6
Geographical area				
North	-0.7	0.1	0.5	-0.6
Centre and South-Islands	0.1	0.2	0.2	-1.1
Total construction	-0.3	0.2	0.4	-0.8
<i>Memorandum items:</i>				
September 2014	0.4	0.8	0.4	-0.7
June 2014	0.2	0.8	0.6	-0.8
March 2014	-0.1	0.8	0.8	-0.5
December 2013	-0.2	0.9	1.0	-0.6

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

Table 4

Assessment of the general state of the economy with respect to previous quarter

	(percentage)				
	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	28.4	66.8	4.8	100.0	-23.6
200-999.....	26.9	69.8	3.4	100.0	-23.5
Over 999	16.1	75.5	8.4	100.0	-7.7
Sector					
Industry	28.2	67.5	4.3	100.0	-23.9
Services.....	27.5	67.5	5.0	100.0	-22.5
Geographical area					
North-West	25.6	69.3	5.1	100.0	-20.5
North-East.....	31.7	64.4	3.9	100.0	-27.8
Centre	29.7	66.6	3.6	100.0	-26.1
South and Islands	24.3	69.6	6.1	100.0	-18.2
Total industry and services	27.8	67.5	4.7	100.0	-23.1
<i>Memorandum items:</i>					
September 2014	33.0	62.7	4.3	100.0	-28.7
June 2014	16.3	67.9	15.8	100.0	-0.5
March 2014	22.1	67.9	10.0	100.0	-12.1
December 2013	32.7	62.5	4.8	100.0	-27.9
Construction					
Fraction of revenue derived from residential building					
Less than one third	41.1	56.7	2.2	100.0	-38.9
More than one third.....	26.9	70.8	2.3	100.0	-24.6
Geographical area					
North.....	36.8	60.5	2.8	100.0	-34.0
Centre and South-Islands	37.6	60.7	1.6	100.0	-36.0
Total construction	37.2	60.6	2.3	100.0	-34.9
<i>Memorandum items:</i>					
September 2014	40.2	57.4	2.3	100.0	-37.9
June 2014	25.9	62.2	11.8	100.0	-14.1
March 2014	34.2	61.5	4.3	100.0	-29.9
December 2013	47.6	50.5	1.9	100.0	-45.7

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	45.3	41.8	9.2	3.4	0.4	100.0	11.4
200-999	39.4	45.4	10.1	3.6	1.5	100.0	13.3
Over 999	22.5	48.7	17.8	10.4	0.7	100.0	20.3
Sector							
Industry.....	43.5	42.4	10.2	3.6	0.3	100.0	11.9
Services	43.9	42.8	8.8	3.6	0.8	100.0	11.9
Geographical area							
North West	38.5	43.6	12.0	5.4	0.5	100.0	14.1
North East	46.2	38.9	11.2	3.0	0.7	100.0	11.8
Centre.....	45.9	45.5	5.8	2.5	0.3	100.0	10.0
South and Islands	50.1	43.4	4.7	1.0	0.8	100.0	8.8
Exports' share of sales							
From Zero to 1/3	46.1	42.0	8.2	3.0	0.6	100.0	11.1
Between 1/3/ and 2/3	38.9	46.2	10.7	3.7	0.6	100.0	12.9
More than 2/3.....	41.0	39.9	13.2	5.5	0.4	100.0	14.0
Total Industry and services	43.7	42.6	9.6	3.6	0.6	100.0	11.9
<i>Memorandum items:</i>							
September 2014	43.6	42.6	10.1	3.0	0.7	100.0	11.9
June 2014	32.2	47.5	12.8	6.4	1.2	100.0	16.1
March 2014	30.8	49.3	12.1	6.8	0.9	100.0	16.1
December 2013	43.6	41.5	9.8	4.4	0.7	100.0	12.5
Construction							
Fraction of revenue derived from residential building							
Less than one third	56.1	38.6	4.0	1.3	0.0	100.0	7.4
More than one third	50.7	43.7	5.6	0.0	0.0	100.0	7.8
Geographical area							
North.....	54.3	40.2	4.2	1.3	0.0	100.0	7.6
Centre and South-Islands	55.0	39.7	4.8	0.6	0.0	100.0	7.3
Total construction	54.6	40.0	4.5	1.0	0.0	100.0	7.5
<i>Memorandum items:</i>							
September 2014	57.0	35.0	7.3	0.7	0.0	100.0	7.8
June 2014	43.2	45.7	7.3	3.2	0.6	100.0	11.3
March 2014	43.0	46.9	8.2	1.9	0.0	100.0	10.4
December 2013	43.6	41.5	9.8	4.4	0.7	100.0	12.5

(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	24.5	58.2	17.3	100.0	-7.2
200-999	18.6	61.1	20.3	100.0	1.7
Over 999.....	21.5	64.3	14.2	100.0	-7.3
Sector					
Industry.....	25.9	55.4	18.7	100.0	-7.2
Services	20.8	62.5	16.7	100.0	-4.1
Geographical area					
North West.....	23.5	60.5	15.9	100.0	-7.6
North East	23.4	55.7	20.9	100.0	-2.5
Centre.....	22.7	59.0	18.3	100.0	-4.4
South and Islands	24.4	59.9	15.7	100.0	-8.7
Exports' share of sales					
From Zero to 1/3	23.7	60.8	15.5	100.0	-8.2
Between 1/3/ and 2/3	26.7	56.6	16.8	100.0	-9.9
More than 2/3.....	18.3	54.2	27.5	100.0	9.2
Total Industry and services	23.5	58.8	17.7	100.0	-5.8
<i>Memorandum items:</i>					
September 2014	23.5	58.8	17.7	100.0	-6.8
June 2014	17.2	61.4	21.4	100.0	4.2
March 2014	22.8	59.3	17.9	100.0	-4.9
December 2013	24.7	59.8	15.5	100.0	-9.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	26.1	61.1	12.8	100.0	-13.3
More than one third.....	28.2	55.7	16.1	100.0	-12.1
Geographical area					
North.....	22.7	61.6	15.7	100.0	-7.0
Centre and South-Islands.....	31.6	57.2	11.2	100.0	-20.4
Total construction	26.7	59.6	13.7	100.0	-13.0
<i>Memorandum items:</i>					
September 2014	25.4	63.5	11.1	100.0	-14.3
June 2014	23.8	59.6	16.6	100.0	-7.2
March 2014	31.8	55.4	12.8	100.0	-19.0
December 2013	33.6	52.5	13.9	100.0	-19.7

(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)

	Diminuirà (a)	Resterà invariata	Aumenterà (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	18.2	62.9	18.9	100.0	0.7
200-999	10.8	70.8	18.4	100.0	7.6
Over 999	8.8	68.1	23.1	100.0	14.3
Sector					
Industry.....	16.4	63.3	20.3	100.0	3.9
Services	17.2	65.5	17.4	100.0	0.2
Geographical area					
North West	18.7	65.7	15.6	100.0	-3.1
North East	15.3	63.7	21.0	100.0	5.7
Centre.....	15.5	64.2	20.3	100.0	4.8
South and Islands	16.0	62.4	21.7	100.0	5.7
Exports' share of sales					
From Zero to 1/3	18.7	66.4	14.9	100.0	-3.8
Between 1/3/ and 2/3	15.8	60.2	24.0	100.0	8.2
More than 2/3.....	10.4	62.1	27.5	100.0	17.1
Total Industry and services	16.8	64.4	18.9	100.0	2.1
<i>Memorandum items:</i>					
September 2014	14.2	66.1	19.7	100.0	5.5
June 2014	10.3	63.1	26.6	100.0	16.3
March 2014	11.4	62.8	25.8	100.0	14.4
December 2013	19.7	61.3	19.0	100.0	-0.7
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	14.2	64.4	21.4	100.0	7.2
More than one third	17.4	73.4	9.2	100.0	-8.2
Geographical area					
North.....	9.7	72.8	17.5	100.0	7.8
Centre and South-Islands.....	21.7	59.5	18.7	100.0	-3.0
Total construction	15.1	66.9	18.0	100.0	2.9
<i>Memorandum items:</i>					
September 2014	14.8	66.3	18.9	100.0	4.1
June 2014	13.0	61.3	25.7	100.0	12.7
March 2014	16.1	60.8	23.1	100.0	7.0
December 2013	18.7	67.5	13.7	100.0	-5.0

(1) Nel caso delle imprese dell'industria in senso stretto e dei servizi si tratta di prodotti, mentre nel caso di imprese delle costruzioni si tratta di lavori.

Table 8

Foreign demand for the firm's products with respect to previous quarter

(Industry excluding construction and Services; percentages i) ⁽¹⁾

	Decreased (a)	Unchanged	Increased (b)	Total	Balance (b) – (a)
Number of employees					
50-199	15.2	58.0	26.8	100.0	11.6
200-999	12.0	57.7	30.2	100.0	18.2
Over 999	20.7	60.3	18.9	100.0	-1.8
Sector					
Industry.....	16.2	56.4	27.4	100.0	11.2
Services	10.2	62.8	27.0	100.0	16.8
Geographical area					
North West	15.1	63.0	21.9	100.0	6.8
North East	17.6	44.9	37.5	100.0	19.9
Centre.....	12.9	61.8	25.3	100.0	12.4
South and Islands	8.5	65.5	26.0	100.0	17.5
Total Industry and services	14.7	58.0	27.3	100.0	12.6
<i>Memorandum items:</i>					
September 2014	12.9	60.7	26.4	100.0	13.5
June 2014	11.3	50.3	38.4	100.0	27.1
March 2014	13.9	54.2	32.0	100.0	18.1
December 2013	17.2	52.8	30.0	100.0	12.8

(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	8.9	56.2	34.8	100.0	25.9
200-999	6.7	60.5	32.8	100.0	26.1
Over 999	10.7	62.1	27.2	100.0	16.5
Sector					
Industry.....	8.8	54.4	36.8	100.0	28.0
Services	7.9	65.2	26.9	100.0	19.0
Geographical area					
North West	11.6	59.4	29.0	100.0	17.4
North East	5.1	51.1	43.8	100.0	38.7
Centre.....	7.3	60.3	32.4	100.0	25.1
South and Islands	6.5	58.2	35.3	100.0	28.8
Total Industry and services	8.5	57.2	34.3	100.0	25.8
<i>Memorandum items:</i>					
September 2014	9.4	61.7	28.9	100.0	19.5
June 2014	5.3	54.8	39.9	100.0	34.6
March 2014	7.8	54.3	37.9	100.0	30.1
December 2013	11.0	57.3	31.8	100.0	20.8

(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	16.2	74.9	9.0	100.0	-7.2
200-999	12.9	80.2	6.9	100.0	-6.0
Over 999	14.0	76.2	9.8	100.0	-4.2
Sector					
Industry.....	15.2	76.2	8.6	100.0	-6.6
Services	15.9	75.3	8.8	100.0	-7.1
Geographical area					
North West	13.2	78.7	8.0	100.0	-5.2
North East	15.5	73.9	10.6	100.0	-4.9
Centre.....	20.6	73.1	6.3	100.0	-14.3
South and Islands	15.6	74.9	9.5	100.0	-6.1
Total Industry and services	15.5	75.8	8.7	100.0	-6.8
<i>Memorandum items:</i>					
September 2014	20.8	71.9	7.2	100.0	-13.6
June 2014	11.9	76.0	12.1	100.0	0.2
March 2014	14.1	73.2	12.7	100.0	-1.4
December 2013	21.6	69.6	8.7	100.0	-12.9
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	20.9	72.4	6.7	100.0	-14.2
More than one third.....	34.2	60.4	5.4	100.0	-28.8
Geographical area					
North.....	25.0	70.7	4.3	100.0	-20.7
Centre and South-Islands.....	24.1	67.2	8.7	100.0	-15.4
Total construction	24.6	69.1	6.3	100.0	-18.3
<i>Memorandum items:</i>					
September 2014	25.4	69.7	4.8	100.0	-20.6
June 2014	19.6	70.2	10.2	100.0	-9.4
March 2014	22.1	66.7	11.2	100.0	-10.9
December 2013	32.7	59.4	7.9	100.0	-24.8

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	Economic and political factors uncertainty
Industry excluding construction and Services						
Number of employees						
50-199	0.4	0.2	-0.1	-1.0
200-999	0.3	-0.1	0.2	-1.0
Over 999	0.1	0.1	0.1	-0.7
Sector						
Industry.....	0.4	0.1	0.0	-0.9
Services	0.4	0.2	-0.1	-1.0
Geographical area						
North West	0.4	0.1	0.1	-1.0
North East	0.4	0.1	-0.1	-1.1
Centre.....	0.4	0.1	-0.1	-0.8
South and Islands	0.4	0.2	-0.2	-0.8
Total Industry and services	0.4	0.1	0.0	-1.0
<i>Memorandum items:</i>						
September 2014	0.4	0.1	0.0
June 2014	0.6	0.2	0.0
March 2014	0.6	0.1	-0.2
December 2013	0.4	0.1	-0.2
Construction						
Fraction of revenue derived from residential building						
Less than one third.....	1.1	0.6	-0.1	-0.1	-1.3
More than one third.....	0.8	0.5	-0.4	-0.5	-1.5
Geographical area						
North.....	1.2	0.8	-0.2	0.0	-1.4
Centre and South-Islands.....	0.8	0.3	-0.3	-0.4	-1.3
Total construction.....	1.0	0.6	-0.2	-0.2	-1.3
<i>Memorandum items:</i>						
September 2014	1.1	0.7	-0.2	-0.1
June 2014	1.1	0.9	-0.1	0.0
March 2014	0.9	0.8	-0.3	-0.4
December 2013	0.9	0.6	-0.3	-0.6

(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 ☐ 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	17.3	26.7	56.0	100.0	38.7
200-999	12.4	22.6	65.0	100.0	52.6
Over 999	10.5	16.8	72.7	100.0	62.2
Sector					
Industry.....	13.3	23.7	63.0	100.0	49.7
Services	19.5	28.0	52.6	100.0	33.1
Geographical area					
North West	13.0	24.3	62.7	100.0	49.7
North East	19.3	26.7	54.0	100.0	34.7
Centre.....	17.9	28.4	53.8	100.0	35.9
South and Islands	17.4	24.6	58.0	100.0	40.6
Total Industry and services	16.3	25.7	58.0	100.0	41.7
<i>Memorandum items:</i>					
September 2014	18.4	23.9	57.7	100.0	39.3
June 2014	12.4	23.6	64.0	100.0	51.6
March 2014	11.4	24.9	63.8	100.0	52.4
December 2013	18.2	19.8	62.0	100.0	43.8
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	17.8	26.3	55.9	100.0	38.1
More than one third.....	17.9	32.4	49.7	100.0	31.8
Geographical area					
North.....	13.5	31.0	55.5	100.0	42.0
Centre and South-Islands.....	23.1	24.4	52.5	100.0	29.4
Total construction.....	17.8	28.0	54.1	100.0	36.3
<i>Memorandum items:</i>					
September 2014	14.4	31.1	54.5	100.0	40.1
June 2014	13.7	23.4	62.8	100.0	49.1
March 2014	14.6	23.6	61.8	100.0	47.2
December 2013	17.1	26.5	56.4	100.0	39.3

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	23.8	69.6	6.6	100.0	-17.2
200-999	14.3	78.1	7.6	100.0	-6.7
Over 999	11.6	79.5	8.9	100.0	-2.7
Sector					
Industry.....	21.6	73.6	4.8	100.0	-16.8
Services	22.2	68.7	9.1	100.0	-13.1
Geographical area					
North West	19.3	75.5	5.2	100.0	-14.1
North East	24.3	65.6	10.1	100.0	-14.2
Centre.....	21.6	73.3	5.2	100.0	-16.4
South and Islands	24.5	68.3	7.2	100.0	-17.3
Total Industry and services	21.9	71.3	6.9	100.0	-15.0
<i>Memorandum items:</i>					
September 2014	19.8	69.4	10.9	100.0	-8.9
June 2014	11.0	76.1	12.9	100.0	1.9
March 2014	17.2	73.0	9.8	100.0	-7.4
December 2013	25.6	67.8	6.6	100.0	-19.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	27.1	68.2	4.8	100.0	-22.3
More than one third.....	29.9	64.6	5.5	100.0	-24.4
Geographical area					
North.....	26.6	66.2	7.2	100.0	-19.4
Centre and South-Islands.....	29.4	68.4	2.2	100.0	-27.2
Total construction.....	27.9	67.2	5.0	100.0	-22.9
<i>Memorandum items:</i>					
September 2014	24.7	68.4	6.9	100.0	-17.8
June 2014	19.1	70.4	10.5	100.0	-8.6
March 2014	30.9	63.2	5.9	100.0	-25.0
December 2013	38.1	57.9	4.0	100.0	-34.1

Table 14

**Forecast changes in spending on fixed investment between
the second half of 2014 and the first half of 2015**

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	24.4	49.6	26.1	100.0	1.7
200-999	21.8	45.7	32.4	100.0	10.6
Over 999	24.9	50.0	25.1	100.0	0.2
Sector					
Industry.....	23.3	50.4	26.3	100.0	3.0
Services	24.6	47.4	28.0	100.0	3.4
Geographical area					
North West	25.7	48.4	25.9	100.0	0.2
North East	21.3	55.0	23.7	100.0	2.4
Centre.....	20.1	47.3	32.5	100.0	12.4
South and Islands	28.9	40.9	30.2	100.0	1.3
Total Industry and services	23.9	48.9	27.1	100.0	3.2
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	23.2	56.6	20.2	100.0	-3.0
More than one third	34.6	45.3	20.1	100.0	-14.5
Geographical area					
North.....	26.0	58.7	15.3	100.0	-10.7
Centre and South-Islands.....	26.8	47.1	26.1	100.0	-0.7
Total construction.....	26.4	53.5	20.2	100.0	-6.2

Table 15

Forecast changes in spending on fixed investment excluding investment in property between the second half of 2014 and the first half of 2015

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	21.8	58.8	19.5	100.0	-2.3
200-999	19.0	54.9	26.1	100.0	7.1
Over 999	27.2	48.2	24.6	100.0	-2.6
Sector					
Industry.....	21.8	56.3	21.9	100.0	0.1
Services	21.0	59.6	19.4	100.0	-1.6
Geographical area					
North West	24.5	57.2	18.4	100.0	-6.1
North East	20.4	57.6	22.0	100.0	1.6
Centre.....	16.9	59.2	23.9	100.0	7.0
South and Islands	20.5	58.6	20.8	100.0	0.3
Total Industry and services	21.4	57.9	20.7	100.0	-0.7
Construction					
Fraction of revenue derived from residential building					
Da zero a un terzo.....	20.9	66.2	12.9	100.0	-8.0
Oltre un terzo.....	31.8	59.3	8.9	100.0	-22.9
Geographical area					
North.....	25.3	64.4	10.3	100.0	-15.0
Centre and South-Islands.....	22.2	64.2	13.6	100.0	-8.6
Total construction.....	23.9	64.3	11.8	100.0	-12.1

Table 16

**Forecast changes in spending on fixed investment between
2014 and 2015**

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	24.8	48.9	26.3	100.0	1.5
200-999	20.6	46.1	33.2	100.0	12.6
Over 999	22.7	40.8	36.5	100.0	13.8
Sector					
Industry.....	23.0	47.6	29.4	100.0	6.4
Services	25.3	48.8	25.9	100.0	0.6
Geographical area					
North West	26.1	45.3	28.6	100.0	2.5
North East	20.6	52.7	26.7	100.0	6.1
Centre.....	23.9	48.4	27.6	100.0	3.7
South and Islands	25.4	47.0	27.6	100.0	2.2
Total Industry and services.....	24.1	48.2	27.7	100.0	3.6
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	23.1	58.4	18.5	100.0	-4.6
More than one third	33.3	51.3	15.4	100.0	-17.9
Geographical area					
North.....	23.5	59.6	16.9	100.0	-6.6
Centre and South-Islands.....	28.8	52.7	18.5	100.0	-10.3
Total construction	25.9	56.4	17.6	100.0	-8.3

Table 17

**Forecast changes in spending on fixed investment
excluding investment in property between 2014 and 2015**
(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	21.2	59.4	19.4	100.0	-1.8
200-999	18.2	54.3	27.5	100.0	9.3
Over 999	26.8	43.8	29.4	100.0	2.6
Sector					
Industry.....	20.8	55.7	23.5	100.0	2.7
Services	20.8	61.0	18.2	100.0	-2.6
Geographical area					
North West	22.0	57.4	20.6	100.0	-1.4
North East	21.2	57.0	21.8	100.0	0.6
Centre.....	19.4	58.2	22.3	100.0	2.9
South and Islands	18.5	62.5	19.0	100.0	0.5
Total Industry and services	20.8	58.2	21.0	100.0	0.2
Construction					
Fraction of revenue derived from residential building					
Less than one third	21.7	65.9	12.5	100.0	-9.2
More than one third	33.6	56.0	10.4	100.0	-23.2
Geographical area					
North.....	22.8	64.8	12.4	100.0	-10.4
Centre and South-Islands.....	27.6	61.2	11.2	100.0	-16.4
Total construction	24.9	63.2	11.9	100.0	-13.0

Table 18

Changes to the normal level of the economic activity in the last two years
(percentages)

	No	Yes, an increase	Yes, a decrease	I don't know	Total
Industry excluding construction and Services					
Number of employees					
50-199	26.0	22.6	45.3	6.1	100.0
200-999	28.4	23.4	39.6	8.5	100.0
Over 999	29.5	19.0	40.8	10.7	100.0
Sector					
Industry.....	25.4	27.0	42.1	5.5	100.0
Services	27.7	17.9	46.5	7.9	100.0
Geographical area					
North West	29.0	22.0	41.8	7.1	100.0
North East	22.7	27.6	44.9	4.9	100.0
Centre.....	26.6	18.7	48.1	6.7	100.0
South and Islands	26.9	19.9	44.5	8.7	100.0
Total Industry and services	26.5	22.7	44.2	6.6	100.0
<i>Memorandum items:</i>					
September 2014	26.0	24.4	42.0	7.5	100.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	22.1	16.4	53.4	8.1	100.0
More than one third	19.2	8.5	58.7	13.6	100.0
Geographical area					
North.....	22.6	17.0	51.9	8.5	100.0
Centre and South-Islands.....	19.7	10.8	58.5	11.0	100.0
Total construction.....	21.3	14.2	54.9	9.6	100.0
<i>Memorandum items:</i>					
September 2014	19.9	15.6	58.1	6.5	100.0

Table 19

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

	Deterioration (a)	No change	Improvement (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	14.1	76.4	9.4	100.0	-4.7
200-999	5.3	80.9	13.8	100.0	8.5
Over 999	7.1	85.3	7.7	100.0	0.6
Sector					
Industry.....	12.3	75.2	12.5	100.0	0.2
Services	12.6	79.8	7.6	100.0	-5.0
Geographical area					
North West	8.2	80.6	11.2	100.0	3.0
North East	14.6	74.0	11.4	100.0	-3.2
Centre.....	12.8	77.4	9.8	100.0	-3.0
South and Islands	19.1	75.6	5.3	100.0	-13.8
Total Industry and services	12.5	77.4	10.1	100.0	-2.4
<i>Memorandum items:</i>					
September 2014	12.0	79.1	8.9	100.0	-3.1
June 2014	11.8	80.5	7.7	100.0	-4.1
March 2014	17.8	77.6	4.6	100.0	-13.2
December 2013	19.7	75.8	4.4	100.0	-15.3
Construction					
Fraction of revenue derived from residential building					
Da zero a un terzo	23.1	71.5	5.4	100.0	-17.7
Oltre un terzo	32.8	64.1	3.1	100.0	-29.7
Geographical area					
North.....	23.3	72.5	4.1	100.0	-19.2
Centre and South-Islands.....	28.8	65.6	5.6	100.0	-23.2
Total construction.....	25.8	69.4	4.8	100.0	-21.0
<i>Memorandum items:</i>					
September 2014	24.2	70.9	4.9	100.0	-19.3
June 2014	26.5	69.2	4.3	100.0	-22.2
March 2014	31.4	67.7	0.9	100.0	-30.5
December 2013	37.5	60.9	1.6	100.0	-35.9

Table 20

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 addetti.....	22.1	61.6	16.4	100.0
200-999 addetti	11.5	62.1	26.5	100.0
Oltre 999 addetti	8.7	58.3	33.0	100.0
Sector				
Industry.....	17.7	61.7	20.7	100.0
Services	22.4	61.4	16.2	100.0
Geographical area				
North West	13.2	62.6	24.2	100.0
North East	18.3	62.0	19.8	100.0
Centre.....	23.0	62.7	14.3	100.0
South and Islands	36.6	56.8	6.6	100.0
Total Industry and services	19.9	61.6	18.5	100.0
<i>Memorandum items:</i>				
September 2014	19.1	63.5	17.4	100.0
June 2014	17.8	62.5	19.7	100.0
March 2014	19.5	61.8	18.7	100.0
December 2013	19.5	64.6	15.9	100.0
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	36.3	58.2	5.4	100.0
More than one third.....	54.6	42.4	3.1	100.0
Geographical area				
North.....	34.8	57.2	8.0	100.0
Centre and South-Islands.....	49.8	49.4	0.8	100.0
Total construction	41.5	53.8	4.8	100.0
<i>Memorandum items:</i>				
September 2014	40.8	52.8	6.4	100.0
June 2014	41.8	54.5	3.7	100.0
March 2014	48.1	46.5	5.3	100.0
December 2013	48.6	46.1	5.4	100.0

Table 21

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	18.5	70.6	10.9	100.0	-7.6
200-999	25.5	59.4	15.1	100.0	-10.4
Over 999	28.4	53.5	18.0	100.0	-10.4
Sector					
Industry.....	19.1	67.7	13.2	100.0	-5.9
Services	20.8	68.9	10.2	100.0	-10.6
Geographical area					
North West	18.4	71.4	10.2	100.0	-8.2
North East	21.4	64.1	14.5	100.0	-6.9
Centre.....	15.7	75.2	9.1	100.0	-6.6
South and Islands	26.3	59.6	14.1	100.0	-12.2
Total Industry and services	19.9	68.3	11.8	100.0	-8.1
<i>Memorandum items:</i>					
September 2014	20.4	67.9	11.8	100.0	-8.6
June 2014	16.3	69.5	14.3	100.0	-2.0
March 2014	18.9	67.6	13.4	100.0	-5.5
December 2013	23.5	66.9	9.6	100.0	-13.9
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	29.7	61.1	9.2	100.0	-20.5
More than one third.....	25.2	69.4	5.4	100.0	-19.8
				100.0	
Geographical area					
North.....	28.2	64.6	7.1	100.0	-21.1
Centre and South-Islands.....	28.7	61.7	9.5	100.0	-19.2
Total construction.....	28.5	63.4	8.2	100.0	-20.3
<i>Memorandum items:</i>					
September 2014	29.1	60.3	10.5	100.0	-18.6
June 2014	27.1	64.1	8.7	100.0	-18.4
March 2014	32.0	61.4	6.7	100.0	-25.3
December 2013	37.8	54.9	7.3	100.0	-30.5

Table 22

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

	The firm passed the most difficult stage of the economic situation during the second half of 2014			The firm expects a solid improvement of its production/work rates in the coming months		
	No	Yes	Total	No	Yes	Total
Industry excluding construction and Services						
Number of employees						
50-199	67.6	32.4	100.0	63.5	36.5	100.0
200-999	63.0	37.0	100.0	69.1	30.9	100.0
Over 999	57.6	42.4	100.0	65.8	34.2	100.0
Sector						
Industry.....	64.4	35.6	100.0	61.4	38.6	100.0
Services	68.8	31.2	100.0	67.9	32.1	100.0
Geographical area						
North West	64.2	35.8	100.0	65.2	34.8	100.0
North East	65.6	34.4	100.0	62.4	37.6	100.0
Centre.....	70.8	29.2	100.0	67.0	33.0	100.0
South and Islands	69.4	30.6	100.0	63.7	36.3	100.0
Exports' share of sales						
From zero to 1/3.....	68.1	31.9	100.0	68.8	31.2	100.0
Between 1/3/ and 2/3	68.8	31.2	100.0	60.2	39.8	100.0
More than 2/3.....	57.3	42.7	100.0	53.6	46.4	100.0
Total Industry and services	66.5	33.5	100.0	64.5	35.5	100.0
Construction						
Fraction of revenue derived from residential building						
Less than one third.....	76.3	23.7	100.0	68.9	31.1	100.0
More than one third.....	74.7	25.3	100.0	75.8	24.2	100.0
Geographical area						
North.....	74.2	25.8	100.0	75.2	24.8	100.0
Centre and South-Islands.....	77.9	22.1	100.0	65.3	34.7	100.0
Total construction	75.8	24.2	100.0	70.8	29.2	100.0

Appendix C:
The questionnaire

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

DECEMBER 2014

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 June 2015?	...in December 2015?	...in December 2016?	... on average between December 2016 and December 2018 ?
B1a. (about 2/3 of the sample) In October consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 0.2 per cent in Italy and 0.4 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 <u>In the next 3 months</u>	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 __
C7.Bis UNCERTAINTY DUE TO ECONOMIC AND POLITICAL FACTORS	1 __	2 __	3 __	1 __	2 __	3 __

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

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

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

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

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

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

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

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

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

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

SECTION D – CHANGES IN YOUR FIRM'S SELLING PRICES

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

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

Please indicate direction and intensity of the following **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)		
	<i>Downward</i>	<i>Neutral</i>	<i>Upward</i>	<i>Low</i>	<i>Average</i>	<i>High</i>
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 _
SEZIONE F – INVESTMENT						
F1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2015 compared with that in 2014? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F1.bis And what do you expect will be the same expenditure in fixed investment excluding investment in property? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F2. And what do you expect will be the nominal expenditure in the second half of 2014 compared with that in the first half of 2014: <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F2.bis And what do you expect will be the same expenditure in fixed investment excluding investment in property? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
NOTE: The responses "much higher" and "much lower" also apply when. in the two periods compared. investments are zero.						

CONSTRUCTION

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

SEZIONE A – GENERAL INFORMATION

A1. Number of employees: |__|

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

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

SECTION B – GENERAL ECONOMIC SITUATION OF THE COUNTRY

	...in June 2015?	...in December 2015?	...in December 2016?	... on average between December 2016 and December 2018 ?
B1a. (about 2/3 of the sample) In October consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was 0.2 per cent in Italy and 0.4 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 __
C7.Bis UNCERTAINTY DUE TO ECONOMIC AND POLITICAL FACTORS	1 __	2 __	3 __	1 __	2 __	3 __

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

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

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

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

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

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

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

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

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

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

SECTION D – CHANGES IN YOUR FIRM'S SELLING PRICES

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

D2. For the next 12 months, what do you expect will be the average change in your firm's prices?				_ _ _ _ _ _ %		
Please indicate direction and intensity of the following FACTORS as they will affect your firm's selling prices in the next 12 months:						
Factors affecting your firm's prices in the next 12 months	<i>Effect on firm's selling prices</i>			<i>Intensity (if not nil)</i>		
	<i>Downward</i>	<i>Neutral</i>	<i>Upward</i>	<i>Low</i>	<i>Average</i>	<i>High</i>
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 _
SEZIONE F – INVESTMENT						
F1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2015 compared with that in 2014? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F1.bis And what do you expect will be the same expenditure in fixed investment excluding investment in property? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F2. And what do you expect will be the nominal expenditure in the first half of 2015 compared with that in the second half of 2014: <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
F2.bis And what do you expect will be the same expenditure in fixed investment excluding investment in property? <input type="checkbox"/> Much higher <input type="checkbox"/> A little higher <input type="checkbox"/> About the same <input type="checkbox"/> A little lower <input type="checkbox"/> Much lower						
NOTE: The responses "much higher" and "much lower" also apply when in the two periods compared, investments are zero.						

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 (half yearly)

Household Wealth in Italy (annual)

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