



BANCA D'ITALIA
EUROSISTEMA

Supplements to the Statistical Bulletin

Sample Surveys

Survey on Inflation and Growth Expectations

September 2015

New series

Year XXV - 12 October 2015

Number

51

CONTENTS

1. Introduction	3
2. The main results for firms in services and industry excluding construction	3
3. Construction firms	5
Appendix A: Methodological Notes	11
Appendix B: Statistical Tables.....	17
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 September 2015 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 Marco Bottone, Tatiana Cesaroni and Sergio Santoro.

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 Banca d'Italia–*Il Sole 24 Ore* quarterly survey on inflation and growth expectations were carried out between 1 and 18 September 2015. A total of 987 firms with 50 or more employees took part, of which 389 operate in industry excluding construction, 397 in services and 201 in construction (Table A1).

The firms were asked to provide forecasts both on macroeconomic matters, such as developments in 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. Appendices A, B and C contain the methodological notes, 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 selling prices

In September consumer inflation expectations were revised upwards with respect to the preceding survey across all time horizons, albeit to a much lesser extent for the more distant future. Six-month expectations rose to 0.6 per cent, those for a year to 0.7 per cent (from 0.3 and 0.5 per cent in the previous survey). Expectations two years ahead and for the next three to five years were revised down by 0.1 percentage points to 0.9 and 1.1 per cent, respectively (Table 1 and Figure 1).

All in all, firms reported that their selling prices were unchanged on an annualized basis (-0.2 per cent in June; Table 2): the decrease reported by large firms (those with at least 1,000 employees) was offset by the increase recorded by other firms. Firms in services and in industry excluding construction expect selling prices to expand moderately over the next twelve months. This increase is in line with the expectations reported in the previous survey (0.7 per cent).

As in June, the recovery in the euro prices of raw materials, the increase in labour costs and, in small measure, the improvement in demand were reported to have driven list prices, while competitors' pricing policies appeared to hold them back (Table 3).

Assessment of the general economic situation

The positive balance between reports of improvement and reports of deterioration in the general economy widened significantly to 25.9 percentage points, up from 15.8 points in June. Most, albeit slightly fewer, firms continued to view Italy's general economic situation as stable (Table 4). The average probability assigned to an improvement of the economic situation in the next three months also increased, to 19.7 per cent from 17.9 per cent (Table 5).

Demand

Firms' judgments concerning trends in demand remained favourable, albeit slightly less so than in the previous survey. The balance between reports of increases and decreases in demand for the respondent firms' products in the last quarter narrowed to 6.6 percentage points, from 11.5 percentage points in June (Table 6). The reports were more favourable among firms in industry excluding construction. Assessments of the short-term outlook improved: the balance between positive and negative expectations for demand rose by more than 4 percentage points to 21.6 points for firms in services and in industry excluding construction (Table 7).

Firms' assessments of foreign demand for their products continues to be favourable, less so for current demand compared to June's survey, and more so for demand over the next three months (Tables 8 and 9).

Assessment of business conditions

Firms' expectations concerning the economic conditions in which they will be operating over the next three months continued to be marked by cautious optimism, although predictions of stability continued to be largely prevalent (74.6 per cent from 78.9 in June; Table 10 and Figure 6). The balance between firms expecting an improvement and those expecting a deterioration, positive since the March survey, rose to 10.2 percentage points from 5.4 points in June; the rise was particularly marked in firms in industry excluding construction. Economic activity is expected to continue to benefit from the positive contribution of demand, the euro exchange rate, and, unlike the previous survey, oil prices. Compared to June, the extent to which economic and political uncertainties are acting as a brake on economic activity has increased, albeit marginally (Table 11).

The percentage of firms reporting a decrease in their 'normal' level of activity in the last two years declined from 39.5 per cent to 36.2; in contrast, 30.6 per cent reported an increase (26.0 per cent in June; Table 16).

Investment conditions

Firms' assessments of investment conditions remained favourable, and more so compared with the last quarter. The balance between responses indicating an improvement and those indicating a deterioration rose to 11.5 per cent from 8.7 per cent in June (Table 13 and Figure 7); this improvement is about the same for manufacturing and service firms.

The share of firms expecting an increase in nominal investment expenditure in the second half of 2015 compared with the first is 12.1 percentage points greater than those expecting a decrease: expectations are particularly positive amongst service firms and medium- to large-sized firms (between 200 and 999 employees). Nearly 60 per cent of firms reported that nominal investment spending was unchanged from the first half of the year (Table 14).

For 2015 as a whole, the percentage change between expectations of an increase and a decrease in investment spending rose to 17.3 points from 14.1 points in the previous survey, largely due to the upward adjustment in planned investment by firms operating in the North-West, South and Islands. Roughly half of respondent firms expect total investment expenditure to remain unchanged compared with 2014, as in the previous survey (Table 15).

Some 44.4 per cent of firms declared that they have overcome the most difficult phase of the economic cycle in recent months, slightly up from 43.9 in June (Table 22). The share of firms predicting a solid improvement in their output in the coming months fell from 46.4 to 43.0 per cent.

Liquidity and access to credit

The terms of access to credit have eased further, continuing a trend under way since December 2012, albeit to a lesser extent compared to the previous survey. In the last quarter, the balance between the share of firms reporting easier access to credit compared with the previous quarter and those indicating a deterioration remained positive, though falling to 2.7 percentage points from 7.8 points (Table 19). In particular, 10.5 per cent of firms report greater ease of access to credit (compared with 14.4 per cent in June), while 7.8 per cent report a tightening (compared with 6.6 in June); the deterioration was more pronounced among the largest firms and those located in the North.

The percentage of firms that expect to have inadequate liquidity positions in the next three months fell to 14.9 per cent, from 15.6 per cent in June; the share of those considering it more than adequate also declined, to 21.1 per cent from 22.2 per cent (Table 20). In this survey firms were asked

if they had reduced their bank deposits in the previous three months, net of the usual seasonal fluctuations, and the great majority of firms, especially in industry, reported no such reduction (76.2 per cent; Table 17). For firms reporting a contraction in deposits, the factor that had the greatest impact was a decrease in receipts.

Employment

Expectations for employment in the short term worsened slightly. The share of firms estimating an increase in staff numbers in the next three months fell to 16.5 per cent, from 19.1 per cent in June; those expecting a decline fell slightly from 14.9 per cent in the last survey to 14.4 per cent (Table 21). More than two thirds of firms expect the situation to remain basically unchanged. The overall balance, though still slightly positive at 2.1 percentage points, reflects mixed trends, and was negative for the largest firms, service firms and those operating in the Centre and South.

3. Construction firms

In September, the optimism of construction firms concerning the general economic outlook strengthened, continuing the trend that emerged in the previous two surveys, with the balance between expectations of an improvement and a deterioration increasing to 11.6 percentage points (from 2.1 and -34.9 percentage points in June and December respectively; Table 4). The probability assigned to an improvement in the scenario in the next three months increased slightly to 14.2 from 12.8 per cent (Table 5).

Construction firms' assessments of demand for their work in the preceding quarter remained prevalently stable at 68.4 per cent (74.5 per cent for firms that draw more than a third of their turnover from residential building). However, the gap between firms reporting an improvement and those reporting a deterioration turned negative, at -1.5 percentage points, from 2.2 points in June, largely reflecting the decline observed for companies most active in the residential sector (Table 6). The positive balance between short-term forecasts of an increase or a decrease in demand was basically unchanged at 9.8 percentage points (Table 7).

There was an increase in the percentage of firms expecting stable operating conditions in the next quarter, from 77.8 per cent in June to 80.5 per cent, even though the balance between firms expecting favourable or unfavourable developments in the next three months remained slightly negative (Table 10). Apart from the uncertainty ascribable to economic and political factors, trends in firms' own prices appear to be an obstacle, albeit to a limited extent; positive stimuli to the economy appear to be coming mainly from increased demand for the firms' services (both new and pre-existing orders), an improvement in the terms of access to credit, and oil price developments.

Expectations three years ahead remained positive, in line with the previous survey, with the balance between firms expecting better conditions and those expecting a deterioration reaching 49.4 percentage points, from 49.1 points in June (Table 12).

The percentage of firms reporting a decrease in the 'normal' level of activity in the last two years was 52.9 per cent, a decrease over the March figures, while the share of those reporting an increase rose to 16.5 per cent from 11.7 per cent (Table 17).

The firms' views concerning investment conditions remained positive: in the last quarter the percentage of firms reporting a deterioration fell to 8.5 percentage points, from 12.4 points in June, while the great majority of firms reported stable conditions (76.6 per cent, up from 72.5 per cent in June; Table 13). Nonetheless, the balance between firms expecting an increase in fixed investment expenditure and those expecting a decrease in the second half of 2015 over the first half was negative (-6.7 percentage points; Table 14). For 2015 as a whole compared to 2014, the balance was -6.5 points,

down from -1.2 points, largely reflecting the downturn experienced by firms mainly involved in residential construction (Table 15).

The percentage of firms reporting that in the previous months they had overcome the most difficult phase of the downturn has stabilized at around 36 per cent (Table 22), while the share of those expecting a 'substantial increase' in output in the upcoming months rose from 44.0 to 45.1 per cent.

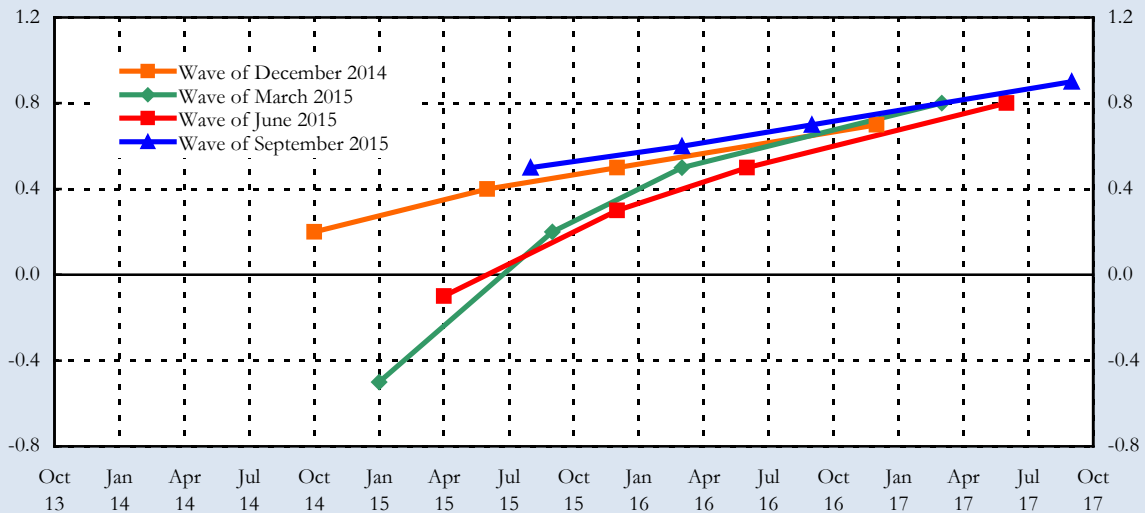
Expectations concerning employment conditions in the upcoming months are slightly more pessimistic than in the previous survey. The negative gap between firms expecting an increase in the work force and those expecting a decrease narrowed, from -24.3 percentage points in June to -17.5 percentage points (Table 21).

Firms' judgments on the conditions of access to credit worsened: the balance worsened, from -1.7 to -10.3 percentage points (Table 19).

Figure 1

Expectations of consumer price inflation in Italy

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

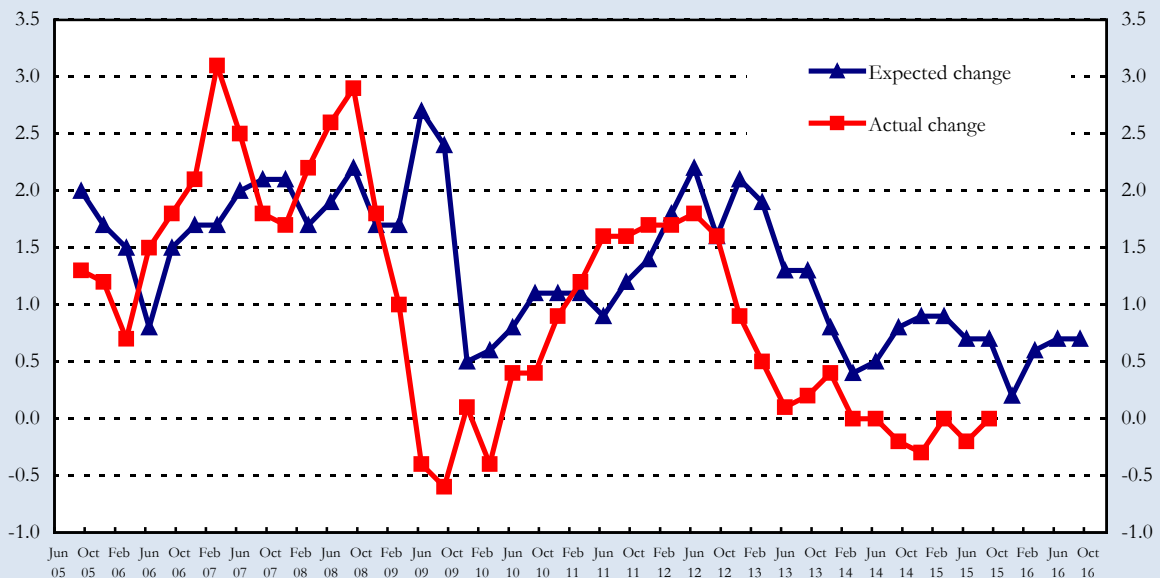


(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next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

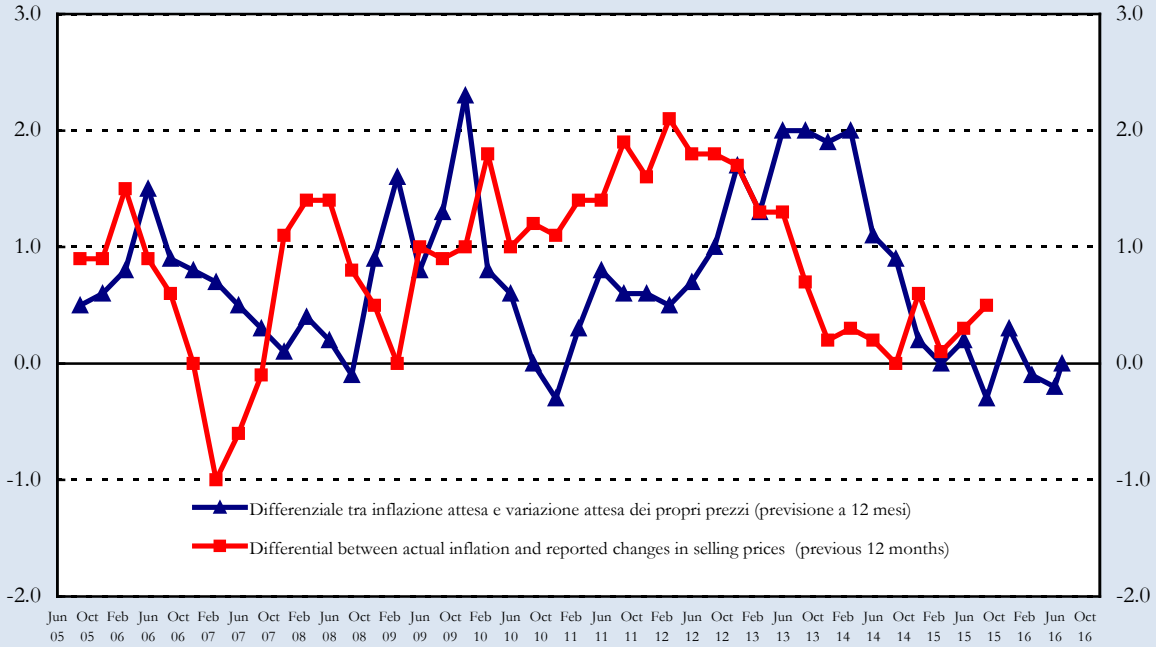
(Industry excluding construction and Services; percentage changes) ⁽¹⁾



(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

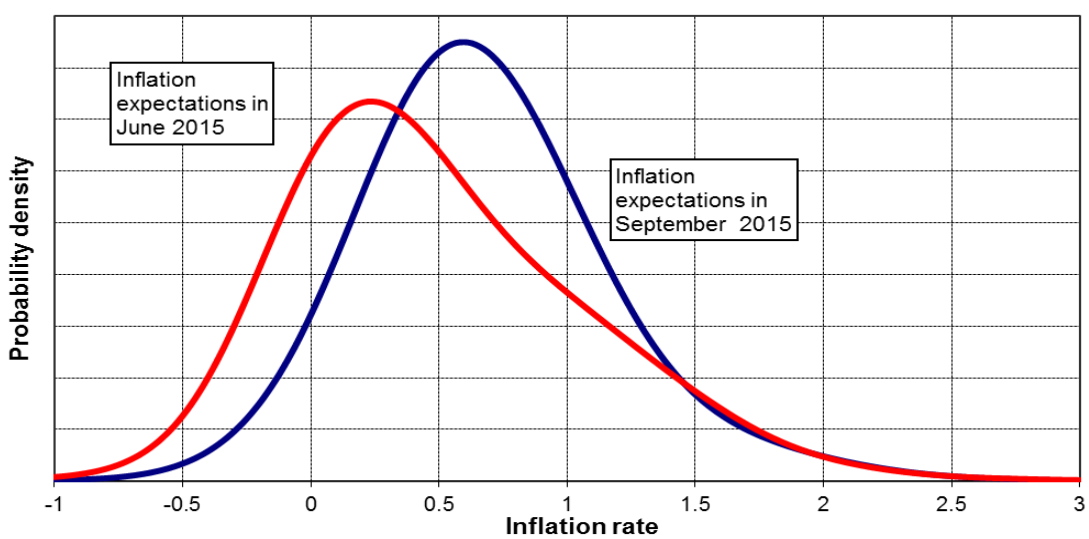
Differential between price changes reported by firms and the inflation rate:
forecasts and outcomes
(Industry excluding construction and Services; percentage points) ⁽¹⁾



(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⁾

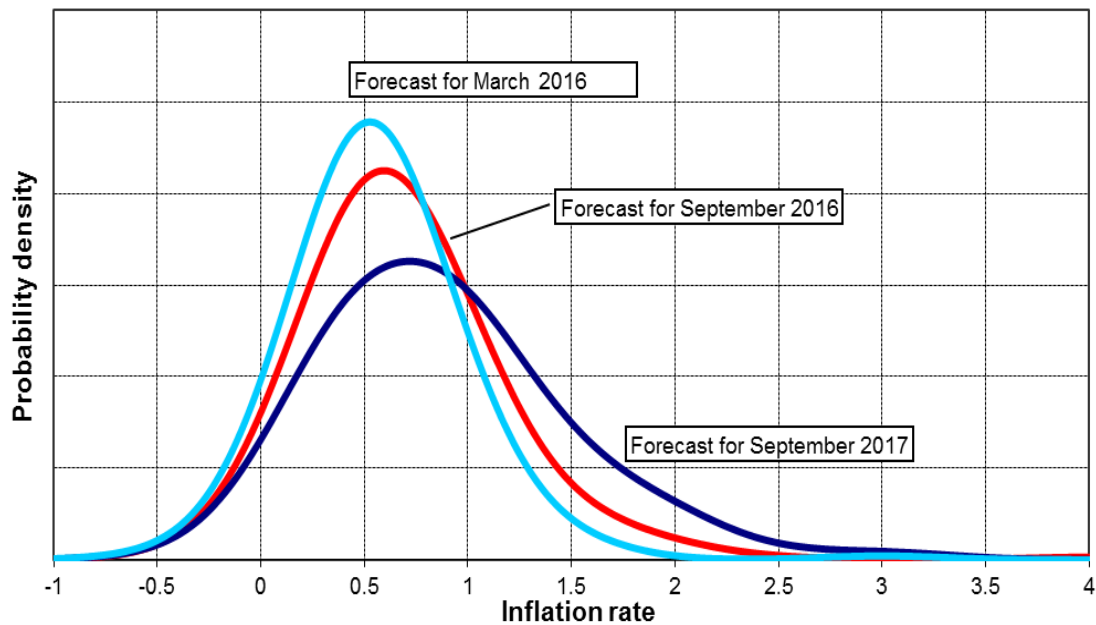


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2.

Figure 5

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

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

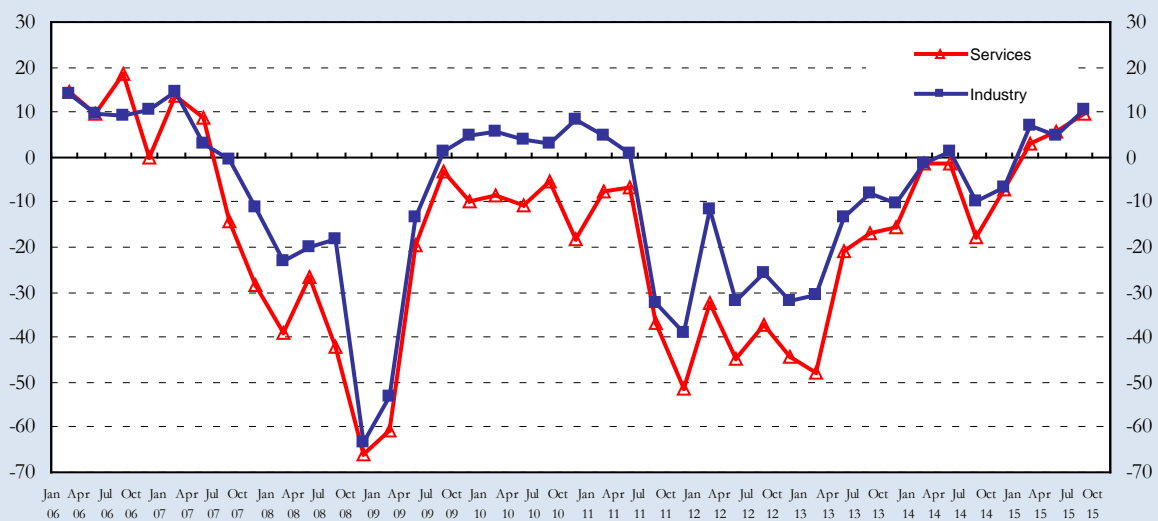


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2. The light blue line indicates the forecast over the next 6 months. The red line indicates the forecast over the next 12 months. The dark blue line indicates the forecast over the next 24 months.

Figure 6

Three-month forecast of the firm's business conditions

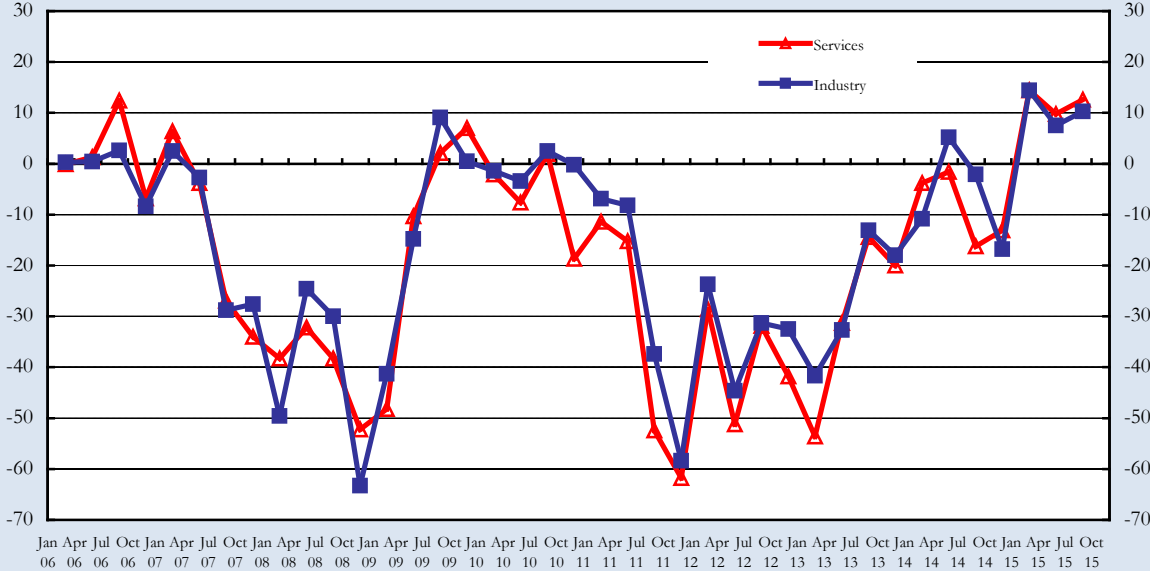
(Industry excluding construction and Services; percentage points)⁽¹⁾



(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 third quarter of 2015 consisted of 987 firms: 389 firms in industry excluding construction, 397 service firms and 201 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	407	16844	2.4	160	1199	13.3
200-999	253	3465	7.3	34	110	30.9
Over 999.....	126	528	23.9	7	7	100.0
Sector						
Industry.....	389	10690	3.6	–	–	–
Services	397	10147	3.9	–	–	–
Geographical area						
North-West.....	231	8167	2.8	47	415	11.3
North-East.....	222	5786	3.8	58	344	16.9
Centre.....	171	3775	4.5	48	242	19.8
South and Islands	162	3109	5.2	48	315	15.2
Total.....	786	20837	3.8	201	1316	15.3

(1) Istat (2012).

The estimates for inflation expectations for 6, 12 and 24 months ahead are calculated on a sub-sample of 529 industrial firms and service firms, and 133 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 response rate is equal to 44.3 per cent for industry and 32.7 for construction (tab 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	1167	34.9	535	29.9
200-999	412	61.4	59	57.6
Over 999	194	64.9	20	35.0
Sector				
Industry	900	43.2	–	–
Services	873	45.5	–	–
Geographical area				
North West	587	39.4	188	25.0
North East	502	44.2	170	34.1
Centre.....	323	52.9	124	38.7
South and Islands	361	44.9	132	36.4
Total.....	1773	44.3	614	32.7

(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.....	0.6	0.6	0.5	0.0	0.5	0.5	0.5	0.0
Consumer price inflation in Italy in the next 12 months	0.7	0.7	0.6	0.0	0.7	0.6	0.5	0.0
Consumer price inflation in Italy in the next 24 months	0.9	0.9	0.8	0.0	0.8	0.7	0.5	0.0
Change in own prices in the last 12 months.....	-0.3	0.0	0.0	5.5	0.4	-0.3	0.0	7.5
Change in own prices in the next 12 months.....	0.5	0.7	0.4	5.9	0.1	-0.1	0.0	8.0

Tab. A4 -Standard errors*(percentage)*

	Industry excluding construction and Services	Construction
Consumer price inflation in Italy in the next 6 months	0.02	0.04
Consumer price inflation in Italy in the next 12 months.....	0.03	0.06
Consumer price inflation in Italy in the next 24 months.....	0.05	0.06
Change in own prices in the last 12 months.....	0.25	1.44
Change in own prices in the last 12 months (robust).....	0.18	0.80
Change in own prices in the next 12 months.....	0.19	0.24
Change in own prices in the next 12 months (robust).....	0.11	0.19

Appendix B:

Tables

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 ⁽¹⁾ with respect to previous quarter.....26

Tab. 7 Three-month forecast of total demand for the firm’s products/works⁽¹⁾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 conditions30

Tab.11 Factors which will affect the firm’s business conditions31

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 Forecast changes on fixed investment between second half 2015 and first half of 2015.....34

Tab.15 Forecast changes on fixed investment excluding investment in property between 2015 and 2014.35

Tab.16 Changes to the normal level of the economic activity in the last two years36

Tab.17 Reduction in bank deposit in the last three months.....37

Tab.18 Factors contributing to the reduction in bank deposit in the last three months.....38

Tab.19 Assessment of credit conditions for firms with respect to previous quarter.....39

Tab.20 Overall liquidity position in the next three months.....40

Tab.21 Three-month forecast of workforce41

Tab.22 Passing the worst stage of the economic situation and expectations for production rates42

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	0.6	0.7	0.9	1.1
200-999	0.6	0.7	1.0	1.3
Over 999	0.7	0.9	1.2	1.4
Sector				
Industry.....	0.6	0.7	1.1	1.2
Services	0.5	0.6	0.8	1.0
Geographical area				
North West.....	0.6	0.8	1.1	1.2
North East	0.5	0.7	0.9	1.2
Centre.....	0.5	0.6	0.8	1.0
South and Islands	0.5	0.6	0.7	0.9
Total Industry and services	0.6	0.7	0.9	1.1
<i>Memorandum items:</i>				
June 2015.....	0.3	0.5	0.8	1.0
March 2015.....	0.2	0.5	0.8	1.2
December 2014.....	0.4	0.5	0.7	0.9
September 2014.....	0.3	0.4	0.6	0.8
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	0.5	0.6	0.8	0.9
More than one third.....	0.5	0.8	0.8	0.8
Geographical area				
North.....	0.5	0.6	0.7	0.9
Center and South -Islands.....	0.6	0.7	0.8	1.0
Total construction.....	0.5	0.7	0.8	0.9
<i>Memorandum items:</i>				
June 2015.....	0.2	0.4	0.6	0.7
March 2015.....	0.2	0.4	0.7	0.9
December 2014.....	0.3	0.4	0.7	0.9
September 2014.....	0.3	0.4	0.6	0.8

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	0.3	0.9
200-999	0.3	0.7
Over 999	-0.4	0.5
Sector		
Industry	0.0	0.8
Services	0.0	0.5
Geographical area		
North West	0.0	0.6
North East	0.1	0.6
Centre	-0.1	0.7
South and Islands	0.2	0.8
Total Industry and services	0.0	0.7
<i>Memorandum items:</i>		
June 2015	-0.2	0.7
March 2015	-0.0	0.6
December 2014	-0.3	0.2
September 2014	-0.2	0.7
Construction		
Fraction of revenue derived from residential building		
Less than one third	0.0	0.1
More than one third	-1.9	-1.0
Geographical area		
North	-2.1	-0.5
Centre and South-Islands	1.9	0.5
Total construction	-0.3	-0.1
<i>Memorandum items:</i>		
June 2015	0.6	-0.5
March 2015	-0.1	0.7
December 2014	-0.9	-0.1
September 2014	-2.2	0.1

(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	0.4	0.5	-0.5
200-999.....	-0.1	0.2	0.4	-0.5
Over 999.....	0.2	0.4	0.4	-0.5
Sector				
Industry.....	0.1	0.5	0.4	-0.4
Services.....	0.1	0.2	0.4	-0.6
Geographical area				
North-West.....	0.1	0.3	0.5	-0.7
North-East.....	0.0	0.3	0.4	-0.4
Centre.....	0.1	0.5	0.2	-0.4
South and Islands.....	0.3	0.5	0.6	-0.3
Total Industry and services.....	0.1	0.4	0.4	-0.5
<i>Memorandum items:</i>				
June 2015.....	0.1	0.5	0.4	-0.6
March 2015.....	-0.0	0.5	0.4	-0.6
December 2014.....	-0.3	0.3	0.4	-0.7
September 2014.....	-0.1	0.4	0.4	-0.5
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	0.1	0.3	0.5	-0.8
More than one third.....	-0.7	0.5	0.7	-1.1
Geographical area				
North.....	-0.4	0.4	0.7	-1.1
Centre and South-Islands.....	0.4	0.3	0.3	-0.7
Total construction.....	0.0	0.3	0.5	-0.9
<i>Memorandum items:</i>				
June 2015.....	0.1	0.5	0.5	-0.8
March 2015.....	0.5	0.6	0.8	-0.6
December 2014.....	-0.3	0.2	0.4	-0.8
September 2014.....	0.4	0.8	0.4	-0.7

(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 -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**

(percentage)

	Worse (a)	Unchanged	Better (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	4.0	68.0	28.0	100.0	24.0
200-999	4.3	58.1	37.6	100.0	33.3
Over 999	1.7	60.7	37.6	100.0	35.9
Sector					
Industry	4.5	65.6	29.9	100.0	25.4
Services	3.4	66.7	29.9	100.0	26.5
Geographical area					
North-West	2.4	65.9	31.6	100.0	29.2
North-East	4.4	67.2	28.4	100.0	24.0
Centre	5.2	70.9	23.8	100.0	18.6
South and Islands	5.7	59.1	35.2	100.0	29.5
Total industry and services	4.0	66.1	29.9	100.0	25.9
<i>Memorandum items:</i>					
June 2015	6.2	71.8	22.0	100.0	15.8
March 2015	7.4	66.6	26.0	100.0	18.6
December 2014	27.8	67.5	4.7	100.0	-23.1
September 2014	33.0	62.7	4.3	100.0	-28.7
Construction					
Fraction of revenue derived from residential building					
Less than one third	13.5	62.8	23.7	100.0	10.2
More than one third	1.9	80.2	17.9	100.0	16.0
Geographical area					
North	7.8	66.2	25.9	100.0	18.1
Centre and South-Islands	14.8	67.9	17.3	100.0	2.5
Total construction	10.7	67.0	22.3	100.0	11.6
<i>Memorandum items:</i>					
June 2015	11.1	75.7	13.2	100.0	2.1
March 2015	13.0	71.0	16.0	100.0	3.0
December 2014	37.2	60.6	2.3	100.0	-34.9
September 2014	40.2	57.4	2.3	100.0	-37.9

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	23.8	52.8	13.4	8.7	1.4	100.0	18.6
200-999	18.5	48.5	19.0	10.7	3.3	100.0	23.3
Over 999.....	8.1	47.7	25.8	15.5	2.9	100.0	28.3
Sector							
Industry.....	21.8	52.1	16.3	8.6	1.2	100.0	19.5
Services	23.3	51.8	12.8	9.8	2.3	100.0	19.8
Geographical area							
North West	21.5	49.4	16.6	10.4	2.0	100.0	21.1
North East	24.4	50.7	13.4	8.7	2.7	100.0	19.7
Centre.....	17.8	57.9	16.6	7.7	0.0	100.0	18.7
South and Islands	27.4	53.7	9.0	8.7	1.2	100.0	16.9
Exports' share of sales							
From Zero to 1/3	24.8	51.5	12.3	9.5	1.9	100.0	19.1
Between 1/3/ and 2/3	17.2	58.3	16.5	7.6	0.4	100.0	19.0
More than 2/3.....	21.7	45.2	19.8	10.2	3.0	100.0	22.6
Total Industry and services	22.5	51.9	14.6	9.2	1.7	100.0	19.7
<i>Memorandum items:</i>							
June 2015.....	27.6	50.2	12.4	8.3	1.6	100.0	17.9
March 2015.....	25.0	52.3	12.9	8.5	1.3	100.0	18.2
December 2014.....	43.7	42.6	9.6	3.6	0.6	100.0	11.9
September 2014	43.6	42.6	10.1	3.0	0.7	100.0	11.9
Construction							
Fraction of revenue derived from residential building							
Less than one third	35.5	48.8	10.0	4.0	1.7	100.0	14.3
More than one third	30.8	53.2	11.9	4.1	0.0	100.0	14.0
Geographical area							
North.....	29.2	54.4	8.8	5.4	2.2	100.0	15.9
Centre and South-Islands	41.4	43.6	12.8	2.1	0.0	100.0	11.9
Total construction	34.4	49.9	10.5	4.0	1.3	100.0	14.2
<i>Memorandum items:</i>							
June 2015.....	36.4	52.1	6.1	4.3	1.1	100.0	12.8
March 2015.....	34.1	52.1	8.9	3.8	1.1	100.0	13.6
December 2014.....	54.6	40.0	4.5	1.0	0.0	100.0	7.5
September 2014	57.0	35.0	7.3	0.7	0.0	100.0	7.8

(1) The average likelihood of an improvement is computed by assigning the central 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	15.2	65.0	19.8	100.0	4.6
200-999	7.6	70.0	22.4	100.0	14.8
Over 999.....	10.3	62.7	27.0	100.0	16.7
Sector					
Industry.....	11.6	65.0	23.4	100.0	11.8
Services	16.2	66.6	17.2	100.0	1.0
Geographical area					
North West	15.3	63.2	21.5	100.0	6.2
North East	10.5	70.5	19.0	100.0	8.5
Centre.....	16.6	63.5	19.9	100.0	3.3
South and Islands	12.7	66.5	20.8	100.0	8.1
Exports' share of sales					
From Zero to 1/3	12.9	67.9	19.2	100.0	6.3
Between 1/3/ and 2/3	15.0	67.3	17.7	100.0	2.7
More than 2/3.....	15.3	56.8	27.9	100.0	12.6
Total Industry and services.....	13.8	65.8	20.4	100.0	6.6
<i>Memorandum items:</i>					
June 2015.....	13.3	61.9	24.8	100.0	11.5
March 2015.....	19.5	60.0	20.5	100.0	1.0
December 2014.....	23.5	58.8	17.7	100.0	-5.8
September 2014	23.2	60.3	16.4	100.0	-6.8
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	15.4	66.3	18.3	100.0	2.9
More than one third.....	20.3	74.5	5.2	100.0	-15.1
Geographical area					
North.....	16.2	65.2	18.7	100.0	2.5
Centre and South-Islands.....	17.2	72.6	10.2	100.0	-7.0
Total construction.....	16.6	68.4	15.1	100.0	-1.5
<i>Memorandum items:</i>					
June 2015.....	15.9	66.0	18.1	100.0	2.2
March 2015.....	17.2	62.1	20.6	100.0	3.4
December 2014.....	26.7	59.6	13.7	100.0	-13.0
September 2014	25.4	63.5	11.1	100.0	-14.3

(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	7.8	64.1	28.1	100.0	20.3
200-999	4.4	63.2	32.4	100.0	28.0
Over 999.....	7.3	64.8	27.9	100.0	20.6
Sector					
Industry.....	6.0	63.8	30.2	100.0	24.2
Services	8.5	64.2	27.4	100.0	18.9
Geographical area					
North West.....	5.6	62.9	31.4	100.0	25.8
North East	7.2	65.1	27.7	100.0	20.5
Centre.....	10.5	64.8	24.7	100.0	14.2
South and Islands	7.3	63.6	29.1	100.0	21.8
Exports' share of sales					
From Zero to 1/3	8.3	66.3	25.5	100.0	17.2
Between 1/3/ and 2/3	7.1	55.6	37.2	100.0	30.1
More than 2/3.....	3.6	67.4	29.0	100.0	25.4
Total Industry and services	7.2	64.0	28.8	100.0	21.6
<i>Memorandum items:</i>					
June 2015.....	8.7	65.3	26.0	100.0	17.3
March 2015.....	9.1	60.6	30.3	100.0	21.2
December 2014.....	16.8	64.4	18.9	100.0	2.1
September 2014.....	14.2	66.1	19.7	100.0	5.5
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	12.3	67.4	20.2	100.0	7.9
More than one third.....	13.3	57.6	29.1	100.0	15.8
Geographical area					
North.....	13.3	60.0	26.7	100.0	13.4
Centre and South-Islands.....	11.5	71.8	16.6	100.0	5.1
Total construction.....	12.6	65.0	22.4	100.0	9.8
<i>Memorandum items:</i>					
June 2015.....	10.9	68.8	20.3	100.0	9.4
March 2015.....	9.8	62.9	27.3	100.0	17.5
December 2014.....	15.1	66.9	18.0	100.0	2.9
September 2014.....	14.8	66.3	18.9	100.0	4.1

(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	14.2	62.3	23.6	100.0	9.4
200-999	10.3	55.5	34.2	100.0	23.9
Over 999	14.7	53.5	31.8	100.0	17.1
Sector					
Industry.....	12.9	59.1	27.9	100.0	15.0
Services	14.9	65.6	19.5	100.0	4.6
Geographical area					
North West	16.3	59.2	24.6	100.0	8.3
North East	10.5	57.9	31.6	100.0	21.1
Centre.....	11.2	66.5	22.3	100.0	11.1
South and Islands	12.9	66.8	20.3	100.0	7.4
Total Industry and services	13.5	60.9	25.6	100.0	12.1
<i>Memorandum items:</i>					
June 2015.....	11.4	58.1	30.5	100.0	19.1
March 2015.....	13.1	56.8	30.0	100.0	16.9
December 2014.....	14.7	58.0	27.3	100.0	12.6
September 2014.....	12.9	60.7	26.4	100.0	13.5

(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	5.3	62.8	31.8	100.0	26.5
200-999	2.3	59.7	38.0	100.0	35.7
Over 999.....	12.1	57.6	30.3	100.0	18.2
Sector					
Industry.....	5.2	61.9	32.9	100.0	27.7
Services	4.1	63.0	32.9	100.0	28.8
Geographical area					
North West	2.6	65.7	31.7	100.0	29.1
North East	5.5	54.4	40.2	100.0	34.7
Centre.....	5.4	64.0	30.6	100.0	25.2
South and Islands	12.5	64.2	23.3	100.0	10.8
Total Industry and services.....	4.9	62.2	32.9	100.0	28.0
<i>Memorandum items:</i>					
June 2015.....	6.7	61.4	31.9	100.0	25.2
March 2015.....	6.0	51.0	43.1	100.0	37.1
December 2014.....	8.5	57.2	34.3	100.0	25.8
September 2014.....	9.4	61.7	28.9	100.0	19.5

(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	8.1	74.3	17.6	100.0	9.5
200-999	5.2	76.0	18.8	100.0	13.6
Over 999	6.6	75.7	17.7	100.0	11.1
Sector					
Industry.....	6.4	76.5	17.1	100.0	10.7
Services	8.9	72.6	18.5	100.0	9.6
Geographical area					
North West	4.5	73.9	21.6	100.0	17.1
North East	7.2	79.7	13.1	100.0	5.9
Centre.....	11.5	71.3	17.2	100.0	5.7
South and Islands	11.9	70.8	17.3	100.0	5.4
Total Industry and services	7.6	74.6	17.8	100.0	10.2
<i>Memorandum items:</i>					
June 2015.....	7.8	78.9	13.2	100.0	5.4
March 2015.....	11.7	71.6	16.6	100.0	4.9
December 2014.....	15.5	75.8	8.7	100.0	-6.8
September 2014	20.8	71.9	7.2	100.0	-13.6
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	11.8	77.9	10.4	100.0	-1.4
More than one third.....	8.6	88.5	2.9	100.0	-5.7
Geographical area					
North.....	14.8	74.1	11.1	100.0	-3.7
Centre and South-Islands.....	5.8	89.2	5.0	100.0	-0.8
Total construction.....	11.0	80.5	8.5	100.0	-2.5
<i>Memorandum items:</i>					
June 2015.....	12.1	77.8	10.1	100.0	-2.0
March 2015.....	12.2	77.6	10.2	100.0	-2.0
December 2014.....	24.6	69.1	6.3	100.0	-18.3
September 2014	25.4	69.7	4.8	100.0	-20.6

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	Exchange Rate dynamics	Oil Price
Industry excluding construction and Services								
Number of employees								
50-199.....	0.8	....	....	0.4	0.2	-0.7	0.2	0.2
200-999.....	0.7	....	....	0.3	0.3	-0.7	0.2	0.4
Over 999	0.8	....	....	0.2	0.3	-0.6	0.0	0.1
Sector								
Industry.....	0.8	....	....	0.4	0.2	-0.6	0.2	0.3
Services.....	0.8	....	....	0.4	0.3	-0.7	0.2	0.2
Geographical area								
North West.....	0.8	....	....	0.5	0.3	-0.7	0.3	0.2
North East.....	0.8	....	....	0.2	0.2	-0.8	0.2	0.2
Centre.....	0.6	....	....	0.3	0.1	-0.6	0.1	0.3
South and Islands.....	0.7	....	....	0.3	0.3	-0.4	0.2	0.3
Total Industry and services.....	0.8	....	....	0.4	0.3	-0.7	0.2	0.2
<i>Memorandum items:</i>								
June 2015.....	0.7	....	....	0.3	0.2	-0.6	0.2	0.0
March 2015.....	0.6	....	....	0.3	0.2	-0.6	0.3	....
December 2014.....	0.4	....	....	0.1	0.0	-1.0	....	....
September 2014.....	0.4	....	....	0.1	0.0	....	....	....
Construction								
Fraction of revenue derived from residential building								
Less than one third.....	....	1.2	1.0	-0.1	0.3	-0.9	0.0	0.4
More than one third.....	....	0.9	0.8	0.0	0.0	-0.9	-0.1	0.1
Geographical area								
North.....	....	1.1	1.0	-0.1	0.3	-0.8	-0.1	0.4
Centre and South-Islands.....	....	1.0	0.9	0.0	0.2	-0.9	0.0	0.2
Total construction.....	....	1.1	1.0	-0.1	0.2	-0.9	0.0	0.3
<i>Memorandum items:</i>								
June 2015.....	....	1.2	0.9	0.1	0.2	-0.9	-0.1	-0.1
March 2015.....	....	1.2	0.8	0.1	0.2	-0.9	0.2	....
December 2014.....	....	1.0	0.6	-0.2	-0.2	-1.3	....	....
September 2014.....	....	1.1	0.7	-0.2	-0.1	....	....	....

(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	10.2	25.6	64.2	100.0	54.0
200-999	6.9	21.2	71.8	100.0	64.9
Over 999	5.6	21.7	72.7	100.0	67.1
Sector					
Industry.....	8.1	22.8	69.1	100.0	61.0
Services	11.0	26.8	62.2	100.0	51.2
Geographical area					
North West	5.9	20.8	73.3	100.0	67.4
North East	8.9	31.6	59.4	100.0	50.5
Centre.....	19.1	21.7	59.2	100.0	40.1
South and Islands	8.5	26.2	65.2	100.0	56.7
Total Industry and services	9.5	24.8	65.7	100.0	56.2
<i>Memorandum items:</i>					
June 2015.....	11.8	25.6	62.5	100.0	50.7
March 2015.....	10.9	23.0	66.1	100.0	55.2
December 2014.....	16.3	25.7	58.0	100.0	41.7
September 2014	18.4	23.9	57.7	100.0	39.3
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	9.8	28.7	61.5	100.0	51.7
More than one third.....	10.4	36.7	52.9	100.0	42.5
Geographical area					
North.....	11.4	29.8	58.8	100.0	47.4
Centre and South-Islands.....	7.9	32.0	60.0	100.0	52.1
Total construction.....	9.9	30.7	59.3	100.0	49.4
<i>Memorandum items:</i>					
June 2015.....	10.4	30.1	59.5	100.0	49.1
March 2015.....	11.1	17.8	71.1	100.0	60.0
December 2014.....	17.8	28.0	54.1	100.0	36.3
September 2014	14.4	31.1	54.5	100.0	40.1

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	8.3	73.3	18.4	100.0	10.1
200-999	3.5	76.5	20.0	100.0	16.5
Over 999.....	1.7	75.3	23.0	100.0	21.3
Sector					
Industry.....	8.1	73.5	18.4	100.0	10.3
Services	6.6	74.2	19.2	100.0	12.6
Geographical area					
North West	7.6	71.1	21.2	100.0	13.6
North East	7.6	76.7	15.7	100.0	8.1
Centre.....	7.0	74.6	18.4	100.0	11.4
South and Islands	6.6	74.8	18.6	100.0	12.0
Total Industry and services.....	7.3	73.9	18.8	100.0	11.5
<i>Memorandum items:</i>					
June 2015.....	7.9	75.6	16.6	100.0	8.7
March 2015.....	6.9	71.6	21.4	100.0	14.5
December 2014.....	21.9	71.3	6.9	100.0	-15.0
September 2014.....	19.8	69.4	10.9	100.0	-8.9
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	9.0	76.2	14.9	100.0	5.9
More than one third.....	7.0	77.9	15.1	100.0	8.1
Geographical area					
North.....	8.2	72.6	19.2	100.0	11.0
Centre and South-Islands.....	8.8	82.2	9.0	100.0	0.2
Total construction.....	8.5	76.6	14.9	100.0	6.4
<i>Memorandum items:</i>					
June 2015.....	12.4	72.5	15.0	100.0	2.6
March 2015.....	9.4	73.9	16.7	100.0	7.3
December 2014.....	27.9	67.2	5.0	100.0	-22.9
September 2014.....	24.7	68.4	6.9	100.0	-17.8

Table 14

Forecast changes on fixed investment between second half 2015 and 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	15.5	58.7	25.8	100.0	10.3
200-999	12.8	53.3	34.0	100.0	21.2
Over 999	18.2	53.4	28.4	100.0	10.2
Sector					
Industry.....	16.7	56.0	27.3	100.0	10.6
Services	13.4	59.5	27.1	100.0	13.7
Geographical area					
North West	16.6	51.2	32.2	100.0	15.6
North East	15.5	62.6	22.0	100.0	6.5
Centre.....	16.5	60.0	23.5	100.0	7.0
South and Islands	9.0	62.8	28.2	100.0	19.2
Total Industry and services	15.1	57.7	27.2	100.0	12.1
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	19.7	61.0	19.3	100.0	-0.4
More than one third.....	30.4	65.5	4.1	100.0	-26.3
Geographical area					
North.....	25.4	60.7	13.9	100.0	-11.5
Centre and South-Islands.....	18.0	64.1	17.9	100.0	-0.1
Total construction.....	22.3	62.1	15.6	100.0	-6.7

Table 15

Forecast changes on fixed investment excluding investment in property between 2015 and 2014

(percentages)

	Decrease (a)	No change	Increase (b)	Total	Balance (b) – (a)
Industry excluding construction and Services					
Number of employees					
50-199	16.8	51.5	31.7	100.0	14.9
200-999	14.6	42.7	42.7	100.0	28.1
Over 999	16.9	46.6	36.5	100.0	19.6
Sector					
Industry.....	17.4	48.1	34.5	100.0	17.1
Services	15.3	51.9	32.8	100.0	17.5
Geographical area					
North West	12.1	48.7	39.2	100.0	27.1
North East	19.2	49.6	31.1	100.0	11.9
Centre.....	20.5	51.0	28.4	100.0	7.9
South and Islands	17.4	52.4	30.2	100.0	12.8
Total Industry and services	16.4	49.9	33.7	100.0	17.3
Construction					
Fraction of revenue derived from residential building					
Da zero a un terzo.....	23.7	53.2	23.1	100.0	-0.6
Oltre un terzo.....	33.6	57.1	9.3	100.0	-24.3
Geographical area					
North.....	27.0	51.9	21.1	100.0	-5.9
Centre and South-Islands.....	25.0	57.4	17.7	100.0	-7.3
Total construction.....	26.2	54.2	19.7	100.0	-6.5

Table 16

**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	26.3	30.2	37.1	6.3	100.0
200-999	28.7	32.9	31.7	6.6	100.0
Over 999	28.6	28.2	34.8	8.4	100.0
Sector					
Industry.....	29.8	31.5	36.0	2.7	100.0
Services	23.5	29.7	36.3	10.4	100.0
Geographical area					
North West	25.3	37.4	32.8	4.4	100.0
North East	26.6	30.6	34.2	8.7	100.0
Centre.....	31.0	22.3	41.9	4.7	100.0
South and Islands	25.8	23.1	41.5	9.6	100.0
Total Industry and services	26.8	30.6	36.2	6.4	100.0
<i>Memorandum items:</i>					
June 2015.....	26.8	26.0	39.5	7.7	100.0
March 2015.....	29.7	23.9	37.6	8.7	100.0
December 2014.....	26.5	22.7	44.2	6.6	100.0
September 2014.....	26.0	24.4	42.0	7.5	100.0
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	24.8	19.6	49.7	5.9	100.0
More than one third.....	22.9	7.4	62.3	7.3	100.0
Geographical area					
North.....	26.5	17.0	49.7	6.7	100.0
Centre and South-Islands.....	21.3	15.7	57.3	5.6	100.0
Total construction.....	24.4	16.5	52.9	6.2	100.0
<i>Memorandum items:</i>					
June 2015.....	22.6	11.7	59.4	6.4	100.0
March 2015.....	24.2	15.8	54.7	5.3	100.0
December 2014.....	21.3	14.2	54.9	9.6	100.0
September 2014.....	19.9	15.6	58.1	6.5	100.0

Reduction in bank deposit in the last three months

(percentages)

	No	Si	Totale
Industry excluding construction and Services			
Number of employees			
50-199	73.2	26.8	100.0
200-999	89.0	11.0	100.0
Over 999	88.2	11.8	100.0
Sector			
Industry.....	78.2	21.8	100.0
Services	74.0	26.0	100.0
Geographical area			
North West	77.0	23.0	100.0
North East	77.9	22.1	100.0
Centre.....	75.0	25.0	100.0
South and Islands	72.2	27.8	100.0
Total Industry and services	76.2	23.8	100.0
<i>Memorandum items:</i>			
September 2014	71.3	28.7	100.0
March 2014.....	68.6	31.4	100.0
September 2013	69.0	31.0	100.0
September 2013	60.4	39.6	100.0
Construction			
Fraction of revenue derived from residential building			
Less than one third.....	49.4	50.6	100.0
More than one third.....	51.4	48.6	100.0
Geographical area			
North.....	48.1	51.9	100.0
Centre and South-Islands.....	52.3	47.7	100.0
Total construction.....	49.9	50.1	100.0
<i>Memorandum items:</i>			
September 2014	46.9	53.1	100.0

Factors contributing to the reduction in bank deposit in the last three months

(average score) ⁽¹⁾⁽²⁾

	Increasing difficulty in accessing credit	Reduction in revenues	Portfolio rebalancing
Industry excluding construction and Services			
Number of employees			
50-199	2.2	2.7	2.2
200-999	1.7	2.7	1.8
Over 999	1.6	2.2	1.7
Sector			
Industry.....	2.3	2.8	2.3
Services	2.0	2.7	2.0
Geographical area			
North West	2.0	2.6	2.1
North East	2.3	2.8	2.3
Centre.....	2.3	2.8	2
South and Islands	2.3	2.8	2.2
Total Industry and services	2.2	2.7	2.1
<i>Memorandum items:</i>			
September 2014	2.4	3.0	2.2
March 2014	1.6	2.0	1.3
September 2013	1.6	2.1	1.4
March 2013	1.6	2.1	1.3
Construction			
Fraction of revenue derived from residential building			
Less than one third.....	2.6	3.2	2.5
More than one third	3.2	3.5	2.6
Geographical area			
North.....	2.7	3.3	2.4
Centre and South-Islands.....	2.9	3.2	2.6
Total construction.....	2.8	3.3	2.5
<i>per memoria:</i>			
September 2014	2.8	3.2	2.6
March 2014	2.0	2.4	1.6

(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.

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	9.0	80.6	10.4	100.0	1.4
200-999	3.1	86.0	10.9	100.0	7.8
Over 999	3.0	84.2	12.7	100.0	9.7
Sector					
Industry.....	6.8	82.8	10.4	100.0	3.6
Services	8.9	80.4	10.7	100.0	1.8
Geographical area					
North West	5.1	86.0	8.9	100.0	3.8
North East	8.7	78.7	12.6	100.0	3.9
Centre.....	11.7	79.9	8.4	100.0	-3.3
South and Islands	8.6	77.8	13.5	100.0	4.9
Total Industry and services	7.8	81.6	10.5	100.0	2.7
<i>Memorandum items:</i>					
June 2015.....	6.6	79.0	14.4	100.0	7.8
March 2015.....	7.6	80.1	12.3	100.0	4.7
December 2014.....	12.5	77.4	10.1	100.0	-2.4
September 2014	12.0	79.1	8.9	100.0	-3.1
Construction					
Fraction of revenue derived from residential building					
Da zero a un terzo.....	17.2	74.5	8.3	100.0	-8.9
Oltre un terzo.....	17.4	79.7	2.9	100.0	-14.5
Geographical area					
North.....	19.3	72.7	8.0	100.0	-11.3
Centre and South-Islands.....	14.4	80.2	5.4	100.0	-9.0
Total construction.....	17.2	75.8	6.9	100.0	-10.3
<i>Memorandum items:</i>					
June 2015.....	13.6	74.5	11.9	100.0	-1.7
March 2015.....	17.0	70.6	12.3	100.0	-4.7
December 2014.....	25.8	69.4	4.8	100.0	-21.0
September 2014	24.2	70.9	4.9	100.0	-19.3

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.....	16.3	63.9	19.8	100.0
200-999 addetti	9.5	64.6	25.9	100.0
Oltre 999 addetti	6.4	62.1	31.5	100.0
Sector				
Industry.....	15.7	62.4	21.8	100.0
Services	14.1	65.6	20.3	100.0
Geographical area				
North West	8.1	64.8	27.1	100.0
North East	13.1	63.7	23.3	100.0
Centre.....	21.9	62.6	15.5	100.0
South and Islands	27.6	64.2	8.2	100.0
Total Industry and services	14.9	64.0	21.1	100.0
<i>Memorandum items:</i>				
June 2015.....	15.6	62.2	22.2	100.0
March 2015.....	15.5	62.8	21.6	100.0
December 2014.....	19.9	61.6	18.5	100.0
September 2014.....	19.1	63.5	17.4	100.0
Construction				
Fraction of revenue derived from residential building				
Less than one third.....	33.7	61.9	4.4	100.0
More than one third.....	53.1	37.8	9.1	100.0
Geographical area				
North.....	36.2	54.5	9.3	100.0
Centre and South-Islands.....	41.7	57.9	0.5	100.0
Total construction	38.5	55.9	5.6	100.0
<i>Memorandum items:</i>				
June 2015.....	37.4	55.8	6.8	100.0
March 2015.....	36.2	55.6	8.3	100.0
December 2014.....	41.5	53.8	4.8	100.0
September 2014.....	40.8	52.8	6.4	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	13.6	70.3	16.1	100.0	2.5
200-999	17.0	64.9	18.2	100.0	1.2
Over 999	22.0	59.0	19.1	100.0	-2.9
Sector					
Industry.....	11.7	70.2	18.1	100.0	6.4
Services	17.2	68.1	14.7	100.0	-2.5
Geographical area					
North West	10.5	69.7	19.7	100.0	9.2
North East	15.8	67.5	16.7	100.0	0.9
Centre.....	18.6	70.8	10.6	100.0	-8.0
South and Islands	16.6	68.7	14.7	100.0	-1.9
Total Industry and services.....	14.4	69.1	16.5	100.0	2.1
<i>Memorandum items:</i>					
June 2015.....	14.9	66.0	19.1	100.0	4.2
March 2015.....	14.4	67.4	18.2	100.0	3.8
December 2014.....	19.9	68.3	11.8	100.0	-8.1
September 2014	20.4	67.9	11.8	100.0	-8.6
Construction					
Fraction of revenue derived from residential building					
Less than one third.....	26.0	67.1	6.9	100.0	-19.1
More than one third.....	17.6	77.3	5.2	100.0	-12.4
Geographical area					
North.....	25.3	67.1	7.6	100.0	-17.7
Centre and South-Islands.....	22.1	73.0	4.9	100.0	-17.2
Total construction.....	24.0	69.6	6.5	100.0	-17.5
<i>Memorandum items:</i>					
June 2015.....	28.1	68.2	3.8	100.0	-24.3
March 2015.....	26.4	61.3	12.3	100.0	-14.1
December 2014.....	28.5	63.4	8.2	100.0	-20.3
September 2014	29.1	60.3	10.5	100.0	-18.6

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	57.6	42.4	100.0	56.5	43.5	100.0
200-999	48.2	51.8	100.0	60.5	39.5	100.0
Over 999	39.7	60.3	100.0	51.1	48.9	100.0
Sector						
Industry.....	54.2	45.8	100.0	56.0	44.0	100.0
Services	57.1	42.9	100.0	58.1	41.9	100.0
Geographical area						
North West	50.2	49.8	100.0	53.6	46.4	100.0
North East	56.0	44.0	100.0	61.1	38.9	100.0
Centre.....	63.9	36.1	100.0	60.8	39.2	100.0
South and Islands	58.4	41.6	100.0	53.6	46.4	100.0
Exports' share of sales						
From zero to 1/3.....	55.6	44.4	100.0	58.1	41.9	100.0
Between 1/3/ and 2/3	59.1	40.9	100.0	60.5	39.5	100.0
More than 2/3.....	50.7	49.3	100.0	48.6	51.4	100.0
Total Industry and services	55.6	44.4	100.0	57.0	43.0	100.0
Construction						
Fraction of revenue derived from residential building						
Less than one third.....	64.8	35.2	100.0	54.1	45.9	100.0
More than one third.....	61.0	39.0	100.0	57.0	43.0	100.0
Geographical area						
North.....	60.0	40.0	100.0	59.6	40.4	100.0
Centre and South-Islands.....	69.3	30.7	100.0	48.5	51.5	100.0
Total construction.....	63.9	36.1	100.0	54.9	45.1	100.0

Appendix C:
The questionnaire

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

SEPTEMBER 2015

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 2016?	...in September 2016?	...in September 2017?	... on average between September 2018 and September 2020 ?
B1a. (about 2/3 of the sample) In April consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.1 per cent in Italy and 0.0 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|_|
C7.Ter EXCHANGE RATE DYNAMICS	1|_|	2|_|	3|_|	1|_|	2|_|	3|_|
C7. Quarter OIL PRICE DYNAMICS	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)		
	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 SECTION F – EXCHANGE RATE EFFECT						
F1. In the last three months, excluding normal seasonal fluctuations, did you reduce your bank deposits? <input type="checkbox"/> No <input type="checkbox"/> 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|_|		
SEZIONE G – INVESTMENT SECTION G – EXCHANGE RATE EFFECT						
G1. 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						
G2. And what do you expect will be the nominal expenditure in the second half of 2015 compared with that in the first half of 2015: <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)

A3. Share of sales revenues coming from residential sector: |__|

(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 2016?	...in September 2016?	...in September 2017?	... on average between September 2018 and September 2020 ?
B1a. (about 2/3 of the sample) In April consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.1 per cent in Italy and 0.0 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|__|
C7.Ter EXCHANGE RATE DYNAMICS	1|__|	2|__|	3|__|	1|__|	2|__|	3|__|
C7. Quarter OIL PRICE DYNAMICS	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	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

	Lower	Unchanged	Higher
E1. Your firm’s TOTAL NUMBER of employees in the next 3 months will be:	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 – INVESTMENT

G1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2015 compared with that in 2014? Much higher A little higher About the same A little lower Much lower

G2. And what do you expect will be the nominal expenditure in the second half of 2015 compared with that in the first half of 2015: Much higher A little higher About the same A little lower 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 (half yearly)

Local Government Debt (half yearly)

Household Wealth in Italy (annual)

Sample Surveys (irregular)

Methodological Notes (irregular)

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

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

Printed by the Printing and Publishing Division of the Bank of Italy

Registration with the Court of Rome No. 24/2008, 25 January 2008 - *Director: EUGENIO GAIOTTI* -