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GENERAL INFORMATION

- I - Unless indicated otherwise, figures have been computed by the Bank of Italy.
- II - Symbols and Conventions:
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- IV - The methodological notes in the last part of the Supplement are identified by electronic codes that refer to the tables and, within each table, to the individual aggregates. Notes that refer to a single observation are also identified by the date of that observation.

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This publication contains the main findings of the Bank of Italy's business outlook survey of Italian firms conducted between September and October 2008.

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The data were gathered 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 thank all the firms that agreed to take part.

BUSINESS OUTLOOK SURVEY OF INDUSTRIAL AND SERVICE FIRMS

1. Introduction

Between 18 September and 14 October 2008 the Bank of Italy's branches conducted the 16th Business Outlook Survey, interviewing 4,170 firms with 20 or more employees, of which 3,066 non-construction industrial firms and 1,104 non-financial private service firms. The questionnaire contained, in addition to the usual items relating to investments, orders and turnover, indebtedness, workforce, and wage trends, also a number of questions concerning credit conditions and the Government's recent measure on partial tax relief for overtime pay and for company-level bonuses.

Since last year, the survey has been extended to include a sample of construction firms with 20 and over employees. This year's questionnaire was submitted to 457 firms.

The main findings are as follows:

- there has been an increase in the number of firms that have downsized their plans to expand capacity this year and in those that expect to reduce their investment next year;
- more than 40 per cent of firms report a deterioration in credit conditions and this tends to have a negative impact on the realization of investment plans;
- the workforce is expected to remain virtually stationary during the year;
- the partial tax relief for overtime pay is expected to affect over 30 per cent of workers covered by the survey and lead to an increase in overtime for around one third of them;
- the proportion of firms recording losses is expected to rise from 11 per cent in 2007 to 17 per cent this year.

The findings are examined in closer detail in the following sections. Table 1 and Figures 1-5 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. Main findings for non-construction industrial firms and service firms

Investment

The majority of firms (61.5 per cent) estimate that nominal expenditure on fixed investment in 2008 will be in line with the figure originally planned (Table 1). However, unlike 2007, the firms that expect to invest less than planned (21.1 per cent) outnumber those projecting an increase (17.4 per cent), both in industry and in the service sector.

The gap between actual and planned investment in 2008 is attributed to unexpected shifts in demand by 23.6 per cent of non-construction industrial firms and 16.5 per cent of service firms, compared with 18.2 and 12.1 per cent of firms in 2007 (Table 2). In both sectors more than half the firms (48.9 per cent) indicate organizational and technical factors as the principal cause according to. Firms that report they are investing less than originally planned attribute the fact to a variety of reasons, ranging from organizational motives (31.8 per cent of firms), to demand shifts (25.3 per cent), financial considerations (19.6 per cent) and increased uncertainty (16.1 per cent).

Table 1

Comparison of business outlook surveys, 2006-2008
(per cent of firms) ⁽¹⁾

	2006			2007			2008		
	Non-construction industry (a)	Services (b)	Total (a)+(b)	Non-construction industry (a)	Services (b)	Total (a)+(b)	Non-construction industry (a)	Services (b)	Total (a)+(b)
Share of export turnover									
zero	23.1	70.2	42.4	20.9	69.3	41.3	20.7	68.4	41.9
under 1/3.....	35.5	19.9	29.1	36.9	21.8	30.5	37.5	21.5	30.4
1/3 to 2/3.....	24.5	7.2	17.4	25.1	5.7	16.9	25.9	6.5	17.3
over 2/3.....	16.9	2.7	11.1	17.1	3.2	11.2	15.9	3.6	10.4
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 planned investment at end of previous year									
less	16.8	15.3	16.2	17.3	12.8	15.4	22.7	19.1	21.1
about the same	62.3	63.1	62.6	62.0	66.0	63.7	59.4	64.1	61.5
more	20.9	21.7	21.2	20.7	21.3	20.9	17.9	16.8	17.4
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed investment planned in next year compared with current year									
down	18.0	19.9	18.8	20.0	17.0	18.7	29.7	24.8	27.5
stable.....	53.4	56.6	54.7	52.4	57.6	54.6	50.6	57.5	53.6
up.....	28.6	23.5	26.5	27.6	25.4	26.7	19.8	17.7	18.9
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average workforce⁽²⁾									
smaller	23.3	23.4	23.3	19.1	13.6	16.4	27.8	23.9	25.8
about the same	51.2	45.5	48.5	50.9	48.0	49.5	48.0	45.0	46.4
larger.....	25.6	31.0	28.2	30.0	38.4	34.1	24.2	31.1	27.8
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	18.2	17.4	17.9	17.0	18.7	17.7	35.4	31.3	33.6
about the same	26.6	31.1	28.5	30.4	35.1	32.3	29.0	34.7	31.5
higher.....	55.2	51.5	53.7	52.6	46.2	50.0	35.6	34.0	34.9
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Projected operating result for current year									
loss.....	11.0	14.0	12.2	10.0	12.7	11.2	15.3	19.0	17.0
balance.....	15.2	15.0	15.1	17.4	17.0	17.3	20.2	18.0	19.2
profit.....	73.8	71.1	72.7	72.5	70.3	71.6	64.6	62.9	63.8
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(1) Weighted by the number of firms. Only significant answers considered (i.e. other than "don't know, no answer"). - (2) Weighted by the number of workers. Only significant answers considered.

Table 2

**Reasons for difference between investment spending in 2008
and planned investment at the end of 2007**
(per cent of firms) ⁽¹⁾

Investment in 2008 over planned investment at end-2007	Reasons							Total
	Financial factors	Change in demand	Change in un- certainty	Change in purchase prices	Organiza- tional or technical factors	Red tape	Changes to the tax system	
Non- construction industry								
Lower	17.7	27.3	15.8	2.2	33.3	3.6	0.2	100.0
Higher	2.8	18.7	0.4	6.2	67.1	2.1	2.8	100.0
Total	11.3	23.6	9.2	3.9	47.8	2.9	1.3	100.0
Services								
Lower	22.4	22.1	16.5	4.9	29.7	3.8	0.5	100.0
Higher	2.0	9.8	1.0	8.0	75.0	3.4	0.7	100.0
Total	13.1	16.5	9.4	6.3	50.4	3.6	0.6	100.0
Total non-construction industry and services								
Lower	19.6	25.3	16.1	3.3	31.8	3.7	0.3	100.0
Higher	2.5	14.9	0.6	7.0	70.4	2.6	1.9	100.0
Total	12.0	20.7	9.3	4.9	48.9	3.2	1.0	100.0

(1) Weighted by the number of firms. Only significant answers considered (i.e. other than "don't know, no answer").

Some 53.6 per cent of firms predict that there will be no change in investment spending in 2009 with respect to the current year, while 27.5 per cent expect a decline and only 18.9 per cent an increase. Firms projecting a decrease in expenditure on investment outnumber those that forecast an increase, both in the non-construction industry (29.7 per cent against 19.8 per cent) and in the service sector (24.8 per cent against 17.7 per cent). In 2007, on the other hand, the difference between the percentage of firms planning to step up their investment and those planning to cut back was positive (7.6 in industry and 8.4 in services).

Just over a quarter of firms (26.4 per cent) believe that their exposure to banks will diminish during the next six months, compared with 23.7 per cent that expect it to increase. Of the 43.4 per cent of firms that report a tightening of borrowing conditions, over half attribute this partly to a worsening of conditions in terms of interest or collateral on new loans and more than two-thirds to higher interest rates on credit already approved for granting. Almost two-thirds of firms whose loan applications were rejected (8.3 per cent) report that they have reduced their investments in 2008 with respect to the amount originally planned (Table 3), compared with 21.1 per cent of the total sample and 17.5 per cent of firms that did not report a deterioration in terms and conditions for credit.

Table 3

**Changes in investment plans at end-2007 according to borrowing conditions
in the previous 6 months**
(per cent of firms)⁽¹⁾

		Actual investment in 2008 over planned at end-2007			Total
		lower	roughly equal	higher	
Borrowing conditions in the previous 6 months					
not worse	56.6	17.5	64.5	18.1	100.0
worse	43.4	26.4	57.1	16.5	100.0
Total firms	100.0	21.1	61.5	17.4	100.0
Reasons for deterioration⁽²⁾					
new loan applications rejected	8.3	64.2	26.8	9.1	100.0
higher interest rates and collateral for new loans.	54.8	21.9	63.2	14.9	100.0
request to repay outstanding debts	10.0	29.4	47.4	23.2	100.0
higher interest rates on approved loans	69.0	26.5	56.8	16.7	100.0
request for further collateral on approved loans.....	7.5	25.7	58.3	16.0	100.0
other	3.9	40.2	39.5	20.3	100.0
Total firms report deterioration	100.0	26.4	57.1	16.5	100.0

(1) All non-construction industry and service firms. Weighted by the number of firms. Only significant answers considered (i.e. other than “don’t know, no answer”). – (2) The reasons for deterioration do not sum to 100 per cent because firms are allowed to tick more than one answer.

Demand and production

Around 34.9 per cent of firms recorded an increase in turnover in the first three quarters of 2008, while 33.6 per cent reported a decrease and 31.5 per cent that turnover was stationary (Table 1). The 1.3 percentage point difference between reports of an increase in turnover and reports of a decrease represents a sharp deterioration with respect to 2007, when the gap was over 30 percentage points. Regarding changes in orders between end-June and September, 34 per cent of firms declare that levels have decreased, compared with 24.6 per cent that have recorded an increase; reports of a fall in orders are slightly more frequent in industry (35.7 per cent) than in the service sector (31.7 per cent). Projections of orders in six months’ time are fairly evenly divided between growth and decline (28.9 against 27.0 per cent), which is more pessimistic than previous forecasts of recent years.

Around 28.3 per cent of firms expect industrial production, on a seasonally adjusted basis, to decline in the last quarter of 2008 against 28.9 per cent that expect an increase. These estimates are compatible with output remaining virtually stationary at the low levels recorded in the third quarter.

Assessment of the present economic situation

Opinions about the present and future economic situation are pessimistic in industry and services alike: 32.7 per cent of firms believe the market has entered a recession in the last six months, 54.4 per cent view the phase as one of stagnation and just 12.9 per cent report an expansion. Forecasts for six months ahead are similar, with 28.9 per cent of firms expecting a recession, 54.6 per cent stagnation and 16.6 per cent an expansion. The situation has deteriorated sharply with respect to 2007, when the majority of firms reported an expansion in the last six

months (33.4 against 12 per cent) and expected it to continue in the next period (35.9 against 10.5 per cent).

Workforce and labour contracts

Some 60 per cent of firms expect the number of employees to remain unchanged overall between 2007 and 2008, while roughly the same proportion forecasts an increase in the workforce (19.2 per cent) as a decrease (20.8 per cent). Some 46.3 per cent of employees obtained pay rises in addition to those established by national contract, compared with 42 per cent in 2007 (Table B1). The proportion rises to 50.9 per cent in non-construction industry, against 44 per cent in the previous survey, and amounts to 42.1 per cent in the service sector (up from 39.9 per cent). The likelihood of pay rises being awarded increases with firm size; almost three-quarters of employees obtained less than 2 per cent and one third less than 1 per cent.

Legislation exempting overtime pay from taxation benefited an average of 30.8 per cent of employees (23.7 per cent in the South and Islands) and raised total hours of overtime for 13.5 per cent of workers in industry and 10.2 per cent in the service sector (equal to 11.8 per cent of the total; Table B1). As a result of the law, 29.1 per cent of service firms and 24.6 per cent of non-construction industrial firms need to recruit fewer workers.

Profits

A large proportion of firms (63.8 per cent) again expect to close the year with a profit (Table 1), although not as many as in 2007. Meanwhile, the percentage of firms predicting a loss has risen from 11.2 to 17 per cent. Expectations are slightly more optimistic in non-construction industry than in the service sector.

Effects of the euro changeover

This year's interview includes a few questions about the long-term effects of the euro changeover. They are addressed to exporting firms in particular, which account for 79.3 per cent of industrial firms and 31.6 per cent of service firms. More than half (57.3 per cent) have a standard price list for goods sold to different euro-area countries (Table 4). The main reasons given for differentiating prices are the type of demand (which 65.2 per cent of firms describe as fairly or very important), transportation costs (50.7 per cent of firms), and nature of the competition (47.7 per cent). Less important reasons are legislative and regulatory restrictions (15.8 per cent) and environmental requirements (9.4 per cent). The main consequence of the advent of the euro, for both importing and exporting firms, has been the decrease in costs of foreign exchange operations.

Table 4

Reasons for not adopting a standard price list in the euro area
(per cent of firms)⁽¹⁾

	not or slightly important	fairly or very important
Transportation costs	49.3	50.7
Distribution costs.....	66.4	33.6
Type of demand.....	34.8	65.2
Nature of the competition.....	52.3	47.7
Environmental requirements	90.6	9.4
Other legislative and regulatory restrictions	84.2	15.8

(1) I.e. the 42.7 per cent of non-construction and service firms that do not have a standard price list. Weighted by the number of firms. Only significant answers considered (i.e. other than "don't know, no answer").

3. Main findings for construction firms

Production

Some 39.7 per cent of firms report a drop in the value of production in 2008 with respect to the previous year (Table E1); according to 27.5 per cent the decline is “small” and according to 12.3 per cent “large”. Of the 27.6 per cent of firms that record an increase, 6.5 per cent describe it as “large” and 21.1 per cent “small”. Negative assessments also preponderate for the second half of 2008: 29.6 per cent of firms predict a decrease with respect to the first six months of the year, while 21.5 per cent anticipate an increase. Forecasts for 2009 also tend to be negative: the value of production will rise according to 30.2 per cent of firms and decline according to 33.2 per cent. In line with this, 28.3 per cent of firms say their market is in recession, 63.1 per cent that a phase of stagnation is under way, and just 8.6 per cent that their market is expanding. No improvement is expected in the next two quarters and forecasts are particularly pessimistic for firms with less than 50 employees.

Some 55.6 per cent of firms have noted a tightening of borrowing conditions, rising to 60.4 per cent in the North; this is mainly due to higher interest rates on new loans and the request for additional collateral (67.1 per cent of firms) and to the raising of interest rates on loans already approved (73 per cent). Around 22.1 per cent of firms expect to reduce their exposure to banks in 2009, against 28.9 per cent that forecast an increase. The proportion of firms projecting a decrease rises to 28.1 per cent among those with over 200 employees.

In the residential construction industry 44.8 per cent of firms report a decrease in the number of housing units completed and 49.1 per cent in new building starts, compared with just 15.1 and 17.9 per cent that estimate they have increased. In the public works sector, the majority of firms believe that their output has declined in value (44.8 per cent) compared with 24.9 per cent that report growth. As in last year’s survey, assessments by firms in the North are markedly more pessimistic than the national average.

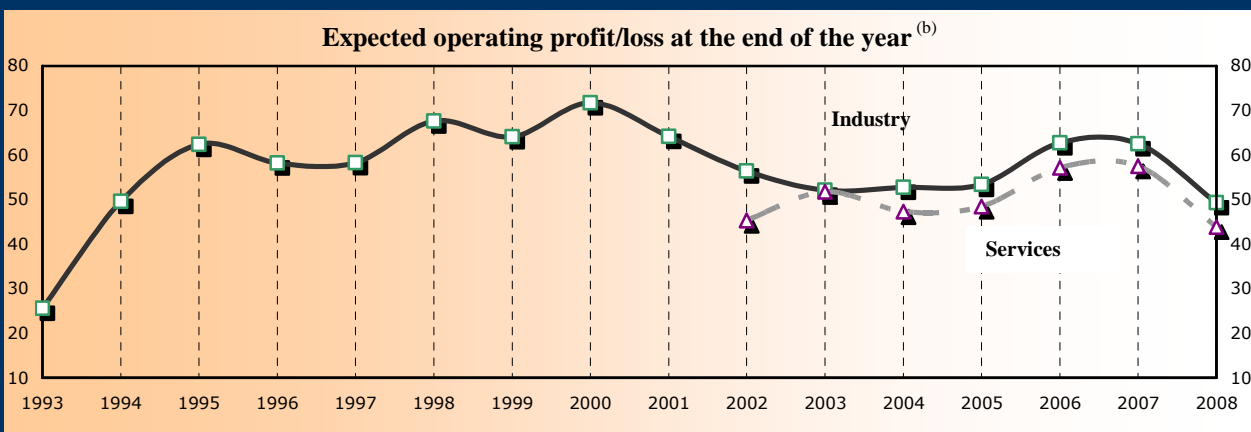
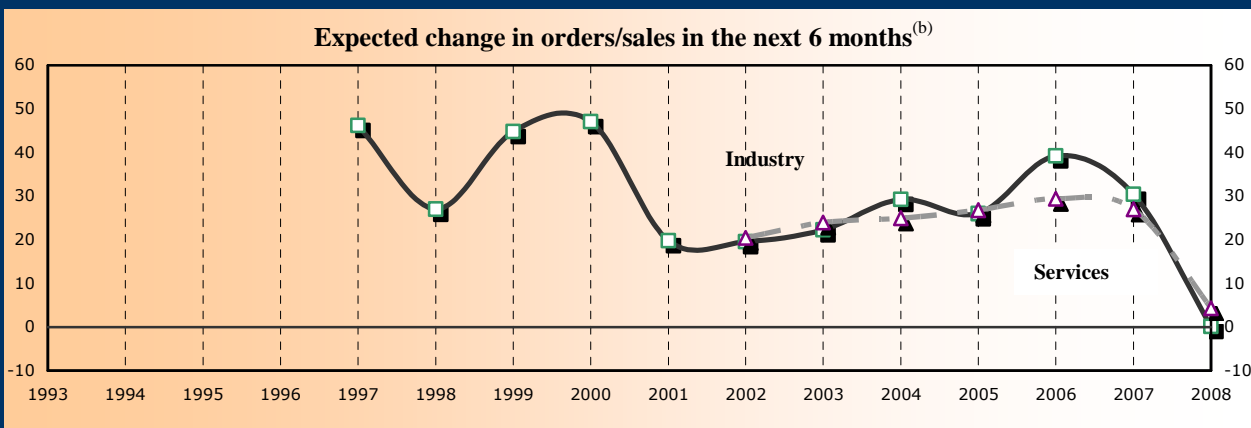
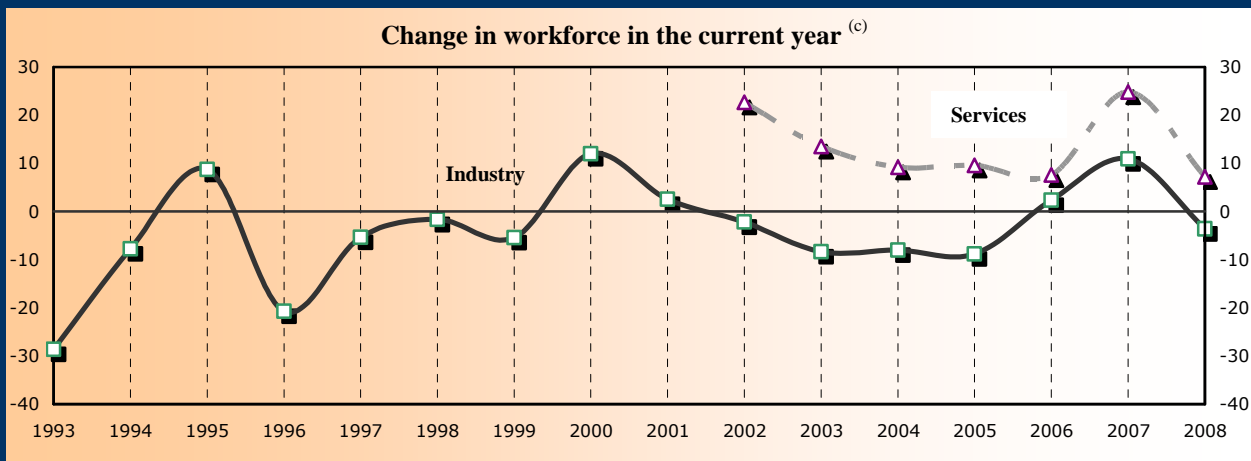
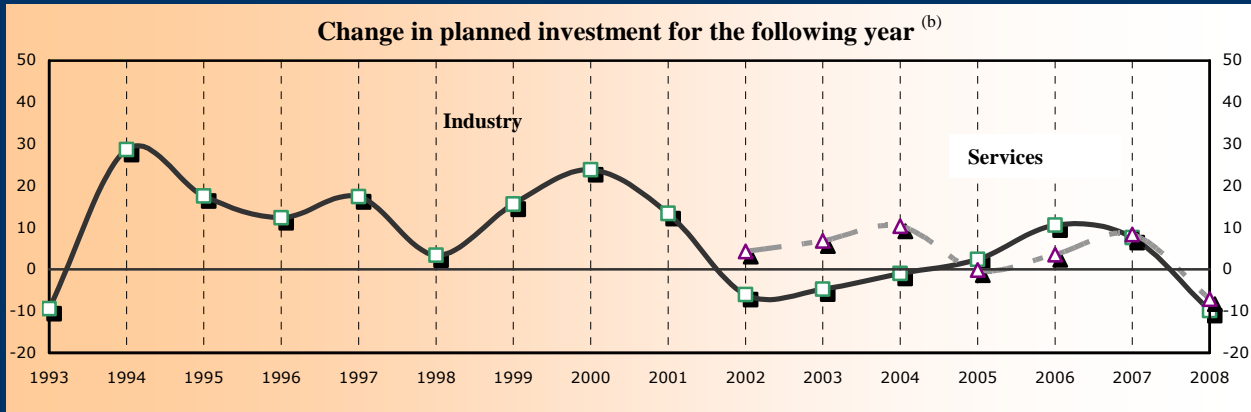
Workforce

According to 32.6 per cent of firms their average workforce has declined with respect to 2007, while only 13.4 per cent report it has increased. The situation is worse in the South and Islands, where 41.2 per cent of firms have cut back their workforce and only 15.7 per cent have increased it. Last year, the number of firms reporting a contraction was only slightly larger than the number whose workforce increased (22.7 against 19.2 per cent).

Profits

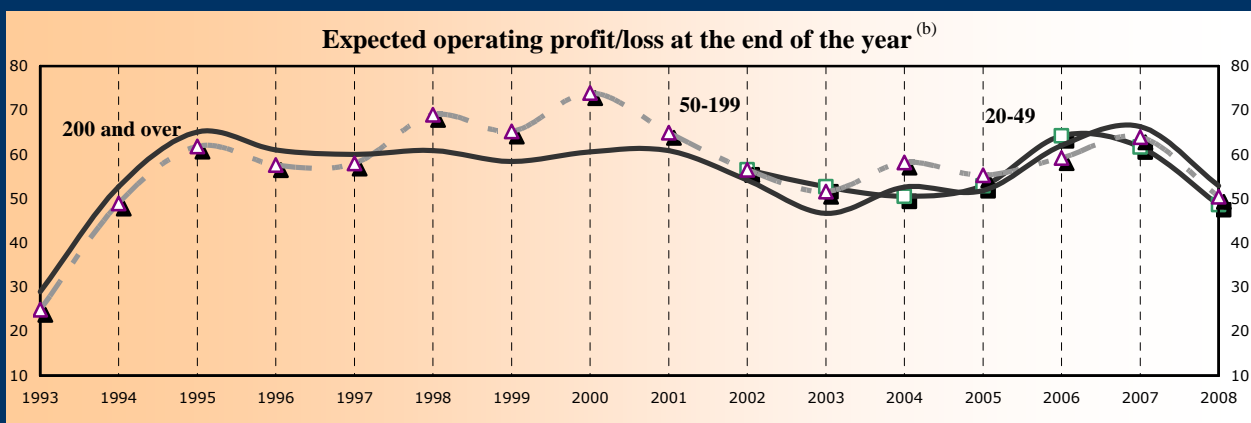
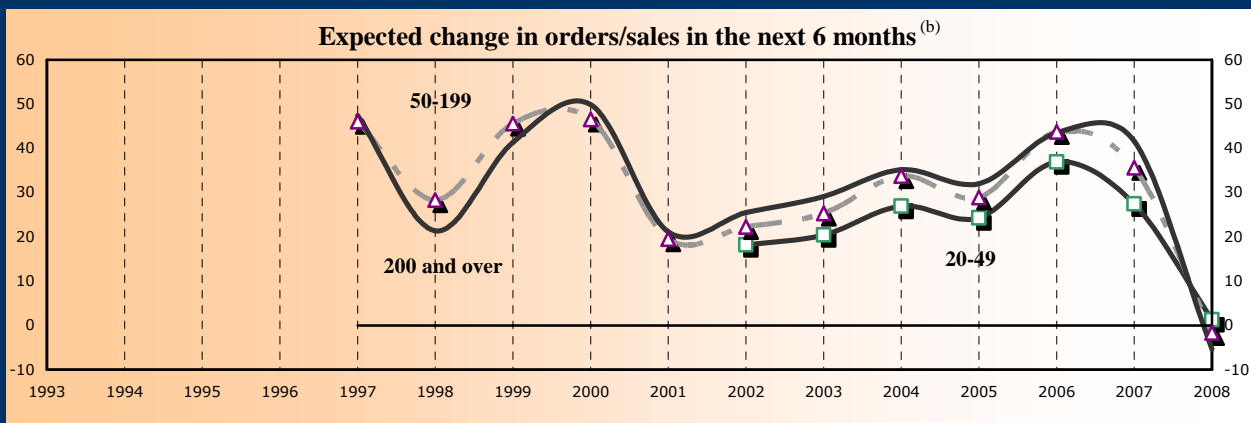
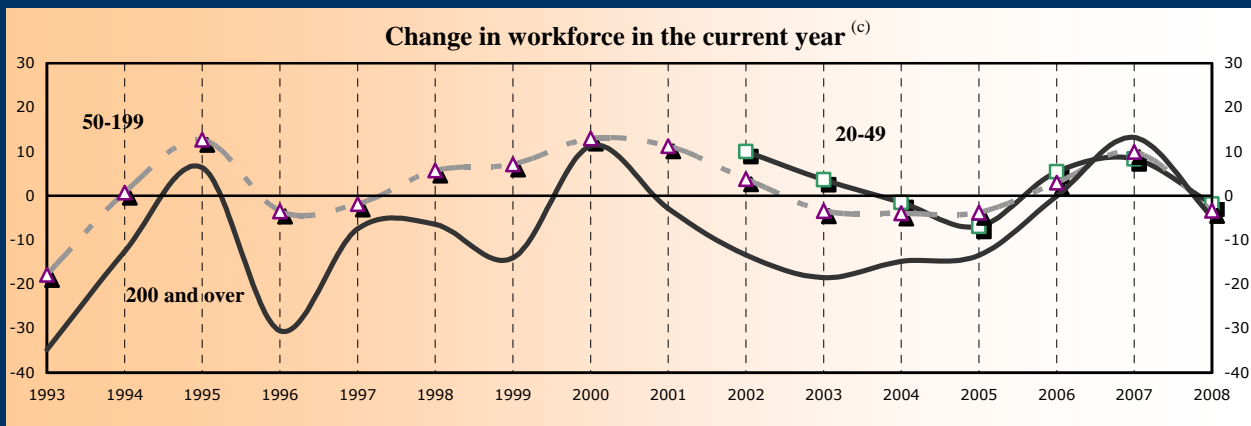
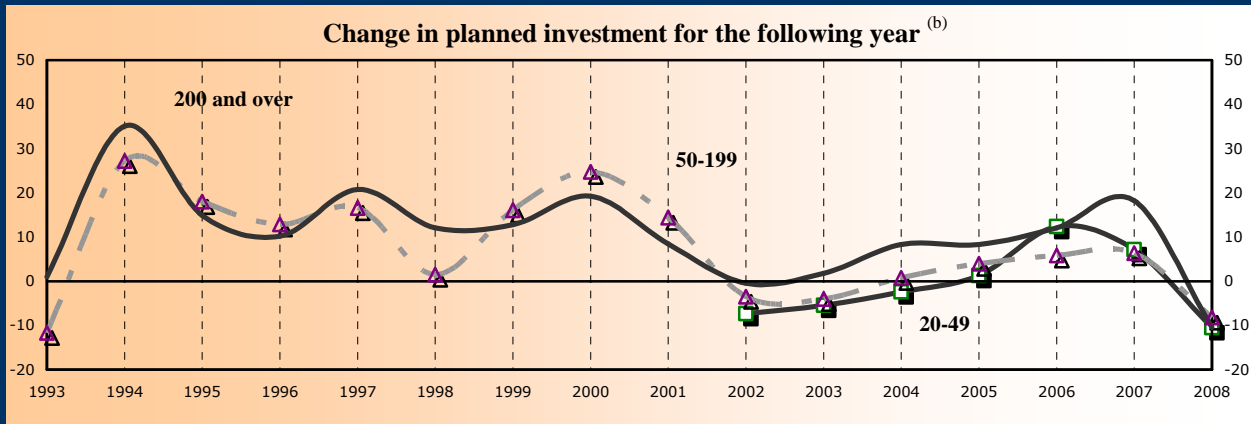
Some 72 per cent of firms expect to close 2008 with a pre-tax profit, compared with 11.2 per cent that predict a loss. The results are better than those reported by non-construction industry and the service sector but are still notably worse than indicated in the 2007 survey.

Figure 1 – Comparison of surveys of non-construction industry and services ^(a)
(difference between percentage of firms giving positive answers and percentage giving negative answers)



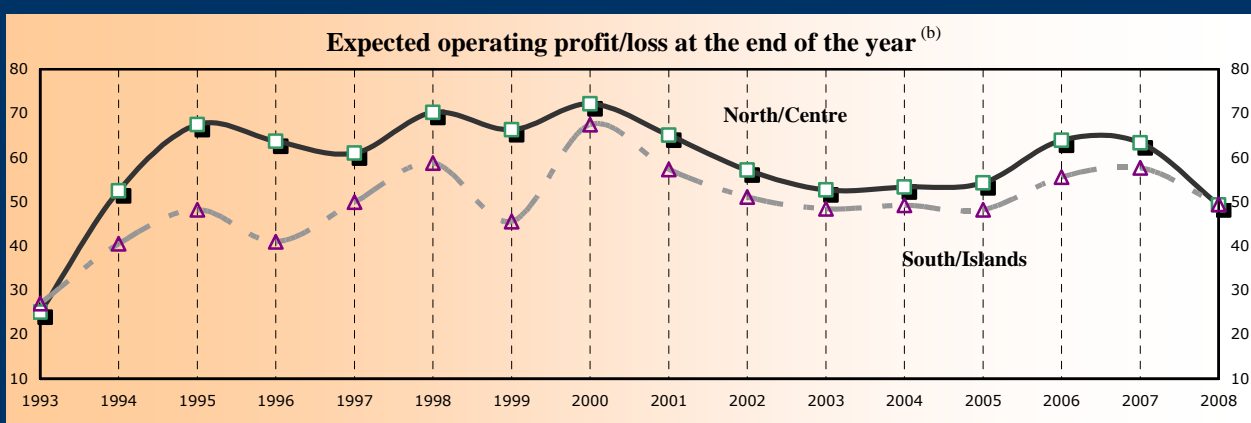
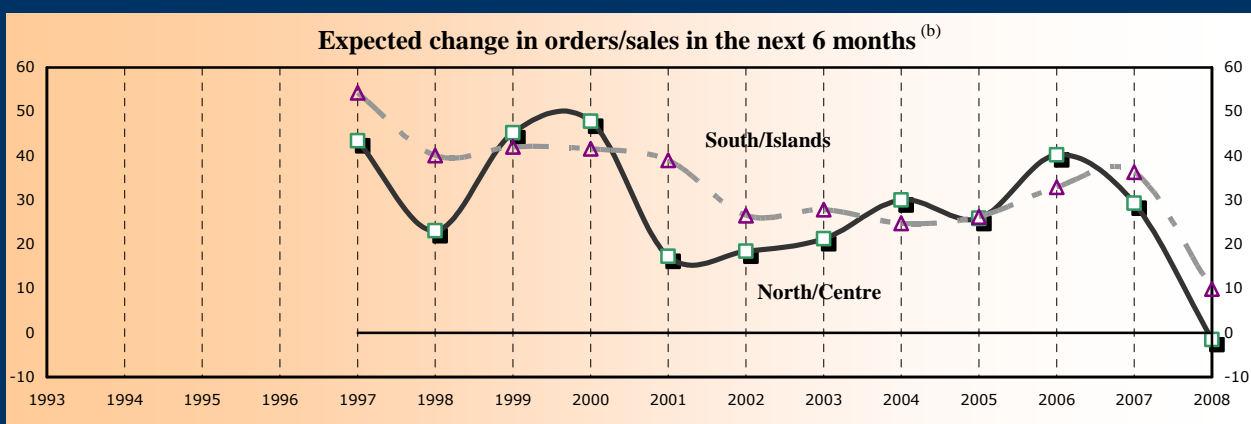
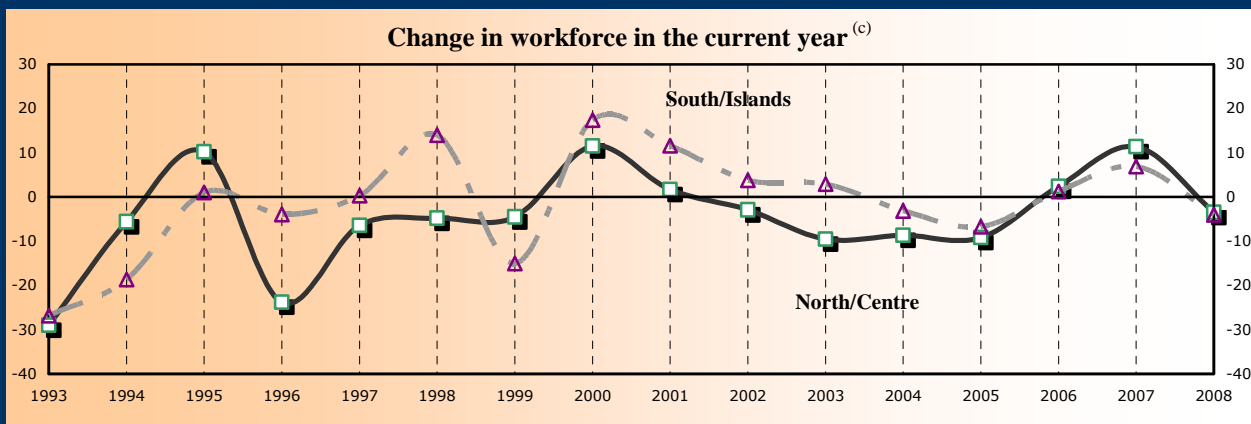
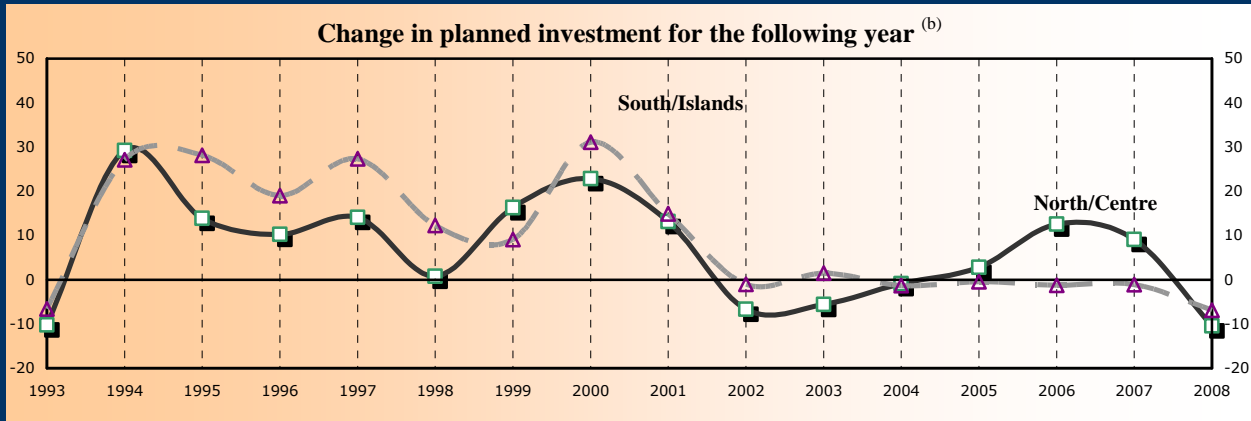
(a) For industry, firms with 50+ employees until 2001; for industry and services, firms with 20+ employees from 2002. – (b) Data weighted by the population of firms. – (c) Until 1997, calculated on the programmed workforce; from 1998, based on the forecast workforce. Data weighted by the population of employees.

Figure 2 - Industry: comparison of surveys by size of workforce ^(a)
(difference between percentage of firms giving positive answers and percentage giving negative answers)



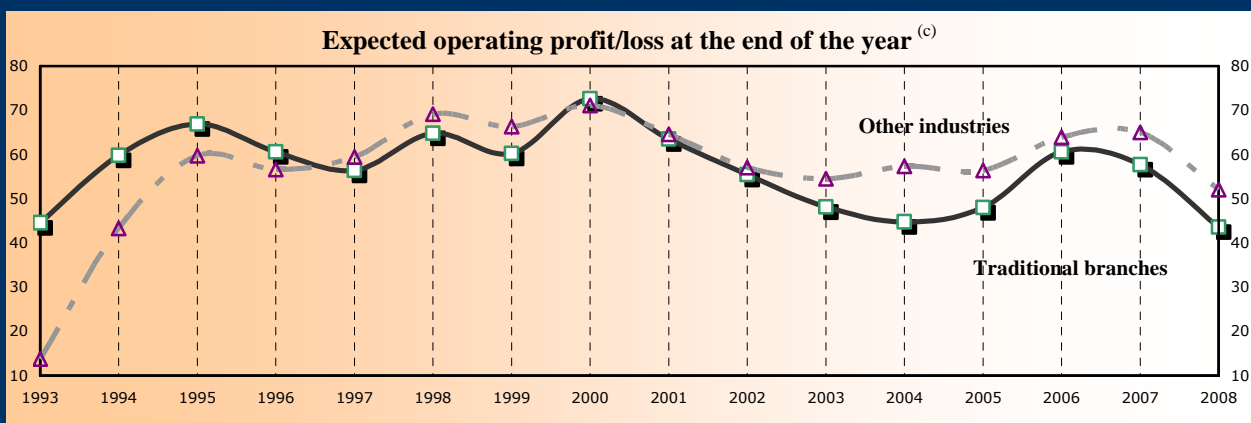
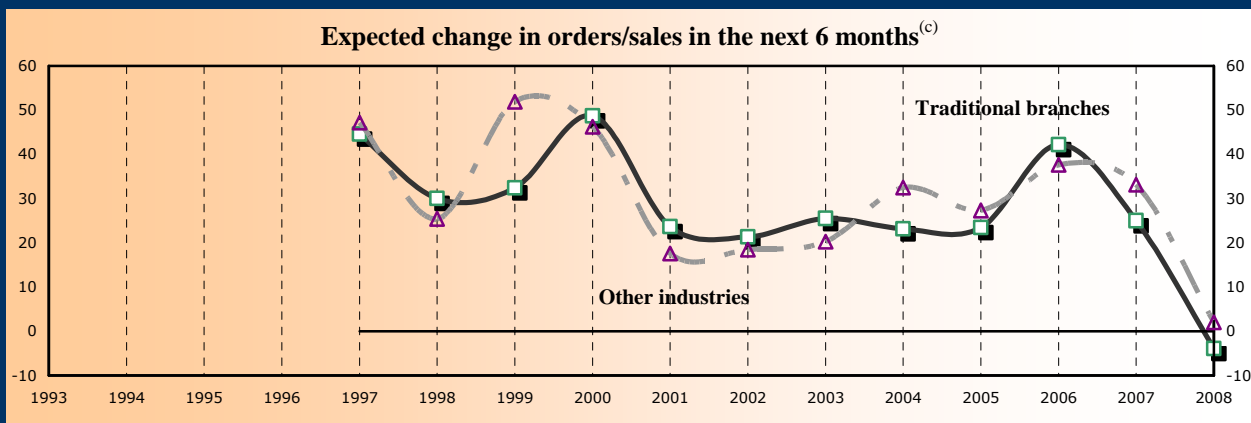
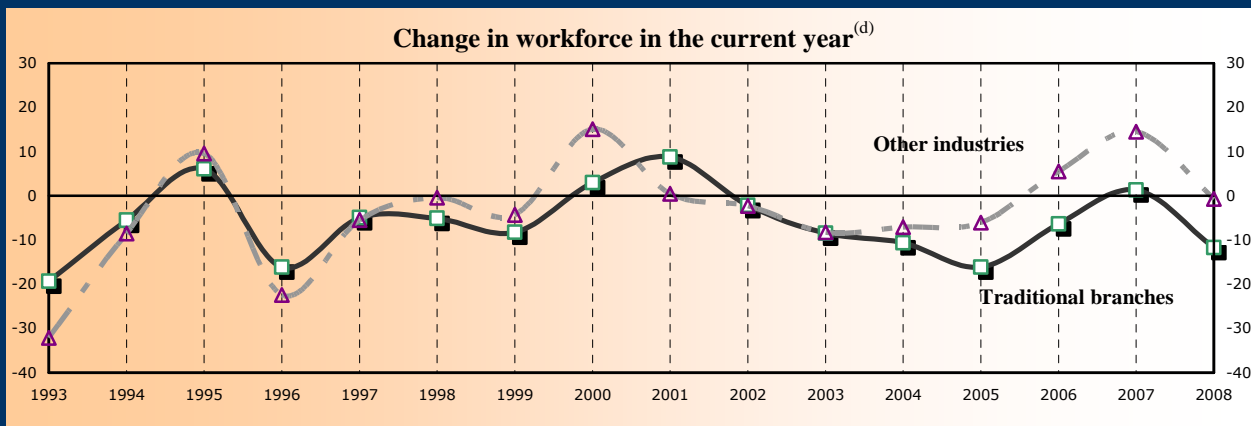
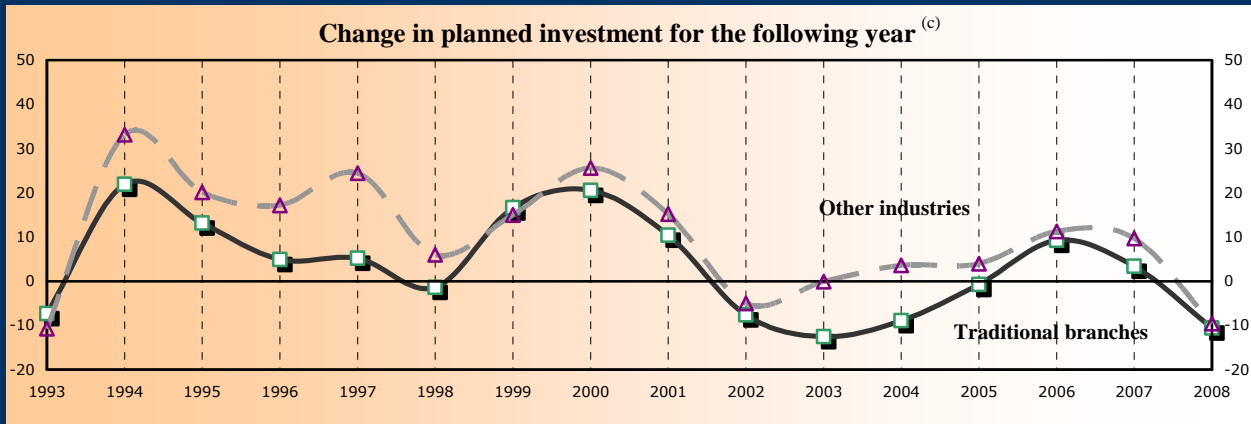
(a) Firms with 50+ employees until 2001; firms with 20+ employees from 2002. – (b) Data weighted by the population of firms. – (c) Until 1997, calculated on the programmed workforce; from 1998, based on the forecast workforce. Data weighted by the population of employees.

Figure 3 – Non-construction industry: comparison of surveys by geographical area ^(a)
(difference between percentage of firms giving positive answers and percentage giving negative answers)



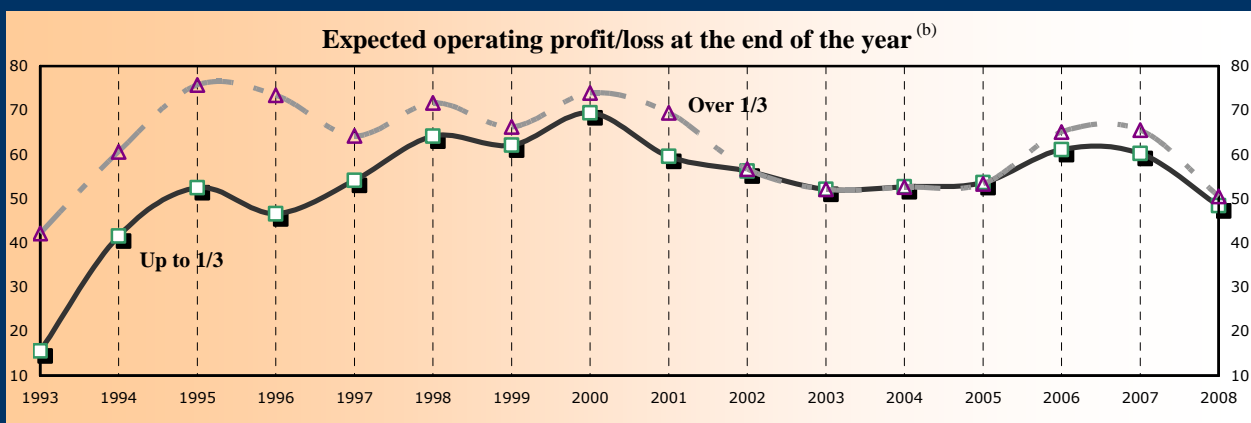
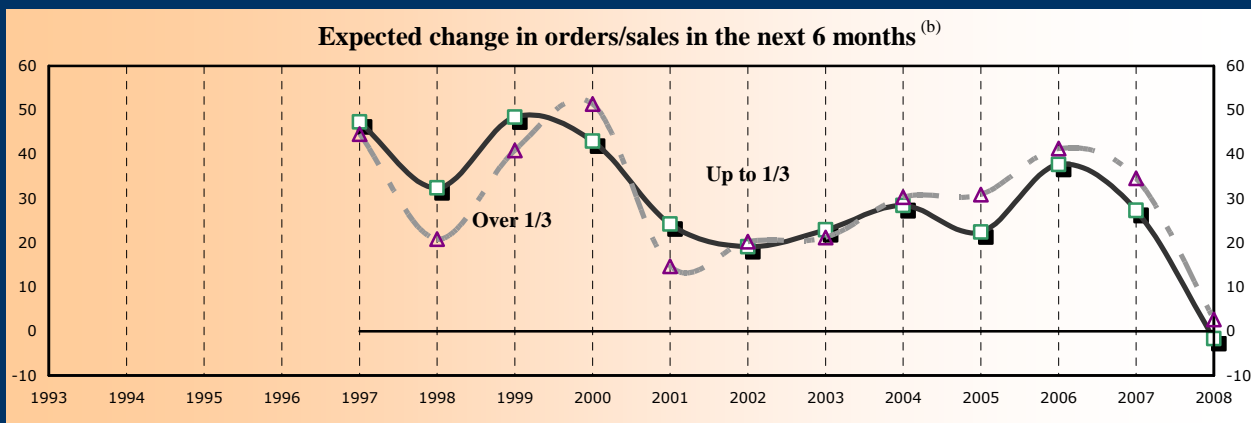
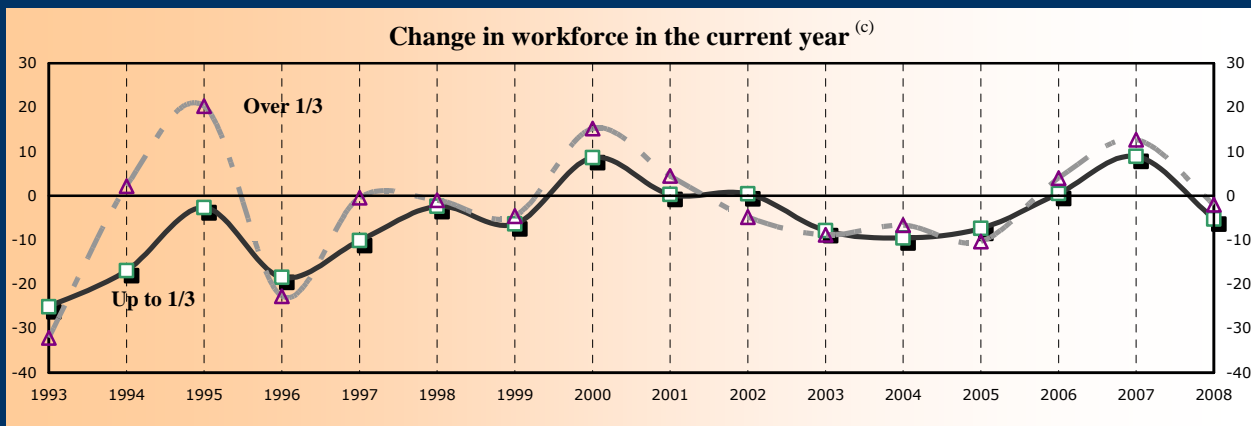
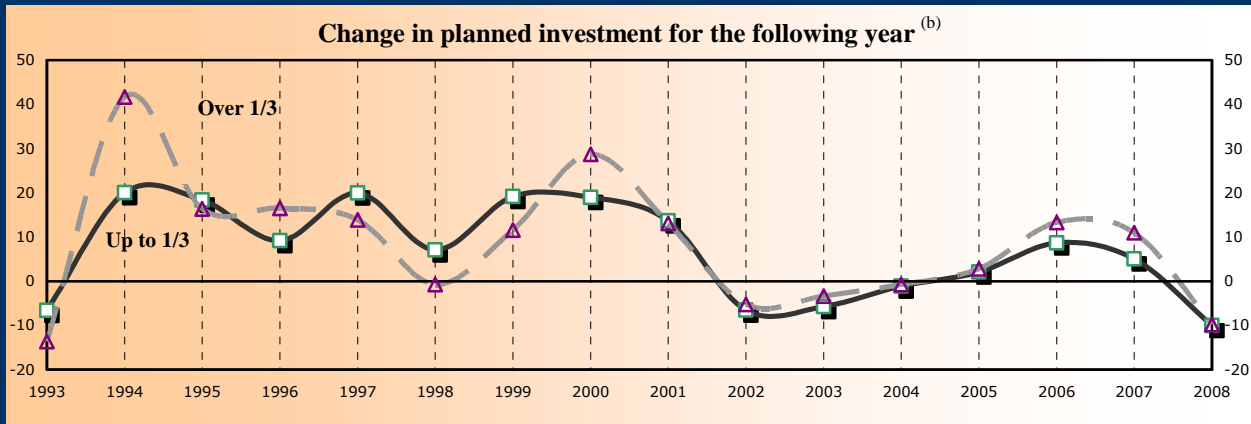
(a) Firms with 50+ employees until 2001; firms with 20+ employees from 2002. – (b) Data weighted by the population of firms. – (c) Until 1997, calculated on the programmed workforce; from 1998, based on the forecast workforce. Data weighted by the population of employees.

Figure 4 – Non-construction industry: comparison of surveys by macro-branches of activity^{(a) (b)}
(difference between percentage of firms giving positive answers and percentage giving negative answers)



(a) Firms with 50+ employees until 2001; firms with 20+ employees from 2002. – (b) Traditional branches include and clothing, leather, footwear, food, beverages and tobacco, furniture and paper. – (c) Data weighted by the population of firms. – (d) Until 1997, calculated on the programmed workforce; from 1998, based on the forecast workforce. Data weighted by the population of employees.

Figure 5 – Non-construction industry: comparison of surveys by share of export turnover ^(a)
(difference between percentage of firms giving positive answers and percentage giving negative answers)



(a) Firms with 50+ employees until 2001; firms with 20+ employees from 2002. – (b) Data weighted by the population of firms. – (c) Until 1997, calculated on the programmed workforce; from 1998, based on the forecast workforce. Data weighted by the population of employees.

Appendix A:
Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

Since 1993 the Bank of Italy has conducted a business outlook survey of firms during the period from around 20 September to 10 October.¹ The present survey covers 4,170 firms with 20 or more employees, 3,066 of which are non-construction industrial firms and 1,104 non-financial private service firms (which include trade, hotels and restaurants, transport and communications, real-estate activities, IT and other services). Since 2007 a similar survey of 457 construction companies with 20 employees and over has also been carried out. Most of the firms contacted² are the same as those used for the 2007 Survey of Industrial and Service Firms, conducted at the beginning of this year. The sampling design is the same in both.³ Table A1 describes the composition of the sample by size of workforce, branch of activity and geographical area.

A2. Data collection

The data were collected by the Bank of Italy's branches between 18 September and 14 October 2008 using the questionnaire contained in Appendix C. The firms were asked to provide mainly qualitative information on the performance of the main economic variables, and the numerical intervals given in the text are merely guidelines. The questionnaire dedicated to construction firms includes questions on output, employment and operating result. Questions appearing for the first time are subjected to pilot tests beforehand.

A3. Estimators

The aggregates are estimated by assigning each sample unit a weighting coefficient that takes account of the ratio of number of firms sampled to number of firms in the reference population in respect of the marginal distributions by geographical area, size of workforce and branch of activity.⁴

This weighting method does not make use of scale variables (such as the volume of turnover or size of workforce) and is therefore suitable for synthesizing average firm behaviour, but not for providing information on macroeconomic results. For instance, the estimator suggests how many firms expect investment to increase (or decrease), but might give a distorted estimate of the future evolution (upwards or downwards) of the phenomenon as a whole. Generally speaking, this distortion increases the more the phenomenon is influenced by a scale factor. This is why the statistics are occasionally obtained by weighting the answers by size of workforce.

The standard errors of the percentage estimates for the national total do not exceed 0.7 per cent (2.3 per cent for construction firms), i.e. confidence intervals (at 95 per cent) of 1.4 percentage points at most (4.6 points for the construction industry). In the case of narrower domains (such as geographical area, size of workforce or branch of activity), the standard errors are larger as the statistics are based on a smaller sample. To illustrate this, Table 1a contains the

1 The field of observation of the business outlook survey has evolved in the same way as that of the annual survey. It was progressively extended between 1998 and 2002 from manufacturing firms with 50 employees and over to all industrial firms and non-financial private service firms with upwards of 20 employees. Further details of the progressive extension of the sample over the years can be found in Banca d'Italia, 'Survey of Industrial and Service Firms. Year 2003', *Supplements to the Statistical Bulletin – Sample Surveys*, 55, 20 October 2005.

2 The response rate was 89.2 per cent for industrial firms, 87.7 for service firms and 89.5 for construction firms.

3 See Banca d'Italia, 'Survey of Industrial and Service Firms. Year 2007', in *Supplements to the Statistical Bulletin – Sample Surveys*, 42, 18 July 2008 for details of the methodology used in the two surveys.

4 Non-construction industry and services are weighted separately, and, within each, also the size classes '20-49' and '50+'.

estimated standard errors for the whole sample and for some classification variables. The estimates also take account of finite population correction.

Table 1a - Standard errors for response percentages
(per cent)

	Estimate									
	5 % 95 %	10 % 90 %	15 % 85 %	20 % 80 %	25 % 75 %	30 % 70 %	35 % 65 %	40 % 60 %	45 % 55 %	50 % 50 %
Industrial firms										
Size of workforce										
20 - 49	0.6	0.9	1.0	1.2	1.3	1.3	1.4	1.4	1.5	1.5
50 - 199	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.3
200 - 499	0.9	1.2	1.5	1.6	1.8	1.9	2.0	2.0	2.0	2.1
500 and over	0.9	1.2	1.4	1.6	1.7	1.9	1.9	2.0	2.0	2.0
Branch of activity										
Textiles.....	1.1	1.5	1.8	2.0	2.2	2.3	2.4	2.5	2.5	2.5
Chemicals.....	1.1	1.5	1.8	2.0	2.2	2.3	2.4	2.5	2.5	2.5
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, mining and quarrying	2.0	2.7	3.3	3.6	3.9	4.2	4.3	4.5	4.5	4.6
Geographical area										
North	0.6	0.8	0.9	1.1	1.1	1.2	1.3	1.3	1.3	1.3
Centre.....	0.8	1.1	1.3	1.5	1.6	1.7	1.7	1.8	1.8	1.8
South and Islands	0.6	0.8	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4
Total - Non-construction industry ...	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9
Service firms										
Size of workforce										
20 - 49	1.1	1.5	1.8	2.0	2.2	2.3	2.4	2.4	2.5	2.5
50 - 199	1.1	1.5	1.8	2.0	2.1	2.3	2.4	2.4	2.5	2.5
200 - 499	1.5	2.1	2.5	2.8	3.1	3.2	3.4	3.5	3.5	3.5
500 and over	1.6	2.2	2.6	2.9	3.1	3.3	3.4	3.5	3.6	3.6
Branch of activity										
Trade	0.9	1.3	1.6	1.7	1.9	2.0	2.1	2.1	2.2	2.2
Hotels and restaurants	2.4	3.3	3.9	4.4	4.8	5.0	5.2	5.4	5.5	5.5
Transport and communications	1.3	1.8	2.2	2.4	2.6	2.8	2.9	3.0	3.0	3.0
Other business and h.hold services	1.3	1.8	2.2	2.5	2.7	2.8	2.9	3.0	3.1	3.1
Geographical area										
North	1.0	1.3	1.6	1.8	1.9	2.0	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	1.6	1.9	2.1	2.3	2.4	2.5	2.6	2.6	2.6
Total - Services.....	0.6	0.9	1.1	1.2	1.3	1.4	1.4	1.4	1.5	1.5
Total - Non-construction & services	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Construction firms										
Size of workforce										
20 - 49	1.4	2.0	2.3	2.6	2.8	3.0	3.1	3.2	3.2	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	2.9	4.0	4.7	5.3	5.7	6.1	6.3	6.5	6.6	6.6
500 and over	3.6	5.0	6.0	6.7	7.2	7.6	7.9	8.2	8.3	8.3
Geographical area										
North	1.5	2.0	2.4	2.7	2.9	3.1	3.2	3.3	3.3	3.3
Centre.....	2.0	2.8	3.3	3.7	4.0	4.2	4.4	4.5	4.6	4.6
South and Islands	1.8	2.5	3.0	3.4	3.6	3.8	4.0	4.1	4.2	4.2
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

(units)

	Firms with 20-49 employees		Firms with 50 and over employees		Total firms with 20 and over employees	
	sample size 2008	population size ⁽¹⁾	sample size 2008	sample size 2008	population size ⁽¹⁾	sample size 2008
Industry excluding construction						
Geographical area ⁽²⁾						
North-West	182	8,683	554	4,882	736	13,565
North-East	192	7,855	436	3,836	628	11,691
Centre	227	4,360	445	1,756	672	6,116
South & Islands	516	3,783	514	1,384	1,030	5,167
Number of employees						
20 – 49	1,117	24,681	-	-	1,117	24,681
50 – 199	-	-	1,235	9,847	1,235	9,847
200 – 499	-	-	418	1,439	418	1,439
500 and over	-	-	296	572	296	572
Branch of activity						
Total manufacturing.....	1,081	24,209	1,881	11,574	2,962	35,783
Textile, clothing, leather, shoes ..	136	4,022	236	1,574	372	5,596
Chemicals, rubber and plastics ..	115	2,059	231	1,392	346	3,451
Engineering	385	10,963	824	5,492	1,209	16,455
Other manufacturing	445	7,165	590	3,116	1,035	10,281
Energy and extraction.....	36	472	68	284	104	756
Total industry excl. construction ...	1,117	24,681	1,949	11,858	3,066	36,539
Construction						
Geographical area ⁽²⁾						
North-West	54	1,847	50	488	104	2,335
North-East	40	1,533	69	358	109	1,891
Centre	61	1,213	49	290	110	1,503
South & Islands	72	1,839	62	416	134	2,255
Number of employees						
20 – 49	227	6,432	-	-	227	6,432
50 – 199	-	-	177	1,426	177	1,426
200 – 499	-	-	35	90	35	90
500 and over	-	-	18	36	18	36
Total construction	227	6,432	230	1,552	457	7,984
Services ⁽³⁾						
Geographical area ⁽²⁾						
North-West	86	6,403	168	3,578	254	9,981
North-East	64	5,059	178	2,181	242	7,240
Centre	99	4,164	170	1,933	269	6,097
South & Islands	147	4,299	192	1,708	339	6,007
Number of employees						
20 – 49	396	19,925	-	-	396	19,925
50 – 199	-	-	386	7,465	386	7,465
200 – 499	-	-	173	1,289	173	1,289
500 and over	-	-	149	646	149	646
Branch of activity						
Wholesale and retail trade	234	8,262	272	3,085	506	11,347
Hotels & restaurants	33	2,912	48	789	81	3,701
Transport and communications	70	3,475	189	2,069	259	5,544
Other business & h.hold services ..	59	5,276	199	3,457	258	8,733
Total services	396	19,925	708	9,400	1,104	29,325
Total	1,740	51,038	2,887	22,810	4,627	73,848

(1) Population data are from Istat and refer to 2006. – (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: 2008 expenditure over amount planned			
Lower.....	22.7	19.1	21.1
Same	59.4	64.1	61.5
Higher.....	17.9	16.8	17.4
☛ Investment: gap compared with planned expenditure			
Financial factors	11.3	13.1	12.0
Performance of demand	23.6	16.5	20.7
Change in uncertainty	9.2	9.4	9.3
Change in purchase prices	3.9	6.3	4.9
Organizational or technical factors	47.8	50.4	48.9
Red tape	2.9	3.6	3.2
Changes in taxation or incentives	1.3	0.6	1.0
Investment: planned 2009/2008			
Decreasing	29.7	24.8	27.5
Stable	50.6	57.5	53.6
Increasing.....	19.8	17.7	18.9
Financing of 2009 investment ^{(2) (3)}			
Present cash flow	60.7	55.9	58.2
Increase in present cash flow	23.9	24.5	24.2
Increase in borrowing	1.4	1.7	1.6
Capital increases	2.5	7.1	4.9
Sale of securities and/or other assets.....	10.1	9.6	9.8
Other	1.4	1.3	1.3
Bank loans: 6- month projection			
Lower	26.7	26.1	26.4
Same	50.0	49.8	49.9
Higher	23.4	24.1	23.7
Trend of credit lines and bank loans			
No change	63.2	67.8	65.3
Decrease.....	10.9	8.5	9.9
☛ Change in (multiple answers)			
borrowing requirement for fixed investment	25.0	17.0	21.9
borrowing requirement for inventories, working cap. etc...	32.2	34.9	33.3
borrowing requirement for debt restructuring.....	10.2	13.4	11.5
use of cash flow.....	37.9	47.5	41.6
other	29.0	20.5	25.7
Increase	25.9	23.6	24.9
☛ Change in (multiple answers)			
borrowing requirement for fixed investment	41.8	37.2	39.9
borrowing requirement for inventories, working cap. etc...	54.1	41.0	48.7
borrowing requirement for debt restructuring.....	10.2	17.1	13.1
use of cash flow.....	12.4	15.2	13.6
other	21.2	24.3	22.5
Tightening of credit conditions in last 6 months			
No	56.2	57.2	56.6
Yes.....	43.8	42.8	43.4
☛ Situations reported by firm (multiple answers)			
Applications for new loans rejected	9.9	6.2	8.3
Higher interest rates or additional collateral.....	54.6	55.1	54.8
Request to repay outstanding exposures.....	10.3	9.6	10.0
Higher interest rates on approved loans.....	71.2	66.3	69.0
Additional collateral against approved loans.....	7.1	8.1	7.5
Other	3.8	3.9	3.9
Workforce: 2008/2007 projection ⁽²⁾			
Smaller.....	27.8	23.9	25.8
About the same	48.0	45.0	46.4
Larger.....	24.2	31.1	27.8
Wage rises in 2008 (above national agreements) ⁽²⁾			
No	49.1	57.9	53.7
Yes	50.9	42.1	46.3
☛ Amount of wage rise ⁽²⁾			
Less than 1 %	29.9	36.6	33.0
From 1 % to 2 %	44.9	34.7	40.3
From 2.1% to 3 %.....	15.4	17.1	16.2
Over 3 %	9.8	11.6	10.6

	Industrial firms	Service firms	Total
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	32.5	29.1	30.8
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾			
Decrease.....	2.2	1.8	2.0
No change with no redistribution of hours among workers	77.4	81.5	79.5
No change with redistribution of hours among workers	6.9	6.5	6.7
Increase	13.5	10.2	11.8
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾			
No	74.9	66.4	71.2
Yes	25.1	33.6	28.8
Final outturn for 2008			
Loss	15.3	19.0	17.0
Balance	20.2	18.0	19.2
Profit	64.6	62.9	63.8
Economic situation: last 6 months			
Recession	31.9	33.6	32.7
Stagnation	52.4	56.9	54.4
Expansion	15.7	9.5	12.9
Economic situation: next 6 months			
Recession	27.6	30.5	28.9
Stagnation	53.8	55.5	54.6
Expansion	18.6	14.0	16.6
Total turnover in first 3 months – change in 2008 over 2007			
Decreasing	35.4	31.3	33.6
Stable	29.0	34.7	31.5
Increasing.....	35.6	34.0	34.9
Orders – domestic and foreign markets: current trend compared with June			
Decreasing	35.7	31.7	34.0
Stable	39.6	43.9	41.4
Increasing.....	24.7	24.4	24.6
Orders – domestic and foreign markets: 6-month projection			
Decreasing	29.0	24.4	27.0
Stable	41.9	47.0	44.1
Increasing.....	29.1	28.6	28.9
Does the firm export?			
No	20.7	68.4	41.9
Yes	79.3	31.6	58.1
☞ Export turnover in first 3 quarters – change in 2008 over 2007			
Decreasing	32.1	33.5	32.4
Stable	29.2	32.2	29.8
Increasing	38.7	34.2	37.8
☞ Orders – export market: current trend compared with June			
Decreasing	32.3	32.8	32.4
Stable	40.9	44.0	41.5
Increasing	26.8	23.3	26.1
☞ Orders – export market: 6-month projection			
Decreasing	26.0	24.8	25.8
Stable	40.7	43.9	41.4
Increasing	33.3	31.2	32.9
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)			
Decreasing	28.3	-	28.3
Stable	42.8	-	42.8
Increasing.....	28.9	-	28.9
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table C1 - Industry excluding construction – Results by number of employees
(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Investment: 2008 expenditure over amount planned					
Lower.....	22.5	22.9	20.1	30.2	22.7
Same	59.5	59.0	63.8	50.7	59.4
Higher.....	17.9	18.1	16.1	19.1	17.9
☛ Investment: gap compared with planned expenditure					
Financial factors	11.2	11.8	9.4	7.9	11.3
Performance of demand	26.0	19.0	19.5	13.9	23.6
Change in uncertainty	8.6	11.4	4.5	5.5	9.2
Change in purchase prices	4.0	4.1	0.2	5.2	3.9
Organizational or technical factors	45.6	50.2	63.9	65.3	47.8
Red tape	3.2	2.4	2.3	2.2	2.9
Changes in taxation or incentives	1.5	1.0	0.2	0.0	1.3
Investment: planned 2009/2008					
Decreasing	29.8	28.9	33.4	27.5	29.7
Stable	50.9	50.5	45.4	50.6	50.6
Increasing.....	19.3	20.7	21.1	21.9	19.8
Financing of 2009 investment ^{(2) (3)}					
Present cash flow	55.2	54.5	62.8	70.5	60.7
Increased borrowing.....	24.3	25.6	25.6	21.1	23.9
Capital increase	1.3	1.9	1.1	1.2	1.4
Public funding.....	4.1	3.0	1.3	1.3	2.5
Leasing.....	13.9	13.7	8.5	3.9	10.1
Other	1.1	1.3	0.7	1.9	1.4
Bank loans: 6-month projection					
Lower	26.6	26.9	27.7	26.0	26.7
Same	51.9	46.1	43.6	46.0	50.0
Higher.....	21.5	27.0	28.6	28.0	23.4
Trend of credit lines and bank loans					
No change	65.5	59.1	55.6	54.1	63.2
Decrease.....	11.2	10.5	10.1	7.7	10.9
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	27.2	20.8	14.7	18.3	25.0
borrowing requirement for inventories, working cap. etc...	30.9	33.7	43.9	44.6	32.2
borrowing requirement for debt restructuring.....	10.6	9.1	8.3	18.6	10.2
use of cash flow.....	38.8	32.6	57.0	46.5	37.9
other	28.8	31.8	13.0	18.1	29.0
Increase	23.3	30.4	34.3	38.2	25.9
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	41.9	41.2	38.1	57.6	41.8
borrowing requirement for inventories, working cap. etc...	55.0	53.9	50.4	41.8	54.1
borrowing requirement for debt restructuring.....	11.5	7.6	13.2	4.1	10.2
use of cash flow.....	13.1	10.7	16.3	8.5	12.4
other	18.6	24.4	24.4	39.3	21.2
Tightening of credit conditions in last 6 months					
No	59.4	49.0	51.8	52.4	56.2
Yes.....	40.6	51.0	48.2	47.6	43.8
☛ Situations reported by firm (multiple answers)					
Applications for new loans rejected	11.4	8.1	3.9	5.5	9.9
Higher interest rates or additional collateral.....	52.7	55.6	68.5	70.5	54.6
Request to repay outstanding exposures.....	10.9	9.6	7.2	7.2	10.3
Higher interest rates on approved loans.....	72.2	71.6	59.4	53.5	71.2
Additional collateral against approved loans.....	7.2	7.7	2.9	1.3	7.1
Other	3.6	4.2	4.4	4.1	3.8
Workforce: 2008/2007 projection ⁽²⁾					
Smaller.....	19.4	25.8	26.3	38.8	27.8
About the same	63.1	51.8	45.4	30.9	48.0
Larger.....	17.5	22.5	28.3	30.3	24.2
Wage rises in 2008 (above national agreements) ⁽²⁾					
No	66.8	59.5	43.1	23.2	49.1
Yes	33.2	40.5	56.9	76.8	50.9
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	29.6	30.5	33.0	28.3	29.9
From 1 % to 2 %	35.6	39.8	43.8	52.6	44.9
From 2.1% to 3 %.....	17.9	16.0	15.3	13.9	15.4
Over 3 %	16.8	13.7	7.9	5.2	9.8

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	29.9	30.8	31.5	37.6	32.5
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾					
Decrease.....	2.4	1.9	3.4	1.6	2.2
No change with no redistribution of hours among workers	72.7	77.1	81.9	79.2	77.4
No change with redistribution of hours among workers	8.6	5.6	5.3	7.9	6.9
Increase	16.3	15.4	9.4	11.4	13.5
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾					
No	74.7	78.6	70.2	72.0	74.9
Yes	25.3	21.4	29.8	28.0	25.1
Final outturn for 2008					
Loss	14.7	16.3	17.5	18.4	15.3
Balance	22.1	17.0	13.2	7.2	20.2
Profit	63.2	66.7	69.2	74.4	64.6
Economic situation: last 6 months					
Recession	31.8	32.2	32.3	32.3	31.9
Stagnation	51.8	53.8	54.3	51.3	52.4
Expansion	16.4	14.0	13.4	16.4	15.7
Economic situation: next 6 months					
Recession	25.5	31.5	34.6	30.3	27.6
Stagnation	54.9	51.5	49.2	60.0	53.8
Expansion	19.6	16.9	16.1	9.7	18.6
Total turnover in first 3 months – change in 2008 over 2007					
Decreasing	36.4	32.7	37.8	32.9	35.4
Stable	28.6	30.3	25.6	29.5	29.0
Increasing.....	35.0	37.0	36.6	37.6	35.6
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	35.3	36.3	39.0	36.2	35.7
Stable	40.2	38.1	37.6	42.1	39.6
Increasing.....	24.5	25.5	23.4	21.7	24.7
Orders – domestic and foreign markets: 6-month projection					
Decreasing	29.0	28.2	34.7	27.8	29.0
Stable	40.7	45.4	35.9	49.8	41.9
Increasing.....	30.3	26.5	29.4	22.4	29.1
Does the firm export?					
No	24.3	14.1	8.3	10.2	20.7
Yes	75.7	85.9	91.7	89.8	79.3
☛ Export turnover in first 3 quarters – change in 2008 over 2007					
Decreasing	33.3	29.2	35.4	25.2	32.1
Stable	29.7	28.6	25.0	31.7	29.2
Increasing	37.0	42.2	39.6	43.0	38.7
☛ Orders – export market: current trend compared with June					
Decreasing	31.8	32.6	37.0	34.2	32.3
Stable	42.4	38.7	34.5	37.6	40.9
Increasing.....	25.8	28.7	28.4	28.2	26.8
☛ Orders – export market: 6-month projection					
Decreasing	25.9	25.5	31.0	24.0	26.0
Stable	39.2	44.1	36.8	48.8	40.7
Increasing	34.9	30.3	32.2	27.2	33.3
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)					
Decreasing	29.4	25.3	28.6	32.4	28.3
Stable	42.3	43.8	44.1	43.9	42.8
Increasing.....	28.3	30.9	27.3	23.7	28.9
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

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

	Branch					Total
	Textiles	Chemicals	Engineer.	Other manufact.	Energy & extraction	
Investment: 2008 expenditure over amount planned						
Lower	19.7	25.1	20.8	25.3	38.2	22.7
Same	65.2	55.1	59.0	59.4	48.1	59.4
Higher.....	15.1	19.8	20.3	15.3	13.7	17.9
☛ Investment: gap compared with planned expenditure						
Financial factors	9.0	5.8	10.2	13.7	34.4	11.3
Performance of demand	31.1	19.5	27.8	16.9	6.0	23.6
Change in uncertainty	4.0	13.8	8.4	10.8	12.4	9.2
Change in purchase prices	1.0	8.5	2.6	5.7	2.7	3.9
Organizational or technical factors	46.9	48.9	47.7	49.8	29.2	47.8
Red tape	4.5	3.3	2.6	1.9	9.2	2.9
Changes in taxation or incentives	3.5	0.2	0.7	1.2	6.1	1.3
Investment: planned 2009/2008						
Decreasing.....	33.9	35.6	26.9	29.9	29.4	29.7
Stable	53.5	46.3	52.4	47.4	54.0	50.6
Increasing.....	12.6	18.1	20.7	22.7	16.6	19.8
Financing of 2009 investment ^{(2) (3)}						
Present cash flow	66.9	61.6	60.6	56.7	65.4	60.7
Increased borrowing.....	21.3	25.2	24.0	25.2	20.0	23.9
Capital increase	0.9	0.8	1.5	2.0	0.9	1.4
Public funding.....	1.1	2.3	2.7	2.8	3.4	2.5
Leasing.....	9.1	8.0	9.8	12.4	8.1	10.1
Other	0.7	2.1	1.4	1.0	2.1	1.4
Bank loans: 6-month projection						
Lower	20.1	27.2	29.5	26.0	21.4	26.7
Same	56.0	50.6	47.4	50.9	45.3	50.0
Higher.....	23.9	22.2	23.1	23.1	33.3	23.4
Trend of credit lines and bank loans						
No change	63.3	56.3	63.5	65.3	56.4	63.2
Decrease	13.2	11.9	10.2	10.9	5.5	10.9
☛ Change in (multiple answers)						
borrowing requirement for fixed investment	8.1	46.6	29.4	21.6	27.8	25.0
borrowing requirement for inventories, working cap. etc ...	24.1	33.9	34.4	31.7	80.7	32.2
borrowing requirement for debt restructuring.....	14.4	1.6	9.4	12.1	0.0	10.2
use of cash flow	51.5	32.5	32.7	39.1	3.8	37.9
other	27.2	19.1	34.2	26.4	19.3	29.0
Increase	23.5	31.8	26.2	23.8	38.0	25.9
☛ Change in (multiple answers)						
borrowing requirement for fixed investment	27.0	56.4	41.3	45.9	32.1	41.8
borrowing requirement for inventories, working cap. etc ...	74.1	51.6	51.8	47.7	59.7	54.1
borrowing requirement for debt restructuring.....	17.7	4.2	8.2	13.1	1.0	10.2
use of cash flow	12.1	22.1	11.7	10.9	2.7	12.4
other	14.6	14.6	24.4	18.1	51.9	21.2
Tightening of credit conditions in last 6 months						
No	62.6	58.7	57.9	48.5	69.0	56.2
Yes	37.4	41.3	42.1	51.5	31.0	43.8
☛ Situations reported by firm (multiple answers)						
Applications for new loans rejected.....	10.9	6.1	9.8	10.7	10.2	9.9
Higher interest rates or additional collateral.	54.8	59.4	55.6	52.5	40.2	54.6
Request to repay outstanding exposures	9.6	9.9	8.5	12.5	18.1	10.3
Higher interest rates on approved loans.....	74.4	73.5	66.9	75.0	64.5	71.2
Additional collateral against approved loans	6.1	4.0	7.7	7.7	1.9	7.1
Other	3.7	3.4	5.4	2.2	0.0	3.8
Workforce: 2008/2007 projection ⁽²⁾						
Smaller	31.0	32.3	24.7	30.1	28.1	27.8
About the same	56.5	49.3	43.1	53.7	42.5	48.0
Larger	12.4	18.4	32.2	16.2	29.4	24.2
Wage rises in 2008 (above national agreements) ⁽²⁾						
No	69.4	48.8	39.7	60.7	31.3	49.1
Yes	30.6	51.2	60.3	39.3	68.7	50.9
☛ Amount of wage rise ⁽²⁾						
Less than 1 %	33.7	37.4	24.8	34.7	41.6	29.9
From 1 % to 2 %	36.8	32.6	48.8	44.2	42.8	44.9
From 2.1% to 3 %	7.7	19.8	16.4	14.7	9.8	15.4
Over 3 %	21.8	10.2	9.9	6.3	5.8	9.8

	Branch					Total
	Textiles	Chemicals	Engineer.	Other manufact.	Energy & extraction	
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	21.7	29.6	35.3	33.4	32.3	32.5
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾						
Decrease	2.2	3.4	1.7	3.1	0.0	2.2
No change with no redistribution of hours among workers	82.6	76.7	74.9	78.3	88.4	77.4
No change with redistribution of hours among workers	6.6	4.5	8.0	7.5	0.0	6.9
Increase	8.6	15.4	15.4	11.2	11.6	13.5
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾						
No	88.1	74.0	75.2	73.3	60.2	74.9
Yes	11.9	26.0	24.8	26.7	39.8	25.1
Final outturn for 2008						
Loss	16.1	18.3	12.0	18.8	18.6	15.3
Balance	22.8	16.5	18.5	23.0	15.4	20.2
Profit	61.1	65.1	69.5	58.2	66.1	64.6
Economic situation: last 6 months						
Recession	45.2	34.0	24.6	36.0	22.7	31.9
Stagnation	47.7	55.8	52.2	53.2	66.6	52.4
Expansion	7.0	10.2	23.2	10.7	10.7	15.7
Economic situation: next 6 months						
Recession	37.7	26.0	24.9	27.9	13.6	27.6
Stagnation	47.8	62.0	52.6	55.2	70.4	53.8
Expansion	14.5	12.0	22.6	17.0	16.0	18.6
Total turnover in first 3 months – change in 2008 over 2007						
Decreasing	48.5	34.9	30.3	36.3	40.8	35.4
Stable	27.6	26.8	31.0	26.8	32.9	29.0
Increasing	23.9	38.3	38.7	36.9	26.3	35.6
Orders – domestic and foreign markets: current trend compared with June						
Decreasing	40.9	36.6	32.9	37.3	32.2	35.7
Stable	42.1	37.4	40.3	36.9	53.2	39.6
Increasing	17.0	26.1	26.8	25.8	14.6	24.7
Orders – domestic and foreign markets: 6-month projection						
Decreasing	36.7	31.0	26.0	29.4	24.0	29.0
Stable	38.8	46.2	41.6	41.6	51.9	41.9
Increasing	24.5	22.9	32.3	28.9	24.1	29.1
Does the firm export?						
No	14.3	13.0	19.8	23.9	77.9	20.7
Yes	85.7	87.0	80.2	76.1	22.1	79.3
☛ Export turnover in first 3 quarters – change in 2008 over 2007						
Decreasing	41.8	31.9	30.5	27.9	62.0	32.1
Stable	28.4	28.1	26.6	34.7	32.8	29.2
Increasing	29.8	40.0	42.9	37.4	5.2	38.7
☛ Orders – export market: current trend compared with June						
Decreasing	38.7	33.3	29.8	31.9	42.0	32.3
Stable	41.5	40.5	39.3	43.2	50.3	40.9
Increasing	19.8	26.3	30.8	24.9	7.7	26.8
☛ Orders – export market: 6-month projection						
Decreasing	29.8	28.4	25.3	23.8	33.0	26.0
Stable	40.1	45.0	38.6	42.6	56.2	40.7
Increasing	30.1	26.6	36.1	33.6	10.8	33.3
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)						
Decreasing	33.6	34.0	26.0	27.3	22.9	28.3
Stable	45.9	45.7	41.5	41.0	60.8	42.8
Increasing	20.4	20.3	32.5	31.7	16.4	28.9
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table C3 - Industry excluding construction – Results by geographical area

(per cent) ⁽¹⁾

	Area			
	North	Centre	South & Islands	Total
Investment: 2008 expenditure over amount planned				
Lower.....	23.0	22.5	21.1	22.7
Same	57.7	61.8	64.9	59.4
Higher.....	19.3	15.8	14.0	17.9
☛ Investment: gap compared with planned expenditure				
Financial factors	9.9	9.8	20.9	11.3
Performance of demand	23.9	21.6	24.5	23.6
Change in uncertainty	9.1	11.5	6.6	9.2
Change in purchase prices	4.5	1.9	3.4	3.9
Organizational or technical factors	48.2	52.8	39.2	47.8
Red tape	3.4	1.9	1.8	2.9
Changes in taxation or incentives	1.1	0.5	3.7	1.3
Investment: planned 2009/2008				
Decreasing	29.7	31.2	27.8	29.7
Stable	51.1	47.7	51.3	50.6
Increasing.....	19.2	21.1	20.9	19.8
Financing of 2009 investment ^{(2) (3)}				
Present cash flow	63.0	56.9	50.6	60.7
Increased borrowing.....	23.8	25.3	23.2	23.9
Capital increase	1.4	1.1	1.9	1.4
Public funding.....	2.1	2.1	6.0	2.5
Leasing.....	8.6	12.2	16.8	10.1
Other	1.1	2.4	1.6	1.4
Bank loans: 6-month projection				
Lower	27.4	27.8	22.2	26.7
Same	48.7	50.6	55.0	50.0
Higher.....	23.9	21.7	22.9	23.4
Trend of credit lines and bank loans				
No change.....	62.8	63.0	65.3	63.2
Decrease.....	10.9	12.2	9.3	10.9
☛ Change in (multiple answers)				
borrowing requirement for fixed investment	28.9	8.8	30.5	25.0
borrowing requirement for inventories, working cap. etc... ..	31.4	34.7	32.1	32.2
borrowing requirement for debt restructuring.....	9.7	6.6	18.0	10.2
use of cash flow.....	40.6	32.1	32.9	37.9
other	30.2	32.4	17.3	29.0
Increase.....	26.2	24.8	25.4	25.9
☛ Change in (multiple answers)				
borrowing requirement for fixed investment	46.0	29.1	37.0	41.8
borrowing requirement for inventories, working cap. etc... ..	52.1	56.7	60.3	54.1
borrowing requirement for debt restructuring.....	10.8	7.7	10.2	10.2
use of cash flow.....	11.6	16.0	12.0	12.4
other	21.1	23.2	19.1	21.2
Tightening of credit conditions in last 6 months				
No	55.8	61.9	51.3	56.2
Yes.....	44.2	38.1	48.7	43.8
☛ Situations reported by firm (multiple answers)				
Applications for new loans rejected	9.3	13.8	9.2	9.9
Higher interest rates or additional collateral.....	54.9	52.3	55.5	54.6
Request to repay outstanding exposures.....	9.2	14.9	10.2	10.3
Higher interest rates on approved loans.....	73.3	66.0	66.8	71.2
Additional collateral against approved loans.....	6.2	8.8	9.1	7.1
Other	2.8	9.3	2.8	3.8
Workforce: 2008/2007 projection ⁽²⁾				
Smaller.....	27.9	29.4	24.4	27.8
About the same	46.9	47.7	55.2	48.0
Larger.....	25.2	22.9	20.4	24.2
Wage rises in 2008 (above national agreements) ⁽²⁾				
No	44.3	51.5	75.6	49.1
Yes	55.7	48.5	24.4	50.9
☛ Amount of wage rise ⁽²⁾				
Less than 1 %	28.7	36.6	28.1	29.9
From 1 % to 2 %	46.1	40.3	41.1	44.9
From 2.1% to 3 %.....	16.0	12.9	13.4	15.4
Over 3 %	9.2	10.2	17.4	9.8

	Area			
	North	Centre	South & Islands	Total
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	34.7	29.5	23.7	32.5
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾				
Decrease.....	2.3	1.7	1.6	2.2
No change with no redistribution of hours among workers	76.5	80.4	79.5	77.4
No change with redistribution of hours among workers	7.4	6.6	3.8	6.9
Increase	13.8	11.3	15.1	13.5
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾				
No	74.1	74.5	81.5	74.9
Yes	25.9	25.5	18.5	25.1
Final outturn for 2008				
Loss	15.0	16.4	15.1	15.3
Balance	19.8	21.4	20.4	20.2
Profit.....	65.2	62.2	64.5	64.6
Economic situation: last 6 months				
Recession	33.2	31.5	26.2	31.9
Stagnation	51.1	54.8	55.4	52.4
Expansion	15.6	13.7	18.4	15.7
Economic situation: next 6 months				
Recession	30.4	22.7	19.9	27.6
Stagnation	53.5	55.4	53.5	53.8
Expansion	16.1	21.8	26.6	18.6
Total turnover in first 3 months – change in 2008 over 2007				
Decreasing	36.6	35.2	30.1	35.4
Stable	27.3	32.3	33.3	29.0
Increasing.....	36.2	32.4	36.6	35.6
Orders – domestic and foreign markets: current trend compared with June				
Decreasing	38.3	30.5	29.0	35.7
Stable	37.4	44.9	43.6	39.6
Increasing.....	24.2	24.5	27.4	24.7
Orders – domestic and foreign markets: 6-month projection				
Decreasing	31.4	24.0	23.4	29.0
Stable	39.9	48.6	43.4	41.9
Increasing.....	28.7	27.4	33.3	29.1
Does the firm export?				
No	13.9	24.9	49.0	20.7
Yes	86.1	75.1	51.0	79.3
☛ Export turnover in first 3 quarters – change in 2008 over 2007				
Decreasing	32.7	32.0	27.1	32.1
Stable	28.0	31.9	34.8	29.2
Increasing.....	39.4	36.1	38.0	38.7
☛ Orders – export market: current trend compared with June				
Decreasing	33.7	29.1	25.8	32.3
Stable	39.9	43.5	44.5	40.9
Increasing.....	26.3	27.4	29.8	26.8
☛ Orders – export market: 6-month projection				
Decreasing	26.7	25.8	21.2	26.0
Stable	39.8	42.1	45.6	40.7
Increasing.....	33.5	32.2	33.2	33.3
Production – seasonally adjusted trend in fourth quarter compared with third (industrial firms only)				
Decreasing	30.6	24.5	21.9	28.3
Stable	40.7	48.4	45.8	42.8
Increasing.....	28.6	27.1	32.3	28.9
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table D1 - Services – Results by number of employees

(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Investment: 2008 expenditure over amount planned					
Lower	19.3	18.3	20.4	19.9	19.1
Same	65.0	62.5	61.3	59.7	64.1
Higher	15.7	19.2	18.3	20.4	16.8
☛ Investment: gap compared with planned expenditure					
Financial factors	13.2	13.9	10.7	6.4	13.1
Performance of demand	17.0	16.2	10.6	17.3	16.5
Change in uncertainty	10.9	5.1	12.9	9.9	9.4
Change in purchase prices	7.5	4.6	3.3	0.0	6.3
Organizational or technical factors	48.1	55.9	49.0	55.1	50.4
Red tape	2.7	4.1	10.2	11.4	3.6
Changes in taxation or incentives	0.6	0.2	3.4	0.0	0.6
Investment: planned 2009/2008					
Decreasing	26.0	23.4	20.2	13.0	24.8
Stable	57.4	58.4	54.0	57.1	57.5
Increasing.....	16.6	18.2	25.8	29.9	17.7
Financing of 2009 investment ^{(2) (3)}					
Present cash flow	58.8	53.5	49.9	57.5	55.9
Increased borrowing.....	22.3	27.2	30.6	22.3	24.5
Capital increase	2.2	2.0	3.9	0.7	1.7
Public funding.....	2.9	3.3	4.2	11.2	7.1
Leasing.....	12.6	12.9	10.4	6.8	9.6
Other	1.2	1.0	1.1	1.5	1.3
Bank loans: 6-month projection					
Lower	27.8	23.7	17.3	18.9	26.1
Same	49.2	50.4	55.9	52.4	49.8
Higher	23.0	26.0	26.9	28.7	24.1
Trend of credit lines and bank loans					
No change	67.4	70.0	64.5	62.5	67.8
Decrease.....	9.2	7.6	5.7	5.0	8.5
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	17.5	12.4	31.4	43.3	17.0
borrowing requirement for inventories, working cap. etc...	38.8	21.6	40.5	43.8	34.9
borrowing requirement for debt restructuring.....	10.1	25.6	8.7	0.0	13.4
use of cash flow.....	54.1	33.8	8.2	7.2	47.5
other	15.4	35.4	30.4	20.6	20.5
Increase	23.4	22.4	29.8	32.5	23.6
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	33.4	38.9	58.7	66.7	37.2
borrowing requirement for inventories, working cap. etc...	40.2	45.8	28.9	39.4	41.0
borrowing requirement for debt restructuring.....	20.1	12.3	9.9	5.6	17.1
use of cash flow.....	14.1	20.0	8.3	10.1	15.2
other	23.2	27.2	23.9	25.6	24.3
Tightening of credit conditions in last 6 months					
No	57.4	58.0	49.1	57.1	57.2
Yes.....	42.6	42.0	50.9	42.9	42.8
☛ Situations reported by firm (multiple answers)					
Applications for new loans rejected	6.2	5.6	9.6	5.6	6.2
Higher interest rates or additional collateral.....	57.1	50.6	50.1	57.4	55.1
Request to repay outstanding exposures.....	10.6	8.1	5.5	5.8	9.6
Higher interest rates on approved loans.....	65.4	68.8	70.1	56.2	66.3
Additional collateral against approved loans.....	8.2	8.6	4.5	6.6	8.1
Other	3.4	5.5	2.7	4.5	3.9
Workforce: 2008/2007 projection ⁽²⁾					
Smaller	20.0	20.4	18.8	28.6	23.9
About the same	65.9	48.8	46.6	34.0	45.0
Larger.....	14.1	30.8	34.7	37.4	31.1

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Wage rises in 2008 (above national agreements) ⁽²⁾					
No	72.1	58.2	61.5	50.7	57.9
Yes	27.9	41.8	38.5	49.3	42.1
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	31.2	32.6	42.0	38.8	36.6
From 1 % to 2 %	38.2	34.9	28.9	35.0	34.7
From 2.1% to 3 %	17.8	18.1	10.3	18.0	17.1
Over 3 %	12.8	14.4	18.9	8.2	11.6
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	24.2	28.4	27.6	32.5	29.1
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾					
Decrease.....	0.4	2.5	2.4	1.8	1.8
No change with no redistribution of hours among workers	81.3	82.9	71.2	83.9	81.5
No change with redistribution of hours among workers	5.8	6.1	11.1	5.5	6.5
Increase	12.5	8.5	15.4	8.7	10.2
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾					
No	77.8	58.9	53.3	71.6	66.4
Yes	22.2	41.1	46.7	28.4	33.6
Final outturn for 2008					
Loss	20.4	16.0	19.7	12.0	19.0
Balance	19.0	14.7	25.1	13.5	18.0
Profit	60.6	69.4	55.2	74.5	62.9
Economic situation: last 6 months					
Recession	35.3	30.8	26.2	27.8	33.6
Stagnation	56.0	58.2	62.6	60.1	56.9
Expansion	8.7	11.0	11.2	12.1	9.5
Economic situation: next 6 months					
Recession	32.3	26.7	24.5	30.5	30.5
Stagnation	54.3	57.8	59.3	58.4	55.5
Expansion	13.4	15.5	16.2	11.1	14.0
Total turnover in first 3 months – change in 2008 over 2007					
Decreasing	35.4	25.1	14.3	12.8	31.3
Stable	34.2	35.9	36.6	35.0	34.7
Increasing.....	30.4	39.0	49.1	52.2	34.0
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	35.5	25.4	17.8	14.8	31.7
Stable	42.5	45.2	52.4	54.4	43.9
Increasing.....	22.0	29.4	29.8	30.8	24.4
Orders – domestic and foreign markets: 6-month projection					
Decreasing	27.2	19.9	11.6	13.7	24.4
Stable	44.6	52.5	49.8	53.1	47.0
Increasing.....	28.2	27.6	38.6	33.1	28.6
Does the firm export?					
No	67.9	68.0	77.0	71.5	68.4
Yes	32.1	32.0	23.0	28.5	31.6
☛ Export turnover in first 3 quarters – change in 2008 over 2007					
Decreasing	36.1	30.9	12.7	7.0	33.5
Stable	28.7	37.7	58.1	43.0	32.2
Increasing	35.3	31.3	29.1	49.9	34.2
☛ Orders – export market: current trend compared with June					
Decreasing	33.5	33.8	20.1	9.1	32.8
Stable	42.4	45.5	60.6	55.9	44.0
Increasing.....	24.1	20.7	19.3	35.0	23.3
☛ Orders – export market: 6-month projection					
Decreasing	24.1	29.3	8.1	16.2	24.8
Stable	42.7	44.6	63.3	53.9	43.9
Increasing.....	33.3	26.1	28.6	29.9	31.2
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table D2 - Services – Results by branch of activity

(per cent) ⁽¹⁾

	Branch				
	Wholesale & retail	Hotels & catering	Transport & commun.	Other services	Total
Investment: 2008 expenditure over amount planned					
Lower.....	21.9	15.7	21.9	15.2	19.1
Same	62.0	64.4	64.7	66.3	64.1
Higher.....	16.2	19.8	13.4	18.6	16.8
☛ Investment: gap compared with planned expenditure					
Financial factors	8.1	18.7	12.5	18.2	13.1
Performance of demand	20.0	15.3	17.1	11.4	16.5
Change in uncertainty	13.8	0.0	13.9	4.5	9.4
Change in purchase prices	5.7	19.6	7.0	0.3	6.3
Organizational or technical factors	49.5	33.8	45.3	63.3	50.4
Red tape	1.5	12.6	3.9	2.3	3.6
Changes in taxation or incentives	1.4	0.0	0.2	0.0	0.6
Investment: planned 2009/2008					
Decreasing	28.8	37.9	20.5	17.0	24.8
Stable	57.0	46.7	55.3	63.8	57.5
Increasing.....	14.2	15.4	24.3	19.2	17.7
Financing of 2009 investment ^{(2) (3)}					
Present cash flow	54.9	56.1	43.9	65.6	55.9
Increased borrowing.....	31.9	27.1	20.0	21.0	24.5
Capital increase	1.2	4.0	1.2	1.8	1.7
Public funding.....	0.8	1.3	22.7	2.0	7.1
Leasing.....	9.9	11.6	9.3	9.1	9.6
Other	1.3	0.0	2.8	0.5	1.3
Bank loans: 6-month projection					
Lower	22.8	20.0	21.5	36.2	26.1
Same	49.0	56.6	51.4	47.0	49.8
Higher.....	28.2	23.3	27.0	16.7	24.1
Trend of credit lines and bank loans					
No change	62.5	63.2	71.5	75.0	67.8
Decrease.....	7.9	6.9	9.2	9.7	8.5
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	17.2	64.0	20.0	0.0	17.0
borrowing requirement for inventories, working cap. etc...	61.0	0.0	17.5	28.3	34.9
borrowing requirement for debt restructuring.....	10.2	0.0	4.8	27.0	13.4
use of cash flow.....	26.8	100.0	29.7	65.7	47.5
other	17.1	0.0	46.6	13.6	20.5
Increase	29.6	29.9	19.3	15.3	23.6
☛ Change in (multiple answers)					
borrowing requirement for fixed investment	31.2	46.6	49.7	35.7	37.2
borrowing requirement for inventories, working cap. etc...	57.6	14.8	26.1	29.8	41.0
borrowing requirement for debt restructuring.....	9.3	32.5	11.3	29.5	17.1
use of cash flow.....	19.5	14.8	13.1	6.1	15.2
other	17.8	25.9	22.9	41.2	24.3
Tightening of credit conditions in last 6 months					
No	55.8	52.0	61.2	58.7	57.2
Yes.....	44.2	48.0	38.8	41.3	42.8
☛ Situations reported by firm (multiple answers)					
Applications for new loans rejected	7.8	0.2	6.6	6.6	6.2
Higher interest rates or additional collateral.....	59.8	35.2	62.3	53.6	55.1
Request to repay outstanding exposures.....	7.2	14.8	6.7	12.2	9.6
Higher interest rates on approved loans.....	71.4	73.6	66.3	55.4	66.3
Additional collateral against approved loans.....	8.2	1.7	14.8	6.9	8.1
Other	2.7	7.5	3.2	4.4	3.9
Workforce: 2008/2007 projection ⁽²⁾					
Smaller.....	20.4	18.9	37.5	17.6	23.9
About the same	45.2	70.6	40.6	41.9	45.0
Larger.....	34.4	10.5	21.9	40.6	31.1

	Branch				
	Wholesale & retail	Hotels & catering	Transport & commun.	Other services	Total
Wage rises in 2008 (above national agreements) ⁽²⁾					
No	59.4	68.3	70.1	45.5	57.9
Yes	40.6	31.7	29.9	54.5	42.1
☛ Amount of wage rise ⁽²⁾					
Less than 1 %	42.9	36.0	45.6	29.8	36.6
From 1 % to 2 %	28.4	45.1	13.1	44.2	34.7
From 2.1% to 3 %	18.3	4.2	22.8	16.6	17.1
Over 3 %	10.5	14.7	18.5	9.4	11.6
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	31.6	19.0	32.1	27.4	29.1
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾					
Decrease.....	3.2	1.0	0.0	2.1	1.8
No change with no redistribution of hours among workers	78.5	82.0	86.5	80.7	81.5
No change with redistribution of hours among workers	6.9	7.2	6.5	5.9	6.5
Increase	11.4	9.8	6.9	11.3	10.2
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾					
No	55.6	45.4	49.4	83.7	66.4
Yes	44.4	54.6	50.6	16.3	33.6
Final outturn for 2008					
Loss	17.9	40.7	20.1	10.6	19.0
Balance	15.6	20.6	12.3	23.7	18.0
Profit.....	66.5	38.6	67.6	65.7	62.9
Economic situation: last 6 months					
Recession	37.5	39.5	28.1	29.3	33.6
Stagnation	54.7	52.7	62.6	58.1	56.9
Expansion	7.8	7.9	9.3	12.6	9.5
Economic situation: next 6 months					
Recession	32.3	44.4	19.4	28.7	30.5
Stagnation	55.3	48.0	65.1	53.1	55.5
Expansion	12.4	7.6	15.5	18.3	14.0
Total turnover in first 3 months – change in 2008 over 2007					
Decreasing	39.0	48.5	30.9	14.6	31.3
Stable	27.5	34.4	31.1	46.5	34.7
Increasing.....	33.6	17.1	38.0	39.0	34.0
Orders – domestic and foreign markets: current trend compared with June					
Decreasing	37.9	43.9	37.5	15.2	31.7
Stable	36.4	37.9	34.0	62.0	43.9
Increasing.....	25.7	18.2	28.5	22.9	24.4
Orders – domestic and foreign markets: 6-month projection					
Decreasing	31.9	37.9	19.9	12.3	24.4
Stable	42.1	51.2	48.9	50.4	47.0
Increasing.....	26.0	10.8	31.2	37.3	28.6
Does the firm export?					
No	65.1	62.5	65.8	76.8	68.4
Yes	34.9	37.5	34.2	23.2	31.6
☛ Export turnover in first 3 quarters – change in 2008 over 2007					
Decreasing	37.2	56.4	32.0	8.5	33.5
Stable	31.6	17.3	20.7	60.3	32.2
Increasing	31.3	26.4	47.3	31.2	34.2
☛ Orders – export market: current trend compared with June					
Decreasing	35.6	49.1	42.8	0.6	32.8
Stable	44.9	24.6	22.8	83.5	44.0
Increasing	19.5	26.4	34.3	15.9	23.3
☛ Orders – export market: 6-month projection					
Decreasing	34.2	45.2	12.4	2.1	24.8
Stable	44.3	33.8	48.3	45.9	43.9
Increasing	21.5	20.9	39.3	51.9	31.2
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table D3 - Services – Results by geographical area

(per cent) ⁽¹⁾

	Area			
	North	Centre	South & Islands	Total
Investment: 2008 expenditure over amount planned				
Lower.....	15.7	26.9	20.8	19.1
Same	67.1	56.0	63.8	64.1
Higher.....	17.2	17.1	15.3	16.8
☛ Investment: gap compared with planned expenditure				
Financial factors	12.4	13.1	14.9	13.1
Performance of demand	15.6	5.5	32.5	16.5
Change in uncertainty	8.7	16.4	2.6	9.4
Change in purchase prices	5.5	1.9	13.7	6.3
Organizational or technical factors	53.3	58.7	32.9	50.4
Red tape	4.3	4.3	1.1	3.6
Changes in taxation or incentives	0.2	0.2	2.3	0.6
Investment: planned 2009/2008				
Decreasing	23.8	25.6	27.1	24.8
Stable	58.0	55.0	58.5	57.5
Increasing.....	18.2	19.4	14.4	17.7
Financing of 2009 investment ^{(2) (3)}				
Present cash flow	60.3	49.9	46.3	55.9
Increased borrowing.....	24.1	26.4	22.5	24.5
Capital increase	1.7	1.1	2.6	1.7
Public funding.....	4.0	12.7	10.9	7.1
Leasing.....	9.2	7.6	15.6	9.6
Other	0.7	2.4	2.0	1.3
Bank loans: 6-month projection				
Lower	27.5	25.1	23.2	26.1
Same	48.2	49.8	54.4	49.8
Higher.....	24.3	25.1	22.4	24.1
Trend of credit lines and bank loans				
No change.....	67.6	67.7	68.6	67.8
Decrease.....	7.5	9.2	10.7	8.5
☛ Change in (multiple answers)				
borrowing requirement for fixed investment	12.3	6.5	35.0	17.0
borrowing requirement for inventories, working cap. etc... ..	41.5	42.8	15.7	34.9
borrowing requirement for debt restructuring.....	1.7	29.6	22.0	13.4
use of cash flow.....	39.3	55.7	56.0	47.5
other	27.4	4.0	21.4	20.5
Increase.....	24.9	23.1	20.7	23.6
☛ Change in (multiple answers)				
borrowing requirement for fixed investment	39.9	25.4	42.2	37.2
borrowing requirement for inventories, working cap. etc... ..	41.8	42.2	37.1	41.0
borrowing requirement for debt restructuring.....	17.4	10.2	24.3	17.1
use of cash flow.....	15.6	21.3	6.5	15.2
other	20.4	38.4	20.8	24.3
Tightening of credit conditions in last 6 months				
No	56.6	57.9	58.1	57.2
Yes.....	43.4	42.1	41.9	42.8
☛ Situations reported by firm (multiple answers)				
Applications for new loans rejected	6.2	4.1	8.3	6.2
Higher interest rates or additional collateral.....	52.6	53.3	64.0	55.1
Request to repay outstanding exposures.....	8.4	11.5	11.2	9.6
Higher interest rates on approved loans.....	70.3	57.7	63.6	66.3
Additional collateral against approved loans.....	8.2	8.6	7.3	8.1
Other	4.2	5.5	1.5	3.9
Workforce: 2008/2007 projection ⁽²⁾				
Smaller.....	20.2	32.1	23.9	23.9
About the same	45.2	40.8	53.2	45.0
Larger.....	34.7	27.1	22.9	31.1

	Area			
	North	Centre	South & Islands	Total
Wage rises in 2008 (above national agreements) ⁽²⁾				
No	48.3	69.8	78.4	57.9
Yes	51.7	30.2	21.6	42.1
☛ Amount of wage rise ⁽²⁾				
Less than 1 %	40.0	25.3	26.9	36.6
From 1 % to 2 %	34.9	39.3	23.1	34.7
From 2.1% to 3 %	14.8	24.6	23.9	17.1
Over 3 %	10.3	10.8	26.1	11.6
Proportion of workers obtaining tax reduction for overtime and bonuses ⁽²⁾	31.5	26.9	23.5	29.1
Effect of measures on company-level total paid overtime in H2 2008 compared with situation without incentives ⁽²⁾				
Decrease.....	2.5	0.7	0.6	1.8
No change with no redistribution of hours among workers	80.1	86.6	78.2	81.5
No change with redistribution of hours among workers	6.5	4.0	11.2	6.5
Increase	10.8	8.7	10.0	10.2
Effect of increase in total hours worked on need to recruit additional workers ⁽²⁾				
No	68.1	74.9	42.5	66.4
Yes	31.9	25.1	57.5	33.6
Final outturn for 2008				
Loss	20.5	20.4	13.5	19.0
Balance	17.0	13.7	25.5	18.0
Profit.....	62.5	66.0	61.0	62.9
Economic situation: last 6 months				
Recession	36.3	30.8	28.9	33.6
Stagnation	54.6	59.3	61.2	56.9
Expansion	9.2	9.9	9.9	9.5
Economic situation: next 6 months				
Recession	35.1	26.9	21.7	30.5
Stagnation	51.4	60.7	61.4	55.5
Expansion	13.6	12.4	16.9	14.0
Total turnover in first 3 months – change in 2008 over 2007				
Decreasing	32.1	27.9	32.6	31.3
Stable	33.7	35.9	36.6	34.7
Increasing.....	34.3	36.2	30.8	34.0
Orders – domestic and foreign markets: current trend compared with June				
Decreasing	32.5	28.1	33.1	31.7
Stable	42.9	47.8	42.4	43.9
Increasing.....	24.6	24.1	24.4	24.4
Orders – domestic and foreign markets: 6-month projection				
Decreasing	25.0	22.0	25.1	24.4
Stable	48.0	45.7	45.7	47.0
Increasing.....	27.0	32.3	29.2	28.6
Does the firm export?				
No	65.0	68.0	78.4	68.4
Yes	35.0	32.0	21.6	31.6
☛ Export turnover in first 3 quarters – change in 2008 over 2007				
Decreasing	34.7	35.9	25.7	33.5
Stable	36.1	22.5	31.0	32.2
Increasing.....	29.2	41.6	43.3	34.2
☛ Orders – export market: current trend compared with June				
Decreasing	31.3	39.7	28.3	32.8
Stable	51.5	28.2	37.9	44.0
Increasing.....	17.2	32.0	33.8	23.3
☛ Orders – export market: 6-month projection				
Decreasing	29.8	19.5	14.0	24.8
Stable	42.8	41.3	51.6	43.9
Increasing.....	27.3	39.2	34.3	31.2
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. - (3) Percentage shares assuming total borrowing requirements for fixed investment equal to 100.

Table E1 - Construction – Results by number of employees
(per cent) ⁽¹⁾

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Main branch of activity					
Private residential construction	31.6	20.6	7.2	6.3	29.2
Private non-residential construction.....	17.5	22.7	17.4	9.2	18.4
Public works	50.9	56.7	75.4	84.5	52.4
Final outturn for 2008					
Loss	12.3	7.6	0.0	0.0	11.2
Balance	16.3	19.4	10.4	6.8	16.7
Profit	71.4	73.0	89.6	93.2	72.0
Economic situation: last 6 months					
Recession	29.6	23.2	23.1	9.5	28.3
Stagnation	62.4	65.3	66.5	81.8	63.1
Expansion	7.9	11.5	10.4	8.7	8.6
Economic situation: next 6 months					
Recession	35.3	26.0	26.5	20.3	33.5
Stagnation	50.7	57.5	54.1	62.6	52.0
Expansion	14.0	16.6	19.4	17.1	14.6
Workforce: 2008/2007 projection ⁽²⁾					
Smaller.....	32.1	33.6	38.6	27.6	32.6
Virtually equal	56.0	47.1	39.3	41.0	50.6
Larger.....	11.9	19.3	22.1	31.4	16.9
Value of production: H2 2008 over H1 2008					
Decreasing	30.5	26.8	15.8	8.7	29.6
Stable	49.9	45.1	43.2	35.0	48.9
Increasing.....	19.6	28.1	41.0	56.2	21.5
Value of production of public works: H2 2008 over H1 2008					
Decreasing	41.2	26.5	30.0	9.0	38.0
Stable	43.4	44.5	38.5	33.1	43.5
Increasing.....	15.5	29.0	31.5	57.9	18.5
Value of production: 2008 over 2007					
Decreasing	40.5	36.7	36.7	38.8	39.7
Stable	32.0	36.7	22.5	22.5	32.7
Increasing.....	27.5	26.7	40.9	38.8	27.6
Value of production of public works: 2008 over 2007					
Decreasing	47.3	35.1	41.3	39.9	44.8
Stable	28.6	38.1	18.7	23.1	30.3
Increasing.....	24.1	26.8	40.0	37.0	24.9
Value of production: 2009 over 2008					
Decreasing	33.7	32.6	11.7	24.5	33.2
Stable	37.3	33.5	48.4	3.1	36.6
Increasing.....	28.9	33.9	39.9	72.4	30.2
Value of production of public works: 2009 over 2008					
Decreasing	36.7	30.6	19.0	28.5	35.2
Stable	38.6	35.8	35.5	3.2	37.7
Increasing.....	24.7	33.6	45.5	68.3	27.1
Dwellings completed: 2007 over 2006					
Decreasing	21.4	25.2	5.8	0.0	21.8
Stable	57.8	55.3	70.8	70.4	57.6
Increasing.....	20.8	19.4	23.4	29.6	20.7
Dwellings completed: 2008 over 2007					
Decreasing	46.2	41.2	16.8	0.0	44.8
Stable	39.1	42.8	61.3	70.4	40.1
Increasing.....	14.7	16.0	21.9	29.6	15.1
Dwellings begun: 2007 over 2006					
Decreasing	33.4	41.8	6.2	0.0	34.3
Stable	53.9	40.8	75.4	90.7	52.3
Increasing.....	12.7	17.4	18.4	9.3	13.4
Dwellings begun: 2008 over 2007					
Decreasing	48.2	56.1	22.3	20.3	49.1
Stable	34.0	24.3	71.9	61.0	33.0
Increasing.....	17.8	19.6	5.8	18.6	17.9

	Number of employees				
	20-49	50-199	200-499	500 +	Total
Bank loans: 6-month projection					
Lower	22.0	20.7	37.5	36.6	22.1
Same	48.2	55.1	22.8	37.1	49.0
Higher	29.7	24.2	39.7	26.3	28.9
Tightening of credit conditions in last 6 months					
No	44.9	43.3	35.9	26.6	44.4
Yes	55.1	56.7	64.1	73.4	55.6
☛ Situations reported by firm (multiple answers)					
Applications for new loans rejected	15.6	11.9	4.4	0.0	14.7
Higher interest rates or additional collateral.....	67.3	64.8	78.9	78.9	67.1
Request to repay outstanding exposures.....	9.8	11.2	8.7	0.0	10.0
Higher interest rates on approved loans.....	73.9	70.4	62.0	68.1	73.0
Additional collateral against approved loans.....	13.7	11.5	0.0	0.0	13.0
Other	4.9	9.1	9.8	10.9	5.8
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	31.5	29.1	25.1	29.2
Private non-residential construction.....	22.0	15.6	13.5	18.4
Public works	46.5	55.2	61.4	52.4
Final outturn for 2008				
Loss	15.5	7.5	5.8	11.2
Balance	17.6	15.9	15.7	16.7
Profit	66.9	76.6	78.5	72.0
Economic situation: last 6 months				
Recession	28.7	26.9	28.4	28.3
Stagnation	64.2	64.3	60.3	63.1
Expansion	7.1	8.8	11.3	8.6
Economic situation: next 6 months				
Recession	38.3	28.6	27.3	33.5
Stagnation	51.0	54.9	51.8	52.0
Expansion	10.7	16.5	20.9	14.6
Workforce: 2008/2007 projection ⁽²⁾				
Smaller.....	30.6	27.3	40.3	32.6
Virtually equal	51.6	57.5	43.7	50.6
Larger.....	17.8	15.2	16.1	16.9
Value of production: H2 2008 over H1 2008				
Decreasing	29.1	28.5	31.1	29.6
Stable	55.9	42.9	40.1	48.9
Increasing.....	15.0	28.5	28.8	21.5
Value of production of public works: H2 2008 over H1 2008				
Decreasing	43.3	31.1	33.2	38.0
Stable	44.9	45.5	39.4	43.5
Increasing.....	11.8	23.4	27.4	18.5
Value of production: 2008 over 2007				
Decreasing	41.3	37.1	38.6	39.7
Stable	34.8	32.0	29.4	32.7
Increasing.....	23.9	30.9	32.1	27.6
Value of production of public works: 2008 over 2007				
Decreasing	50.7	38.8	38.2	44.8
Stable	30.2	34.9	27.2	30.3
Increasing.....	19.1	26.3	34.6	24.9
Value of production: 2009 over 2008				
Decreasing	39.8	28.1	24.6	33.2
Stable	34.0	50.7	31.4	36.6
Increasing.....	26.2	21.2	44.1	30.2
Value of production of public works: 2009 over 2008				
Decreasing	42.3	29.7	26.2	35.2
Stable	35.1	43.9	38.1	37.7
Increasing.....	22.6	26.4	35.8	27.1
Dwellings completed: 2007 over 2006				
Decreasing	21.8	12.8	27.0	21.8
Stable	58.3	51.8	59.4	57.6
Increasing.....	19.9	35.4	13.6	20.7
Dwellings completed: 2008 over 2007				
Decreasing	44.9	38.3	48.6	44.8
Stable	39.4	46.7	37.7	40.1
Increasing.....	15.7	14.9	13.8	15.1
Dwellings begun: 2007 over 2006				
Decreasing	37.7	23.1	33.2	34.3
Stable	51.3	55.6	52.5	52.3
Increasing.....	11.0	21.3	14.3	13.4
Dwellings begun: 2008 over 2007				
Decreasing	51.8	42.9	46.2	49.1
Stable	33.1	34.7	32.0	33.0
Increasing.....	15.2	22.4	21.8	17.9

	Area			
	North	Centre	South & Islands	Total
Bank loans: 6-month projection				
Lower	17.7	17.6	33.2	22.1
Same	45.3	61.4	47.7	49.0
Higher	37.0	21.0	19.1	28.9
Tightening of credit conditions in last 6 months				
No	39.6	51.2	49.3	44.4
Yes	60.4	48.8	50.7	55.6
☞ Situations reported by firm (multiple answers)				
Applications for new loans rejected	15.6	15.5	12.2	14.7
Higher interest rates or additional collateral.....	75.1	53.9	56.9	67.1
Request to repay outstanding exposures.....	8.1	10.1	14.1	10.0
Higher interest rates on approved loans.....	81.1	56.0	66.3	73.0
Additional collateral against approved loans.....	12.0	9.0	17.7	13.0
Other	1.2	27.2	0.4	5.8
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



16th BUSINESS OUTLOOK SURVEY - 2008
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 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 participating firms.

Interview instructions

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.

N1 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 2008 survey of industrial and service firms, if available.

N1 and N3: 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.

N4: the firm's cash flow can be increased, for instance, by reducing direct costs or by increasing turnover.

N10 and N11: see A5M.

N20: volume of orders in the case of firms in industry excluding construction and of sales for service firms.

N22: 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 mandatory notice per Legislative Decree 196/2003.

Remarks:

Handwritten notes area with a red pencil icon and dotted lines for text entry.



16th BUSINESS OUTLOOK SURVEY - 2008
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**

A4C **Istat – Ateco2007 category**

Year of incorporation

A5M **Average workforce in 2007**
(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, no answer

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

N1 How does nominal expenditure on fixed investment (in tangible and intangible assets) in the current year compare with THAT PLANNED AT THE END OF 2007?

- 1 much lower (by more than 10%)
- 2 a little lower (from 3.1% to 10%)
- 3 about the same (from -3% to 3%) N3
- 4 a little higher (from 3.1% to 10%)
- 5 much higher (by more than 10%)
- 9 don't know, no answer N3

N2 (Ask this question ONLY IF actual expenditure on investment is likely to differ from planned)

The gap 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 red tape
- 7 changes to the tax system or to incentives
- 9 don't know, no answer

N3 How does planned nominal expenditure on fixed assets in 2009 compare with 2008?

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, don't wish to answer.

N4 Can you give a rough breakdown of your borrowing requirements to finance fixed investment in 2009:

- A - cash flow %
- B - increased borrowing %
- C - capital increase %
- D - public funding %
- E - leasing %
- F - other (sale of assets, etc.) %

1 0 0 %

G - not applicable (code 8)

(firm will not invest in 2009)

N5 IN 6 MONTHS' TIME how do you expect your exposure to banks (used credit lines) 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, no answer, not applicable

N6 How has your demand for credit lines and bank loans evolved in the past 6 months, seasonal fluctuations apart?

Legend: 1=much lower; 2=slightly lower; 3=virtually stable (≠ N8); 4=slight increase; 5=much higher; 8=not applicable(≠ N8); 9= don't know, no answer (≠ N8).

Ask this question ONLY IF demand for credit has changed (answers 1,2,4 and 5):

N7 In the last 6 months, what two main factors have prompted the change in demand for loans and credit lines?

- A - change in borrowing requirements to finance investment in fixed assets
- B - change in borrowing requirements to finance inventories and working capital
- C - change in borrowing requirements to finance M&As and corporate restructuring
- D - change in borrowing requirements for debt restructuring
- E - change in use of cash flow
- F - change in borrowing from non-bank institutions
- G - change in other factors

(Please specify)

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

N8 In the last 6 months have you noticed a tightening of credit conditions for the firm?

Legend: 1=no (N10); 2=yes; 9=don't know, no answer (N10).

N9 If so, which of these situations has your firm encountered?

- A - loan applications not accepted by potential lenders
- B - higher interest rates or more collateral on new borrowings
- C - repayment, even partial, of outstanding exposures demanded by lenders
- D - higher interest rates on loans already approved
- E - more collateral demanded for loans already approved
- F - other

(Please specify)

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

WORKFORCE, WAGES AND INCENTIVES

N10 How does the average number of employees (see instructions) in 2008 compare with 2007?

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, no answer.

N11 During 2008 have you granted any pay rises NOT envisaged in the NATIONAL LABOUR CONTRACT or do you plan to do so at the end of the year?

Legend: 1=no (N13); 2= yes; 9=don't know, no answer (N13).

N12 Considering ONLY ADDITIONAL PAY RISES OF THIS TYPE, how will they increase average compensation (of all employees) in 2008?

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, no answer.

The Government has introduced (Legislative Decree 93/2008), experimentally and for the second half of 2008 only, a system of tax relief for overtime and for bonuses awarded at company level. The measure is available, up to a maximum of €3,000 gross, to private sector workers whose gross income from payroll employment in 2007 did not exceed €30,000.

N13 What proportion of the firm's staff (at 30 June 2008) do you expect will be eligible for tax relief on overtime and bonuses? %

(if N13 is equal to zero N16)

N14 How do you think the Government's measure will affect your firm's total bill for overtime in the second half of 2008 compared with the situation without the incentive?

Legend: 1=decrease; 2=no change **with no** redistribution of hours along workers; 3= no change **with** redistribution of hours among workers; 4=increase; 9=don't know, no answer.

(Ask this question only if the answer to N14 was 4)

N15 Do you think the increase in total overtime will reduce the firm's need to recruit new staff?^(a)

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

(a) Please include recruitment of permanent staff as well as use of temporary workers, award of project contracts, etc.

PRODUCTION

N16 What PRE-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, no answer.

N17 Considering the overall market for your goods/services, how would you describe the economic situation in the last 6 months?

(see legend N17-N18)

N18 And what are your expectations for the next 6 months?

Legend (N17-N18): 1=recession; 2=stagnation; 3=expansion; 9=don't know, no answer.

Let us now look at turnover, orders/sales of your goods and services and (for non-construction industries only) production (see legend N19-N22).

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

N19 Turnover: what change do you expect in the first 3 quarters of 2008 compared with the same period of 2007?

N20 Orders/sales of goods and services (see instructions): on a seasonally adjusted basis, how does the current performance differ from that at the end of June?

N21 How will it differ 6 months from now?

N22 (Only for non-construction industrial firms) Total output (see instructions): what seasonally adjusted change in performance do you expect in the 4th quarter of this year compared with the 3rd quarter?

Legend (N19-N22): 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, no answer.

EFFECTS OF THE EURO CHANGEOVER

(Ask this question only to firms set up prior to 1999)

N23 Considering the long-term effects of invoicing in euros all business with clients and suppliers, which of the following do you think have had the greatest impact for your firm? (No more than two answers)

	Import <i>(for import firms)</i>	Export <i>(for export firms)</i>
--	-------------------------------------	-------------------------------------

A **B**

- | | | |
|---|---|---|
| <p>A - lower foreign currency transaction costs</p> <p>B - lower exchange risk hedging costs</p> <p>C - greater transparency of purchase costs</p> <p>D - lower variability of purchase costs</p> <p>E - larger market share due to easier comparison of competitors' prices</p> <p>F - other</p> | <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> |
|---|---|---|

(Please specify) ☞ _____

Legend: 1=no; 2=yes; 8=not applicable;9=don't know, no answer.

N24 Does the firm have a standard price list for goods sold in euro-area countries (Italy included)?

Legend: 1=no; 2=yes; 8=not applicable; 9=don't know, no answer.

N25 If not, what importance does your firm attach to each of the following factors in assigning different prices?

- | | |
|---------------------------------------|--------------------------|
| A - transportation costs | <input type="checkbox"/> |
| B - distribution costs | <input type="checkbox"/> |
| C - nature of demand | <input type="checkbox"/> |
| D - nature of competition | <input type="checkbox"/> |
| E - environmental requirements | <input type="checkbox"/> |
| F - other laws and regulations | <input type="checkbox"/> |

Legend: 1=not at all important; 2=slightly important; 3=fairly important; 4=very important; 9=don't know, no answer.



BANCA D'ITALIA

EUROSISTEMA

16th BUSINESS OUTLOOK SURVEY
CONSTRUCTION FIRMS - 2008

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.

Interview instructions

A5M-NC4: **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.

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.).

NC5-NC7: 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.

NC8: **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 mandatory notice per Legislative Decree 196/2003.

Remarks:



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