



BANCA D'ITALIA
EUROSISTEMA

Supplements to the Statistical Bulletin

Sample Surveys

Business Outlook Survey of Industrial and Service Firms

New series

Volume XVII Number 65 - 6 November 2007

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.

SUPPLEMENTS TO THE STATISTICAL BULLETIN

Monetary Financial Institutions: Banks and Money Market Funds (monthly)

The Financial Market (monthly)

The Public Finances (monthly)

Balance of Payments (monthly)

Monetary and Credit Aggregates of the Euro Area: the Italian Components (monthly)

Financial Accounts (quarterly)

Payment System (half yearly)

Public Finance Statistics in the European Union (annual)

Local Government Debt (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

CONTENTS

	page
1. Introduction	5
2. The main findings concerning service firms and non-construction industrial firms ..	5
3. The main findings concerning construction firms	13
Appendix A: Methodological Notes	15
Appendix B: Statistical Tables	21
Table A1 - Composition of the samples and reference populations	23
Table B1 – Industry excluding construction and services: results	24
Table C1 – Industry excluding construction – Results by number of employees.....	26
Table C2 – Industry excluding construction – Results by branch of activity	28
Table C3 – Industry excluding construction – Results by geographical area	30
Table D1 - Services – Results by number of employees	32
Table D2 - Services – Results by branch of activity	34
Table D3 - Services – Results by geographical area.....	36
Table E1 - Construction – Results by number of employees.....	38
Table E2 - Construction – Results by geographical area	40
Appendix C: Questionnaires	43

This publication contains the main findings of the survey of industrial and service firms conducted by the Bank of Italy in September and October 2007.

The data were collected 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.

We would like to thank all the firms that took part in the survey.

SURVEY OF INDUSTRIAL AND SERVICE FIRMS⁽¹⁾

1. Introduction

The branches of the Bank of Italy conducted the telephone interviews for the 15th sample survey from 20 September to 10 October this year. The sample consists of 4,196 firms with 20 and over employees, of which 3,058 industrial firms excluding construction and 1,138 non-financial private service firms. The questionnaire, which asked for the usual information regarding investment, orders and turnover, borrowing, employment and wage dynamics, also contained several items concerning forecasts of industrial production in the last quarter of 2007, the performance of the relevant markets in the past six months and the prospects for the next half-year.

Beginning this year, the survey has been extended to include a sample of 451 firms with 20 and over employees in the construction sector. Their questionnaire covers the performance of output, employment and after-tax result for the year.

The main findings are summarized in the following pages. Table 1 and Figures 1 to 5 compare the findings of this survey with those of previous editions. Appendices A, B and C contain the methodological notes, detailed statistical tables and the questionnaires used in the interviews.

2. The main findings concerning service firms and non-construction industrial firms

Investment

The majority of firms (64 per cent; Table 1) estimate that nominal expenditure on fixed investment in 2007 will be in line with the figure originally planned, which the surveys conducted in the spring put at 2.5 per cent higher in real terms than in the previous year (5.4 per cent at current prices). The firms that expect to invest more than planned slightly outnumber those that estimate a smaller volume of investment, both in industry and in the service sector.

As to the projections for 2008, again a slightly larger percentage of firms expect to step up their investment (27 per cent, against 19 per cent that forecast a decrease; Table 1). Projections tend to become more positive as the size of the firm increases and among exporting firms.

Some 56 per cent of firms will finance investment in 2008 mainly from cash flow, compared with 53 per cent in 2006, and about 28 per cent will rely principally on additional borrowing. In six months' time, 20 per cent of firms expect to increase their exposure to banks (19 per cent in 2006) while 25 per cent forecast a decrease. Around 47 per cent of the firms interviewed report that borrowing conditions have tightened in the last two months, in almost all cases in the form of higher interest rates.

Demand and output

Around 50 per cent of firms report larger turnover in nominal terms in the first nine months of 2007, compared with 18 per cent that indicate a decrease (Table 1). The most favourable signals come from exporting firms and from medium-sized and large firms. As to the various branches of activity, the incidence of reports of an increase in turnover was above average in chemicals and engineering and below average in textiles and clothing.

¹ By Lorenzo Bencivelli, Leandro D'Aurizio, Caterina Di Benedetto and Raffaele Tartaglia-Polcini. The branches of the Bank of Italy contributed greatly to the survey, being directly responsible for the collection of data.

Some indications of a slight slowdown in demand apparently emerged during the summer, with almost half the sample of firms declaring that orders were stationary at the levels recorded in June, although 36 per cent reported an increase. Four-fifths of firms expect either a standstill or a rise in the remaining months of the year. An analysis of export turnover alone produces similar findings, with firms that export more than a third of turnover recording the best results.

Some 42 per cent of firms project that industrial production will increase in the last quarter of 2007 compared with the third, against 46 per cent in the 2006 survey, and 46 per cent expect it to remain stationary. Firms with more than 200 employees and those with over two-thirds of turnover from exports predict more favourable results, while on a sectoral level textile firms are more pessimistic than the rest of manufacturing. There continues to be a close correlation between short-term expectations regarding the performance of demand and those for production: approximately 75 per cent of firms that plan to increase production in the current quarter expect a rise in orders in the following months.

Employment and wage agreements

The average number of employees is expected to increase in 2007 compared with the previous year, particularly in the service sector and in large firms (Table 1). Wage rises in excess of those agreed in the national labour contracts have been granted to just under 50 per cent of employees in both industry and services, in line with the findings of earlier surveys. These additional pay rises, which are more frequent as company size increases, only exceed 2 per cent for less than a quarter of the employees concerned.

Profits

As in the previous surveys, the majority of firms (72 per cent; Table 1) expect to close the year with an after-tax profit, while only a tenth predict a loss. Satisfactory results are recorded most often in industry, especially by large firms.

Opinion of the economic situation

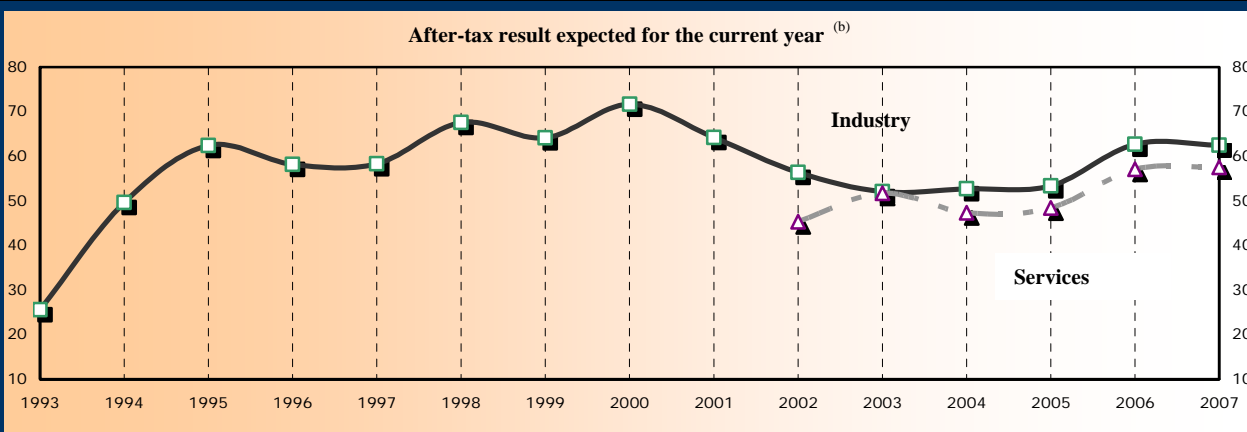
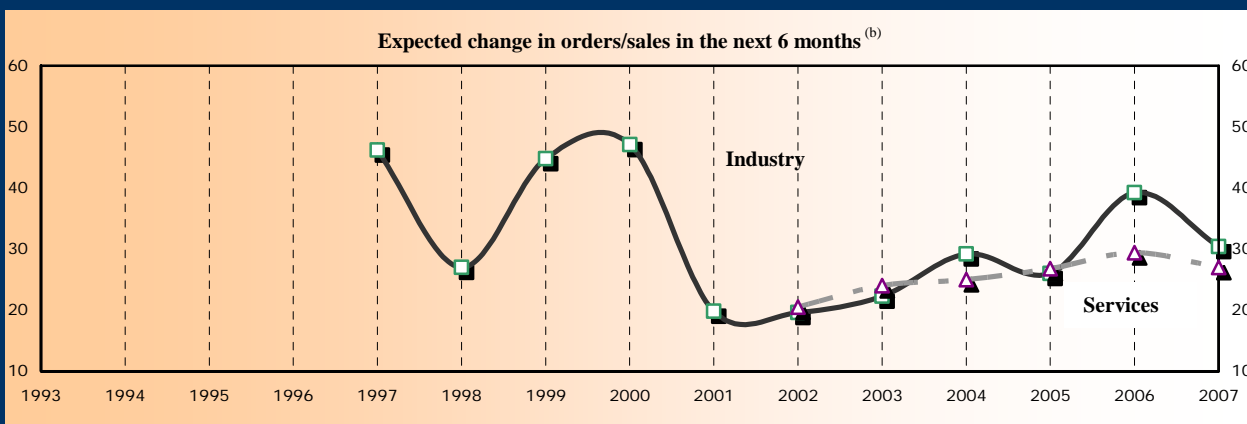
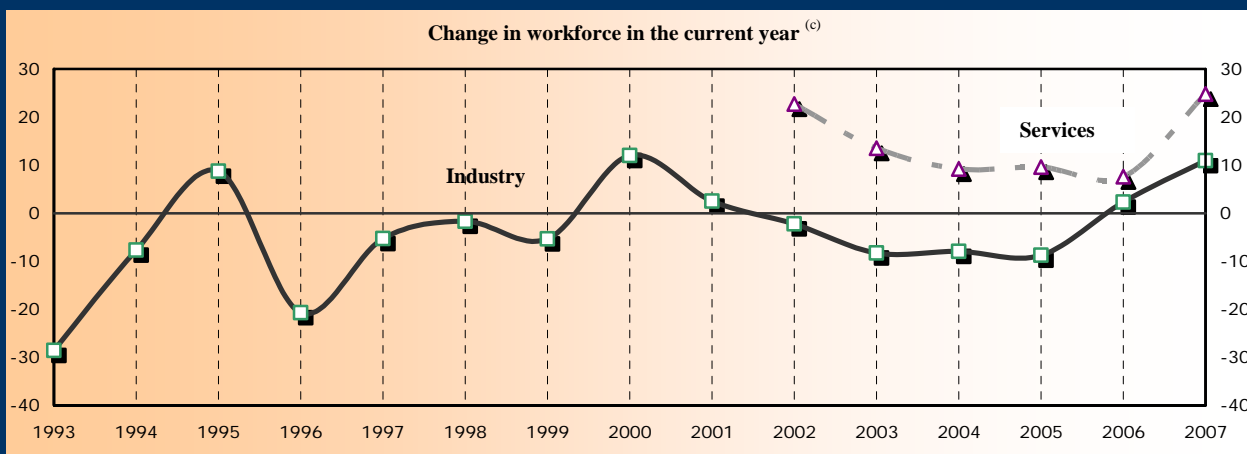
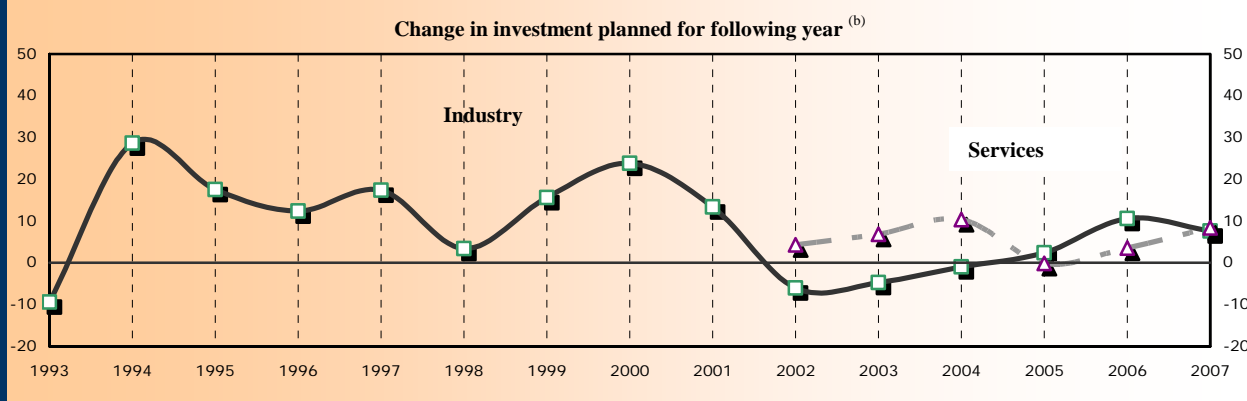
One-third of firms believe that their market has grown in the last six months, against 12 per cent that report a recession. Of the 54 per cent of firms that have not noted any change of significance, just under a fifth predict an expansion in the next six months; this compares with three-quarters of firms that describe the present phase as expansionary. Overall, current assessments and expectations are better in industry than in the service sector and are especially strong in chemicals and engineering and among large firms.

Table 1 – Comparison of sample surveys, 2005-07
(per cent of firms)⁽¹⁾

	2005			2006			2007		
	Industry excl. construction (a)	Services (b)	Total (a) + (b)	Industry excl. construction (a)	Services (b)	Total (a) + (b)	Industry excl. construction (a)	Services (b)	Total (a) + (b)
Percentage of export turnover									
Zero	22.0	71.2	41.7	23.1	70.2	42.4	20.9	69.3	41.3
Less than 1/3	37.1	19.3	29.9	35.5	19.9	29.1	36.9	21.8	30.5
From 1/3 to 2/3	24.7	5.4	17.0	24.5	7.2	17.4	25.1	5.7	16.9
Over 2/3.....	16.2	4.1	11.4	16.9	2.7	11.1	17.1	3.2	11.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed investment in the year compared with investment planned at end of previous year									
Lower	21.0	20.0	20.6	16.8	15.3	16.2	17.3	12.8	15.4
About equal	62.1	62.9	62.4	62.3	63.1	62.6	62.0	66.0	63.7
Higher.....	16.9	17.1	17.0	20.9	21.7	21.2	20.7	21.3	20.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed investment planned for following year									
Declining	22.0	23.4	22.6	18.0	19.9	18.8	20.0	17.0	18.7
Stable.....	53.6	53.4	53.4	53.4	56.6	54.7	52.4	57.6	54.6
Increasing	24.4	23.2	24.0	28.6	23.5	26.5	27.6	25.4	26.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average workforce⁽²⁾									
Lower	28.2	23.0	25.8	23.3	23.4	23.3	19.1	13.6	16.4
About equal	52.4	44.4	48.7	51.2	45.5	48.5	50.9	48.0	49.5
Higher.....	19.4	32.6	25.5	25.6	31.0	28.2	30.0	38.4	34.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Turnover compared with previous year (first nine months)									
Lower	33.9	27.7	31.5	18.2	17.4	17.9	17.0	18.7	17.7
About equal	28.1	32.7	29.9	26.6	31.1	28.5	30.4	35.1	32.3
Higher.....	38.0	39.6	38.6	55.2	51.5	53.7	52.6	46.2	50.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Projected after-tax result for current year									
Loss	14.0	17.6	15.4	11.0	14.0	12.2	10.0	12.7	11.2
Balance.....	18.6	16.4	17.7	15.2	15.0	15.1	17.4	17.0	17.3
Profit.....	67.4	66.0	66.9	73.8	71.1	72.7	72.5	70.3	71.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

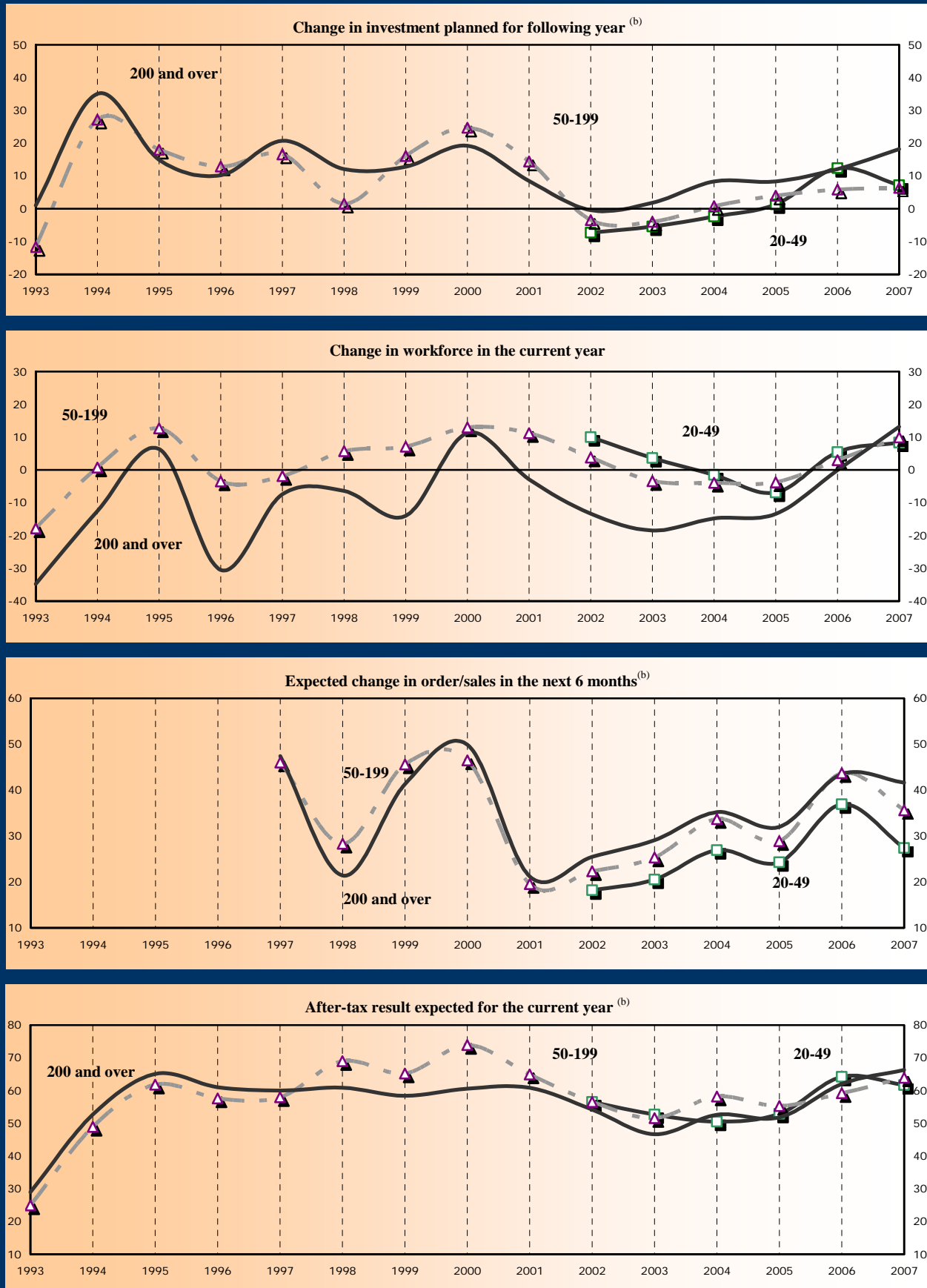
(1) Weighted with the population of firms and normalized according to the number of valid answers. - (2) Weighted with the population of workers and normalized according to the number of valid answers.

Figure 1 – Comparison of surveys of industry, excluding construction, and services^(a)
(difference between percentage of firms giving a positive assessment and percentage giving a negative one)



- (a) For industry, firms with 50 and over employees until 2001; for industry and services, from 2002 with 20 and over employees.
 (b) Weighted by the population of firms.
 (c) Until 1997, based on the planned workforce and from 1998, on the projected workforce. Weighted by the population of workers.

Figure 2 - Industry: comparison of surveys by number of employees ^(a)
(difference between percentage of firms giving a positive assessment and percentage giving a negative one)

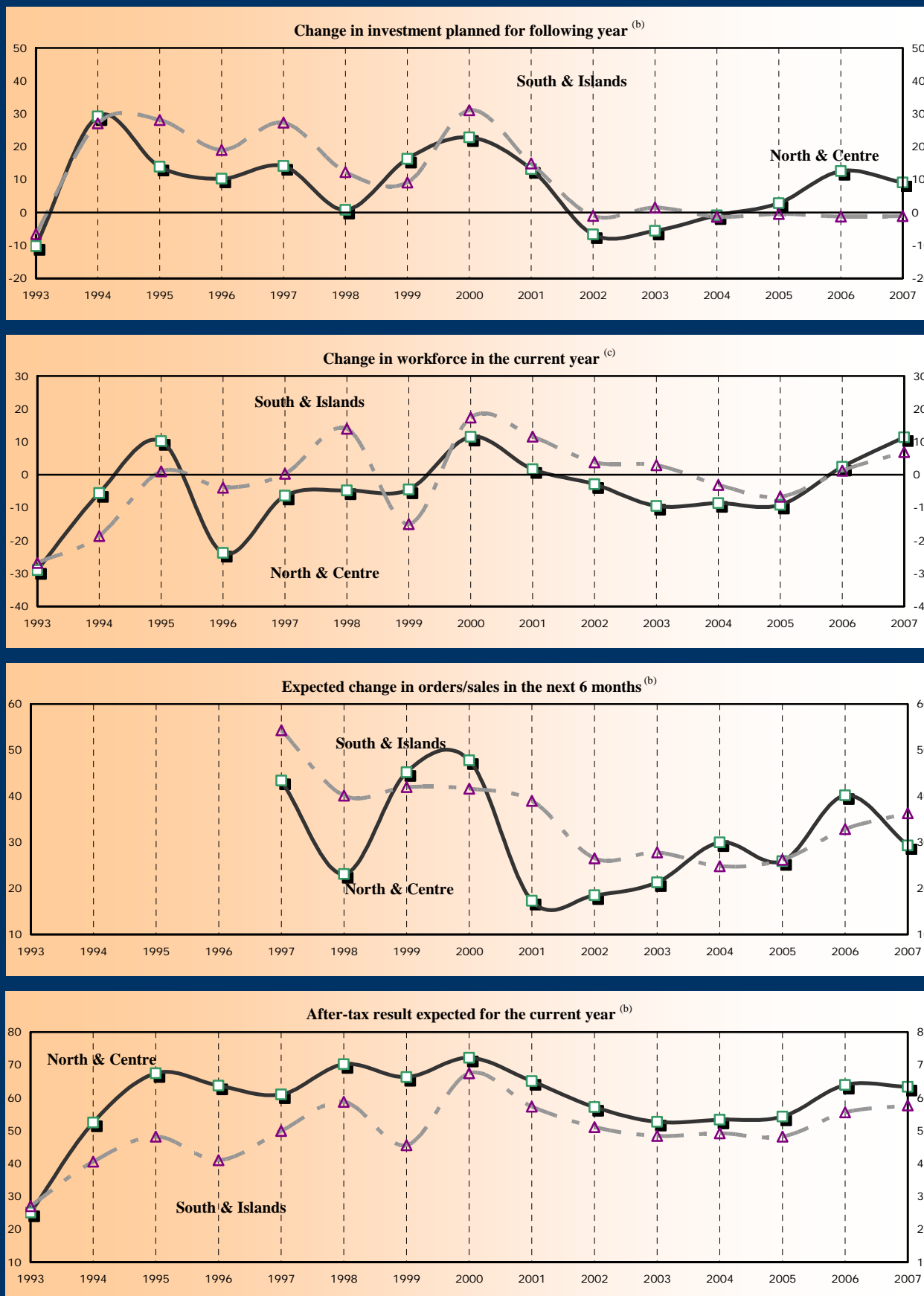


(a) Until 2001, firms with 50 and over employees; from 2002, firms with 20 and over employees.

(b) Weighted by the population of firms.

(c) Until 1997, based on the planned workforce and from 1998, on the projected workforce. Weighted by the population of workers.

Figure 3 – Industry excluding construction: comparison of surveys by geographical area ^(a)
(difference between percentage of firms giving a positive assessment and percentage giving a negative one)

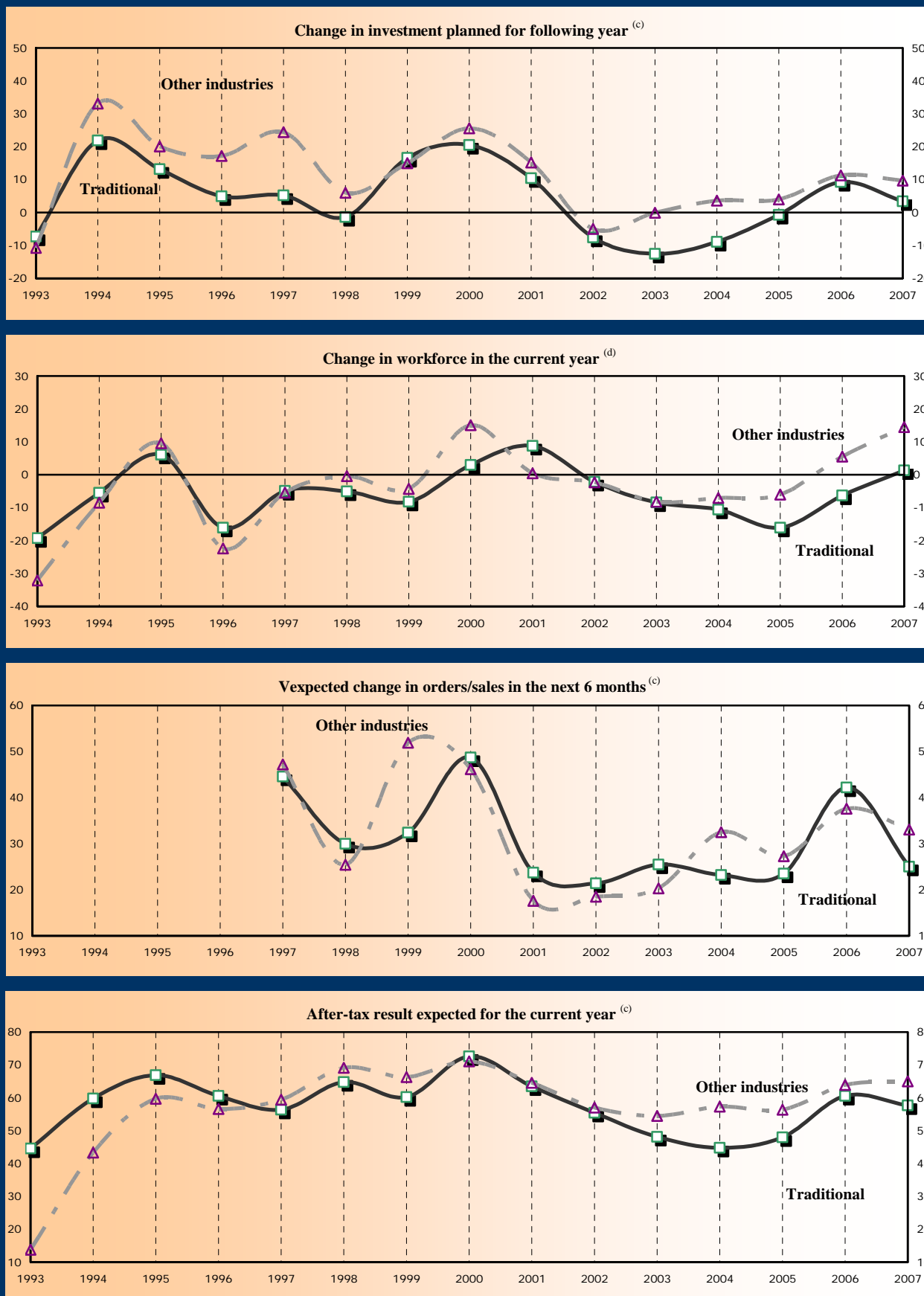


(a) Until 2001, firms with 50 and over employees; from 2002, firms with 20 and over employees.

(b) Weighted by the population of firms.

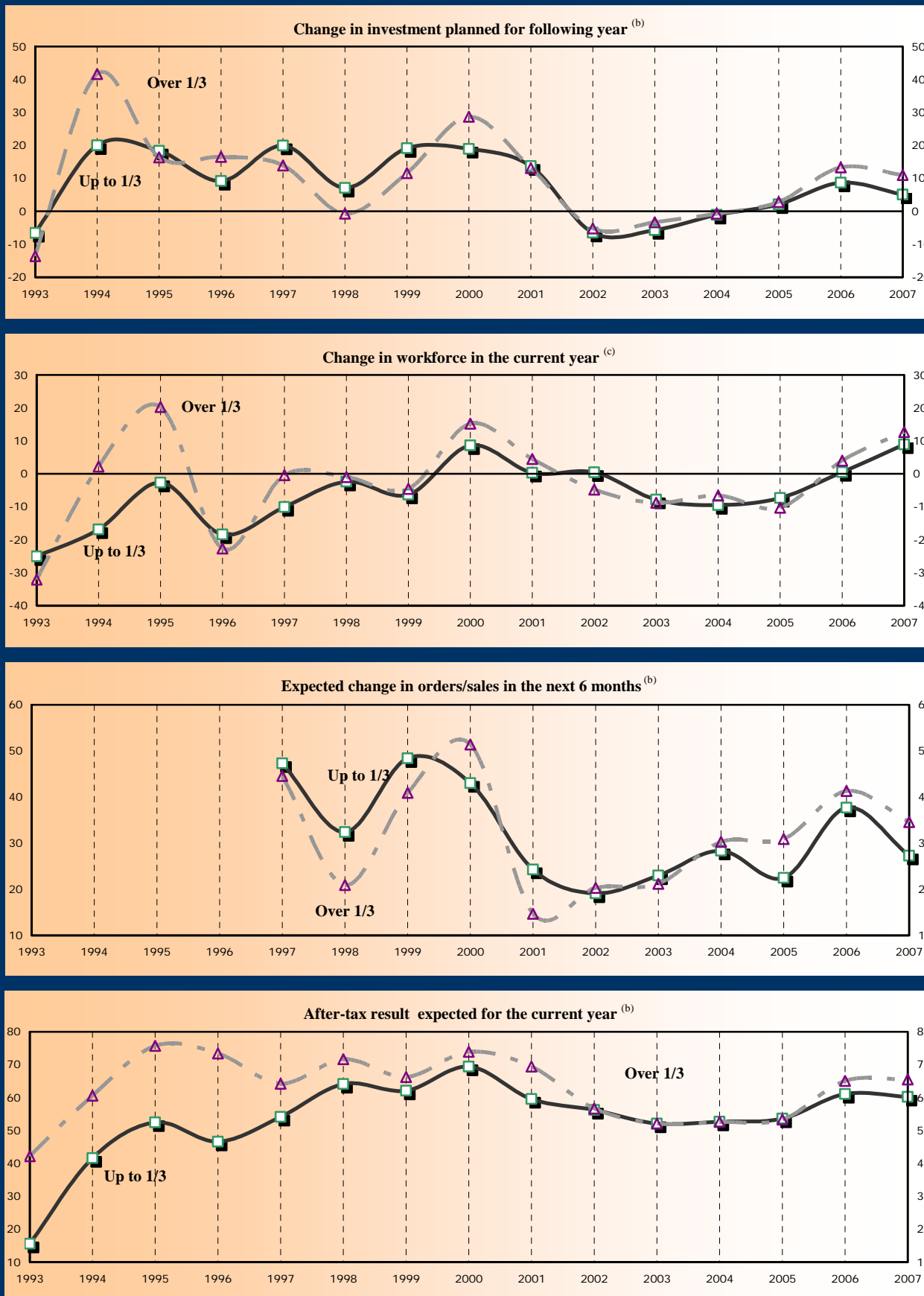
(c) Until 1997, based on the planned workforce and from 1998, on the projected workforce. Weighted by the population of workers.

Figure 4 –Industry excluding construction: comparison of surveys by macro-branch of activity^{(a) (b)}
(difference between percentage of firms giving a positive assessment and percentage giving a negative one)



- (a) Until 2001, firms with 50 and over employees; from 2002, firms with 20 and over employees.
 (b) “Traditional” includes textiles and clothing, leather, footwear, food, beverages and tobacco, furniture and paper.
 (c) Weighted by the population of firms.
 (d) Until 1997, based on the planned workforce and from 1998, on the projected workforce. Weighted by the population of workers.

Figure 5 – Industry excluding construction: comparison of surveys by share of export turnover ^(a)
(difference between percentage of firms giving a positive assessment and percentage giving a negative one)



(a) Until 2001, firms with 50 and over employees; from 2002, firms with 20 and over employees.

(b) Weighted by the population of firms.

(c) Until 1997, based on the planned workforce and from 1998, on the projected workforce. Weighted by the population of workers.

3. The main findings concerning construction firms

Output

Some 33 per cent of firms in the sector as a whole estimate that output has increased in value terms in 2007, while a slightly larger proportion (35 per cent) report a decline. For the public works sector alone, the results of the analysis are slightly worse, with just 26 per cent of firms expecting an increase in the value of output during the year and 39 per cent a decrease; this is due to a decline in production among small firms, in contrast with the growth recorded by large construction companies.

According to the data gathered, about a third of public works in 2007 relate to projects started during the year, while the remainder represent the continuation or completion of work begun earlier. The majority of construction firms that operate mainly in the housing sector report that the value of production is either stationary or declining with respect to 2006. Expectations for 2008 do not, as a whole, indicate much change in the situation with respect the current year.

Employment

In 2007 some 54 per cent of firms expect that the average number of employees in the construction industry will remain virtually stable, while the remainder are evenly split between those projecting an increase and a decrease. Around 55 per cent of firms report that they make use of fixed-term work contracts. This phenomenon is especially widespread in firms with fewer than 50 employees, affecting a quarter of employees. The average duration of such contracts in 2006 was around eight months and is expected to be slightly less in 2007.

Profits

As in the non-construction industry and the service sector, the majority of construction firms (79 per cent) expect to close the current year with an after-tax profit, while only 8 per cent project a loss.

Appendix A:
Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

The Bank of Italy has conducted sample surveys of firms since 1993 between the end of September and the beginning of October.² The present survey is run on a sample of 4,196 firms with 20 and over employees, of which 3,058 in industry excluding construction and 1,138 non-financial private service firms (including firms in the wholesale and retail trade, hotels and restaurants, transport and communication companies, real-estate agents, IT providers and other private services). From this year, a parallel survey is conducted on a sample of 451 construction firms with 20 and over employees.³ Most of the firms contacted⁴ were the same ones interviewed in the early months of this year for the 2006 Survey of Industrial and Service Firms. The sampling design is the same in both cases.⁵ Table A1 contains a breakdown of the sample by number of employees, branch of activity and geographical area.

A2. Data collection

The data were collected by the branches of the Bank of Italy between 20 September and 10 October 2007 using the questionnaires contained in Appendix C. The firms were asked to provide mainly qualitative information on the performance of the main economic variables, and the ranges of numbers appearing in the questionnaire are purely indicative. The questionnaire dedicated to construction firms includes questions on output, employment and after-tax result. All questions appearing for the first time were tested beforehand.

A3. The estimators

The aggregates are estimated using a weighting coefficient for each sampling unit that takes account, in respect of marginal distributions by geographical area, number of employees and branch of activity, of the ratio between the number of firms surveyed and the number of firms in the reference population.⁶

This method of weighting does not use variables of scale (such as the volume of turnover or the number of employees) and is therefore suitable to summarize the average behaviour of firms, although not to provide information on macroeconomic results. For example, the estimator indicates how many firms expect investment to grow (or decline) but could distort an estimate of future performance (increasing or decreasing) of the phenomenon as a whole. In general, the degree of distortion increases the more the phenomenon is influenced by a scale factor. This is why the estimates for employment and wages are obtained by weighting the answers by the number of employees.

2 The field of observation has evolved with the annual survey, progressing gradually between 1998 and 2002 from manufacturing firms with 50 and over employees to all industrial and non-financial private service firms with 20 and over employees. For a description of how the sample has changed over the years see Banca d'Italia "Survey of Industrial and Service Firms Year 2003" in *Supplements to the Statistical Bulletin – Sample Surveys*, No. 55, 20 October 2005.

3 The survey has been enlarged to include the construction industry in the same way as in the 2006 survey.

4 The response rate is 87.8 per cent for industrial firms and 87.2 per cent for service firms. For construction firms it is 83.2 per cent.

5 For details of the methodology used in the two surveys see Banca d'Italia, "Survey of Industrial and Service Firms – Year 2005" in *Supplements to the Statistical Bulletin – Sample Surveys*, No. 41, 12 July 2006.

6 The weighting is separate for the sectors "industry excluding construction", "services" and "construction", and within them, for the groups "20-49 employees" and "50 and over employees".

The standard errors of the percentage estimates, in relation to the national total, do not exceed 0.7 per cent (2.3 per cent for construction firms), that is, the maximum confidence intervals (at 95 per cent) are 1.4 percentage points (4.6 points for the construction industry). In the case of narrower domains (such as the geographical area, number of employees or branch of activity), the standard errors are greater as the statistics refer to a smaller sample. Table 1 contains, indicatively, the estimates of the standard errors for the whole sample and for some classification variables. These estimates also take account of the necessary finite population correction.

Table 1a - Standard errors for the percentage of replies
(per cent)

	Value of estimate									
	5 % 95 %	10 % 90 %	15 % 85 %	20 % 80 %	25 % 75 %	30 % 70 %	35 % 65 %	40 % 60 %	45 % 55 %	50 % 50 %
Industrial firms										
Number of employees										
20 – 49	0.6	0.9	1.0	1.2	1.2	1.3	1.4	1.4	1.4	1.4
50 – 199	0.6	0.8	0.9	1.1	1.1	1.2	1.3	1.3	1.3	1.3
200 – 499	1.0	1.3	1.6	1.8	1.9	2.0	2.1	2.2	2.2	2.2
500 and over	0.9	1.3	1.5	1.7	1.9	2.0	2.0	2.1	2.1	2.1
Branch of activity										
Textiles.....	1.1	1.5	1.7	2.0	2.1	2.2	2.3	2.4	2.4	2.5
Chemicals.....	1.1	1.6	1.9	2.1	2.3	2.4	2.5	2.6	2.6	2.6
Engineering	0.6	0.8	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4
Other manufacturing	0.6	0.9	1.1	1.2	1.3	1.4	1.4	1.4	1.5	1.5
Energy and extraction	2.0	2.8	3.3	3.7	4.0	4.2	4.4	4.5	4.6	4.6
Geographical area										
North	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.4
Centre.....	0.8	1.1	1.3	1.5	1.6	1.7	1.8	1.8	1.8	1.9
South and Islands	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.3
Total – Non-construction industry ...	0.4	0.5	0.6	0.7	0.8	0.8	0.8	0.8	0.9	0.9
Service firms										
Number of employees										
20 – 49	1.1	1.5	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.4
50 – 199	1.1	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.4
200 – 499	1.6	2.2	2.6	2.9	3.1	3.3	3.5	3.6	3.6	3.6
500 and over	1.5	2.1	2.5	2.8	3.0	3.2	3.3	3.4	3.4	3.5
Branch of activity										
Wholesale and retail trade	1.0	1.3	1.6	1.7	1.9	2.0	2.1	2.1	2.2	2.2
Hotels and restaurants	2.2	3.1	3.7	4.1	4.4	4.7	4.9	5.0	5.1	5.1
Transport and communication	1.3	1.7	2.1	2.3	2.5	2.6	2.8	2.8	2.9	2.9
Other business and h.hold services	1.3	1.8	2.2	2.4	2.6	2.8	2.9	3.0	3.0	3.0
Geographical area										
North	1.0	1.3	1.6	1.8	1.9	2.1	2.1	2.2	2.2	2.2
Centre.....	1.3	1.8	2.1	2.4	2.6	2.7	2.8	2.9	3.0	3.0
South and Islands	1.1	1.5	1.8	2.0	2.1	2.2	2.3	2.4	2.4	2.5
Total – Services	0.6	0.9	1.0	1.2	1.3	1.3	1.4	1.4	1.4	1.5
Total – Non-constr. ind. + services ...	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Construction firms										
Number of employees										
20 – 49	1.4	2.0	2.3	2.6	2.8	3.0	3.1	3.2	3.3	3.3
50 – 199	1.5	2.1	2.5	2.8	3.0	3.2	3.4	3.4	3.5	3.5
200 – 499	3.1	4.3	5.1	5.7	6.2	6.5	6.8	7.0	7.1	7.1
500 and over	3.2	4.4	5.2	5.8	6.3	6.7	7.0	7.2	7.3	7.3
Geographical area										
North	1.5	2.1	2.5	2.8	3.0	3.2	3.3	3.4	3.5	3.5
Centre.....	2.0	2.8	3.3	3.7	4.0	4.2	4.4	4.5	4.6	4.6
South and Islands	1.7	2.4	2.9	3.2	3.5	3.7	3.8	3.9	4.0	4.0
Total – Construction	1.0	1.4	1.6	1.8	2.0	2.1	2.2	2.2	2.3	2.3

Appendix B:
Statistical Tables

Table A1 - Composition of the samples and reference populations

(number)

	Firms with 20-49 employees		Firms with 50 and over employees		Total firms with 20 and over employees	
	sample size 2007	population size ⁽¹⁾	sample size 2007	population size ⁽¹⁾	sample size 2007	population size ⁽¹⁾
Industry excluding construction						
Geographical area ⁽²⁾						
North-West	167	9,077	536	4,999	703	14,076
North-East	183	8,064	415	3,848	598	11,912
Centre	229	4,511	420	1,752	649	6,263
South & Islands	568	4,033	540	1,355	1,108	5,388
Number of employees						
20 – 49	1,147	25,685	-	-	1,147	25,685
50 – 199	-	-	1,244	9,906	1,244	9,906
200 – 499	-	-	382	1,450	382	1,450
500 and over	-	-	285	598	285	598
Branch of activity						
Total manufacturing	1,111	25,230	1,846	11,677	2,957	36,907
Textile, clothing, leather, shoes ..	147	4,660	244	1,759	391	6,419
Chemicals, rubber and plastics ..	118	2,138	209	1,418	327	3,556
Engineering	397	11,089	804	5,375	1,201	16,464
Other manufacturing	449	7,343	589	3,125	1,038	10,468
Energy and extraction	36	455	65	277	101	732
Total industry excl. construction ...	1,147	25,685	1,911	11,954	3,058	37,639
Construction						
Geographical area ⁽²⁾						
North-West	50	1,796	45	419	95	2,215
North-East	37	1,356	65	495	102	1,851
Centre	59	1,225	50	206	109	1,431
South & Islands	77	1,862	68	345	145	2,207
Number of employees						
20 – 49	223	6,239	-	-	223	6,239
50 – 199	-	-	176	1,343	176	1,343
200 – 499	-	-	31	84	31	84
500 and over	-	-	21	38	21	38
Total construction	223	6,239	228	1,465	451	7,704
Services ⁽³⁾						
Geographical area ⁽²⁾						
North-West	84	6,195	163	3,330	247	9,525
North-East	64	4,846	172	2,012	236	6,858
Centre	104	3,915	165	1,790	269	5,705
South & Islands	165	3,959	221	1,518	386	5,477
Number of employees						
20 – 49	417	18,915	-	-	417	18,915
50 – 199	-	-	403	6,867	403	6,867
200 – 499	-	-	164	1,205	164	1,205
500 and over	-	-	154	578	154	578
Branch of activity						
Wholesale and retail trade	228	7,898	272	2,798	500	10,696
Hotels & restaurants	42	2,696	51	748	93	3,444
Transport and communication	92	3,281	191	1,868	283	5,149
Other business & h.hold services ..	55	5,040	207	3,236	262	8,276
Total services	417	18,915	721	8,650	1,138	27,565
Total	1,787	50,839	2,860	22,069	4,647	72,908

(1) Population data are from Istat and refer to 2004. – (2) The geographical area is defined by the location of the registered head office (North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria; North-East = Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna; Centre = Tuscany, Umbria, Le Marche and Lazio; South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia). – (3) Does not include credit and insurance companies, public service firms and other social and personal services.

Table B1 – Industry excluding construction and services: results

(per cent) ⁽¹⁾

	Industrial firms	Service firms	Total
Investment: 2007 expenditure over amount planned			
Lower	17.3	12.8	15.4
Same	62.0	66.0	63.7
Higher	20.7	21.3	20.9
Investment: gap compared with planned expenditure			
Financial factors	9.0	6.2	7.9
Performance of demand	18.2	12.1	15.8
Change in uncertainty	4.4	3.8	4.2
Change in purchase prices	5.7	7.9	6.6
Organization or technical factors	58.1	62.6	59.9
Bureaucracy	3.3	3.8	3.5
Changes in taxation or incentives	1.2	3.6	2.1
Investment: planned 2008/planned 2007			
Decreasing	20.0	17.0	18.7
Stable	52.4	57.6	54.6
Increasing.....	27.6	25.4	26.7
Financing of 2008 investment: (multiple answers)			
Present cash flow	53.8	58.5	55.8
Increase in present cash flow	7.5	8.5	7.9
Increase in borrowing	29.6	26.0	28.1
Capital increases	2.1	3.2	2.5
Sale of securities and/or other assets.....	0.8	2.0	1.3
Other	25.8	19.3	23.0
Not applicable	3.6	3.5	3.5
Bank loans: 6- month projection			
Lower	25.9	24.1	25.2
Same	55.1	54.2	54.7
Higher.....	19.1	21.6	20.1
Tightening of credit conditions in last 2 months			
No	53.4	52.8	53.2
Yes.....	46.6	47.2	46.8
☛ Situations reported by firm: (multiple answers)			
Reduction in credit	7.3	7.3	7.3
Higher interest rates.....	93.4	90.1	92.1
Additional collateral requested	12.1	14.8	13.2
Other.....	5.5	5.5	5.5
Do any financial operators hold part of the equity capital?			
No	97.8	96.7	97.3
Yes	2.2	3.3	2.7
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)			
Yes, to banks	17.6	4.0	10.4
Yes, to merchant banks.....	4.2	1.7	2.9
Yes, to private equity funds.....	14.6	8.1	11.2
Yes, to venture capitalists.....	0.9	0.7	0.8
Yes, to other financial operators.....	11.3	3.3	7.1
Workforce: 2007/2006 projection⁽²⁾			
Smaller.....	19.1	13.6	16.4
About the same	50.9	48.0	49.5
Larger.....	30.0	38.4	34.1
Wage rises in 2007 (above national agreements) ⁽²⁾			
No	56.0	60.1	58.0
Yes	44.0	39.9	42.0
☛ Amount of wage rise ⁽²⁾			
Less than 1 %	31.6	33.8	32.6
Between 1 and 2 %	46.8	47.9	47.3
Between 2.1 and 3 %	12.0	10.8	11.5
Over 3 %	9.6	7.4	8.6

	Industrial firms	Service firms	Total
After-tax result for 2007			
Loss	10.0	12.7	11.2
Balance	17.4	17.0	17.3
Profit	72.5	70.3	71.6
Economic situation: last 6 months			
Recession	11.3	12.9	12.0
Stagnation	53.5	56.1	54.6
Expansion	35.1	31.0	33.4
Economic situation: next 6 months			
Recession	11.1	9.5	10.5
Stagnation	50.2	58.3	53.6
Expansion	38.6	32.2	35.9
Total turnover in first 3 months - change in 2007 over 2006			
Decreasing	17.0	18.7	17.7
Stable	30.4	35.1	32.3
Increasing.....	52.6	46.2	50.0
Orders – domestic and foreign markets: current trend compared with June			
Decreasing	18.7	15.3	17.3
Stable	43.3	51.8	46.8
Increasing.....	38.0	32.9	35.9
Orders – domestic and foreign markets: 6-month projection			
Decreasing	13.2	11.3	12.4
Stable	43.2	50.4	46.2
Increasing.....	43.6	38.3	41.4
Does the firm export?			
No	20.9	69.3	41.3
Yes	79.1	30.7	58.7
☛ Export turnover in first 3 quarters – change in 2007 over 2006			
Decreasing	16.4	11.8	15.5
Stable	29.5	47.6	33.1
Increasing.....	54.1	40.6	51.4
☛ Orders – export market: current trend compared with June			
Decreasing	16.9	7.2	15.0
Stable	43.8	59.0	46.8
Increasing.....	39.3	33.7	38.2
☛ Orders – export market: 6-month projection			
Decreasing	11.3	4.5	9.9
Stable	44.2	50.8	45.5
Increasing.....	44.6	44.7	44.6
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)			
Decreasing	12.3	-	12.3
Stable	45.6	-	45.6
Increasing.....	42.1	-	42.1
Total	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table C1 – Industry excluding construction – Results by number of employees

(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
Investment: 2007 expenditure over amount planned					
Lower	17.5	16.9	16.5	21.4	17.3
Same	62.4	61.1	63.3	55.1	62.0
Higher	20.1	22.0	20.2	23.5	20.7
Investment: gap compared with planned expenditure					
Financial factors	10.2	6.7	6.9	1.9	9.0
Performance of demand	19.9	15.6	11.5	7.4	18.2
Change in uncertainty	4.2	5.4	3.7	1.9	4.4
Change in purchase prices	6.6	4.1	4.5	1.9	5.7
Organization or technical factors	54.7	63.5	68.4	84.0	58.1
Bureaucracy	3.0	4.0	4.8	2.4	3.3
Changes in taxation or incentives	1.5	0.7	0.2	0.5	1.2
Investment: planned 2008/planned 2007					
Decreasing	20.1	20.7	14.9	14.7	20.0
Stable	52.5	52.2	52.4	51.3	52.4
Increasing	27.3	27.1	32.7	34.0	27.6
Financing of 2008 investment: (multiple answers)					
Present cash flow	51.1	57.6	69.7	68.6	53.8
Increase in present cash flow	7.4	7.6	7.8	12.3	7.5
Increase in borrowing	27.5	34.4	31.9	33.5	29.6
Capital increases	1.8	2.6	2.3	2.5	2.1
Sale of securities and/or other assets	0.8	0.9	1.5	0.0	0.8
Other	26.9	25.1	16.7	8.5	25.8
Not applicable	4.5	1.7	0.9	0.6	3.6
Bank loans: 6- month projection					
Lower	26.8	23.5	25.1	27.0	25.9
Same	55.8	54.0	51.7	49.2	55.1
Higher	17.4	22.5	23.2	23.8	19.1
Tightening of credit conditions in last 2 months					
No	53.3	52.1	60.5	66.8	53.4
Yes	46.7	47.9	39.5	33.2	46.6
☛ Situations reported by firm: (multiple answers)					
Reduction in credit	8.0	5.5	7.6	1.7	7.3
Higher interest rates	93.7	92.4	95.4	95.7	93.4
Additional collateral requested	12.8	11.7	4.2	5.9	12.1
Other	5.4	6.0	2.4	9.1	5.5
Do any financial operators hold parts of the equity capital?					
No	98.9	96.6	93.3	80.5	97.8
Yes	1.1	3.4	6.7	19.5	2.2
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)					
Yes, to banks	3.1	26.8	7.2	33.9	17.6
Yes, to merchant banks	0.0	7.9	1.9	5.4	4.2
Yes, to private equity funds	0.0	20.4	25.8	22.9	14.6
Yes, to venture capitalists	0.0	2.2	0.0	0.0	0.9
Yes, to other financial operators	21.3	5.8	7.4	7.2	11.3
Workforce: 2007/2006 projection ⁽²⁾					
Smaller	13.7	19.7	18.3	23.8	19.1
About the same	64.2	50.6	45.7	41.6	50.9
Larger	22.1	29.7	36.0	34.6	30.0
Wage rises in 2007 (above national agreements) ⁽²⁾					
No	68.1	63.5	53.2	36.4	56.0
Yes	31.9	36.5	46.8	63.6	44.0
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	32.3	35.9	33.5	27.4	31.6
Between 1 and 2 %	40.5	38.4	44.2	57.3	46.8
Between 2.1 and 3 %	12.6	11.0	13.9	11.6	12.0
Over 3 %	14.7	14.8	8.4	3.6	9.6

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
After-tax result for 2007					
Loss	9.7	10.7	10.7	14.2	10.0
Balance	19.0	14.8	12.5	5.0	17.4
Profit	71.3	74.6	76.9	80.9	72.5
Economic situation: last 6 months					
Recession	12.5	9.3	6.2	7.0	11.3
Stagnation	55.5	49.5	48.9	44.8	53.5
Expansion	32.0	41.2	45.0	48.2	35.1
Economic situation: next 6 months					
Recession	11.8	10.5	6.1	4.1	11.1
Stagnation	52.1	45.8	47.8	49.7	50.2
Expansion	36.1	43.7	46.1	46.2	38.6
Total turnover in first 3 months – change in 2007 over 2006					
Decreasing	17.9	15.5	10.5	18.8	17.0
Stable	32.9	25.5	22.9	20.0	30.4
Increasing.....	49.2	59.0	66.6	61.2	52.6
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	20.1	16.6	9.1	15.5	18.7
Stable	44.1	41.2	43.5	41.5	43.3
Increasing.....	35.8	42.2	47.4	43.0	38.0
Orders – domestic and foreign markets: 6-month projection					
Decreasing	14.2	11.5	10.4	9.0	13.2
Stable	44.2	41.4	34.6	48.1	43.2
Increasing.....	41.6	47.1	55.0	42.9	43.6
Does the firm export?					
No	24.3	14.4	8.5	9.9	20.9
Yes	75.7	85.6	91.5	90.1	79.1
☛ Export turnover in first 3 quarters – change in 2007 over 2006					
Decreasing	18.3	13.3	10.9	13.3	16.4
Stable	31.3	27.4	18.9	19.4	29.5
Increasing.....	50.4	59.3	70.3	67.3	54.1
☛ Orders – export market: current trend compared with June					
Decreasing	18.8	13.7	10.6	14.0	16.9
Stable	44.9	42.6	38.0	36.9	43.8
Increasing.....	36.2	43.6	51.3	49.1	39.3
☛ Orders – export market: 6-month projection					
Decreasing	11.8	10.5	10.3	7.9	11.3
Stable	46.3	41.1	34.0	45.3	44.2
Increasing.....	41.9	48.4	55.7	46.8	44.6
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)					
Decreasing	13.1	10.7	7.9	12.7	12.3
Stable	46.0	45.6	40.3	41.5	45.6
Increasing.....	40.8	43.6	51.7	45.8	42.1
Total.....	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table C2 – Industry excluding construction – Results by branch of activity
(per cent) ⁽¹⁾

	Branch					
	Textiles	Chemicals	Engineering	Other manuf.	Energy & extraction	Total
Investment: 2007 expenditure over amount planned						
Lower.....	19.1	18.3	16.1	16.9	31.6	17.3
Same	60.2	58.5	60.6	67.4	49.0	62.0
Higher.....	20.7	23.3	23.3	15.7	19.4	20.7
Investment: gap compared with planned expenditure						
Financial factors	2.6	9.4	11.0	10.5	3.9	9.0
Performance of demand	21.7	15.9	17.5	17.0	23.6	18.2
Change in uncertainty	7.3	3.2	3.6	4.8	0.0	4.4
Change in purchase prices	0.7	5.1	7.7	6.5	1.4	5.7
Organization or technical factors	63.8	62.8	55.2	57.2	59.3	58.1
Bureaucracy	3.3	1.5	3.6	2.9	9.7	3.3
Changes in taxation or incentives	0.5	2.0	1.3	1.1	2.1	1.2
Investment: planned 2008/planned 2007						
Decreasing	23.7	23.9	16.7	20.9	25.8	20.0
Stable	52.1	42.2	55.5	51.0	57.9	52.4
Increasing.....	24.2	33.8	27.8	28.0	16.3	27.6
Financing of 2008 investment: (multiple answers)						
Present cash flow	51.0	58.1	56.6	49.9	49.3	53.8
Increase in present cash flow	5.0	8.4	7.7	9.0	1.4	7.5
Increase in borrowing	26.2	32.7	28.0	32.3	43.1	29.6
Capital increases	1.8	3.4	1.0	3.3	2.1	2.1
Sale of securities and/or other assets.....	1.6	0.4	0.9	0.4	0.0	0.8
Other	20.5	23.9	25.7	29.5	29.3	25.8
Not applicable	7.3	2.0	3.0	2.9	1.2	3.6
Bank loans: 6- month projection						
Lower	22.4	20.2	26.5	29.2	21.5	25.9
Same	64.6	61.9	53.6	49.9	43.7	55.1
Higher	13.0	17.9	19.8	20.9	34.8	19.1
Tightening of credit conditions in last 2 months						
No	49.7	56.7	56.9	48.4	66.4	53.4
Yes.....	50.3	43.3	43.1	51.6	33.6	46.6
☛ Situations reported by firm: (multiple answers)						
Reduction in credit	11.1	1.5	5.7	8.4	11.8	7.3
Higher interest rates.....	89.4	97.3	94.8	92.8	96.2	93.4
Additional collateral requested	14.2	8.4	11.4	12.6	16.3	12.1
Other.....	9.1	1.7	4.2	6.3	0.0	5.5
Do any financial operators hold part of the equity capital?						
No	98.5	96.8	97.8	98.0	94.2	97.8
Yes	1.5	3.2	2.2	2.0	5.8	2.2
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)						
Yes, to banks	33.1	12.1	20.7	4.6	34.4	17.6
Yes, to merchant banks.....	10.2	11.7	3.2	0.0	0.0	4.2
Yes, to private equity funds.....	14.3	28.6	14.9	9.6	0.0	14.6
Yes, to venture capitalists.....	0.0	0.0	2.0	0.0	0.0	0.9
Yes, to other financial operators.....	11.7	50.3	5.0	3.3	0.0	11.3
Workforce: 2007/2006 projection⁽²⁾						
Smaller.....	29.1	17.7	16.8	17.9	24.7	19.1
About the same	50.2	55.8	47.1	58.3	39.6	50.9
Larger.....	20.7	26.4	36.1	23.9	35.7	30.0
Wage rises in 2007 (above national agreements) ⁽²⁾						
No	71.8	59.2	46.7	65.8	42.7	56.0
Yes	28.2	40.8	53.3	34.2	57.3	44.0
☛ Amount of wage rise ⁽²⁾						
Less than 1 %	27.0	27.5	26.9	39.4	69.4	31.6
Between 1 and 2 %	49.8	50.3	51.8	36.1	19.8	46.8
Between 2.1 and 3 %	13.0	12.9	12.3	13.7	0.0	12.0
Over 3 %	10.3	9.3	9.0	10.8	10.8	9.6

	Branch					
	Textiles	Chemicals	Engineering	Other manuf.	Energy & extraction	Total
After-tax result for 2007						
Loss	12.1	8.7	8.1	12.0	12.1	10.0
Balance	17.3	18.7	13.7	23.1	13.4	17.4
Profit	70.6	72.6	78.2	65.0	74.5	72.5
Economic situation: last 6 months						
Recession	14.2	12.6	8.8	12.9	13.3	11.3
Stagnation	58.3	42.7	47.8	61.9	67.0	53.5
Expansion	27.5	44.6	43.4	25.2	19.7	35.1
Economic situation: next 6 months						
Recession	16.6	13.3	8.6	10.7	15.2	11.1
Stagnation	49.0	47.3	44.9	59.5	62.3	50.2
Expansion	34.4	39.4	46.4	29.8	22.5	38.6
Total turnover in first 3 months – change in 2007 over 2006						
Decreasing	28.5	10.1	13.4	16.9	31.0	17.0
Stable	29.2	31.4	29.1	32.2	37.3	30.4
Increasing.....	42.3	58.5	57.5	50.9	31.7	52.6
Orders – domestic and foreign markets: current trend compared with June						
Decreasing	24.3	16.4	15.9	20.3	20.5	18.7
Stable	41.6	43.6	42.0	45.4	55.9	43.3
Increasing.....	34.1	40.0	42.1	34.3	23.6	38.0
Orders – domestic and foreign markets: 6-month projection						
Decreasing	19.7	17.2	9.6	13.6	14.0	13.2
Stable	41.9	42.0	43.5	43.0	55.2	43.2
Increasing.....	38.5	40.8	46.9	43.4	30.8	43.6
Does the firm export?						
No	15.3	12.4	18.3	26.9	80.7	20.9
Yes	84.7	87.6	81.7	73.1	19.3	79.1
☛ Export turnover in first 3 quarters - change in 2007 over 2006						
Decreasing	29.2	13.3	12.5	15.1	24.0	16.4
Stable	29.3	31.1	27.1	32.5	49.9	29.5
Increasing	41.5	55.6	60.4	52.4	26.1	54.1
☛ Orders – export market: current trend compared with June						
Decreasing	23.3	17.6	15.1	14.7	36.5	16.9
Stable	44.4	46.0	40.8	47.5	50.1	43.8
Increasing.....	32.3	36.4	44.0	37.7	13.5	39.3
☛ Orders – export market: 6-month projection						
Decreasing	16.9	14.8	9.5	8.2	41.3	11.3
Stable	46.4	44.5	40.5	48.6	48.1	44.2
Increasing.....	36.6	40.6	50.0	43.2	10.6	44.6
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)						
Decreasing	18.0	12.9	9.1	13.5	9.9	12.3
Stable	44.4	45.4	46.5	44.1	62.0	45.6
Increasing.....	37.7	41.7	44.4	42.4	28.1	42.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table C3 – Industry excluding construction – Results by geographical area
(per cent) ⁽¹⁾

	Area			
	North	Centre	South & Islands	Total
Investment: 2007 expenditure over amount planned				
Lower.....	17.2	15.4	20.4	17.3
Same	61.7	64.4	60.6	62.0
Higher.....	21.1	20.2	19.0	20.7
Investment: gap compared with planned expenditure				
Financial factors	8.6	5.1	15.1	9.0
Performance of demand	15.5	21.5	26.7	18.2
Change in uncertainty	3.9	5.0	6.5	4.4
Change in purchase prices	7.2	1.1	4.1	5.7
Organization or technical factors	60.1	65.9	41.0	58.1
Bureaucracy	4.2	1.5	1.6	3.3
Changes in taxation or incentives	0.7	0.0	5.0	1.2
Investment: planned 2008/planned 2007				
Decreasing	19.2	20.1	23.7	20.0
Stable	51.5	55.4	53.7	52.4
Increasing.....	29.4	24.4	22.6	27.6
Financing of 2008 investment: (multiple answers)				
Present cash flow	57.5	40.3	51.5	53.8
Increase in present cash flow	8.1	6.4	6.1	7.5
Increase in borrowing	30.4	28.4	27.1	29.6
Capital increases	1.7	2.4	3.2	2.1
Sale of securities and/or other assets.....	0.7	1.5	0.6	0.8
Other	25.6	24.1	28.5	25.8
Non applicable	2.1	5.7	8.1	3.6
Bank loans: 6- month projection				
Lower	26.2	23.7	26.7	25.9
Same	55.3	57.3	51.5	55.1
Higher.....	18.5	19.1	21.9	19.1
Tightening of credit conditions in last 2 months				
No	51.8	58.0	55.8	53.4
Yes.....	48.2	42.0	44.2	46.6
☛ Situations reported by firm: (multiple answers)				
Reduction in credit	6.0	9.2	11.5	7.3
Higher interest rates.....	94.7	91.3	89.3	93.4
Additional collateral requested.....	10.3	12.5	20.9	12.1
Other.....	4.6	12.8	2.1	5.5
Do any financial operators hold part of the equity capital?				
No	97.6	98.0	98.6	97.8
Yes	2.4	2.0	1.4	2.2
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)				
Yes, to banks	20.1	7.4	13.0	17.6
Yes, to merchant banks.....	4.1	7.4	0.0	4.2
Yes, to private equity funds.....	16.9	11.6	0.0	14.6
Yes, to venture capitalists.....	0.0	5.9	0.0	0.9
Yes, to other financial operators.....	11.7	2.4	23.1	11.3
Workforce: 2007/2006 projection ⁽²⁾				
Smaller.....	19.3	18.4	18.9	19.1
Virtually equal	50.2	50.7	55.4	50.9
Larger.....	30.5	30.9	25.8	30.0
Wage rises in 2007 (above national agreements) ⁽²⁾				
No	50.9	61.8	80.5	56.0
Yes	49.1	38.2	19.5	44.0
☛ Amount of wage rise ⁽²⁾				
Less than 1 %	29.6	41.0	36.0	31.6
Between 1 and 2 %	48.9	37.5	41.9	46.8
Between 2.1 and 3 %	13.0	7.7	8.5	12.0
Over 3 %	8.5	13.7	13.5	9.6

	Area			
	North	Centre	South & Islands	Total
After-tax result for 2007				
Loss	9.7	10.4	11.5	10.0
Balance	17.7	14.8	19.4	17.4
Profit	72.7	74.8	69.1	72.5
Economic situation: last 6 months				
Recession	10.2	13.0	14.7	11.3
Stagnation	53.6	51.7	55.0	53.5
Expansion	36.1	35.2	30.3	35.1
Economic situation: next 6 months				
Recession	11.7	10.2	9.8	11.1
Stagnation	51.5	46.1	49.0	50.2
Expansion	36.8	43.7	41.2	38.6
Total turnover in first 3 months – change in 2007 over 2006				
Decreasing	15.4	21.2	20.1	17.0
Stable	31.1	24.8	33.4	30.4
Increasing.....	53.6	53.9	46.5	52.6
Orders – domestic and foreign markets: current trend compared with June				
Decreasing	18.5	18.8	19.6	18.7
Stable	43.2	41.6	45.7	43.3
Increasing.....	38.3	39.6	34.6	38.0
Orders – domestic and foreign markets: 6-month projection				
Decreasing	13.6	12.2	12.5	13.2
Stable	44.1	43.3	38.6	43.2
Increasing.....	42.3	44.4	48.9	43.6
Does the firm export?				
No	13.7	28.2	46.9	20.9
Yes	86.3	71.8	53.1	79.1
☛ Export turnover in first 3 quarters – change in 2007 over 2006				
Decreasing	15.9	18.2	18.0	16.4
Stable	29.6	25.5	34.6	29.5
Increasing.....	54.5	56.3	47.4	54.1
☛ Orders – export market: current trend compared with June				
Decreasing	17.2	15.7	16.7	16.9
Stable	43.4	42.2	49.7	43.8
Increasing.....	39.4	42.1	33.6	39.3
☛ Orders – export market: 6-month projection				
Decreasing	10.7	12.9	12.9	11.3
Stable	45.5	40.3	40.0	44.2
Increasing.....	43.7	46.8	47.1	44.6
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)				
Decreasing	11.7	13.9	13.1	12.3
Stable	45.5	47.3	44.2	45.6
Increasing.....	42.8	38.8	42.7	42.1
Total	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table D1 - Services – Results by number of employees

(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
Investment: 2007 expenditure over amount planned					
Lower.....	12.4	12.3	19.9	15.2	12.8
Same	66.6	65.9	59.5	60.6	66.0
Higher	21.1	21.8	20.6	24.2	21.3
Investment: gap compared with planned expenditure					
Financial factors	4.0	11.9	7.6	4.3	6.2
Performance of demand	14.5	7.5	5.5	6.1	12.1
Change in uncertainty	4.4	2.9	0.0	3.6	3.8
Change in purchase prices	10.0	3.4	1.9	8.7	7.9
Organization or technical factors	59.1	69.9	72.9	64.1	62.6
Bureaucracy	3.1	3.2	12.1	13.1	3.8
Changes in taxation or incentives	4.8	1.2	0.0	0.0	3.6
Investment: planned 2008/planned 2007					
Decreasing	18.3	13.6	16.5	16.4	17.0
Stable	57.9	58.6	53.5	45.9	57.6
Increasing.....	23.9	27.8	30.0	37.7	25.4
Financing of 2008 investment: (multiple answers)					
Present cash flow	58.9	58.2	52.4	62.4	58.5
Increase in present cash flow	7.9	10.1	7.7	8.7	8.5
Increase in borrowing	24.2	29.2	34.1	31.2	26.0
Capital increases	2.3	4.8	6.8	3.8	3.2
Sale of securities and/or other assets.....	2.4	0.8	2.6	1.3	2.0
Other	19.6	18.0	24.9	15.5	19.3
Not applicable	3.7	3.5	1.1	2.1	3.5
Bank loans: 6- month projection					
Lower	25.7	21.6	13.7	24.2	24.1
Same	56.0	50.2	51.8	48.8	54.2
Higher.....	18.3	28.1	34.4	26.9	21.6
Tightening of credit conditions in last 2 months					
No	50.4	57.1	56.1	67.9	52.8
Yes.....	49.6	42.9	43.9	32.1	47.2
☛ Situations reported by firm: (multiple answers)					
Reduction in credit	7.9	6.0	5.6	4.7	7.3
Higher interest rates.....	90.1	89.9	95.3	82.1	90.1
Additional collateral requested	14.9	14.7	14.9	10.7	14.8
Other.....	6.1	4.2	1.5	9.4	5.5
Do any financial operators hold part of the equity capital?					
No	97.9	94.9	90.7	89.5	96.7
Yes	2.1	5.1	9.3	10.5	3.3
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)					
Yes, to banks	0.0	3.1	2.1	37.9	4.0
Yes, to merchant banks.....	0.0	0.0	7.8	11.1	1.7
Yes, to private equity funds.....	0.0	17.6	3.5	13.9	8.1
Yes, to venture capitalists.....	0.0	2.0	0.0	0.0	0.7
Yes, to other financial operators.....	0.0	2.0	17.7	5.1	3.3
Workforce: 2007/2006 projection ⁽²⁾					
Smaller.....	13.5	13.8	18.6	12.1	13.6
Virtually equal	61.6	51.4	40.9	42.6	48.0
Larger.....	24.9	34.8	40.4	45.3	38.4
Wage rises in 2007 (above national agreements) ⁽²⁾					
No	73.1	61.0	64.7	52.5	60.1
Yes	26.9	39.0	35.3	47.5	39.9
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	30.3	38.5	40.9	31.1	33.8
Between 1 and 2 %	48.9	36.7	35.4	55.7	47.9
Between 2.1 and 3 %	10.5	15.3	12.0	8.7	10.8
Over 3 %	10.4	9.5	11.7	4.6	7.4

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
After-tax result for 2007					
Loss	12.9	11.3	17.0	13.5	12.7
Balance	18.4	13.2	18.9	12.9	17.0
Profit	68.7	75.5	64.1	73.6	70.3
Economic situation: last 6 months					
Recession	14.6	9.4	10.1	5.3	12.9
Stagnation	53.1	62.0	66.8	63.1	56.1
Expansion	32.4	28.7	23.0	31.5	31.0
Economic situation: next 6 months					
Recession	11.5	4.7	8.0	5.7	9.5
Stagnation	56.6	62.3	62.6	56.7	58.3
Expansion	32.0	33.0	29.4	37.6	32.2
Total turnover in first 3 months – change in 2007 over 2006					
Decreasing	21.1	14.0	10.8	10.3	18.7
Stable	36.4	31.3	39.8	30.1	35.1
Increasing.....	42.5	54.7	49.4	59.6	46.2
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	17.3	10.5	12.7	11.9	15.3
Stable	51.6	52.9	50.7	46.4	51.8
Increasing.....	31.1	36.6	36.6	41.7	32.9
Orders – domestic and foreign markets: 6-month projection					
Decreasing	12.5	9.0	8.3	7.0	11.3
Stable	50.1	52.6	46.2	42.6	50.4
Increasing.....	37.4	38.4	45.5	50.4	38.3
Does the firm export?					
No	67.4	72.9	79.4	69.0	69.3
Yes	32.6	27.1	20.6	31.0	30.7
☛ Export turnover in first 3 quarters – change in 2007 over 2006					
Decreasing	11.7	13.3	5.8	9.5	11.8
Stable	52.8	32.6	32.6	33.1	47.6
Increasing.....	35.5	54.1	61.6	57.4	40.6
☛ Orders – export market: current trend compared with June					
Decreasing	7.5	6.9	5.8	4.0	7.2
Stable	63.0	48.1	45.9	36.2	59.0
Increasing.....	29.5	45.0	48.3	59.8	33.7
☛ Orders – export market: 6-month projection					
Decreasing	4.6	4.0	9.0	0.0	4.5
Stable	53.3	45.3	42.0	28.9	50.8
Increasing.....	42.1	50.7	48.9	71.1	44.7
Total.....	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table D2 - Services – Results by branch of activity
(per cent) ⁽¹⁾

	Branch				
	Wholesale & retail	Hotels & restaurants	Transport & communic.	Other services	Total
Investment: 2007 expenditure over amount planned					
Lower.....	14.2	11.2	16.9	8.9	12.8
Same	67.9	55.0	60.3	71.7	66.0
Higher	17.9	33.8	22.8	19.5	21.3
Investment: gap compared with planned expenditure					
Financial factors	4.2	6.6	7.3	7.7	6.2
Performance of demand	10.2	8.9	22.5	8.1	12.1
Change in uncertainty	2.4	3.4	4.7	5.4	3.8
Change in purchase prices	10.1	17.2	6.0	0.4	7.9
Organization or technical factors	64.2	49.1	55.4	75.3	62.6
Bureaucracy	4.6	5.1	2.5	3.1	3.8
Changes in taxation or incentives	4.3	9.8	1.7	0.0	3.6
Investment: planned 2008/planned 2007					
Decreasing	17.6	23.8	16.6	13.6	17.0
Stable	60.0	41.9	57.4	61.1	57.6
Increasing.....	22.4	34.2	25.9	25.2	25.4
Financing of 2008 investment: (multiple answers)					
Present cash flow	59.6	55.9	51.0	62.9	58.5
Increase in present cash flow	7.8	11.0	6.9	9.2	8.5
Increase in borrowing	27.4	29.5	27.6	21.7	26.0
Capital increases	2.2	6.5	2.9	3.1	3.2
Sale of securities and/or other assets.....	1.4	0.2	1.9	3.6	2.0
Other	16.4	12.4	32.0	18.1	19.3
Non applicable	4.0	3.3	3.2	3.1	3.5
Bank loans: 6- month projection					
Lower	23.8	20.3	20.3	29.0	24.1
Same	57.5	50.5	51.9	52.8	54.2
Higher.....	18.7	29.2	27.8	18.2	21.6
Tightening of credit conditions in last 2 months					
No	47.7	55.8	56.7	56.3	52.8
Yes.....	52.3	44.2	43.3	43.7	47.2
☛ Situations reported by firm: (multiple answers)					
Reduction in credit	9.5	1.4	12.1	3.0	7.3
Higher interest rates.....	91.0	90.1	95.2	85.1	90.1
Additional collateral requested	13.5	14.2	12.5	18.8	14.8
Other.....	4.8	0.1	1.9	11.5	5.5
Do any financial operators hold part of the equity capital?					
No	98.4	95.4	95.4	95.9	96.7
Yes	1.6	4.6	4.6	4.1	3.3
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)					
Yes, to banks	1.4	0.0	0.9	9.3	4.0
Yes, to merchant banks.....	0.0	0.0	0.9	4.0	1.7
Yes, to private equity funds.....	15.0	0.0	0.0	13.9	8.1
Yes, to venture capitalists.....	3.9	0.0	0.0	0.0	0.7
Yes, to other financial operators.....	10.2	0.0	0.0	3.5	3.3
Workforce: 2007/2006 projection ⁽²⁾					
Smaller.....	12.4	12.7	12.2	16.0	13.6
About the same	47.4	60.5	58.3	36.9	48.0
Larger.....	40.1	26.8	29.5	47.1	38.4
Wage rises in 2007 (above national agreements) ⁽²⁾					
No	65.7	56.8	61.4	55.3	60.1
Yes	34.3	43.2	38.6	44.7	39.9
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	36.2	43.1	51.2	20.5	33.8
Between 1 and 2 %	44.0	40.1	35.0	59.4	47.9
Between 2.1 and 3 %	12.3	14.7	8.7	10.6	10.8
Over 3 %	7.5	2.1	5.1	9.6	7.4

	Branch				
	Wholesale & retail	Hotels & restaurants	Transport & communic.	Other services	Total
After-tax result for 2007					
Loss	11.2	31.4	11.9	7.5	12.7
Balance	12.4	16.2	19.4	21.9	17.0
Profit	76.4	52.4	68.7	70.5	70.3
Economic situation: last 6 months					
Recession	14.5	18.1	10.2	10.1	12.9
Stagnation	60.1	51.4	55.2	53.6	56.1
Expansion	25.4	30.6	34.6	36.3	31.0
Economic situation: next 6 months					
Recession	12.7	15.6	7.5	3.8	9.5
Stagnation	60.6	63.2	51.1	57.3	58.3
Expansion	26.6	21.2	41.4	39.0	32.2
Total turnover in first 3 months – change in 2007 over 2006					
Decreasing	19.4	27.1	13.1	17.6	18.7
Stable	29.3	41.8	40.6	36.6	35.1
Increasing.....	51.4	31.1	46.3	45.8	46.2
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	18.8	16.6	9.4	13.9	15.3
Stable	46.8	57.8	55.8	53.3	51.8
Increasing.....	34.5	25.6	34.7	32.9	32.9
Orders – domestic and foreign markets: 6-month projection					
Decreasing	13.6	23.1	5.2	7.7	11.3
Stable	44.8	48.8	56.9	53.9	50.4
Increasing.....	41.6	28.1	37.8	38.4	38.3
Does the firm export?					
No	62.6	68.3	64.6	81.3	69.3
Yes	37.4	31.7	35.4	18.7	30.7
☛ Export turnover in first 3 quarters – change in 2007 over 2006					
Decreasing	12.6	16.7	9.7	8.6	11.8
Stable	46.0	67.0	39.4	46.7	47.6
Increasing.....	41.5	16.3	50.9	44.6	40.6
☛ Orders – export market: current trend compared with June					
Decreasing	10.5	4.9	3.6	5.0	7.2
Stable	59.9	76.8	54.7	49.7	59.0
Increasing.....	29.6	18.3	41.6	45.3	33.7
☛ Orders – export market: 6-month projection					
Decreasing	5.9	0.0	6.1	1.7	4.5
Stable	61.3	69.4	40.6	25.2	50.8
Increasing.....	32.8	30.6	53.3	73.1	44.7
Total.....	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table D3 - Services – Results by geographical area
(per cent) ⁽¹⁾

	Area			
	North	Centre	South & Islands	Total
Investment: 2007 expenditure over amount planned				
Lower.....	12.2	11.8	15.3	12.8
Same	65.2	69.8	64.3	66.0
Higher.....	22.6	18.4	20.4	21.3
Investment: gap compared with planned expenditure				
Financial factors	5.6	3.2	10.4	6.2
Performance of demand	10.2	9.6	19.9	12.1
Change in uncertainty	1.7	7.8	6.3	3.8
Change in purchase prices	7.0	5.6	12.6	7.9
Organization or technical factors	68.7	66.0	42.2	62.6
Bureaucracy	3.5	6.2	2.8	3.8
Changes in taxation or incentives	3.4	1.6	5.8	3.6
Investment: planned 2008/planned 2007				
Decreasing	14.9	18.5	22.2	17.0
Stable	58.9	59.5	51.8	57.6
Increasing.....	26.3	22.0	26.0	25.4
Financing of 2008 investment: (multiple answers)				
Present cash flow	60.9	59.9	50.0	58.5
Increase in present cash flow	10.0	5.0	7.4	8.5
Increase in borrowing	25.6	22.2	31.1	26.0
Capital increases	2.1	4.9	4.6	3.2
Sale of securities and/or other assets.....	3.0	0.9	0.2	2.0
Other	19.6	17.1	20.8	19.3
Not applicable	1.9	2.6	9.3	3.5
Bank loans: 6- month projection				
Lower	24.4	23.0	24.7	24.1
Same	54.4	56.3	51.9	54.2
Higher.....	21.3	20.8	23.4	21.6
Tightening of credit conditions in last 2 months				
No	48.3	62.4	55.3	52.8
Yes.....	51.7	37.6	44.7	47.2
☛ Situations reported by firm: (multiple answers)				
Reduction in credit	6.0	5.4	13.4	7.3
Higher interest rates.....	91.3	88.2	88.3	90.1
Additional collateral requested	10.3	14.7	29.4	14.8
Other.....	6.2	7.1	1.6	5.5
Do any financial operators hold part of the equity capital?				
No	96.0	96.3	99.0	96.7
Yes	4.0	3.7	1.0	3.3
☛ In 2005-2007 did the firm sell portions of equity capital? (multiple answers)				
Yes, to banks	4.4	2.5	4.6	4.0
Yes, to merchant banks.....	2.1	1.0	0.0	1.7
Yes, to private equity funds.....	7.3	8.3	16.5	8.1
Yes, to venture capitalists.....	0.0	3.2	0.0	0.7
Yes, to other financial operators.....	3.1	4.7	0.0	3.3
Workforce: 2007/2006 projection ⁽²⁾				
Smaller.....	14.0	9.4	20.8	13.6
About the same	46.5	52.1	45.8	48.0
Larger.....	39.5	38.5	33.4	38.4
Wage rises in 2007 (above national agreements) ⁽²⁾				
No	54.9	60.7	81.7	60.1
Yes	45.1	39.3	18.3	39.9
☛ Amount of wage rise ⁽²⁾				
Less than 1 %	25.6	58.8	17.8	33.8
Between 1 and 2 %	57.1	23.6	50.8	47.9
Between 2.1 and 3 %	10.4	10.9	14.8	10.8
Over 3 %	6.8	6.6	16.6	7.4

	Area			
	North	Centre	South & Islands	Total
After-tax result for 2007				
Loss	11.7	13.4	15.0	12.7
Balance	17.7	15.0	17.2	17.0
Profit	70.6	71.7	67.8	70.3
Economic situation: last 6 months				
Recession	11.8	10.2	18.7	12.9
Stagnation	55.5	57.5	56.5	56.1
Expansion	32.7	32.3	24.8	31.0
Economic situation: next 6 months				
Recession	8.6	9.8	12.0	9.5
Stagnation	60.6	57.9	51.5	58.3
Expansion	30.8	32.2	36.6	32.2
Total turnover in first 3 months – change in 2007 over 2006				
Decreasing	18.8	15.8	21.3	18.7
Stable	34.5	35.1	36.8	35.1
Increasing.....	46.7	49.1	41.9	46.2
Orders – domestic and foreign markets: current trend compared with June				
Decreasing	16.3	8.8	19.0	15.3
Stable	51.1	58.8	46.6	51.8
Increasing.....	32.6	32.4	34.4	32.9
Orders – domestic and foreign markets: 6-month projection				
Decreasing	11.8	9.3	12.1	11.3
Stable	50.1	57.6	43.5	50.4
Increasing.....	38.1	33.1	44.4	38.3
Does the firm export?				
No	64.7	72.4	79.8	69.3
Yes	35.3	27.6	20.2	30.7
☛ Export turnover in first 3 quarters – change in 2007 over 2006				
Decreasing	9.1	20.0	11.7	11.8
Stable	55.1	24.3	48.4	47.6
Increasing	35.8	55.7	39.9	40.6
☛ Orders – export market: current trend compared with June				
Decreasing	6.7	9.0	7.1	7.2
Stable	61.0	60.7	48.6	59.0
Increasing	32.2	30.4	44.3	33.7
☛ Orders – export market: 6-month projection				
Decreasing	4.9	4.4	3.1	4.5
Stable	53.3	49.8	42.5	50.8
Increasing	41.8	45.7	54.4	44.7
Total	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table E1 - Construction – Results by number of employees

(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
Main branch of activity					
Private residential construction	26.5	17.7	12.1	0.0	24.7
Private non-residential construction.....	14.8	26.9	19.2	0.0	16.9
Public works	58.7	55.3	68.7	100.0	58.4
After-tax result for 2007					
Loss	8.3	7.9	0.0	9.9	8.2
Balance	12.0	13.8	10.8	20.6	12.4
Profit	79.7	78.3	89.2	69.5	79.5
Economic situation: last 6 months					
Recession	20.5	18.6	14.4	9.8	20.1
Stagnation	65.0	65.9	68.0	84.3	65.3
Expansion	14.5	15.5	17.6	5.9	14.7
Economic situation: next 6 months					
Recession	22.8	14.4	6.6	5.5	21.1
Stagnation	54.0	58.4	70.0	74.3	55.0
Expansion	23.2	27.2	23.4	20.2	23.9
Workforce: 2007/2006 projection⁽²⁾					
Smaller.....	22.8	22.0	12.8	36.3	23.2
Virtually equal	59.0	54.7	53.0	31.2	54.4
Larger.....	18.3	23.4	34.1	32.5	22.4
Average duration of work contract of fixed-term employees:					
2007 over 2006					
Shorter	16.0	8.3	5.8	19.1	14.3
Equal	76.2	85.1	88.4	76.2	78.2
Longer.....	7.8	6.6	5.8	4.8	7.5
Value of production: second half of 2007 over first half					
Decreasing	25.1	17.1	12.7	18.5	23.6
Stable	50.3	49.0	37.9	41.9	49.9
Increasing.....	24.5	33.9	49.4	39.5	26.5
Value of production of public works: second half of 2007 over first half					
Decreasing	30.8	22.1	14.2	18.5	29.0
Stable	45.7	48.8	24.5	47.5	46.0
Increasing.....	23.5	29.1	61.2	33.9	25.0
Value of production: 2007 over 2006					
Decreasing	36.6	29.4	19.7	19.8	35.1
Stable	31.3	37.4	28.4	40.7	32.3
Increasing.....	32.1	33.3	51.9	39.5	32.6
Value of production of public works: 2007 over 2006					
Decreasing	40.6	32.1	25.4	25.4	38.8
Stable	33.5	41.9	14.0	37.7	34.8
Increasing.....	25.9	26.0	60.5	36.9	26.4
Value of production: 2008 over 2007					
Decreasing	25.2	19.7	12.8	12.3	24.0
Stable	45.3	43.3	23.5	24.3	44.5
Increasing.....	29.5	37.0	63.7	63.4	31.5
Value of production of public works: 2008 over 2007					
Decreasing	29.6	20.6	7.0	12.3	27.6
Stable	38.0	45.9	29.3	21.2	39.2
Increasing.....	32.4	33.5	63.8	66.5	33.3
Dwellings completed: 2006 over 2005					
Decreasing	26.0	28.0	39.5	0.0	26.3
Stable	52.8	48.1	37.1	54.0	51.9
Increasing.....	21.2	23.9	23.4	46.0	21.8
Dwellings completed: 2007 over 2006					
Decreasing	30.0	32.7	14.4	15.8	30.2
Stable	49.0	33.9	42.4	52.5	46.7
Increasing.....	21.0	33.4	43.2	31.7	23.1
Dwellings begun: 2006 over 2005					
Decreasing	28.7	26.5	31.5	0.0	28.2
Stable	49.4	44.4	45.1	46.5	48.6
Increasing.....	21.9	29.1	23.4	53.5	23.2

	Number of employees				
	20-49	50-199	200-499	500 and over	Total
Dwellings begun: 2007 over 2006					
Decreasing	35.0	31.5	14.3	15.8	34.2
Stable	36.3	29.2	42.1	37.6	35.3
Increasing.....	28.7	39.3	43.6	46.5	30.6
Total.....	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Table E2 - Construction – Results by geographical area
(per cent) ⁽¹⁾

	Area			
	North	Centre	South & Islands	Total
Main branch of activity				
Private residential construction	29.3	21.3	18.6	24.7
Private non-residential construction.....	17.1	22.4	13.0	16.9
Public works	53.7	56.3	68.4	58.4
After-tax result for 2007				
Loss	10.1	2.9	7.8	8.2
Balance	13.6	15.9	7.9	12.4
Profit	76.3	81.1	84.3	79.5
Economic situation: last 6 months				
Recession	17.3	29.3	18.8	20.1
Stagnation	73.6	53.9	58.0	65.3
Expansion	9.1	16.8	23.3	14.7
Economic situation: next 6 months				
Recession	21.3	24.5	18.4	21.1
Stagnation	64.6	51.5	39.5	55.0
Expansion	14.0	24.0	42.1	23.9
Workforce: 2007/2006 projection⁽²⁾				
Smaller.....	23.9	15.8	26.8	23.2
Virtually equal	56.9	59.0	46.2	54.4
Larger.....	19.2	25.3	27.0	22.4
Average duration of work contract of fixed-term employees:				
2007 on 2006				
Shorter	14.5	11.8	15.8	14.3
Equal	82.6	76.3	69.6	78.2
Longer.....	3.0	11.9	14.5	7.5
Value of production: second half of 2007 over first half				
Decreasing	24.6	22.0	22.7	23.6
Stable	52.1	52.6	44.1	49.9
Increasing.....	23.2	25.4	33.2	26.5
Value of production of public works: second half of 2007 over first half				
Decreasing	28.0	33.9	27.5	29.0
Stable	50.6	42.8	40.0	46.0
Increasing.....	21.4	23.3	32.5	25.0
Value of production: 2007 over 2006				
Decreasing	39.0	29.1	31.8	35.1
Stable	35.0	34.4	26.1	32.3
Increasing.....	26.0	36.5	42.1	32.6
Value of production of public works: 2007 over 2006				
Decreasing	41.1	37.2	35.8	38.8
Stable	42.6	36.9	19.8	34.8
Increasing.....	16.3	26.0	44.4	26.4
Value of production: 2008 over 2007				
Decreasing	25.6	18.6	24.5	24.0
Stable	54.8	44.8	24.4	44.5
Increasing.....	19.6	36.6	51.1	31.5
Value of production of public works: 2008 over 2007				
Decreasing	30.8	19.4	27.2	27.6
Stable	46.6	44.2	22.5	39.2
Increasing.....	22.6	36.4	50.3	33.3
Dwellings completed: 2006 over 2005				
Decreasing	22.7	30.0	34.4	26.3
Stable	52.4	48.0	52.8	51.9
Increasing.....	24.9	22.0	12.8	21.8
Dwellings completed: 2007 over 2006				
Decreasing	30.6	23.7	33.0	30.2
Stable	50.6	36.0	43.6	46.7
Increasing.....	18.7	40.3	23.4	23.1
Dwellings begun: 2006 over 2005				
Decreasing	29.5	16.2	32.6	28.2
Stable	46.8	51.2	51.6	48.6
Increasing.....	23.7	32.6	15.8	23.2

	Area			
	North	Centre	South & Islands	Total
Dwellings begun: 2007 over 2006				
Decreasing	40.1	15.0	30.6	34.2
Stable	34.7	49.2	28.4	35.3
Increasing.....	25.2	35.8	41.0	30.6
Total.....	100.0	100.0	100.0	100.0

(1) Weighted by the population of firms and normalized with the number of valid answers. - (2) Weighted by the population of employees and normalized with the number of valid answers.

Appendix C:
Questionnaires



15th BUSINESS OUTLOOK SURVEY - 2007
INDUSTRIAL FIRMS (EXCLUDING CONSTRUCTION) AND SERVICE FIRMS

Information to be given to firms in the sample BEFORE the start of the interview

- ❖ The purpose of this survey is to collect information on the trend of the main economic and financial variables of firms in industry excluding construction and in the service sector.
- ❖ The information provided by the firms will NOT be distributed outside the Bank except in aggregate form.
- ❖ Your cooperation is important, but it is not compulsory.
- ❖ The results of the survey will be published in aggregate form in the Supplements to the Statistical Bulletin. A copy of the issue relating to the survey will be sent to all participating firms.

Instructions for the interviews

Average workforce during the year:

- A5M:** **average** number of employees (production workers, apprentices, managers and assistants, part-time employees) in the firm; does NOT include temporary workers and workers on collaboration contracts (*co.co.co.*). Partners and owners should be included if they work for the firm. The total includes workers on fixed-term contracts and redundant workers receiving Wage Equalization Fund benefits. The information can be obtained as the arithmetical mean of the average monthly workforce. In the case of temporary and seasonal workers and generally anyone working for only part of the year, the number of employees must be multiplied by the fraction of the year during which they have worked. Employees receiving Wage Equalization Fund benefits and part-time employees should be regarded as working for the whole of the year.
- A6:** in the case of service firms, the share of exports is the share of sales (or of turnover) relating to non-residents of Italy.
- M1** during the interview, when the respondent is asked to compare the values of effective and planned investment all tangible and intangible assets should be included. The interviewee's attention should also be directed to the data provided during the January-April 2007 survey of industrial and service firms, if available.
- M1 and M3:** the answers "much higher" and "much lower" also apply if, in the two periods compared,

investment was zero one year and greater than zero in the other.

- M4:** the firm's cash flow can be increased, for instance, by reducing direct costs or by increasing turnover.

- M10:** a merchant bank works with firms to raise funds by issuing and selling stock on the primary market. It also helps firms (listed or otherwise) to raise funds on the capital market (in the form of either equity capital or debt) and provides strategic advice in the case of mergers, buy-outs and similar events. A private equity specialist raises funds from a small group of investors in the form of units of a closed-end fund and invests them in shareholdings in firms, becoming directly involved in their management. Venture capital is a particular form of private equity reserved to young firms with very good growth prospects.

M12 and M13: see A5M.

- M19:** **volume** of orders in the case of firms in industry excluding construction and of sales for service firms.

- M21:** **volume** of production for firms in industry excluding construction.

In addition:

- Privacy:** in compliance with the provisions of the law on the handling of personal information, the front page of the questionnaire contains the notice required by Legislative Decree 196/2003.

Remarks:



.....

.....

.....

.....

.....

.....



BANCA D'ITALIA

EUROSISTEMA

15th BUSINESS OUTLOOK SURVEY - 2007 INDUSTRIAL FIRMS (EXCLUDING CONSTRUCTION) AND SERVICE FIRMS

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in industry, excluding construction, and in the service sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main findings of the survey. The data will be processed entirely inside the Bank and appropriate systems will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic and Financial Statistics Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data processing: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy.

Date of interview: Day Month

GENERAL INFORMATION

A1 Branch code (Bank of Italy)

A2 Firm code (Bank of Italy)

A3 Name of firm

Tax number

A4B Istat – Ateco2002 category

A5M Average workforce in 2006
(see instructions)

A6 Share of exports in total turnover
1 zero
2 less than 1/3
3 from 1/3 to 2/3
4 over 2/3
9 don't know, not answering

A7 MAIN economic purpose of goods and services produced:

NON-CONSTRUCTION FIRMS

- 1 capital goods (used in production process for longer than one year)
- 2 intermediate goods (part of other goods/services)
- 3 consumer goods (directly for consumption)

SERVICE FIRMS

- 4 business services
- 5 household services
- 6 general government services

INVESTMENT AND FINANCE

M1 How does nominal expenditure on fixed investment (in tangible and intangible assets) in the current year compare with PLANNED INVESTMENT AT THE END OF 2006?

- 1 much lower (by more than 10%)
- 2 a little lower (from 3.1% to 10%)
- 3 about the same (from -3% to 3%) M3
- 4 a little higher (from 3.1% to 10%)
- 5 much higher (by more than 10%)
- 9 don't know, not answering M3

M2 (Ask the question ONLY IF actual expenditure on investment is likely to differ from planned expenditure)

The difference is MAINLY due to:

(one answer only)

- 1 financial factors
- 2 unexpected changes in demand
- 3 changes in the level of uncertainty due to economic or political factors
- 4 changes in purchase prices
- 5 organizational or technical factors
- 6 bureaucracy
- 7 changes in taxation or incentives
- 9 don't know, not answering

M3 How does planned nominal expenditure on fixed investment in 2008 compare with 2007?

Legend: 1=much lower (by more than 10%); 2=slightly lower (from 3.1% to 10%); 3=stable (from -3% to 3%); 4=slightly higher (from 3.1% to 10%); 5=much higher (by more than 10%); 9=don't know, not answering.

M4 How do you expect to finance the majority of fixed investment in 2008? (no more than two answers)

- M4A present level of cash flow
- M4B increase in present level of cash flow
- M4C increase in debt
- M4D capital increases
- M4E sale of securities and/or other assets
- M4F other (public financing, leasing, etc.)
- M4G not applicable (e.g. the firm will not invest)
- M4H don't know, not answering

M5 How do you expect your bank debt (used credit lines) IN 6 MONTHS' TIME to compare with THE CURRENT LEVEL?

- 1 much lower (by more than 10%)
- 2 somewhat lower (between 6.1% and 10%)
- 3 slightly lower (between 2.1% and 6%)
- 4 about the same (between -2% and 2%)
- 5 slightly higher (between 2.1% and 6%)
- 6 somewhat higher (between 6.1% and 10%)
- 7 much higher (by more than 10%)
- 9 don't know, not answering, not applicable

M6 In the last 2 months have you noticed a tightening of credit conditions for the firm? ☐

Legend: 1=no (☞ M8); 2=yes; 9=don't know, not answering (☞ M8).

M7 If you answered yes, please say which of these situations your firm has encountered:

- M7A reduction in credit ☐
- M7B higher interest rates ☐
- M7C request for additional collateral for loans ☐
- M7D other ☐

(please specify) ☞ _____

Legend: 1=no; 2=yes; 9=don't know, not answering.

M8 Is any part of your firm's equity capital owned by financial operators (commercial banks, merchant banks, private equity funds, venture capitalists)? ☐ No ☐ Yes ☞

M9 If so, what percentage do they hold? ☐ ☐ ☐ %
(rounded to the nearest percentage point)

M10 In 2005-07 did the firm sell part of its equity capital to any of the following financial operators?

- M10A yes, to banks ☐
- M10B yes, to merchant banks ☐
- M10C yes, to private equity funds ☐
- M10D yes, to venture capitalists ☐
- M10E yes, to other financial operators ☐
- M10F no ☐ ☞ M12
- M10G don't know, not answering ☐ ☞ M12

M11 If so, in what year did the largest transfer of equity take place? ☐ ☐ ☐ ☐

WORKFORCE AND WAGES

M12 How does the average number of employees (see instructions) in 2007 compare with 2006? ☐

Legend: 1=much lower (by more than 5%); 2=slightly lower (between 1.1% and 5%); 3=about the same (between -1% and 1%); 4=slightly higher (between 1.1% and 5%); 5=much higher (by more than 5%); 9=don't know, not answering.

M13 Have you granted any pay rises NOT envisaged in the NATIONAL LABOUR CONTRACT during 2007 or do you plan to do so at the end of the year? ☐

Legend: 1=no (☞ M15); 2=yes; 9=don't know, not answering (☞ M15).

M14 Considering ONLY ADDITIONAL PAY RISES OF THIS TYPE, how will they increase average compensation (of all employees) in 2007? ☐

Legend: 1=by less than 1%; 2=between 1% and 2%; 3=between 2.1% and 3%; 4=by more than 3%; 9=don't know, not answering.

PRODUCTION

M15 What AFTER-TAX RESULT do you expect at the end of this year? ☐

Legend: 1=large loss; 2=small loss; 3=balance; 4=small profit; 5=large profit; 9=don't know, not answering.

M16 Considering the overall market for your goods/services, how would you describe the economic situation in the last 6 months? ☐
(see legend M16-M17)

M17 And what are your expectations for the next 6 months? ☐

Legend (M16-M17): 1=recession; 2=stagnation; 3=expansion; 9=don't know, not answering.

Looking now at aspects such as turnover, orders/sales of your goods/services and (only for non-construction industries) production (see legend M18-M21).

Domestic and export markets	Export market (if firm exports)
A	B

M18 Turnover: what change do you expect in the first 3 quarters of 2007 compared with the first 3 quarters of 2006? ☐ ☐

M19 Orders/sales of your goods/services (see instructions): how does the present seasonally adjusted performance differ with respect to the end of June? ☐ ☐

M20 How will it differ in 6 months' time compared with the present? ☐ ☐

M21 (Only for non-construction firms) Total output (see instructions): what seasonally adjusted change do you expect in the fourth quarter of this year compared with the third quarter? ☐

Legend (M18-M21): 1=large decrease (more than 4%); 2=small decrease (between 1.6% and 4%); 3=stable (between -1.5% and 1.5%); 4=small increase (between 1.6% and 4%); 5=large increase (more than 4%); 8=not applicable (e.g. not exporting firms for questions on export market); 9=don't know, not answering

INNOVATION

M22 Does the firm, or the group to which it belongs, if any, have a research centre or a design facility? ☐ No ☐ Yes ☞ ☐ Staff

M22A in Italy ☐

M22B abroad ☐

M23 In 2005-07, what importance did the following sources of information have for the firm's innovation activities? (please assign a value to each item)

- M23A sources inside the firm or group ☐
- M23B suppliers ☐
- M23C clients ☐
- M23D other firms ☐
- M23E private consultants ☐
- M23F universities and public research centres ☐
- M23G fairs, conventions, publications, trade associations ☐

Legend: 0=not used; 1=of little importance; 2=fairly important; 3=very important; 9=don't know, not answering.

M24 Please say whether the firm did any of the following in 2005-07: (one answer for each item)

- M24A purchase patents ☐
- M24B purchase software and/or innovative machinery ☐
- M24C recruit personnel with post-graduate qualifications (PhD or other specialization) ☐

Legend: 1=no; 2=yes; 9=don't know, not answering.

M25 **Has the firm entered into collaboration agreements with Italian universities (or public research centres)**

M25A ... in 2002-04?

M25B ... in 2005-07?

Legend: 1=no; 2=yes; 9=don't know, not answering. **If the answer to question M25B is "no" → M29**

ONLY if the answer to question M25B is yes,

M26 ... **what is the type of agreement?**

M26A the firm has financed research

M26B the firm has purchased consulting services

M26C the firm has offered student internships

Legend: 1=no; 2=yes; 9=don't know, not answering.

M27 ... **were the initiatives**

M27A individual?

M27B collective? (consortium, agency, trade association...)

Legend: 1=no; 2=yes; 9=don't know, not answering.

M28 ... **has the firm received tax subsidies and/or public funding for these activities?**

M28A tax subsidies

M28B public funding (including EU)

Legend: 1=no; 2=yes; 9=don't know, not answering.

ONLY if the answer to question M25B is "no"

M29 ... **why not?** (please give the main reason)

- 1 the idea has never been considered
- 2 academic research is unrelated to the firm's requirements
- 3 universities involve too much bureaucracy
- 4 the quality of research is unsatisfactory
- 5 the cost is too high
- 6 the firm prefers to work with foreign universities
- 7 other

(please specify) ☞ _____

--



15th BUSINESS OUTLOOK SURVEY - 2007
CONSTRUCTION FIRMS

Information to be given to firms in the sample BEFORE the start of the interview

- ❖ The purpose of this survey is to collect information on the evolution of the main economic and financial variables for firms in the construction industry.
- ❖ The information provided by the firms will NOT be published outside the Bank except in aggregate form.
- ❖ Your cooperation is important, but it is not compulsory.
- ❖ The results of the survey will be published in aggregate form in the Supplements to the Statistical Bulletin. A copy of the issue relating to the survey will be sent to all the participating firms.

Instructions for the interviews

- A5M-MC4:** **average** number of employees (production workers, apprentices, managers and assistants, part-time employees) in the firm; does NOT include temporary workers and workers on collaboration contracts (*co.co.co.*). Partners and owners should be included if they work for the firm. The total includes workers on fixed-term contracts and redundant workers receiving Wage Equalization Fund benefits. The information can be obtained as the arithmetical mean of the average monthly workforce. In the case of temporary and seasonal workers and generally anyone working for only part of the year, the number of employees must be multiplied by the fraction of the year during which they have worked. Employees receiving Wage Equalization Fund benefits and part-time employees should be regarded as working for the whole of the year.
- A5EC** Non-EU workers: please refer to the countries belonging to the European Union on 1-1-2007 (do not classify workers from Bulgaria and Romania as non-EU).
- A5TD** Workers on fixed-term contract: jobs of fixed duration, whose date of termination is established by contract or by the law. This category includes training contracts, apprenticeships and other fixed-term contracts of various types (seasonal, to replace other

workers, etc.). The item does not include workers for whom the firm does not pay social security contributions and who receive no form of compensation (job grants, unpaid training periods, internships, etc.).

- A7:** Public works are projects financed by the State or by local authorities (regions, provinces, etc.) and assigned by tender, or works of public interest even if privately financed (e.g. roads, hospitals or schools built with private funds). Private non-residential construction work includes hotels and buildings (factories, offices, commercial buildings, warehouses, garages, etc.).

- MC7-MC9:** the answers "large increase" and "small increase" also apply if, in the two periods compared, the value of the investment was zero one year and greater than zero in the other.

- MC10:** **Completion of work:** work begun in previous years and completed during the year in question; **work in progress:** work begun in previous years and due for completion in later years.

In addition:

- Privacy:** in compliance with the provisions of the law on the handling of personal information, the front page of the questionnaire contains the notice required by Legislative Decree 196/2003.

Remarks:



.....

.....

.....

.....

.....

.....



15th BUSINESS OUTLOOK SURVEY - 2007
CONSTRUCTION FIRMS

Confidentiality notice (Legislative Decree 196/2003). – The purpose of this survey is to collect information on the main economic and financial variables in the construction industry. Your co-operation is important but not compulsory and any refusal to take part will bear no consequence. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main findings of the survey. The data will be processed entirely inside the Bank and appropriate systems will be put in place to ensure their safety and confidentiality. The only people with access to individual data are those in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic and Financial Statistics Department of the Bank of Italy, Via Nazionale 91, 00184 ROME, Italy. Responsible for data processing: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME, Italy.

Date of interview: Day Month

GENERAL INFORMATION

A1 Branch code (Bank of Italy)

A2 Firm code (Bank of Italy)

A3 Name of firm

Tax number

A4B Istat – Ateco2002 category

A5M Average workforce in 2006

A5EC of which: % non-EU

A5TD of which: % fixed-term

A7 Main branch of production in the construction industry in 2006:

Legend: 1=private residential building; 2=private non-residential building; 3=public works.

OPERATING RESULT AND ECONOMIC SITUATION

MC1 What AFTER-TAX RESULT do you expect at the end of this year?

Legend: 1=large loss; 2=small loss; 3=balance; 4=small profit; 5=large profit; 9=don't know, not answering.

MC2 How would you describe the economic situation in your main branch of activity in the last six months? (see legend MC2-MC3)

MC3 And what are your expectations for the next six months?

Legend (MC2-MC3): 1=recession; 2=stagnation; 3=expansion; 9=don't know, not answering.

WORKFORCE

MC4 How does the average number of employees (see instructions) in 2007 compare with 2006?

Legend: 1=much lower (by more than 5%); 2=slightly lower (between 1.1% and 5%); 3=about the same (between -1% and 1%); 4=slightly higher (between 1.1% and 5%); 5=much higher (by more than 5%); 9=don't know, not answering.

Ask the following two questions ONLY IF the firm issues fixed-term work contracts

MC5 What was the average duration of the contracts of fixed-term workers in 2006? months

MC6 And what will be the average duration in 2007 compared with 2006?

Legend: 1=much shorter; 2=slightly shorter; 3=about the same; 4=slightly longer; 5=much longer; 9=don't know, not answering.

PRODUCTION

Looking now at the value of production (see legend MC7-MC9)

Total production	
A	B
	public works

MC7 What change do you expect in the second half of this year compared with the first half?

MC8 ... and in 2007 as a whole compared with 2006?

MC9 ... and in 2008 compared with 2007?

Legend (MC7-MC9): 1= large decrease (more than 4%); 2=small decrease (between 1.6% and 4%); 3=stable (between -1.5% and 1.5%); 4=small increase (between 1.6% and 4%); 5=large increase (more than 4%); 8=not applicable (e.g. the firm does not undertake public works); 9=don't know, not answering.

MC10 Again regarding the value of production, can you divide production in the current year between the following categories?

	Public works		Private sector	
	A		B	
2007	No	Yes	No	Yes
A-Are you present in the sector?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
B-completion of work	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C-work in progress	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D-work begun in year	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	1	0	0	0

MC11 Looking only at residential construction, how did the following items change in 2006 and 2007 with respect to the previous year?

	2006	2007
	A	B
A-dwellings completed?	<input type="text"/>	<input type="text"/>
B-dwellings begun?	<input type="text"/>	<input type="text"/>

Legend: 1= large decrease (more than 10%); 2=small decrease (from 3.1% to 10%); 3=no change (from -3% to 3%); 4= small increase (from 3.1% to 10%); 5=large increase (more than 10%); 9=don't know, not answering.