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This publication contains the main findings of the survey on inflation and growth expectations conducted by the Bank of Italy in collaboration with the newspaper Il Sole 24 Ore. The data were collected in September 2016 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 Marianna Riggi.

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 31 August and 19 September 2016. A total of 1037 firms with 50 or more employees took part, of which 408 operate in industry excluding construction, 419 in services and 210 in construction (Table A1).

The firms were asked to provide forecasts on macroeconomic matters, such as the inflation rate and the general state of Italy's productive economy, on issues regarding their own activities, including the recent legislative measures providing for investment incentives, and on potential geopolitical risks.

The main findings of the survey are summarized below. Appendices A and B contain the methodological notes and the questionnaire, respectively. The statistical appendix is available at the following link (only in Italian): <http://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2016-indagine-inflazione/09/dati201609.zip>

Main findings

(per cent)

	Industry excluding construction	Services	Total of Industry and Services	Construction
Inflation expectations 6 months ahead	0.2	0.1	0.1	0.1
Inflation expectations 12 months ahead	0.3	0.2	0.3	0.2
Change in own prices 12 months ahead	0.9	0.5	0.6	0.1
<i>Net balance of reports of an 'improvement' or a 'deterioration'</i>				
Assessment of the general economic situation	-4.7	-6.9	-5.8	-4.3
Assessment of total current demand	4.7	3.6	3.6	-6.1
Forecast 3 months ahead:				
Total demand	14.9	8.9	11.8	1.8
Firms' economic conditions	1.4	1.9	1.7	-3.2
Employment	-0.2	7.0	3.4	-12.7
Forecast of investment expenditure				
H2 2016 on H1 2016	9.4	7.5	8.5	-1.4
2016 on 2015	19.9	16.1	18.0	5.8

2. Main findings for firms in services and in industry excluding construction

Inflation expectations in Italy and change in firms' selling prices

Compared with the previous survey, consumer inflation expectations six months ahead were revised marginally upwards (from nil to 0.1 per cent); expectations one year ahead held stable (at 0.3 per cent), while those three to five years ahead were adjusted slightly downwards from 0.8 per cent to 0.7 per cent (Table 1 and Figure 1).

Firms reported a further decrease in their year-on-year selling prices (-0.2 per cent, down from -0.1 per cent in the June survey; Table 2). The largest firms in the industrial sector, those with at least 1,000 employees, contributed the most to this decline.

List prices are expected to grow by 0.6 per cent over the next 12 months, 0.3 percentage points less than in the June projection. The downward revision was mostly related to the opinions of firms in industry excluding construction.

Competitors' pricing policies remain the main factor holding back the expected increase in selling prices. Changes in the costs of raw materials, labour and intermediary goods all played an equal role in continuing to push selling prices up; the performance of demand had a barely positive effect (Table 3).

Assessment of the general economic situation in Italy

The overwhelming majority (over 79.1 per cent) of the firms interviewed continued to see the general economic situation as stable (Table 4). However, the balance of reports of improvement minus those of deterioration was negative (-5.8 percentage points) for the first time since the beginning of 2015 both in industry excluding construction and in services. The average probability assigned to an improvement of the economic situation in the next three months continued to decline (down to 14.2 per cent), confirming a trend under way since December 2015 (Table 5).

Demand

Firms' views on changes in current demand, though still largely positive, worsened compared with the previous survey (Table 6). The short-term outlook weakened as well: the balance of firms' expectations of an increase minus those of a decrease in the demand for their products declined by almost 5 percentage points, to 11.8 points (Table 7).

Assessments of current and expected foreign demand conditions showed a similar trend (Tables 8 and 9, respectively); they continued to be positive, but slightly less so than in the previous quarter. Almost two fifths of exporting firms reported that their foreign demand expectations were significantly influenced by geopolitical developments in the outlet markets (Table 20). Just under 30 per cent of firms stated that these factors had become more significant since the beginning of 2015.

Assessment of business conditions

Firms' expectations of the economic conditions in which they will be operating over the next three months are mostly stable (almost 80 per cent of firms; Table 10 and Figure 6), depicting a scenario similar to that for assessments on demand conditions. The balance of positive minus negative views, while narrowing, remained positive (1.7 percentage points, down from 4.9 in June). As in the previous survey, economic activity is primarily bolstered by changes in demand and, to a more modest extent, by improved credit access conditions and changes in own prices. The uncertainty attributable to economic and political factors continues to hinder an expansion in economic activity, while the effect of changes in the euro-dollar exchange rate and in oil prices remain neutral (Table 11). Firms' expectations three years ahead, instead, continue to be broadly positive (Table 12).

Investment conditions

Assessments of investment conditions were stable for about four fifths of firms; the balance of expectations of an improvement minus those of a deterioration turned negative for the first time since the beginning of 2015, falling to -1.2 percentage points (Table 13 and Figure 7). The assessments of firms in the services sector and of smaller firms in general (those with fewer than 200 workers) influenced this outcome.

The share of firms expecting their nominal expenditure on fixed investment to grow in the second half of 2016 compared with the first is greater by 8.5 percentage points than that of firms projecting a decrease (Table 14). The balance was especially favourable for the largest firms (those with at least 1,000 workers). For 2016 as a whole there was an 18 percentage point difference between expectations of an increase and those of a decrease in investment expenditure, which is near the average values of the two previous surveys conducted this year (Table 15). For half of the firms, the average nominal investment expenditure for 2016 is expected to remain unchanged compared with 2015.

For the “super ammortamento”, the share of firms that considered it sufficient or very significant continued to rise to just under one fifth, although 82.3 per cent of firms continued to report that the incentive had no appreciable effect or was not significant for them (Table 16).

Liquidity and access to credit

Most firms continue to perceive stable credit standards. The balance of firms reporting better conditions compared with the previous quarter minus those indicating greater difficulties decreased to 2.9 percentage points from 5.1 points (Table 17), particularly owing to the worsening assessments of firms operating in services.

Some 25 per cent of firms deemed their liquidity position to be more than adequate for their needs, while 14 per cent considered it insufficient (Table 18).

Employment

Short-term expectations for employment worsened after the pick-up recorded in June, returning to the levels of March 2016. The overall balance is moderately positive and reflects differing patterns: it is barely negative in industry excluding construction and for firms located in the Centre of the country (Table 19).

3. Construction firms

In September the assessments of the large majority of construction firms regarding the general economic situation pointed to stability (almost 80 per cent of respondents); the balance of expectations of an improvement minus those of a worsening deteriorated further, returning to negative territory (-4.3 percentage points) for the first time since the beginning of 2015. The average probability assigned to an improved scenario in the next quarter is stable at 11.1 per cent (Table 5).

A good 67.3 per cent of firms thought that demand for their own products would remain the same (Table 6); the balance of firms reporting an improvement minus those reporting a deterioration became negative again (-5.1 percentage points) after the small pick-up recorded in June. Looking ahead, demand expectations for reporting firms' own products in the next three months remain optimistic, albeit less so than in the previous quarter: the share of firms expecting an increase in demand was 7.8 percentage points higher than the share expecting a decrease, compared with 12.1 percentage points in June (Table 7).

The balance of firms' assessments of the economic conditions in which they will operate in the next three months remains negative (Table 10) owing to the assessments submitted by firms in the North of the country. The uncertainty attributable to economic and political factors continues to act as a brake, while positive stimuli originate from the performance of demand for firms' services (connected to both new projects and to those already under way) and, to a lesser degree, the easing of credit standards and the dynamics of firms' own prices (Table 11).

As in industry, expectations for the economic conditions in which firms will be operating three years ahead remained overwhelmingly positive (Table 12).

Firms' views on investment conditions remain favourable but are deteriorating compared with the previous survey: the positive balance of reports of an improvement with respect to the last quarter minus those of a worsening fell by more than 4 percentage points to 1.2 points (Table 13). The drop was especially pronounced for firms in the North of Italy, for which the balance was negative.

Almost 70 per cent of firms expect nominal expenditure on fixed investment in the second half of 2016 to hold stable compared with the first half. The balance of firms expecting an increase minus those expecting a decrease has nevertheless returned to negative territory for the first time since the fourth quarter of 2015 (Table 14). The balance was even more negative for firms active in residential construction. For 2016 as a whole the balance remains positive but has narrowed considerably compared with the June survey, dropping from 11.3 percentage points to 5.8 points (Table 15).

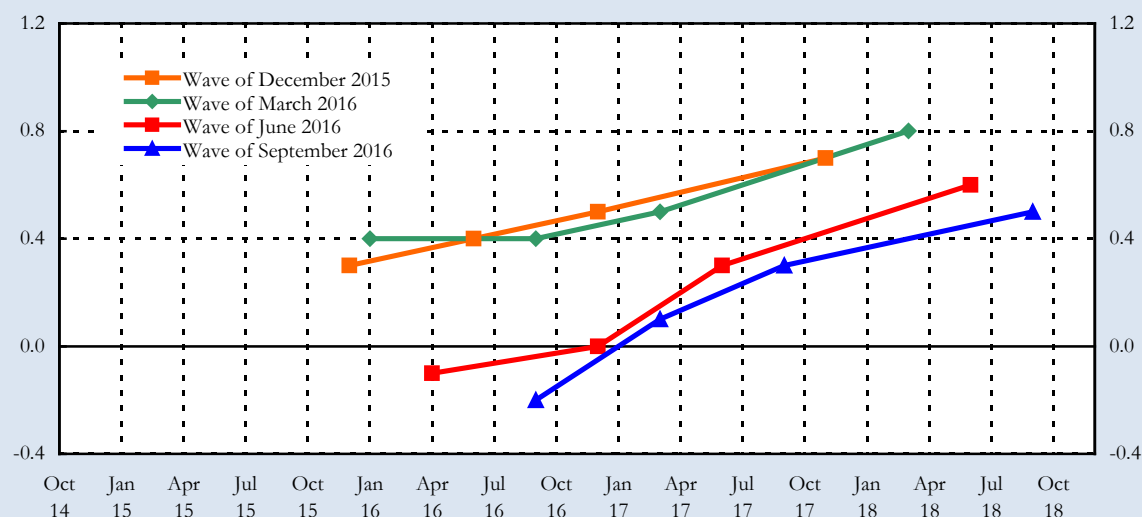
Assessments of credit access conditions remain negative: the balance of firms expecting an easing of credit conditions minus those expecting a tightening stayed in negative territory at -7.5 percentage points, which was about the same level as in March (Table 17). The share of firms that expected their liquidity position to be adequate or more than adequate over the next three months held stable at about 70 per cent (Table 18).

Expectations of employment conditions in the coming months are more pessimistic than in the previous survey: the negative balance of expectations of an improvement minus those of a deterioration widened to -12.7 percentage points from -7.4 points in June (Table 19).

Figure 1

Expectations of consumer price inflation in Italy

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

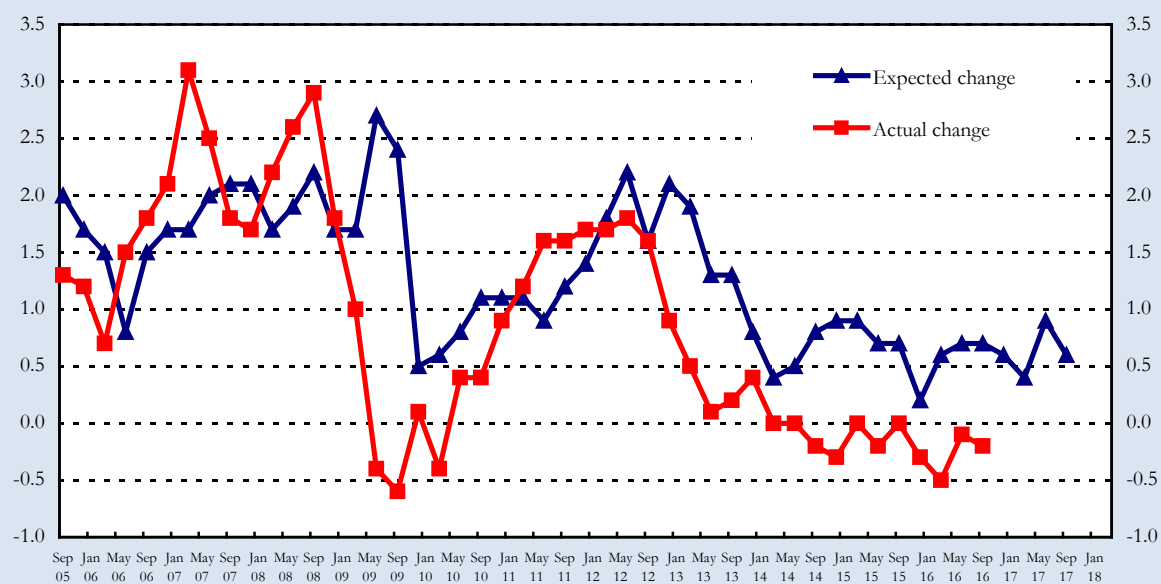


(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next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

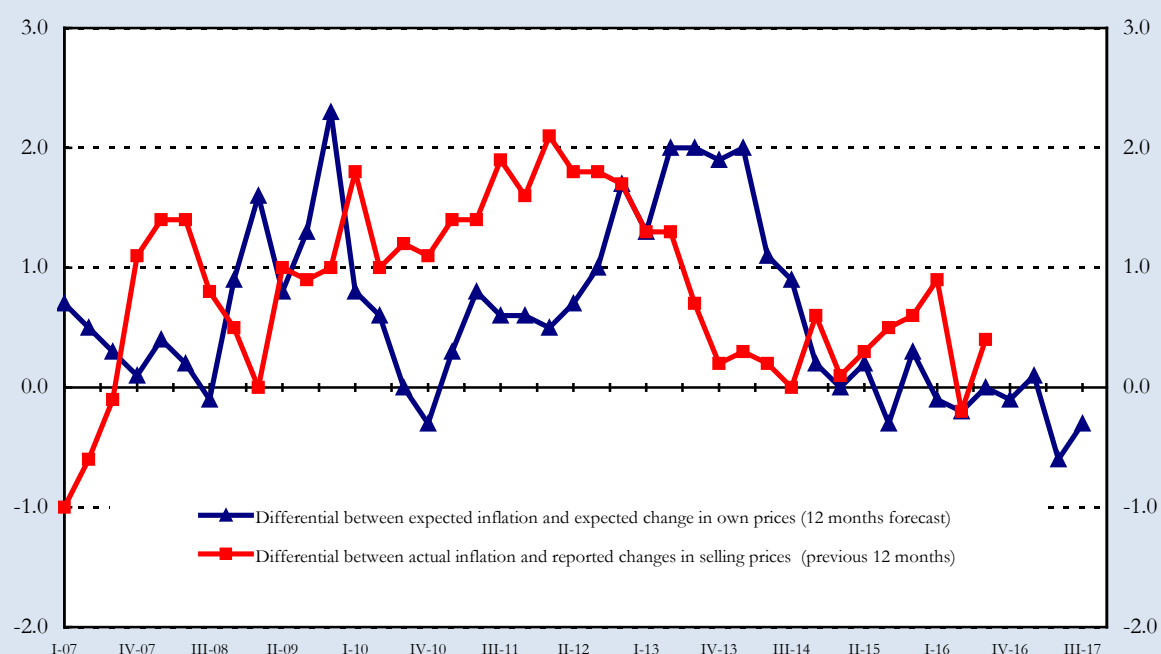


(1) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles.

Figure 3

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

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

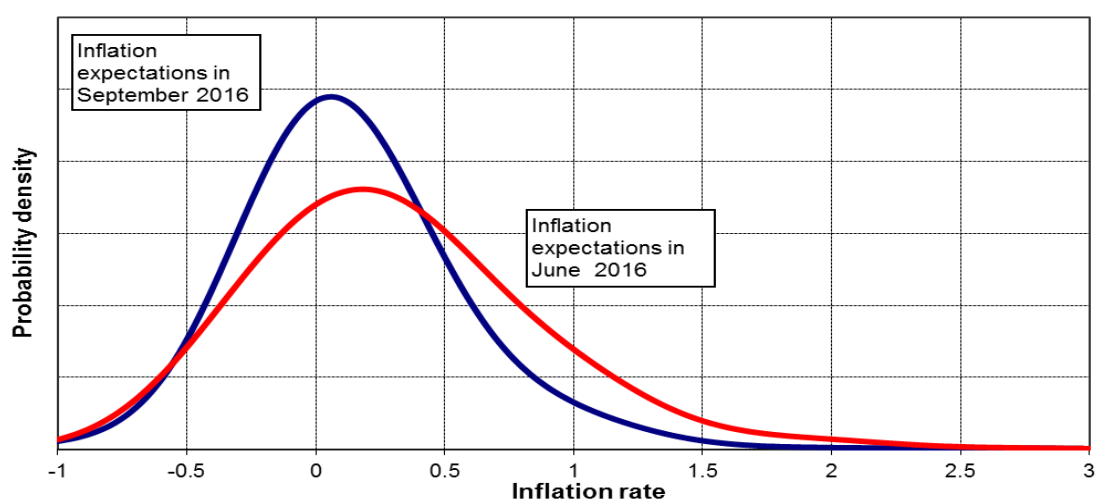


(1) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles.

Figure 4

Expectations of the inflation rate over the next 12 months

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

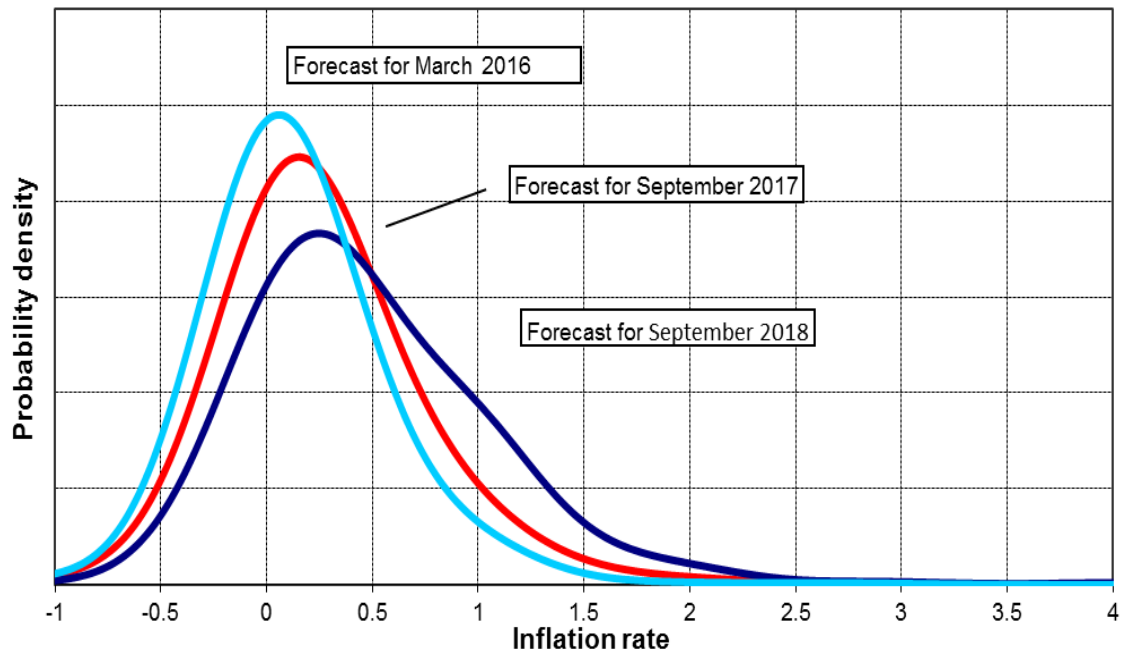


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.2.

Figure 5

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

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

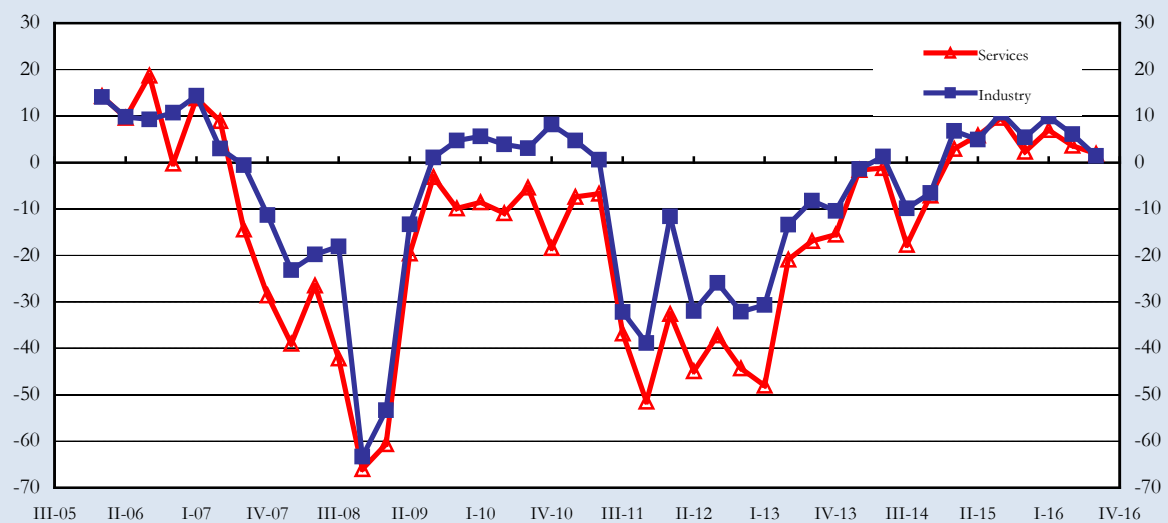


(1) The estimates are obtained using a Gaussian kernel density with a bandwidth equal to 0.3. The light blue line indicates the forecast over the next 6 months. The red line indicates the forecast over the next 12 months. The dark blue line indicates the forecast over the next 24 months.

Figure 6

Three-month forecast of the firm's business conditions

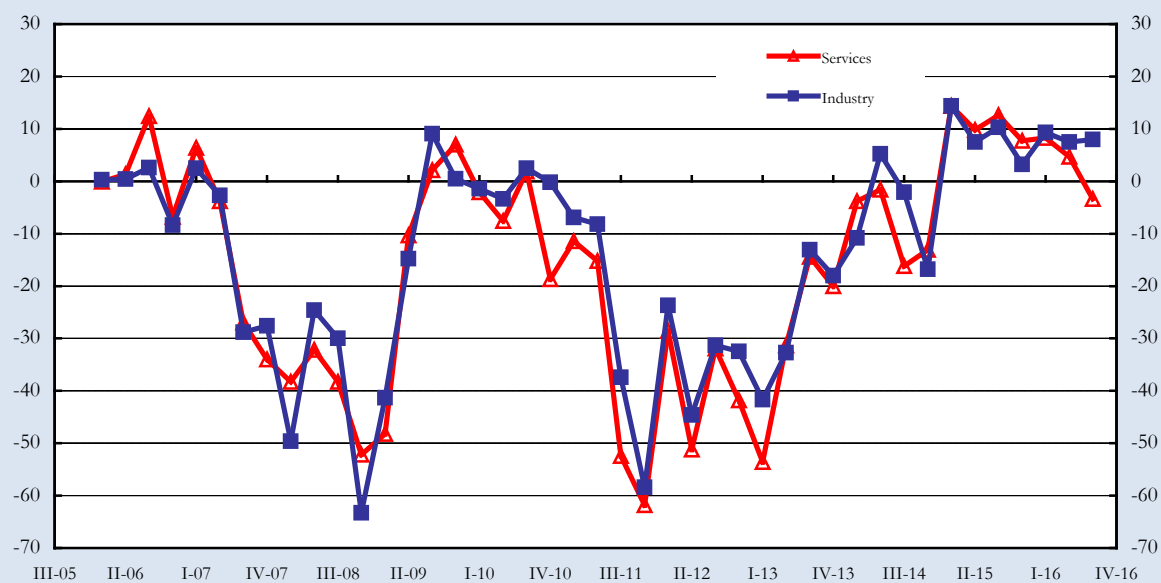
(Industry excluding construction and Services; percentage points)⁽¹⁾



(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 Banca d'Italia–*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 second quarter of 2016 consisted of 1037 firms: 408 firms in industry excluding construction, 419 service firms and 210 construction firms (Table A1).

The sample is stratified, with strata consisting of combinations of economic sector, size of firm (by number of workers) and geographical area. The need to ensure a large enough sample for every type of firm considered relevant means that, in some cases, the number of companies selected is disproportionate to the share of that category in the entire population of firms. This is in particular true of large companies (Table. 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	452	16513	2.7	167	1005	16.7
200-999	236	3450	6.7	38	108	35.2
Over 999.....	139	526	26.4	5	7	71.4
Sector						
Industry.....	408	10336	4.0	—	—	—
Services	419	10153	4.1	—	—	—
Geographical area						
North-West.....	244	8072	3.0	62	375	16.5
North-East.....	236	5658	4.2	62	285	21.8
Centre.....	180	3753	4.8	40	204	19.6
South and Islands	167	3006	5.6	46	256	17.9
Total.....	827	20849	4.0	210	1120	18.8

(1) Istat (2013).

The estimates for inflation expectations for 6, 12 and 24 months ahead are calculated on a sub-sample of 546 industrial firms and service firms, and 136 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 50.0 per cent for industry and 41.4 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	1060	42.6	431	38.7
200-999	402	58.7	59	64.4
Over 999	193	72.0	17	29.4
Sector				
Industry	840	48.6	—	—
Services	815	51.4	—	—
Geographical area				
North West	561	43.5	155	40.0
North East	467	50.5	136	45.6
Centre.....	299	60.2	106	37.7
South and Islands	328	50.9	110	41.8
Total.....	1655	50.0	507	41.4

(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.....	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0
Consumer price inflation in Italy in the next 12 months	0.3	0.3	0.2	0.0	0.2	0.2	0.1	0.0
Consumer price inflation in Italy in the next 24 months	0.5	0.5	0.4	0.0	0.4	0.4	0.3	0.0
Change in own prices in the last 12 months	-0.6	-0.2	-0.6	4.4	-0.1	-0.3	0.0	3.8
Change in own prices in the next 12 months	0.6	0.6	0.1	4.8	0.1	0.1	0.0	3.8

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	0.03
Consumer price inflation in Italy in the next 24 months	0.03	0.04
Change in own prices in the last 12 months.....	0.49	0.22
Change in own prices in the last 12 months (robust)	0.24	0.12
Change in own prices in the next 12 months.....	0.17	0.20
Change in own prices in the next 12 months (robust)	0.11	0.11

Appendix B:

The questionnaire

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

SEPTEMBER 2016

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.)

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 2017?	...in September 2017?	...in September 2018	... on average between September 2019 and September 2021?
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.2 per cent in Italy and +0.2 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

C13bis. Effects of geopolitical developments (conflicts, political changes, commercial sanctions ect.) on foreign demand expectations ☐ No impact ☐ Little impact ☐ Some impact ☐ Strong impact

C13ter. Changes, with respect to 2015 of geopolitical developments relevance with respect to foreign demand expectations ☐ Lower ☐ Unchanged ☐ Higher

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

C15 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. INTERMEDIATE INPUT	1 __	2 __	3 __	1 __	2 __	3 __
D6. LABOUR COSTS	1 __	2 __	3 __	1 __	2 __	3 __
D7. PRICING POLICIES of your firm's main competitors	1 __	2 __	3 __	1 __	2 __	3 __

D8. In the last 12 months, what has been the average change in your firm's prices of goods and services bought in Italy and abroad?
? |__| |__|__|. |__| %

D9. In the last 12 months, what has been the average change in your firm's prices of goods and services bought in Italy and abroad?
|__| |__|__|. |__| %

SECTION E

E1. Your firm's TOTAL NUMBER of employees in the next 3 months will be:

Lower	Unchanged	Higher
1 __	2 __	3 __

SEZIONE F – INVESTMENT SECTION F – EXCHANGE RATE EFFECT

F1. What do you expect will be the nominal expenditure on (tangible and intangible) fixed investment in 2016 compared with that in 2015? ☐ Much higher ☐ A little higher ☐ About the same ☐ A little lower ☐ Much lower

F2. And what do you expect will be the nominal expenditure in the second half of 2016 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.

	No impact	Little impact	Some impact	Strong impact
F3. What was the impact of the incentive for investment on capital goods (known as the 'maxi-amortization') provided for by the 2016 Stability Law on your future investment plans?	1 __	2 __	3 __	4 __

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 2017?	...in September 2017?	...in September 2018	... on average between September 2019 and September 2021? I
B1a. (about 2/3 of the sample) In July consumer price inflation, measured by the 12-month change in the HARMONIZED INDEX OF CONSUMER PRICES was -0.2 per cent in Italy and +0.2 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
C5a. trend in NEW SITES	1 __	2 __	3 __	1 __	2 __	3 __
C5b. trend in existing SITES	1 __	2 __	3 __	1 __	2 __	3 __
C6. changes in YOUR PRICES	1 __	2 __	3 __	1 __	2 __	3 __
C7. AVAILABILITY and the COST OF CREDIT	1 __	2 __	3 __	1 __	2 __	3 __
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

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

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