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of Industrial and Service Firms**

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BUSINESS OUTLOOK SURVEY OF INDUSTRIAL AND SERVICE FIRMS

MAIN FINDINGS – 2014

The survey was conducted in September and October 2014 on a sample of 4,326 firms with 20 or more workers operating in industry excluding construction and in the private-sector non-financial services, and on 559 construction firms with at least 10 workers. The main results are also discussed in *Economic Bulletin* No. 4, 2014, published on October 23.

INDUSTRY AND SERVICES

- About 63.4 percent of firms reported that their investment expenditure during 2014 was consistent with what they had planned at the end of last year; 22.7 per cent reported that it was less than planned, while 13.9 per cent reported higher investment. In industry, the downward revision of investment plans mainly involved firms with over 500 workers.
- For 2015, the firms planning an increase in investment were marginally outnumbered by those planning a decrease (18.5 as against 22.1 per cent). Plans for increasing investment were more common among firms with over 200 workers, which tend to make larger investments, and in particular among industrial firms that export at least one third of their revenues.
- Some 32.9 per cent of firms reported higher turnover in the first nine months of 2014 than in the same period of 2013, while 35.9 per cent reported that turnover had decreased. For service firms the negative balance between higher and lower turnover was more pronounced (–7.7 percentage points).
- Exports were generally described as increasing, in 2014 and for what regards expectations for 2015. The expansion involved practically all outlet markets except Russia, sales to which have been affected by the geo-political tensions in Ukraine.
- The balance between reports of easing and tightening of credit conditions was negative (–5.9 percentage points). In the previous survey, a year earlier, this indicator was –18.2 points.
- Workforce trends remained negative in 2014. The balance between judgments of higher and lower staffing levels was –9.6 points; the balance was less negative in industry than in services (–5.5 as against –12.7 points).
- The positive balance between firms making profits and those making losses improved in 2014 to 37.4 percentage points, as against 29.1 points a year earlier; the balance was especially positive among export-oriented firms.

CONSTRUCTION AND PUBLIC WORKS

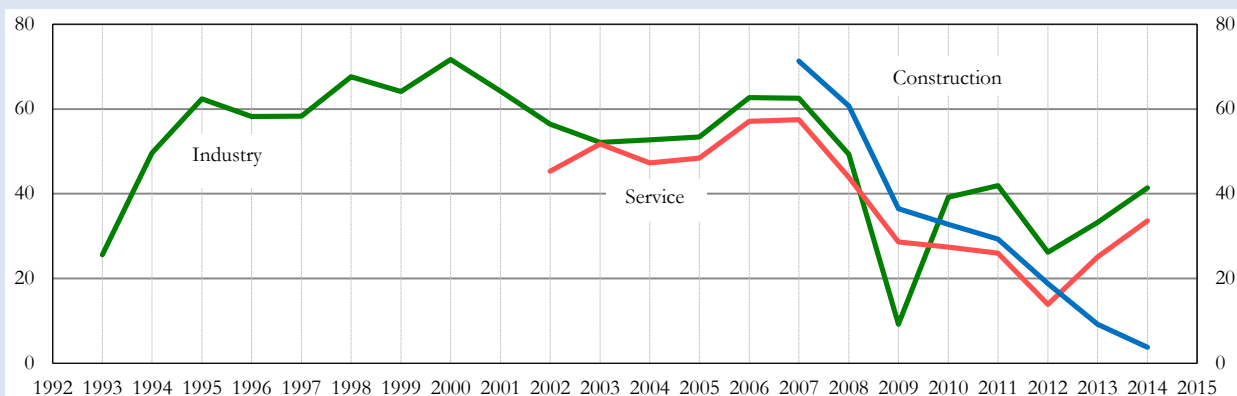
- Judgments on the trend in construction activity in 2014 were negative on the whole, with a balance between indications of expansion and contraction of –28.2 percentage points. Even so, this represents an improvement on the 2013 survey, which showed a balance of –43.1 points.
- Negative judgments also prevailed in the area of credit access; the balance between reports of easing and tightening conditions was –31.2 points, compared with –42.9 points in the year-earlier survey.

Fig. 1

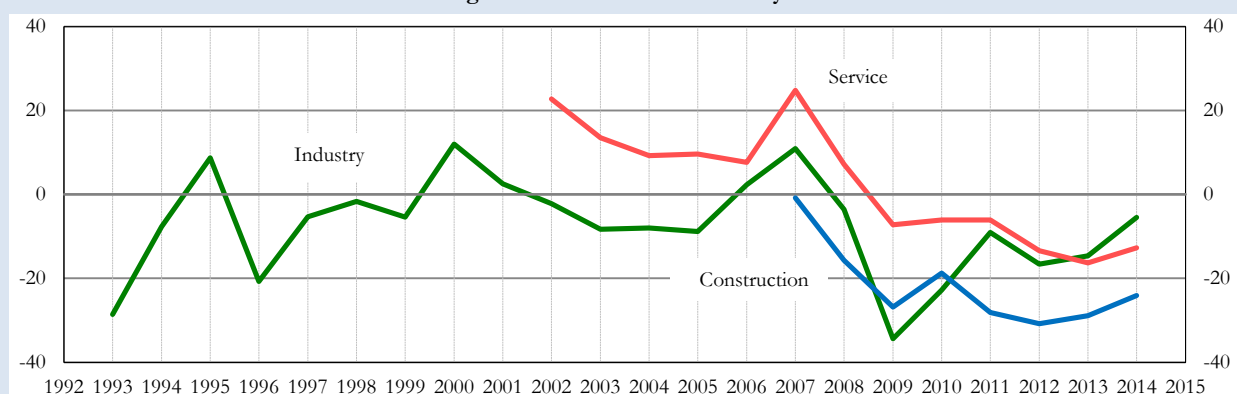
Historical series of the main results ^(a)

(difference between percentage of firms giving positive answers and percentage giving negative answers)

Expected profit/loss for the year



Change in workforce in the current year ^(b)



Change in investment planned for the following year



Expected change in orders/sales in the next 6 months



(a) Firms with more than 50 workers until 2001; firms with more than 20 workers from 2002. - (b) Data weighed by the population of firms. Until 1997, based on the planned workforce; from 1998, based on the forecast workforce.

BUSINESS OUTLOOK SURVEY OF INDUSTRIAL AND SERVICE FIRMS

1. Introduction

From 22 September to 23 October the branches of the Bank of Italy carried out their twenty-second annual business outlook survey, interviewing 3,118 firms in industry excluding construction and 1,208 private-sector non-financial service firms with 20 or more workers and 559 construction firms with 10 or more workers. In addition to the usual questions on employment, trends in activity and in credit, the questionnaire also had questions on special topics of current interest. The findings, with a comparison with earlier surveys, are set out below. Appendix A gives the methodological note, Appendix B the detailed statistical tables, and Appendix C the questionnaires.

2. Non-construction industrial firms and service firms¹

Tav. 1

Comparison of sample surveys, 2012-14

(valori percentuali)

	Industry			Services			Total Industry and Services		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Share of exports									
Zero	21.8	19.7	19.2	59.9	61.5	63.7	40.7	40.4	41.6
Less than 1/3	35.1	36.0	32.4	27.8	23.9	21.4	31.5	30.0	26.8
From 1/3 to 2/3	24.0	23.1	26.5	7.1	8.4	9.7	15.7	15.8	18.0
More than 2/3	19.0	21.1	22.0	5.2	6.2	5.2	12.2	13.7	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed investment in the year compared with investment planned at end of previous year									
Lower.....	31.4	26.0	21.1	29.8	30.1	24.3	30.6	28.1	22.7
About equal.....	57.2	61.2	62.6	60.3	59.2	64.1	58.7	60.2	63.4
Higher.....	11.4	12.8	16.3	9.9	10.6	11.6	10.6	11.7	13.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed investment planned for the year following the current year									
Declining.....	28.3	21.4	20.9	29.1	24.8	23.3	28.7	23.1	22.1
Stable	55.8	59.8	59.1	57.2	56.7	59.8	56.5	58.3	59.5
Increasing.....	16.0	18.8	20.0	13.7	18.5	16.9	14.9	18.7	18.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average workforce compared with previous year ⁽¹⁾									
Lower.....	32.8	31.0	26.6	33.1	35.5	30.8	33.0	33.5	29.0
About equal.....	51.0	52.7	52.3	47.3	45.3	51.1	48.9	48.6	51.6
Higher.....	16.2	16.4	21.1	19.6	19.2	18.1	18.1	18.0	19.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sales revenue compared with previous year (first nine months)									
Lower.....	53.5	42.0	33.9	50.4	44.4	37.8	52.0	43.2	35.9
About equal.....	21.0	29.4	30.3	27.2	29.8	32.1	24.1	29.6	31.2
Higher.....	25.5	28.6	35.8	22.4	25.8	30.1	24.0	27.2	32.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Forecast result for the year									
Loss.....	27.8	24.2	20.8	32.6	27.8	22.3	30.2	26.0	21.6
Breakeven	18.1	18.4	17.0	20.9	19.3	21.8	19.5	18.8	19.4
Profit.....	54.1	57.4	62.2	46.5	52.9	55.9	50.3	55.1	59.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(1) Values weighted with the number of employees.

¹ For the sake of brevity, in this section, the sectors of industry excluding construction is abbreviated to "industry" and that of non-financial private service firms to "services". We refer to firms with 20 or more workers unless otherwise stated.

Investment

About 63.4 per cent of the firms expected that their investment expenditure in 2014 would be in line with their plans at the end of last year; 13.9 per cent expected it to be more and 22.7 per cent less than planned (Table 1). The negative balance between those whose actual investment outlays were more and less than planned was smaller in industry excluding construction than in services (–4.8 as against –12.7 percentage points). In industry the downward revision of investment plans was more marked among firms with 500 or more workers.

For the firms that cut their spending plans, the most important factor for the discrepancy was financing (cited by 29.5 per cent, compared with 33.5 per cent a year earlier). There was no significant change in indications of declining demand or increasing uncertainty (40 per cent of the cases) or of organizational and technical factors (20 per cent).

About 18.5 per cent of firms expect to increase their investment in 2015, down from 22.1 per cent in the previous survey (Table B1). Expectations of an investment increase exceed those of decrease in the larger firms (with 200 or more workers) and in the more export-oriented industrial firms.

Among the factors that may result in a revision of investment plans, firms mentioned unexpected developments in domestic demand (a positive impact reported by 39.7 per cent, a negative one by 33.3 per cent) or in international demand (positive effects for 21.9 per cent, negative for 18.2 per cent). For 16.2 per cent of the firms, possible renewed strains on the cost of finance could induce a fall in investment, while 11.8 per cent named improved funding conditions as a factor that might accelerate their investment plans.

Sales, orders, foreign markets, production

An increase in sales turnover in the first nine months compared with the same period of 2013 was reported by 32.9 per cent of the sample firms, against 35.9 per cent reporting a decrease (Table 1). The gap was wider in services (30.1 and 37.8 per cent respectively). The balance between reports of expansion and contraction tends to become positive as firms increase in size (Table B7).

Judgments concerning orders in September were substantially the same as in June, except for foreign orders, which were expected to expand overall, thanks to the particularly favorable judgments of industrial firms with 200 or more workers. Total order volume was expected to increase in the next half-year by 29.5 per cent of the firms, while 20.1 per cent expected a decline (Table B7). In the business outlook survey conducted a year earlier, the balance between the two percentages was positive by 5 points. For industrial firms, the outlook for export orders is significantly better; 32.5 per cent expect them to rise, against 12.1 per cent that expect a decline (Table B8).

In the survey conducted in the early months of 2014, the sample's exporters named the outlet markets where they planned to increase sales in 2014–16.² Six months later, the firms with plans to increase exports confirmed those plans, albeit to a more limited extent as regards markets in Europe. Manufacturers expected exports to expand most to countries outside Europe, and to accelerate in 2015 (the balance between judgments of expansion and contraction was positive by 20 percentage points with respect to the euro area and by more than 30 points for non-European markets; Figure 2). The fall in exports to Russia was due chiefly to the geopolitical tensions in Ukraine, which seem to have had little impact on exports to the rest of Europe (Figure 3). Firms expect exports to Russia to stabilize next year.

Industrial production was reported as basically unchanged by comparison with 2013, but 31.6 per cent of the firms expected it to increase in the last few months of the year while 21.6 per cent expected it to contract; almost half expected no change.

Finance

About two-thirds of the firms reported that their demand for bank credit remained broadly unchanged between the second half of 2013 and the first half of 2014 (Table B2). The balance between those indicating an increase (20.5 per cent) and a decrease (13.9 per cent) came to +6.6 percentage points, down from 11.7 points earlier this year and 9 points in the autumn of 2013. In the second half of 2014, the balance should remain the same as in the first half. The factors cited by firms as driving up their demand for credit most significantly were the need for working capital and the need to offset changes in self-financing, apart from the need to fund fixed investment.

Some 64.4 per cent of firms judged their credit conditions to be stable during the first half of the year compared to the second half of 2013 (Table B3); the balance between reports of easing and tightening was negative (–5.9 percentage points), above all because of the cost of accessory services, the complexity of the information requested by banks, and the amount of collateral required. For the second half of the year, the percentages of judgments of improvement and deterioration were about the same as in the first half.

2 Supplements to the Statistical Bulletin, Sample Surveys, Survey of Industrial and Service Firms, 2013, New Series, Volume XXIV, 24 July 2014, Table C4, p. 60.

Some 10.8 per cent of the firms (8 per cent in industry, 13.5 per cent in services) reported having received at least partial payment of overdue trade credits with general government in 2013-14. The funds so received were used mainly to pay down trade debt, to pay current expenses and, to a lesser extent, to reduce debt to the financial system or to build up liquidity reserves.

Employment, hours worked, wage supplementation and company-level bargaining

About half the firms reported that their staffing level was stable in 2014 with respect to 2013, while nearly 30 per cent expects a contraction (Table B4). The balance between responses of increase and decrease was -9.6 percentage points, representing an attenuation from -15.5 points in the previous survey. The balance is less negative among industrial than among service firms (-5.5 as against -12.7 points). By sector, the balance was practically nil in chemicals and among export-oriented firms. By region, the negative balance was larger for firms headquartered in the Centre or in the South and Islands.

In the second quarter of 2014 the number of hours worked was higher than a year earlier at 22.4 per cent of the firms and lower at 28.2 per cent. Hours were practically stable in industry while declining in services. In the third quarter the number of hours worked trended downwards by comparison with the year-earlier period, with a balance of -3.9 percentage points between reports of increase and decrease.

About a quarter of the firms applied for wage supplementation benefits in 2014, down from 30 per cent in 2013. As in 2013, applications were more common among larger firms and in the textiles industry. Recourse to the special termination programme (“mobilità”) was limited to 7.9 per cent of the firms, about the same as in 2013.

A third of the workers received wage increments not provided for by their industry-wide collective bargaining agreements in 2014 (Table B5). The average increment was no more than 2 per cent in 86.4 per cent of the cases.

Some 13 per cent of firms expected to have recourse, by the end of 2015, to regulatory derogations to specific provisions of law or national employment contracts through company- or local-level bargaining, slightly more than the 11.9 per cent found in 2013. Of the firms not expecting to apply for derogations, 81 per cent said the main reason for not doing so was satisfaction with the current contractual arrangements (compared with 75.6 per cent the previous year).

Profits

About 59 per cent of firms expected to make operating profits in 2014 (Table B6), slightly more than in the 2013 survey; 21.6 per cent expected to make losses, down from 26 per cent. Profit expectations were more frequent among firms in manufacturing, especially in the chemicals and metal engineering industries, among larger firms, and among export-oriented firms.

Figure 2

Sales turnover by export outlet market, manufacturing

(difference between indications of increase and decrease. in percentage points)

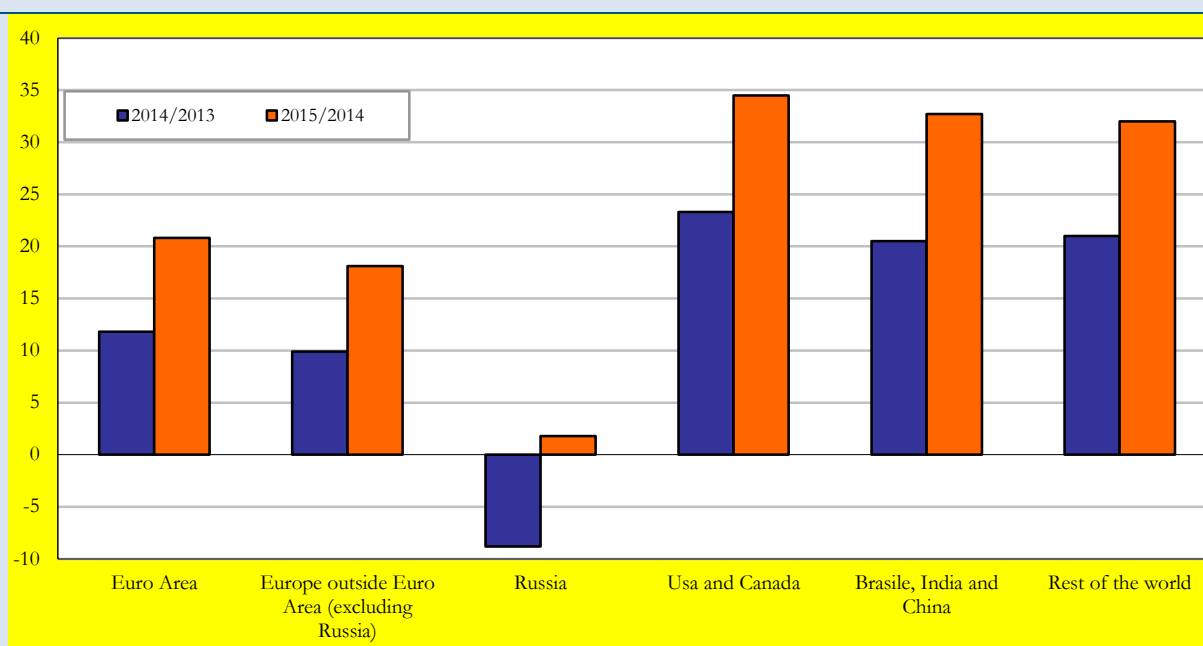
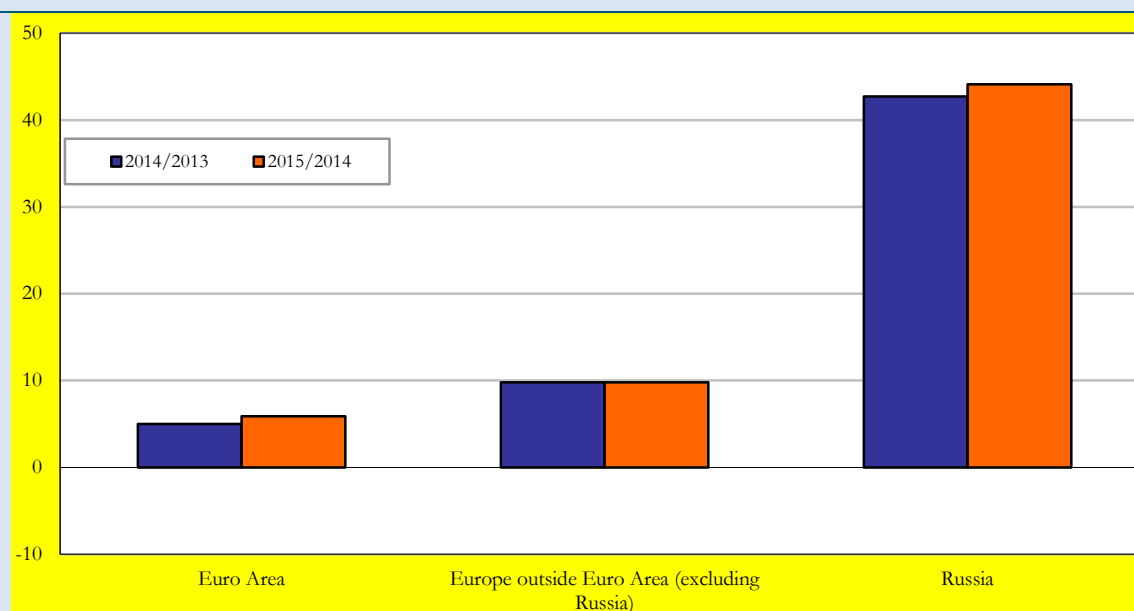


Figure 3

Effect of geopolitical tensions in Ukraine on sales in European markets, manufacturing

(percentage of firms reporting significant impact on their sales)



3. Construction firms³

Construction activity

Some 18.5 per cent of the construction firms projected an increase in the value of their output between the first and second halves of 2014, 37.1 per cent a decrease. In 2013 the comparable figures were 25.1 and 38.8 per cent, respectively. Reports of expansion were significantly more common among firms with 50 or more workers (32.3 per cent, against 25.5 per cent reporting a decrease).

The balance between firms reporting an expansion of activity for 2014 as a whole and those reporting a contraction was negative (–28.2 percentage points; Table C3), but somewhat better than in 2013 (–43.1 points). As regards expectations for 2015 the negative balance is less pronounced (–14.8 points), with 40 per cent of firms forecasting contraction and 25.2 per cent expansion); for firms with at least 50 workers the balance turns positive, rising to 27 percentage points among those with 500 or more workers.

In the public works sector, in which two thirds of the construction firms have at least some activity (Table C4), 26.6 per cent of firms signaled a fall in activity in the second half of 2014 compared to the first, while 10.6 per cent reported an increase. Indications are also negative when 2014 as a whole is compared with 2013, with 34.8 reporting a decline in activity against 9.3 per cent that report an expansion.

About 10.1 per cent of construction firms believe that the extension of the tax benefit for building renovation and the increase in that for energy-saving innovation will have a positive effect on construction activity in the second half of 2014. The impulse is estimated to be greater among firms with 10 to 49 workers and those active mainly in residential building (Table 2).

³ The reference to firms with 10 or more workers will be generally omitted. Until 2013 the survey only included firms with at least 20 workers. Those with 10-19 workers are included from this survey on.

Table 2

**Effect of extension of tax benefit for building renovation and energy-saving innovation
on construction activity in the second half of 2014**
(per cent of firms)

	No significant effect	Small positive effect	Large positive effect	Very large positive effect	Total
Private residential building					
10-49 workers	39.4	41.8	13.4	5.4	100.0
50 and more workers.....	77.7	9.8	12.5	0.0	100.0
Total.....	40.0	41.3	13.4	5.4	100.0
Non-residential private building					
10-49 workers	51.6	37.4	9.4	1.6	100.0
50 and more workers.....	76.8	17.0	6.2	0.0	100.0
Total.....	53.3	36.0	9.2	1.5	100.0
Public works					
10-49 workers	96.2	2.7	1.1	0.0	100.0
50 and more workers.....	87.6	8.8	2.8	0.7	100.0
Total.....	95.5	3.2	1.2	0.1	100.0
Total construction firms.....	64.3	25.6	7.7	2.4	100.0

Finance

In the first half of 2014, credit demand increased at 33.5 per cent of construction firms by comparison with the second half of 2013 and decreased at 14.9 per cent (Table C5). In the second half, indications of both decrease and increase diminished (to 11.8 and 31.5 per cent), while those of stability rose (from 51.6 to 56.7 per cent).

The balance of construction firms' judgments on credit conditions remained negative (–31.2 percentage points) in the first half of 2014; this was nevertheless better than the –42.9 points in the first half of 2013 (Table C6), continuing the trend under way since 2012. The overall difficulty in accessing credit, which is less marked among firms with 500 or more workers, mostly involves accessory costs and problems in obtaining new loans, owing in part to the complexity of the information required. Firms' forward judgments for the rest of the year on overall credit conditions remained stable.

In 2013-14, 37.9 per cent of construction firms received at least partial payment of overdue trade claims on general government. The funds were used mainly to pay down trade debt, to cover current expenses, to decrease debt to the financial system, and lastly to pay back wages.

Employment

About 40.3 per cent of construction firms reported a contraction of their workforce in 2014 (Table C1), against 16.2 per cent reporting an expansion. Both figures are down slightly from the year-earlier survey, and indications of stability were up. The employment problems are more severe at the firms with fewer than 50 workers, among which the negative balance was –35.9 percentage points.

Profits

Some 38.5 per cent of the construction firms expect to have positive operating profits in 2014, while 34.7 per cent expect negative results. The percentage expecting to turn a profit is considerably higher among medium-sized firms (50-199 workers) and the largest ones (over 500 workers).

Appendix A:

Methodological Notes

METHODOLOGICAL NOTES

A1. The sample

Since 1993 the Bank of Italy has conducted a business outlook survey of firms, from around 20 September to 10 October.⁴ The present survey covers 4,326 firms with 20 and more workers, of which 3,118 in industry excluding construction and 1,208 non-financial private service firms (including firms in the wholesale and retail trade, hotels and restaurants, transport and communication companies, real-estate activities, IT and other private services). Since 2007 a parallel survey has been conducted using a simplified questionnaire on a sample of construction firms with 10 and more workers, totaling 559 this year. Most of the firms contacted⁵ were the same as those interviewed in the early months of 2013 for the 2012 Survey of Industrial and Service Firms. The sampling design is the same in both cases.⁶ Table A1 contains a breakdown of the sample by number of workers, branch of activity and geographical area.

A2. Data collection

The data were collected by the branches of the Bank of Italy between 23 September and 22 October 2013 using the questionnaires contained in Appendix C.⁷ The firms were asked to provide mainly qualitative information on the performance of the main economic variables, and the ranges of numbers appearing in the questionnaire are purely indicative. The questionnaire dedicated to construction firms includes questions on output, workforce and profit/loss for the year. All questions appearing for the first time were tested beforehand.

A3. Estimators

The aggregates are estimated using a weighting coefficient for each sampling unit that takes account, in respect of marginal distributions by geographical area, number of workers and branch of activity, of the ratio between the number of firms surveyed and the number of firms in the reference population.⁸

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

The standard errors of the percentage estimates, in relation to the national total, do not exceed 0.7 per cent (2.1 per cent for construction firms), that is, the maximum confidence intervals (at 95 per cent) are 1.4 percentage points (4.2 points for the construction industry). In the case of narrower domains (such as the geographical area, number of workers or branch of activity), the standard errors are greater as the statistics refer to a smaller sample. Table 1 contains, indicatively, the estimates of the standard errors for the whole sample and for some classification variables. These estimates also take account of the necessary finite population correction.

A4. The BIRD system for the distance processing of the survey data

From March 2008 the Bank of Italy has made a system available for the remote processing of data collected in its surveys on firms (BIRD – Bank of Italy Remote access to micro Data)⁹. The system allows researchers and economists to carry out computations using the data collected with the surveys on non-

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

5 The response rate was 90.6 per cent for industrial firms and 89.2 per cent for service firms. For construction firms it was 90.5 per cent.

6 For details of the methodology used in the two surveys see Banca d'Italia, "Survey of Industrial and Service Firms Year 2012" in Supplements to the Statistical Bulletin – Sample Surveys, No. 38, 25 July 2013.

7 Data were loaded onto a web platform directly by 46% of the firms of the sample (they used an interactive pdf questionnaire). The rest of the questionnaires were loaded by the Bank of Italy's branches, that collected data from the firms by telephone, email or fax.

8 The weighting is separate for the sectors "industry excluding construction", "services" and "construction", and within them, for the groups "20-49 workers" and "50 and more workers" (for the construction sector the class 10-19 employees has been included since 2014).

9 See the web <http://www.bancaditalia.it/statistiche/basi-dati/bird/index.html> for further details.

construction and service firms from 1984 onwards (for the Business Outlook Survey from 1993 onwards) in full compliance with the confidentiality of the individual data. Researchers can carry out their statistical and econometric analyses without having direct access to the individual micro data by submitting their calculations by e-mail and receiving the output in the same way. Both the input and the output of calculations are subject to automatic and manual controls on their content and the logic of the processing. Use of the system is subject to the Bank of Italy accepting applications for a username.

Table 1a
Standard errors for response percentages
(percentages)

	Estimate									
	5 % 95 %	10 % 90 %	15 % 85 %	20 % 80 %	25 % 75 %	30 % 70 %	35 % 65 %	40 % 60 %	45 % 55 %	50 % 50 %
Non-construction firms										
Size of workforce										
20 – 49	0.6	0.9	1.0	1.2	1.3	1.3	1.4	1.4	1.4	1.4
50 – 199	0.6	0.8	0.9	1.0	1.1	1.2	1.2	1.3	1.3	1.3
200 – 499	0.9	1.2	1.4	1.6	1.7	1.8	1.9	1.9	2.0	2.0
500 and more	0.9	1.2	1.4	1.6	1.7	1.8	1.9	2.0	2.0	2.0
Branch of activity										
Textiles	1.2	1.6	1.9	2.2	2.4	2.5	2.6	2.7	2.7	2.7
Chemicals.....	1.1	1.5	1.8	2.0	2.1	2.3	2.3	2.4	2.4	2.5
Engineering.....	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.3
Other manufacturing.....	0.6	0.9	1.1	1.2	1.3	1.4	1.4	1.5	1.5	1.5
Energy, mining and quarrying.....	1.5	2.1	2.5	2.8	3.0	3.2	3.3	3.4	3.4	3.5
Geographical area										
North	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.3
Centre.....	0.7	1.0	1.2	1.4	1.5	1.6	1.6	1.7	1.7	1.7
South and Islands.....	0.6	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.4
Total – Non-construction industry	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.9
Private non-financial services										
Size of workforce										
20 – 49	1.1	1.5	1.7	2.0	2.1	2.2	2.3	2.4	2.4	2.4
50 – 199	1.0	1.4	1.7	1.9	2.1	2.2	2.3	2.3	2.4	2.4
200 - 499	1.5	2.0	2.4	2.7	2.9	3.1	3.2	3.3	3.3	3.3
500 and more	1.4	1.9	2.3	2.5	2.7	2.9	3.0	3.1	3.1	3.2
Branch of activity										
Trade, hotels, restaurants	0.8	1.2	1.4	1.6	1.7	1.8	1.9	1.9	1.9	1.9
Transport and communications	1.1	1.5	1.8	2.0	2.2	2.3	2.4	2.5	2.5	2.6
Other business and h.hld services	1.5	2.1	2.5	2.8	3.0	3.2	3.3	3.4	3.4	3.4
Geographical area										
North	0.9	1.3	1.5	1.7	1.9	2.0	2.1	2.1	2.1	2.2
Centre.....	1.3	1.8	2.1	2.4	2.6	2.7	2.8	2.9	2.9	2.9
South and Islands.....	1.0	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.4
Total – Services	0.6	0.8	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4
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										
Size of workforce										
10 – 49	1.2	1.6	1.9	2.1	2.3	2.4	2.5	2.6	2.6	2.7
50 – 199	1.6	2.1	2.5	2.9	3.1	3.3	3.4	3.5	3.5	3.6
200 - 499	4.1	5.6	6.6	7.4	8.1	8.5	8.9	9.1	9.3	9.3
500 and more	2.2	3.0	3.6	4.0	4.3	4.6	4.8	4.9	5.0	5.0
Geographical area										
North	1.4	2.0	2.4	2.6	2.9	3.0	3.2	3.2	3.3	3.3
Centre.....	1.9	2.6	3.1	3.5	3.8	4.0	4.1	4.3	4.3	4.3
South and Islands.....	1.5	2.1	2.4	2.7	3.0	3.1	3.3	3.4	3.4	3.4
Total – Construction	0.9	1.3	1.5	1.7	1.8	1.9	2.0	2.0	2.1	2.1

Appendix B:
Statistical Tables

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Table A1

Composition of the samples and reference populations

(number)

	Firms with up to 50 employees		Firms with 50+ employees		Total firms	
	sample size 2014	population size (1)	sample size 2014	population size (1)	sample size 2014	population size (1)
Industry excluding construction (firms with 20+ employees)						
Geographical area ⁽²⁾						
North West	165	7,476	537	4,356	702	11,832
North East	174	6,784	450	3,519	624	10,303
Centre	240	3,762	500	1,552	740	5,314
South and Islands	557	3,295	495	1,263	1,052	4,558
Number of employees						
20 - 49	1,136	21,317	—	—	1,136	21,317
50 - 199	—	—	1,258	8,774	1,258	8,774
200 - 499	—	—	434	1,375	434	1,375
500 and over	—	—	290	541	290	541
Branch of activity						
Total manufacturing	1,074	20,328	1,857	9,882	2,931	30,210
Textiles, cloth., leather, footwear	118	3,192	196	1,147	314	4,339
Chemicals, rubber, plastics	129	1,829	237	1,343	366	3,172
Basic metals and engineering	414	9,349	842	4,863	1,256	14,212
Other manufacturing	413	5,958	582	2,529	995	8,487
Energy and extraction	62	989	125	808	187	1,797
Total industry excl. construction.....	1,136	21,317	1,982	10,690	3,118	32,007
Services (firms with 20+ employees) ⁽³⁾						
Geographical area ⁽²⁾						
North West	84	7,060	181	3,811	265	10,871
North East	69	5,529	191	2,267	260	7,796
Centre	94	4,763	182	2,223	276	6,986
South and Islands	162	5,065	245	1,846	407	6,911
Number of employees						
20 - 49	409	22,417	—	—	409	22,417
50 - 199	—	—	421	8,070	421	8,070
200 - 499	—	—	193	1,365	193	1,365
500 and over	—	—	185	712	185	712
Branch of activity						
Trade, hotels, restaurants	263	12,146	373	3,980	636	16,126
Transport, storage, communication..	98	5,299	269	2,998	367	8,297
Other h.hold and business services ..	48	4,972	157	3,169	205	8,141
Total services.....	409	22,417	799	10,147	1,208	32,564
Total industry excl. construction and services	1,545	43,734	2,781	20,837	4,326	64,571
Construction (firms with 10+ employees)						
Geographical area ⁽²⁾						
North West	52	7,011	42	415	94	7,426
North East	75	5,415	55	344	130	5,759
Centre	80	4,628	49	242	129	4,870
South and Islands	141	5,333	65	315	206	5,648
Number of employees						
10 - 49	348	22,387	—	—	348	22,387
50 - 199	—	—	169	1,199	169	1,199
200 - 499	—	—	22	92	22	92
500 and over.....	—	—	20	25	20	25
Total construction	348	22,387	211	1,316	559	23,703
Total	1,893	66,121	2,992	22,153	4,885	88,274

(1) Population data are from Istat and refer to 2012. – (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 firms in credit and insurance, public services and other social and personal services.

Industrial and Services firms - Investment

(percentages of firms)

	2014 investment expenditure compared to plans				2015/2014 investment expenditure (forecast)			
	lower	same	higher	total	lower	same	higher	total
Industrial firms								
Geographical area ⁽¹⁾								
North West	17.5	67.1	15.4	100.0	20.3	63.6	16.1	100.0
North East	20.7	61.5	17.8	100.0	19.2	57.5	23.3	100.0
Centre	23.9	58.6	17.5	100.0	21.5	58.5	20.0	100.0
South and Islands	28.1	58.2	13.7	100.0	25.6	51.7	22.7	100.0
Number of employees								
20 - 49	20.8	63.2	16.1	100.0	21.6	60.4	18.0	100.0
50 - 199	21.4	62.2	16.5	100.0	20.1	57.1	22.8	100.0
200 - 499	22.2	59.7	18.1	100.0	14.7	54.4	30.8	100.0
500 and over	28.0	56.9	15.1	100.0	20.4	50.2	29.4	100.0
Branch of activity								
Total manufacturing	20.6	62.9	16.5	100.0	20.9	59.5	19.6	100.0
Textiles, cloth., leather, footwear	16.9	68.1	14.9	100.0	19.3	62.0	18.7	100.0
Chemicals, rubber, plastics	17.9	59.0	23.0	100.0	21.7	56.0	22.3	100.0
Basic metals and engineering	20.3	63.8	15.9	100.0	19.5	62.3	18.2	100.0
Other manufacturing	23.8	60.2	16.0	100.0	23.6	55.0	21.4	100.0
Energy and extraction	30.2	58.1	11.7	100.0	21.5	51.8	26.7	100.0
Share of exports								
Less than one-third	19.6	62.8	17.6	100.0	22.3	60.3	17.3	100.0
From one- to two-thirds	22.1	64.9	13.0	100.0	19.4	57.6	23.0	100.0
Over two-thirds	23.6	59.5	17.0	100.0	19.4	58.1	22.5	100.0
Total industrial firms	21.1	62.6	16.3	100.0	20.9	59.1	20.0	100.0
Services firms								
Geographical area ⁽¹⁾								
North West	19.7	68.9	11.4	100.0	20.2	61.3	18.5	100.0
North East	24.6	57.9	17.4	100.0	25.6	60.6	13.8	100.0
Centre	25.4	67.1	7.6	100.0	20.3	61.3	18.4	100.0
South and Islands	30.0	60.6	9.4	100.0	28.6	54.8	16.5	100.0
Number of employees								
20 - 49	24.5	64.6	10.9	100.0	25.3	58.7	16.1	100.0
50 - 199	23.5	62.9	13.6	100.0	20.4	62.5	17.1	100.0
200 - 499	24.5	67.6	7.9	100.0	10.0	63.0	27.1	100.0
500 and over	26.1	57.6	16.3	100.0	18.2	58.2	23.6	100.0
Branch of activity								
Trade, hotels, restaurants	23.5	63.2	13.3	100.0	27.3	58.7	14.0	100.0
Transport, storage, communication..	25.6	63.4	11.0	100.0	15.1	61.9	22.9	100.0
Other h.hold and business services ..	24.4	66.7	8.9	100.0	23.6	59.7	16.6	100.0
Total services firms	24.3	64.1	11.6	100.0	23.3	59.8	16.9	100.0
Total	22.7	63.4	13.9	100.0	22.1	59.5	18.5	100.0
<i>memorandum item:</i>								
2013	28.1	60.2	11.7	100.0	23.1	58.3	18.7	100.0
2012	30.6	58.7	10.6	100.0	28.7	56.5	14.9	100.0
2011	23.5	64.1	12.4	100.0	26.6	56.1	17.3	100.0

(1) Location of the firm's head office.

Industrial and Services firms – Bank loans

(percentages of firms)

	2014 H1 on 2013 H2				2014 H2 on 2014 H1 (forecast)			
	contraction	no change	increase	total	contraction	no change	increase	total
Industrial firms								
Geographical area ⁽¹⁾								
North West	12.2	66.1	21.7	100.0	11.7	64.7	23.6	100.0
North East	19.4	61.5	19.1	100.0	15.7	61.4	22.9	100.0
Centre	10.1	69.6	20.3	100.0	7.4	69.0	23.6	100.0
South and Islands	15.9	60.7	23.4	100.0	15.0	60.5	24.5	100.0
Number of employees								
20 - 49	14.2	64.8	21.0	100.0	12.0	64.3	23.7	100.0
50 - 199	15.7	64.4	20.0	100.0	13.8	62.4	23.8	100.0
200 - 499	16.8	60.8	22.3	100.0	15.7	64.1	20.2	100.0
500 and over	15.9	56.9	27.2	100.0	20.3	63.7	16.0	100.0
Branch of activity								
Total manufacturing	14.9	64.0	21.2	100.0	12.7	63.7	23.6	100.0
Textiles, cloth., leather, footwear	14.6	63.3	22.0	100.0	13.2	59.7	27.1	100.0
Chemicals, rubber, plastics	11.1	65.1	23.8	100.0	11.6	64.5	23.9	100.0
Basic metals and engineering	13.4	66.6	20.0	100.0	12.1	66.3	21.6	100.0
Other manufacturing	18.6	59.7	21.7	100.0	13.8	61.2	25.0	100.0
Energy and extraction	11.7	72.9	15.4	100.0	13.8	65.1	21.0	100.0
Share of exports								
Less than one-third	12.9	66.2	20.9	100.0	11.9	65.0	23.1	100.0
From one- to two-thirds	16.6	62.3	21.2	100.0	13.3	64.1	22.6	100.0
Over two-thirds	17.1	62.5	20.4	100.0	14.2	60.2	25.6	100.0
Total industrial firms	14.7	64.4	20.9	100.0	12.8	63.7	23.5	100.0
Services firms								
Geographical area ⁽¹⁾								
North West	12.4	70.1	17.5	100.0	9.5	78.0	12.5	100.0
North East	17.5	61.4	21.1	100.0	20.6	51.6	27.8	100.0
Centre	8.8	71.1	20.0	100.0	9.9	71.7	18.4	100.0
South and Islands	13.5	63.6	22.9	100.0	15.9	63.7	20.5	100.0
Number of employees								
20 - 49	14.1	67.1	18.8	100.0	14.1	67.0	18.9	100.0
50 - 199	11.0	65.9	23.1	100.0	14.2	66.9	18.9	100.0
200 - 499	9.2	65.7	25.1	100.0	7.6	66.8	25.7	100.0
500 and over	11.4	65.5	23.2	100.0	7.5	65.4	27.2	100.0
Branch of activity								
Trade, hotels, restaurants	16.2	65.7	18.1	100.0	15.9	66.7	17.4	100.0
Transport, storage, communication..	9.0	67.6	23.4	100.0	8.8	70.0	21.1	100.0
Other h.hold and business services ..	10.6	68.1	21.3	100.0	14.2	64.0	21.7	100.0
Total services firms	13.1	66.7	20.2	100.0	13.7	66.9	19.3	100.0
Total	13.9	65.6	20.5	100.0	13.3	65.3	21.4	100.0
<i>memorandum item:</i>								
2013	13.5	63.9	22.5	100.0	12.2	67.1	20.8	100.0
2012	11.8	63.9	24.3	100.0	10.1	64.3	25.5	100.0
2011	11.4	63.6	25.0	100.0	10.8	65.7	23.5	100.0

(1) Location of the firm's head office.

Table B3

Industrial and Services firms – Overall credit conditions

(percentages of firms)

	2014 H1 on 2013 H2				2014 H2 on 2014 H1 (forecast)			
	worse	stable	better	total	worse	stable	better	total
Industrial firms								
Geographical area ⁽¹⁾								
North West	15.8	64.3	19.9	100.0	17.4	58.6	24.0	100.0
North East	17.7	66.6	15.7	100.0	14.9	66.6	18.5	100.0
Centre	24.9	63.0	12.1	100.0	22.8	59.5	17.8	100.0
South and Islands	24.6	63.6	11.8	100.0	19.3	65.4	15.3	100.0
Number of employees								
20 - 49	21.0	64.3	14.7	100.0	19.0	62.3	18.7	100.0
50 - 199	16.7	65.8	17.5	100.0	16.0	63.0	21.0	100.0
200 - 499	14.5	63.8	21.7	100.0	15.7	58.9	25.4	100.0
500 and over	8.5	63.7	27.8	100.0	4.9	58.9	36.2	100.0
Branch of activity								
Total manufacturing	19.2	64.8	16.0	100.0	18.0	62.2	19.8	100.0
Textiles, cloth., leather, footwear	22.4	60.4	17.2	100.0	18.8	62.0	19.2	100.0
Chemicals, rubber, plastics	15.5	68.8	15.8	100.0	13.3	65.7	20.9	100.0
Basic metals and engineering	19.6	68.4	12.0	100.0	18.0	63.5	18.5	100.0
Other manufacturing	18.2	59.9	21.8	100.0	19.3	59.0	21.7	100.0
Energy and extraction	21.2	63.2	15.5	100.0	13.8	65.4	20.9	100.0
Share of exports								
Less than one-third	19.4	66.3	14.2	100.0	17.5	63.5	18.9	100.0
From one- to two-thirds	20.6	60.3	19.1	100.0	20.7	59.7	19.6	100.0
Over two-thirds	17.4	66.3	16.3	100.0	15.0	62.6	22.4	100.0
Total industrial firms	19.3	64.7	16.0	100.0	17.8	62.3	19.8	100.0
Services firms								
Geographical area ⁽¹⁾								
North West	20.0	60.8	19.2	100.0	15.3	66.9	17.8	100.0
North East	20.4	66.9	12.8	100.0	18.6	64.5	16.9	100.0
Centre	20.6	67.9	11.5	100.0	14.1	72.7	13.2	100.0
South and Islands	28.0	62.4	9.6	100.0	25.9	63.6	10.5	100.0
Number of employees								
20 - 49	24.3	62.8	13.0	100.0	20.0	65.4	14.6	100.0
50 - 199	17.7	67.1	15.2	100.0	14.7	70.6	14.6	100.0
200 - 499	15.9	69.0	15.0	100.0	12.1	69.0	18.9	100.0
500 and over	13.9	67.3	18.8	100.0	13.1	69.0	18.0	100.0
Branch of activity								
Trade, hotels, restaurants	25.3	62.2	12.5	100.0	22.1	63.0	14.9	100.0
Transport, storage, communication..	17.8	67.6	14.6	100.0	15.5	69.2	15.3	100.0
Other h.hold and business services ..	19.7	64.9	15.4	100.0	12.9	72.8	14.3	100.0
Total services firms	22.1	64.2	13.7	100.0	18.3	66.9	14.9	100.0
Total	20.7	64.4	14.8	100.0	18.0	64.6	17.4	100.0
<i>memorandum item:</i>								
2013	27.6	63.0	9.4	100.0	24.3	64.4	11.3	100.0
2012	36.4	57.3	6.3	100.0	34.7	56.6	8.6	100.0
2011	32.9	61.4	5.7	100.0	38.6	54.6	6.7	100.0

(1) Location of the firm's head office.

Industrial and Services firms – Workforce

(percentages)

	Workforce: 2014/2013 variation ⁽¹⁾			
	lower	stable	higher	total
Industrial firms				
Geographical area ⁽²⁾				
North West	23.5	56.0	20.5	100.0
North East	30.0	45.0	25.0	100.0
Centre	26.8	55.6	17.6	100.0
South and Islands	28.9	52.6	18.5	100.0
Number of employees				
20 - 49	23.4	57.7	18.9	100.0
50 - 199	26.1	50.6	23.4	100.0
200 - 499	29.1	47.1	23.8	100.0
500 and over	28.6	52.2	19.2	100.0
Branch of activity				
Total manufacturing	27.6	51.2	21.3	100.0
Textiles, cloth., leather, footwear	29.9	44.5	25.5	100.0
Chemicals, rubber, plastics	19.6	61.1	19.3	100.0
Basic metals and engineering	26.7	51.1	22.2	100.0
Other manufacturing	32.3	49.2	18.5	100.0
Energy and extraction	17.7	62.5	19.8	100.0
Share of exports				
Less than one-third	26.0	56.1	17.9	100.0
From one- to two-thirds	26.3	53.7	20.0	100.0
Over two-thirds	27.9	44.7	27.3	100.0
Total industrial firms	26.6	52.3	21.1	100.0
Services firms				
Geographical area ⁽²⁾				
North West	31.5	49.5	19.0	100.0
North East	31.7	42.7	25.6	100.0
Centre	27.7	59.6	12.7	100.0
South and Islands	33.7	50.9	15.4	100.0
Number of employees				
20 - 49	25.3	59.4	15.3	100.0
50 - 199	28.1	54.8	17.0	100.0
200 - 499	27.6	48.9	23.5	100.0
500 and over	35.2	46.3	18.4	100.0
Branch of activity				
Trade, hotels, restaurants	34.1	46.5	19.5	100.0
Transport, storage, communication..	28.9	58.7	12.3	100.0
Other h.hold and business services ..	28.6	48.6	22.8	100.0
Total services firms	30.8	51.1	18.1	100.0
Total	29.0	51.6	19.4	100.0
<i>memorandum item:</i>				
2013	33.5	48.6	18.0	100.0
2012	33.0	48.9	18.1	100.0
2011	29.3	48.8	21.9	100.0

(1) Percentages weighted with the number of workers. - (2) Location of the firm's head office.

Industrial and Services firms – Wage increases

(percentages)

	Wage increases for 2014 (above national agreements) ⁽¹⁾				
	Share of workers with wage increases	of which:			
		less than 1%	between 1% and 2%	between 2,1% and 3%	more than 3%
Industrial firms					
Geographical area ⁽²⁾					
North West	45.4	23.7	14.6	6.7	0.4
North East	38.5	20.2	13.3	4.4	0.7
Centre	33.1	19.3	9.0	3.9	0.9
South and Islands	17.7	8.5	7.2	0.8	1.1
Number of employees					
20 - 49	16.0	7.3	5.6	2.6	0.4
50 - 199	27.4	10.3	12.2	3.7	1.2
200 - 499	44.5	21.8	15.0	7.2	0.5
500 and over	67.8	42.5	17.9	7.1	0.3
Branch of activity					
Total manufacturing	38.0	19.6	12.4	5.2	0.7
Textiles, cloth., leather, footwear	23.1	7.9	10.2	4.1	0.9
Chemicals, rubber, plastics	46.8	24.2	14.5	7.3	0.8
Basic metals and engineering	42.5	22.0	13.9	5.8	0.8
Other manufacturing	31.3	17.9	9.4	3.7	0.4
Energy and extraction	38.4	24.6	12.9	0.9	0.0
Share of exports					
Less than one-third	29.8	18.3	8.1	3.1	0.3
From one- to two-thirds	43.5	22.9	15.0	4.5	1.1
Over two-thirds	45.3	19.8	16.6	8.2	0.6
Total industrial firms	38.0	20.1	12.4	4.9	0.6
Services firms					
Geographical area ⁽²⁾					
North West	38.0	22.5	12.7	0.8	2.0
North East	29.3	15.3	9.2	3.7	1.2
Centre	28.2	16.6	6.8	3.6	1.2
South and Islands	11.4	3.5	4.5	1.8	1.6
Number of employees					
20 - 49	13.2	3.6	4.4	1.5	3.6
50 - 199	22.1	8.3	10.1	2.3	1.3
200 - 499	28.8	12.7	13.7	1.5	0.9
500 and over	43.6	29.7	10.2	2.8	0.9
Branch of activity					
Trade, hotels, restaurants	23.4	13.7	7.6	1.5	0.6
Transport, storage, communication.. ..	31.6	17.9	8.8	2.5	2.4
Other h.hold and business services ..	36.7	19.9	12.0	2.8	2.0
Total services firms	29.9	16.8	9.3	2.2	1.6
Total	33.5	18.3	10.7	3.4	1.1
<i>memorandum item:</i>					
2013	33.5	18.9	9.8	3.2	1.6
2012	37.4	21.2	10.7	3.7	1.8
2011	38.5	21.2	11.6	4.0	1.7

(1) Valori ponderati con la popolazione di addetti. - (2) Location of the firm's head office.

Table B6

Industrial and Services firms – Operating result

(percentages of firms)

	Operating result for 2014			
	loss	breakeven	profit	total
Industrial firms				
Geographical area ⁽¹⁾				
North West	17.8	18.3	63.9	100.0
North East	23.0	12.7	64.3	100.0
Centre	21.0	20.1	58.9	100.0
South and Islands	23.5	19.1	57.4	100.0
Number of employees				
20 - 49	21.2	18.5	60.3	100.0
50 - 199	19.7	14.9	65.4	100.0
200 - 499	23.2	8.5	68.2	100.0
500 and over	16.3	11.2	72.5	100.0
Branch of activity				
Total manufacturing	20.9	16.8	62.2	100.0
Textiles, cloth., leather, footwear	20.2	17.9	61.9	100.0
Chemicals, rubber, plastics	18.0	10.0	72.0	100.0
Basic metals and engineering	18.0	16.6	65.3	100.0
Other manufacturing	27.4	19.3	53.3	100.0
Energy and extraction	18.6	19.0	62.4	100.0
Share of exports				
Less than one-third	22.3	19.2	58.4	100.0
From one- to two-thirds	18.9	15.1	66.1	100.0
Over two-thirds	19.7	13.9	66.4	100.0
Total industrial firms	20.8	17.0	62.2	100.0
Services firms				
Geographical area ⁽¹⁾				
North West	20.3	21.2	58.4	100.0
North East	23.4	18.7	57.9	100.0
Centre	24.5	22.7	52.8	100.0
South and Islands	21.9	25.2	52.8	100.0
Number of employees				
20 - 49	23.4	22.4	54.2	100.0
50 - 199	19.2	21.9	59.0	100.0
200 - 499	22.7	16.3	60.9	100.0
500 and over	22.5	12.9	64.7	100.0
Branch of activity				
Trade, hotels, restaurants	25.1	21.1	53.8	100.0
Transport, storage, communication.. ..	19.6	19.7	60.7	100.0
Other h.hold and business services ..	19.4	25.6	55.0	100.0
Total services firms	22.3	21.8	55.9	100.0
Total	21.6	19.4	59.0	100.0
<i>memorandum item:</i>				
2013	26.0	18.8	55.1	100.0
2012	30.2	19.5	50.3	100.0
2011	23.6	18.7	57.8	100.0

(1) Location of the firm's head office.

Table B7

Industrial and Services firms – Sales revenues and orders: domestic and foreign markets

(percentages of firms)

	Sales revenues January-September: change in 2014 on 2013				Orders: forecast 6 months ahead			
	decreasing	stable	increasing	total	decreasing	stable	increasing	total
Industrial firms								
Geographical area ⁽¹⁾								
North West	32.1	32.8	35.2	100.0	15.4	51.0	33.5	100.0
North East	31.3	27.4	41.3	100.0	18.8	49.0	32.2	100.0
Centre	41.6	27.9	30.5	100.0	21.4	46.2	32.4	100.0
South and Islands	35.6	33.3	31.1	100.0	16.8	48.7	34.5	100.0
Number of employees								
20 - 49	35.3	30.0	34.7	100.0	18.5	48.8	32.8	100.0
50 - 199	31.3	31.1	37.6	100.0	16.4	49.5	34.1	100.0
200 - 499	30.8	31.0	38.2	100.0	15.2	52.7	32.1	100.0
500 and over	32.2	27.5	40.3	100.0	16.3	54.9	28.8	100.0
Branch of activity								
Total manufacturing	33.4	29.9	36.7	100.0	17.7	49.0	33.4	100.0
Textiles, cloth., leather, footwear	33.8	25.3	40.9	100.0	22.8	43.7	33.5	100.0
Chemicals, rubber, plastics	28.0	31.1	40.9	100.0	13.7	51.1	35.2	100.0
Basic metals and engineering	31.0	32.5	36.5	100.0	15.4	51.4	33.1	100.0
Other manufacturing	39.3	27.3	33.4	100.0	20.3	46.7	32.9	100.0
Energy and extraction	43.2	37.6	19.2	100.0	18.3	53.7	28.0	100.0
Share of exports								
Less than one-third	35.3	30.5	34.1	100.0	15.8	51.5	32.7	100.0
From one- to two-thirds	30.9	30.7	38.4	100.0	18.3	48.2	33.6	100.0
Over two-thirds	34.4	29.2	36.4	100.0	21.6	45.2	33.3	100.0
Total industrial firms	33.9	30.3	35.8	100.0	17.7	49.2	33.0	100.0
Services firms								
Geographical area ⁽¹⁾								
North West	39.1	29.9	31.1	100.0	17.9	56.6	25.5	100.0
North East	42.6	24.6	32.8	100.0	25.2	53.6	21.2	100.0
Centre	30.5	34.6	34.9	100.0	23.7	44.4	31.9	100.0
South and Islands	38.0	41.4	20.7	100.0	24.9	49.3	25.8	100.0
Number of employees								
20 - 49	38.2	31.8	29.9	100.0	23.5	49.6	26.9	100.0
50 - 199	37.9	32.2	29.9	100.0	20.9	56.3	22.7	100.0
200 - 499	31.6	36.3	32.1	100.0	17.6	50.1	32.4	100.0
500 and over	34.2	30.7	35.2	100.0	14.1	65.1	20.8	100.0
Branch of activity								
Trade, hotels, restaurants	40.0	26.8	33.2	100.0	22.1	47.6	30.3	100.0
Transport, storage, communication..	34.2	36.0	29.8	100.0	22.4	50.1	27.6	100.0
Other h.hold and business services ..	37.2	38.5	24.3	100.0	22.9	60.7	16.4	100.0
Total services firms	37.8	32.1	30.1	100.0	22.4	51.7	25.9	100.0
Total	35.9	31.2	32.9	100.0	20.1	50.5	29.5	100.0
<i>memorandum item:</i>								
2013	43.2	29.6	27.2	100.0	23.0	48.9	28.0	100.0
2012	52.0	24.1	24.0	100.0	33.7	42.9	23.4	100.0
2011	28.4	29.5	42.1	100.0	24.6	47.2	28.1	100.0

(1) Location of the firm's head office.

Table B8

Industrial firms – Sales revenues and orders: foreign markets

(percentages of firms)

	Exporting firms	of which:			of which:		
		Sales revenues January-September: change in 2014 on 2013			Orders: forecast 6 months ahead		
		decreasing	stable	increasing	decreasing	stable	increasing
Geographical area ⁽¹⁾							
North West	87.0	21.5	28.7	36.8	10.7	40.7	35.6
North East	89.6	25.4	25.6	38.5	14.9	39.2	35.5
Centre	76.2	25.5	23.4	27.3	15.1	33.1	28.0
South and Islands	50.2	13.5	15.9	20.9	6.0	21.4	22.7
Number of employees							
20 - 49	78.1	22.1	25.1	30.8	12.0	35.7	30.4
50 - 199	86.1	22.6	25.5	38.1	12.7	36.9	36.5
200 - 499	86.5	22.7	21.6	42.1	9.0	39.3	38.2
500 and over	88.1	24.5	17.9	45.7	13.1	40.4	34.5
Branch of activity							
Total manufacturing	84.4	23.1	26.1	35.2	12.6	37.7	34.2
Textiles, cloth., leather, footwear	87.7	23.9	28.8	35.0	17.8	38.9	31.0
Chemicals, rubber, plastics	91.0	21.0	32.0	37.9	10.6	44.9	35.5
Basic metals and engineering	84.1	21.4	24.9	37.8	10.3	37.6	36.2
Other manufacturing	80.6	26.6	24.3	29.7	14.2	34.4	31.9
Energy and extraction	20.7	8.1	7.1	5.5	4.8	11.8	4.1
Total industrial firms	80.8	22.3	25.0	33.5	12.1	36.2	32.5
<i>memorandum item:</i>							
2013	80.3	23.4	26.3	30.6	13.3	34.9	32.0
2012	78.2	29.7	21.0	27.4	17.4	36.3	24.5
2011	77.8	17.0	19.7	41.1	14.4	37.0	26.3

(1) Location of the firm's head office.

Table C1

Construction – Workforce

(percentages)

	Workforce: 2014/2013 variation ⁽¹⁾			
	lower	virtually the same	higher	total
Geographical area ⁽²⁾				
North West	32.4	45.5	22.1	100.0
North East	43.2	42.5	14.3	100.0
Centre	44.3	46.4	9.3	100.0
South and Islands	45.3	39.4	15.3	100.0
Number of employees				
10 - 49	43.1	49.8	7.2	100.0
50 - 199	42.3	39.3	18.3	100.0
200 - 499	49.4	30.4	20.2	100.0
500 and over	0.0	0.0	100.0	100.0
Total construction firms	40.3	43.5	16.2	100.0
<i>memorandum item:</i>				
2013	49.0	30.9	20.1	100.0
2012	46.2	38.3	15.5	100.0
2011	41.7	44.7	13.6	100.0

(1) Percentages weighted with the number of workers. - (2) Location of the firm's head office. - (3) The survey covered the construction firms with 20 employees or more until 2013. The firms with 10-19 employees have been added since 2014.

Table C2

Construction – Operating result

(percentages of firms)

	Operating result for 2014			
	loss	breakeven	profit	total
Geographical area ⁽¹⁾				
North West	38.1	24.8	37.1	100.0
North East	42.4	27.3	30.4	100.0
Centre	31.4	36.4	32.2	100.0
South and Islands	26.0	20.5	53.5	100.0
Number of employees				
10 - 49	35.6	27.6	36.8	100.0
50 - 199	18.1	13.3	68.6	100.0
200 - 499	35.7	17.8	46.4	100.0
500 and over	11.3	23.3	65.4	100.0
Total construction firms	34.7	26.8	38.5	100.0
<i>memorandum item:</i>				
2013	35.2	20.4	44.4	100.0
2012	31.6	17.9	50.4	100.0
2011	24.1	22.5	53.4	100.0

(1) Location of the firm's head office.

Table C3

Construction – Total production

(percentages of firms)

	Value of production 2014/2013				Value of production 2015/2014 (<i>forecast</i>)			
	decreasing	stable	increasing	total	decreasing	stable	increasing	total
Geographical area ⁽¹⁾								
North West	46.7	34.8	18.4	100.0	50.0	34.5	15.4	100.0
North East	45.7	32.2	22.1	100.0	40.2	41.2	18.5	100.0
Centre	54.1	31.1	14.8	100.0	47.9	29.6	22.5	100.0
South and Islands	45.5	32.1	22.5	100.0	18.3	32.4	49.3	100.0
Number of employees								
10 - 49	47.9	33.1	19.0	100.0	40.7	35.1	24.3	100.0
50 - 199	44.3	27.7	28.0	100.0	30.6	30.4	39.1	100.0
200 - 499	39.8	21.0	39.2	100.0	29.4	21.2	49.4	100.0
500 and over	25.2	20.5	54.4	100.0	5.1	55.5	39.3	100.0
Total construction firms	47.7	32.8	19.5	100.0	40.0	34.8	25.2	100.0
<i>memorandum item:</i>								
2013	60.1	22.9	17.0	100.0	36.0	37.5	26.4	100.0
2012	62.2	21.7	16.2	100.0	43.9	36.3	19.8	100.0
2011	51.0	28.1	20.9	100.0	44.0	37.4	18.6	100.0

(1) Location of the firm's head office.

Table C4

Construction – Public works production

(percentages of firms)

	Firms producing public works	of which:			of which::		
		Value of production 2014/2013			Value of production 2015/2014 (<i>forecast</i>)		
		decreasing	stable	increasing	decreasing	stable	increasing
Geographical area ⁽¹⁾							
North West	67.6	40.8	22.4	4.5	36.4	25.4	5.9
North East	56.8	28.3	21.2	7.3	21.9	20.2	14.7
Centre	64.8	33.8	22.1	8.9	30.2	27.9	6.7
South and Islands	71.1	35.0	18.4	17.7	10.5	21.3	39.2
Number of employees							
10 - 49	64.4	34.7	21.0	8.7	25.6	23.8	15.0
50 - 199	80.0	37.3	23.0	19.8	28.2	23.4	28.5
200 - 499	75.3	39.9	11.7	23.6	24.5	11.2	39.6
500 and over	94.9	25.1	10.2	59.5	5.1	55.5	34.3
Total construction firms	65.2	34.8	21.1	9.3	25.6	23.7	15.8
<i>memorandum item:</i>							
2013	79.0	43.1	20.4	15.6	28.2	30.6	20.2
2012	79.2	45.7	21.4	12.1	32.9	30.5	15.8
2011	79.5	39.7	25.7	14.2	35.8	27.0	16.7

(1) Location of the firm's head office.

Table C5

Construction – Bank loans

(percentages of firms)

	2014 H1 on 2013 H2				2014 H2 on 2014 H1 (forecast)			
	decrease	no change	increase	total	decrease	no change	increase	total
Geographical area ⁽¹⁾								
North West	19.6	50.6	29.9	100.0	12.2	57.3	30.5	100.0
North East	8.2	52.1	39.7	100.0	7.7	55.8	36.5	100.0
Centre	13.6	43.4	43.0	100.0	9.7	53.3	37.0	100.0
South and Islands	17.9	59.8	22.3	100.0	17.9	60.1	22.0	100.0
Number of employees								
10 - 49	14.9	51.5	33.5	100.0	11.7	57.0	31.3	100.0
50 - 199	14.1	54.2	31.8	100.0	14.3	51.4	34.3	100.0
200 - 499	8.8	41.3	50.0	100.0	8.4	51.8	39.8	100.0
500 and over	10.9	61.7	27.3	100.0	8.0	69.8	22.2	100.0
Total construction firms	14.9	51.6	33.5	100.0	11.8	56.7	31.5	100.0
<i>memorandum item:</i>								
2013	14.8	50.0	35.2	100.0	12.6	53.6	33.9	100.0
2012	13.3	50.9	35.8	100.0	12.3	56.8	30.9	100.0
2011	12.4	51.2	36.4	100.0	14.2	47.5	38.2	100.0

(1) Location of the firm's head office.

Table C6

Construction – Overall credit conditions

(percentages of firms)

	2014 H1 on 2013 H2				2014 H2 on 2014 H1 (forecast)			
	worse	stable	better	total	worse	stable	better	total
Geographical area ⁽¹⁾								
North West	35.4	53.5	11.1	100.0	43.1	50.9	6.0	100.0
North East	35.0	62.0	3.0	100.0	37.6	58.6	3.8	100.0
Centre	45.1	47.8	7.1	100.0	36.7	55.8	7.5	100.0
South and Islands	38.6	55.4	6.0	100.0	34.7	57.0	8.3	100.0
Number of employees								
20 - 49	38.7	54.6	6.7	100.0	39.1	55.2	5.7	100.0
50 - 199	27.4	60.9	11.7	100.0	23.2	60.6	16.2	100.0
200 - 499	41.9	54.0	4.0	100.0	34.5	55.7	9.8	100.0
500 and over	21.2	70.8	8.0	100.0	12.1	60.6	27.3	100.0
Total construction firms	38.1	55.0	6.9	100.0	38.2	55.5	6.3	100.0
<i>memorandum item:</i>								
2013	46.4	50.1	3.5	100.0	44.7	51.2	4.1	100.0
2012	51.9	46.0	2.2	100.0	46.6	50.7	2.8	100.0
2011	49.4	48.6	2.0	100.0	54.6	42.1	3.3	100.0

(1) Location of the firm's head office.

Appendix C:
Questionnaires



22th BUSINESS OUTLOOK SURVEY - 2014
NON-CONSTRUCTION INDUSTRIAL FIRMS AND SERVICE FIRMS

Notice. - The purpose of this survey is to collect information on the main economic and financial variables in the industrial sector. Your co-operation is important but not compulsory. The information provided will only be used for research purposes. Firms taking part to the survey will provide a valuable contribution to the analysis of the Italian economy. The data will be handled in order to ensure data safety and confidentiality.

GENERAL INFORMATION

Branch code (Bank of Italy):

Branch code **a1**.....

Firm code **a2**.....

Date of interview (DD/MM/YYYY): **data**

Tax Code **codf**

Name of firm **a3**.....

Legal status **a9**

Legend: 1=SRL; 2=SPA; 3=SAPA; 4=SCRL; 5=SCRI; 6=SAS; 7=SNC; 8=Altro.

Istat – Ateco2007 (first 5 figures) **a4c**

Istat (Italian National Statistical Institute) economic activity: see ISTAT. Classificazione delle attività economiche. Metodi e norme 2007.

Average payroll employment in 2013 **a5m**

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 Supplementation Fund benefits. The information can be obtained as the 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 workers must be multiplied by the fraction of the year during which they have worked. Workers receiving Wage Supplementation Fund benefits and part-time workers should be regarded as working for the whole of the year.

Share of exports in total sales revenue for 2014 **a6**

- 1 zero
- 2 less than 1/3
- 3 between 1/3 and 2/3
- 4 more than 2/3
- 9 do not know, no answer

For service firms, insert the share of sales revenue arising from non-residents in Italy.

MAIN economic purpose of goods and services produced: a7

NON-CONSTRUCTION-INDUSTRY FIRMS

- 1 capital goods (*used in production processes 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

BUSINESS CONFIDENCE

- 1 Please compare your present expectations for the last quarter of 2014 with the expectations you had at the start of the year for the first quarter.**

How have your expectations changed during the year so far with respect to: p77

- the national economy?.....

- your own firm's level of activity?.....

- 1 worsened
- 2 unchanged
- 3 improved
- 9 don't know, don't wish to answer

INVESTMENT

- 2 Compared with the LEVEL PLANNED AT THE END OF 2013, nominal expenditure on (tangible and intangible) fixed investment in the current year will be: p1**

- 1 much lower (by more than 10%)
- 2 a little lower (between 3.1% and 10%)
- 3 practically the same (between -3% and 3 %) question 4
- 4 a little higher (between 3.1% and 10%)
- 5 much higher (by more than 10%)
- 9 do not know, no answer question 4

The responses "much higher" and "much lower" also apply when, in the two periods compared, investments are zero in one year and higher than zero in the other.

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

- 3 The gap is MAINLY due to: p2**

- 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 do not know, no answer

- 4 How does planned nominal expenditure on fixed investment in 2015 compare with that in 2014**

- 1 much lower (by more than 10%) p3
- 2 slightly lower (between 3.1% and 10%)
- 3 stable (between -3% and 3 %)
- 4 slightly higher (between 3.1% and 10%)
- 5 much higher (by more than 10%)
- 9 do not know, no answer

The responses "much higher" and "much lower" also apply when, in the two periods compared, investments are zero in one year and higher than zero in the other.

- 5 Indicate the main factors that, in the event of unexpected changes, could lead you to revise your investment plans for 2015 upwards or downwards: p78**

- A** upwards (indicate up to two).....
- B** downwards (indicate up to two).....

A 1 st factor	B 2 nd factor
<input style="width: 56px; height: 17px;" type="text"/>	<input style="width: 56px; height: 17px;" type="text"/>
<input style="width: 56px; height: 17px;" type="text"/>	<input style="width: 56px; height: 17px;" type="text"/>

Legend: 1=unexpected changes in domestic demand; 2=unexpected changes in export demand; 3=unexpected changes in raw material prices; 4=unexpected changes due to institutional factors (e.g. greater or lesser uncertainty as a result of economic or political factors); 5=unexpected changes due to financial factors (e.g. the availability and cost of loans); 6=unexpected variations of General Government's reimbursements of trade debts towards your firm; 7=other; 9=don't know, don't wish to answer.

FIRM'S FUNDING

6 Excluding seasonal fluctuations and considering all your funding needs (for fixed investment, working capital, etc.), indicate the trend of your <u>external funding</u> needs (bank loans, leasing, factoring, intra-group loans, contributions of capital, etc.) <u>p31</u>.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
	<input type="text"/>	<input type="text"/>

Legend: 1=large contraction; 2=moderate contraction; 3=basically no change; 4=moderate increase; 5=large increase; 8=not applicable; 9=do not know, no answer.

7 Considering just <u>bank loans</u>, indicate the trend of your demand excluding seasonal fluctuations^(*): <u>p32</u>.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
	<input type="text"/>	<input type="text"/>

(*) Consider the amount desired, independently of how much actually granted by banks.

Legend: 1=large contraction; 2=moderate contraction; 3=basically no change; 4=moderate increase; 5=large increase; 8=not applicable; 9=do not know, no answer.

Only if your loan demand changed (answer 1, 2, 4 or 5 to the above)

8 What are the main factors determining changes in your demand for bank loans? p33

(for each half-year, indicate at most two factors as most important)


	A 1 st half 2014	B forecast 2 nd half 2014
A - change in funding requirement for fixed investment	<input type="text"/>	<input type="text"/>
B - change in funding requirement for stocks and working capital.....	<input type="text"/>	<input type="text"/>
C - change in funding requirement for debt restructuring	<input type="text"/>	<input type="text"/>
D - change in self-financing capacity	<input type="text"/>	<input type="text"/>
E - change in other forms of borrowing (non-bank credit, bond issues, etc.)	<input type="text"/>	<input type="text"/>
F - other factors..... (specify) ➤ <u>p33faba</u>	<input type="text"/>	<input type="text"/>

Legend: 1=not relevant; 2=scarcely relevant; 3=quite relevant; 4=very relevant; 9=do not know, no answer.

9 How did the firm's overall borrowing conditions change and how will you expect them to change? <u>p34</u>	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
	<input type="text"/>	<input type="text"/>
A general conditions.....	<input type="text"/>	<input type="text"/>
B specifical aspects:		
B.1 interest rates	<input type="text"/>	<input type="text"/>
B.2 other costs (banking fees, etc....).....	<input type="text"/>	<input type="text"/>
B.3 amount of collateral required	<input type="text"/>	<input type="text"/>
B.4 access to new financing.....	<input type="text"/>	<input type="text"/>
B.5 time necessary to obtain new funds.....	<input type="text"/>	<input type="text"/>
B.6 complexity of information needed to obtain new funds	<input type="text"/>	<input type="text"/>
B.7 requests of reimbursing previously granted loans beforehand	<input type="text"/>	<input type="text"/>

Legend: 1=they became worse; 2=no change; 3=they became better; 8=not applicable; 9=do not know, no answer.



PAYMENTS FROM GENERAL GOVERNMENT BODIES

 The list of institutions that form part of the general government sector (Sector S13) is drawn up by Istat according to the European System of Accounts (ESA2010). The updated list is published in Gazzetta Ufficiale – Serie Generale, No. 2010, 10 September 2014; it is available at:

http://www.istat.it/files/2011/01/ISTAT_lista_AAPP_10_settembre2014_GU_numero210.pdf

Note that general government does not include publicly owned firms if most of their output is sold at market conditions and the proceeds cover at least 50 per cent of operating costs. Mere control by a public entity, that is, is not a sufficient condition for classifying a firm as belonging to the general government sector.

10 Does your firm now have trade credits vis-à-vis general government bodies that were already overdue at the end of 2012?


- 1 no  question 12
- 2 yes
- 9 don't know, don't wish to answer  question 12

p79



(Answer ONLY if you answered YES to Question 10)

11 How much is the amount of these credits in relation to your sales to general government bodies in 2012? **p80**

- 1 not more than 2 per cent of sales to general government in 2012
- 2 more than 2 per cent of sales to general government in 2012
- 9 don't know, don't wish to answer

 Decree Laws 35/2013 and 102/2013, converted with amendments into Laws 64/2013 and 124/2013, appropriated funds to speed up the payment of general government debts, for the most part trade payables, on condition that these debts were already overdue at the end of 2012.

12 Did your firm receive payment in 2013 or 2014 of all or part of such claims (already overdue at the end of 2012 or having become overdue subsequently)?


- 1 no  question 14
- 2 yes
- 9 don't know, don't wish to answer  question 14

p81

(Answer ONLY if you answered YES to Question 12)

13 How have you used or do you plan to use the payment in 2013?

(Indicate the 1st and 2nd most important uses in terms of importance) **p82**

- 1 to pay wage arrears
- 2 to pay trade payables
- 3 to reduce tax or contribution arrears
- 4 to reduce payables to the financial system
- 5 to finance working capital in other ways
- 6 to finance investment
- 7 to increase liquidity
- 8 other (specify)  **p59ABA**
- 9 don't know, don't wish to answer

1st use **a**

2nd use **b**

14 Have you observed an acceleration in payments by general government bodies with regard to invoices issued since January 2014 by comparison with those issued in 2013? **p83**

- 1 no
- 2 yes, slight
- 3 yes, significant
- 8 not applicable
- 9 don't know, don't wish to answer

WORKFORCE, WAGE SUPPLEMENTATION, WAGES AND NATIONAL WORK CONTRACT

15 How will the average size of the workforce in 2014 compare with that in 2013? p12

- 1 much smaller (more than 5%)
- 2 a little smaller (between 1.1% and 5%)
- 3 practically the same (between -1% and 1%)
- 4 a little larger (between 1.1% and 5%)
- 5 much larger (more than 5%)
- 9 do not know, no answer

15 In 2014 did your firm use any form of wage supplementation or have recourse to the layoff procedure? (give an answer for each item) p61

A wage supplementation (ordinary, extraordinary or under a waiver, including solidarity contracts)

B procedure for layoffs.....

Legend: 1=no; 2=yes; 8=not applicable(e.g. firm not eligible to apply; 9=don't know, don't wish to answer.



1. Ordinary wage supplementation is for permanent employment blue- and white-collar workers and technicians of industrial firms in general in the event of suspension or reduction of production as a result of company situations arising from:
 - temporary events not attributable to the entrepreneur or the workers;
 - temporary market conditions.
 Wage supplementation can be granted for up to 13 consecutive weeks, renewable for another 13 weeks. In a period of two years no more than 52 weeks of ordinary wage supplementation may be authorized.
2. Special wage supplementation is for blue- and white-collar workers and technicians in the event of restructurings, reorganizations, conversions and company crises and in the event of bankruptcy or compulsory liquidation.
3. Ordinary and special wage supplementation under a waiver. Recent Government measures have extended the scope for wage supplementation under a waiver of the provisions of Point 1, thus permitting applications by firms:
 - that are not normally eligible for ordinary wage supplementation;
 - that are eligible for ordinary wage supplementation but have reached the relevant time limits;
 - for workers other than those on permanent employment contracts, such as apprentices and temporary employees.
 Similarly, special wage supplementation under a waiver can be used for firms not eligible for special wage supplementation (see Point 2) and for firms which are eligible but which have reached the relevant time limits (3 years in the last 5 years).
4. Layoff procedure. It can be asked by firms with 15 employees or more, provided they:
 - are eligible to special wage supplementation under a waiver;
 - use collective redundancies after workforce reduction, change or closing of their activities.

The employees eligible are those that are either on permanent contracts since a minimum of one year, or have been already dismissed and enrolled on special lists prepared by the Labor General Directorate, based on lists of employees provided by the companies in crisis.

17 Please, compare the trends of the hours worked in your enterprise during the 2nd and 3rd quarters of 2014 with those of the same quarters of the previous year p84.....

A 2 nd quarter 2014 on 2 st quarter 2013	B 3 rd quarter 2014 on 3 rd quarter 2013

Legend: 1=much lower (by more than 5%); 2=slightly lower (between 1.1% and 5%); 3=practically the same (between -1% and 1%); 4=slightly higher (between 1.1% and 5%); 5=much higher (by more than 5%); 9=do not know, no answer.

18 Have you granted any wage increases in 2014 NOT provided for by the NATIONAL LABOUR CONTRACT or do you intend to do so before the end of the year? p17

- 1 no ☞ question 21
- 2 yes
- 9 do not know, no answer ☞ question 21

(Answer the following question ONLY IF you answered YES to question 18)

19 Considering ONLY THESE INCREASES, what increase will they produce in average earnings (of all the firm's payroll workers) in 2014? p18

- 1 less than 1%
- 2 between 1% and 2%
- 3 between 2.1% and 3%
- 4 more than 3%
- 9 do not know, no answer

(Answer the following question ONLY IF you answered YES to question 18)

20 The wage increases provided were: p62

- 1 granted under company or territorial level wage agreements
- 2 granted in the absence of company or territorial level wage agreements *☞ question 21*
- 9 don't know, don't wish to answer *☞ question 21*

21 Recent legal measures (Article 8 of the budget package ratified by Law on 15 September 2011) provide for the possibility of derogating from specific provisions of law or national wage agreements by way of company or territorial negotiations.

Is your firm interested in making use of this possibility in 2014 or 2015? p35

- 1 no
- 1 yes *☞ question 23*
- 9 do not know, no answer *☞ question 23*

(Answer the following question ONLY IF you answered NO to question 21)

22 For which of the following reasons do you not want to have recourse to the derogations? (give an answer to each item, maximum two YESSES). **p66**

A the present contractual arrangements are satisfactory

B the present contractual arrangements are NOT satisfactory, but there is uncertainty about the legal framework, which changes too frequently

C the present contractual arrangements are NOT satisfactory, but it is feared that agreements could become the subject of disputes (ineligibility)

D the present contractual arrangements are NOT satisfactory, but there is a fear of negotiating costs with the trade unions

E other.....

(specify) *☞ p66ea*

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

Article 8 of Decree Law 138/2011 (known as the second budgetary measure and ratified with amendments on 15 September), established that collective labor contracts signed at company or territorial level between firms and the most representative trade unions can regulate, including by way of derogation from the law or national industry wage agreements, specific provisions concerning staff duties and job descriptions, working hours, shifts and the organization of jobs, the use of fixed term and/or part-time job contracts, and redefining the consequences of the termination of employment contracts (e.g. in the event of dismissal without good cause).

RESULT FOR THE YEAR, ORDERS, SALES REVENUE AND PRODUCTION

23 What AFTER-TAX result do you expect for the current year? p19

- 1 large loss
- 2 modest loss
- 3 breakeven
- 4 modest profit
- 5 large profit
- 9 do not know, no answer

Turning now to sales revenue and orders for the firm's products/services

(give an answer for all the three items below)

	A Domestic market and exports	B Total exports
24 Sales revenue: what change is expected in Q1-Q3 2014 compared with Q1-Q3 2013? p23	<input type="text"/>	<input type="text"/>
25 Orders/sales of the firm's products/services: on a seasonally adjusted basis their current trend compared with the end of June has been: p24	<input type="text"/>	<input type="text"/>
26 ... and in 6 months, compared with now, will be: p25	<input type="text"/>	<input type="text"/>

Legend: 1=much lower (more than 4 %); 2=slightly lower (between 1.6% and 4%); 3=stable (between -1.5% and 1.5%); 4=slightly higher (between 1.6% and 4%); 5=much higher (more than 4%); 8=not applicable (e.g. non-exporting firms for B, non-exporting in that specific market for C); 9=do not know, no answer.

For questions 25 and 26, consider orders for industrial firms and sales for service firms.

(Only for exporting firms)

27 How do you expect exports to perform in each outlet market? (reply separately for each market) **p85**

- A Euro area (excluding Italy).....
- B Rest of Europe (excluding Russia).....
- C Russia
- D USA
- E Brazil, India and China
- F Rest of the world

A in 2014 with respect to 2013 (forecast)	B in 2015 with respect to 2014 (forecast)
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Legend: 1=large contraction; 2= modest contraction; 3=stable; 4= modest expansion; 5=large expansion; 8=firm does not sell in this market; 9=don't know, don't wish to answer.

 To answer this set of questions, refer to the lists of countries at the bottom of the questionnaire.

(Answer ONLY if you answered 1, 2, 3, 4, or 5 on the corresponding lines of Question 27)

28 To what extent do you think expected developments in markets A-B-C depend directly or indirectly on the recent geopolitical tensions in Ukraine?

(reply separately for each market) **p86**

- A Euro area (excluding Italy).....
- B Rest of Europe (excluding Russia)
- C Russia

A in 2014 with respect to 2013	B in 2015 with respect to 2014
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Legend: 1=Not at all; 2=modestly; 3=significantly; 9=don't know, don't wish to answer.

 To answer this set of questions, refer to the lists of countries at the bottom of the questionnaire.

29 (Only for non-construction-industry firms)

Considering the firm's total production, what do you expect in Q4 of 2014 compared with Q3 of the same year? **p26a**.....



- 1 much lower (more than 4%)
- 2 slightly lower (between 1.6% and 4%)
- 3 stable (between -1.5% and 1.5%)
- 4 slightly higher (between 1.6% and 4%)
- 5 much higher (more than 4%)
- 9 do not know, no answer

 Notice that:

- the answer should refer to the production by Italian plants;
- the answer should refer to the production in volume terms, not in monetary terms;
- the answer should not consider seasonal factors which naturally determine production variations between two adjacent quarters.

MEASURES IN SUPPORT OF ECONOMIC GROWTH AND SHAREHOLDERS' EQUITY

30 Compared with 2011, in the three years 2012-14 did you or will you increase shareholders' equity (for example, by issuing shares or retaining profits)?

- 1 no  domanda 32
- 2 sì
- 9 non so, non intendo rispondere  domanda 32


p87

(Answer ONLY if you answered YES to Question 30)

31 How much, in your opinion, did or will the "Save Italy" tax relief enacted at the end of 2011 – the allowance for corporate equity for firms increasing their shareholders' equity – affect the decision to increase shareholders' equity and the amount of such increase? p88.

A Decision to increase equity	B Amount of the increase
<input type="text"/>	<input type="text"/>

Legend: 1=insignificantly; 2=modestly; 3=fairly significantly; 4=very significantly; 9=don't know, don't wish to answer.

 Article 1 of Decree Law 201/2011 (the so-called "Save Italy" decree), converted with amendments as Law 214/2011, introduced the allowance for corporate equity for the purpose of strengthening firms' capital structure. The allowance eased the tax burden on firms, by means of an annual company tax deduction of 3 per cent of the own resources reinvested for three years starting with 2011. The 2014 Stability Law raised the deduction to 4 per cent in 2014, 4.5 per cent in 2015 and 4.75 per cent in 2016.

32 How do you assess the effort required to fill in this questionnaire? p30

- 1 modest
- 2 medium
- 3 high
- 4 excessive

Comments:



Thank you for participating

Country lists used in the questionnaire	
Euro area countries (17)	Other European countries
Austria	Albania
Belgium	Armenia
Cyprus	Azerbaijan
Estonia	Belarus
Finland	Bosnia and Herzegovina
France	Bulgaria
Germany	Croatia
Greece	Denmark
Ireland	Georgia
Italy	Iceland
Luxembourg	Kosovo
Malta	Latvia
Netherlands	Lithuania
Portugal	Macedonia
Slovakia	Moldova
Slovenia	Montenegro
Spain	Norway
	Poland
	United Kingdom
	Czech Republic
	Romania
	Russian Federation
	Serbia
	Sweden
	Switzerland
	Turkey
	Ukraine
	Hungary



22nd BUSINESS OUTLOOK SURVEY - 2014
CONSTRUCTION FIRMS

Note – The purpose of this survey is to collect information on the main economic and financial variables in the construction sector. Your co-operation is important but not compulsory. The information provided will only be used for research purposes. Firms taking part to the survey will provide a valuable contribution to the analysis of the Italian economy. The data will be handled in order to ensure data safety and confidentiality.

GENERAL INFORMATION

Branch code (Bank of Italy) **A1**

Firm code (Bank of Italy) **A2**

Date of interview: (DD/MM/YYYY)

Tax code **Codf**

Name of firm **A3**

Legal status **A9**

Legend: 1=SRL; 2=SPA; 3=SAPA; 4=SCRL; 5=SCRI; 6=SAS; 7=SNC; 8=Altro.

Istat – Ateco2007 (first 5 figures) **A4C**

Average payroll employment in 2013 **A5M**

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 Supplementation Fund benefits. The information can be obtained as the 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 workers must be multiplied by the fraction of the year during which they have worked. Workers receiving Wage Supplementation Fund benefits and part-time workers should be regarded as working for the whole of the year.

Main branch of activity in construction 2014: **A7**

- 1 private residential construction
- 2 private non-residential construction
- 3 public works

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.).

WORKFORCE

1 The average number of payroll workers in 2014 compared with that in 2013, will be: **PC2**

- 1 much smaller (more than 5%)
- 2 a little smaller (between 1.1% and 5%)
- 3 practically the same (between -1% and 1%)
- 4 a little larger (between 1.1% and 5%)
- 5 much larger (more than 5%)
- 9 do not know, no answer

RESULT FOR THE YEAR


- 2 What AFTER-TAX result do you expect for the current year? **PC1**
- 1 large loss
 - 2 modest loss
 - 3 breakeven
 - 4 modest profit
 - 5 large profit
 - 9 do not know, no answer

PRODUCTION

- 3 Value of the firm's production **PC3**
(please provide an answer for each item)

	A total production	of which: in public works	
		B is the firm active in this sector?	C production
A change expected between H2 and H1 2014.....		no yes⇒	
B change between 2014 and 2013.....		no yes⇒	
C change expected between 2015 and 2014		no yes⇒	

Legend: 1=large decrease (more than 4%); 2=modest decrease (between 1.6% and 4%); 3=stable (between -1.5% and 1.5%); 4=modest increase (between 1.6% and 4%); 5=large increase (more than 4%); 9=do not know, no answer.


 The responses "much higher" and "much lower" also apply when, in the two periods compared, the value of production is zero in one year and higher than zero in the other.

TAX BENEFIT FOR BUILDING RENOVATION AND ENERGY-SAVING INNOVATION

- 4 How will your activity be affected by the extension to 31 December 2014 of the tax benefit for building renovation and the increase in the benefit for energy-saving innovations under Law 147/2013? **PC17**

A 2014 H2 on 2014 H1 (forecast)	B 2015 H1 on 2014 H2 (forecast)
	

Legend: 0=negative effect, because some work was done ahead of schedule in 2014 (only for the second question, Column B); 1=no significant effect; 2=modest positive effect (less than 3%); 3=fairly significant positive effect (3% to 10%); 4=very significant positive effect (more than 10%); 9= don't know, don't wish to answer.

 Law 147/2013 (the 2014 Stability Law) extended through all of 2014 the personal income tax deduction of 50 per cent for building renovations, up to an expenditure ceiling of €96,000 per dwelling. It also confirmed the 65 per cent deduction for energy-saving innovations to existing buildings.

FIRM'S FUNDING

5	Excluding seasonal fluctuations and considering all your funding needs (for fixed investment, working capital, etc.), indicate the trend of your <u>external funding</u> needs (bank loans, leasing, factoring, intra-group loans, contributions of capital, etc.) <u>PC12</u>.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
		<input type="text"/>	<input type="text"/>

Legend: 1= large contraction; 2= moderate contraction; 3= basically no change; 4= moderate increase; 5= large increase; 8=not applicable; 9= do not know, no answer.

6	Considering just <u>bank loans</u>, indicate the trend of your demand excluding seasonal fluctuations^(*): <u>PC13</u>.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
		<input type="text"/>	<input type="text"/>


(*) Consider the amount desired, independently of how much actually granted by banks.

Legend: 1= large contraction; 2= moderate contraction; 3= basically no change; 4= moderate increase; 5= large increase; 8= not applicable; 9=do not know, no answer.

7	How did the firm's overall borrowing conditions change and how will you expect them to change? <u>PC14</u>	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 H1 (forecast)
		<input type="text"/>	<input type="text"/>
	A general conditions	<input type="text"/>	<input type="text"/>
	B specifical aspects:		
	B.1 intereset rates	<input type="text"/>	<input type="text"/>
	B.2 other costs (banking fees, etc....).....	<input type="text"/>	<input type="text"/>
	B.3 - amount of collateral required	<input type="text"/>	<input type="text"/>
	B.4 access to new financing.....	<input type="text"/>	<input type="text"/>
	B.5 time necessary to obtain new funds.....	<input type="text"/>	<input type="text"/>
	B.6 complexity of information needed to obtain new funds	<input type="text"/>	<input type="text"/>
	B.7 requests of reimbursing previously granted loans beforehand	<input type="text"/>	<input type="text"/>

Legend: 1=they became worse; 2=no change; 3=they became better; 9=do not know, no answer; 8=not applicable.



PAYMENTS FROM GENERAL GOVERNMENT BODIES

 The list of institutions that form part of the general government sector (Sector S13) is drawn up by Istat according to the European System of Accounts (ESA2010). The updated list is published in Gazzetta Ufficiale – Serie Generale, No. 2010, 10 September 2014; it is available at:

http://www.istat.it/files/2011/01/ISTAT_lista_AAPP_10_settembre2014_GU_numero210.pdf

Note that general government does not include publicly owned firms if most of their output is sold at market conditions and the proceeds cover at least 50 per cent of operating costs. Mere control by a public entity, that is, is not a sufficient condition for classifying a firm as belonging to the general government sector.

8 Does your firm now have trade credits vis-à-vis general government bodies that were already overdue at the end of 2012?


- 1 no  question 10
- 2 yes
- 9 don't know, don't wish to answer  question 10

PC25



(Answer ONLY if you answered YES to Question 8)

9 How much is the amount of these credits in relation to your sales to general government bodies in 2012? **PC26**

- 1 not more than 2 per cent of sales to general government in 2012
- 2 more than 2 per cent of sales to general government in 2012
- 9 don't know, don't wish to answer

 Decree Laws 35/2013 and 102/2013, converted with amendments into Laws 64/2013 and 124/2013, appropriated funds to speed up the payment of general government debts, for the most part trade payables, on condition that these debts were already overdue at the end of 2012.

10 Did your firm receive payment in 2013 or 2014 of all or part of such claims (already overdue at the end of 2012 or having become overdue subsequently)?

- 1 no  question 12
- 2 yes
- 9 don't know, don't wish to answer  question 12

PC27


(Answer ONLY if you answered YES to Question 10)

11 How have you used or do you plan to use the payment?

(Indicate the 1st and 2nd most important uses in terms of importance) **PC28**

1st use **a**

2nd use **b**

- 1 to pay wage arrears
- 2 to pay trade payables
- 3 to reduce tax or contribution arrears
- 4 to reduce payables to the financial system
- 5 to finance working capital in other ways
- 6 to finance investment
- 7 to increase liquidity
- 8 other (specify)  **PC28ABA**
- 9 don't know, don't wish to answer

12 Have you observed an acceleration in payments by general government bodies with regard to invoices issued since January 2014 by comparison with those issued in 2013?

- 1 no
- 2 yes, slight
- 3 yes, significant
- 8 not applicable
- 9 don't know, don't wish to answer

PC29

MEASURES IN SUPPORT OF ECONOMIC GROWTH AND SHAREHOLDERS' EQUITY

13 Compared with 2011, in the three years 2012-14 did you or will you increase the shareholders' equity (for example, by issuing shares or retaining profits)? **PC30**

1 no  question 15

2 yes

9 don't know, don't wish to answer  question 15


(Answer ONLY if you answered YES to Question 13)

14 How much, in your opinion, did or will the "Save Italy" tax relief enacted at the end of 2011 – the allowance for corporate equity for firms increasing their shareholders' equity – affect the decision to increase shareholders' equity and the amount of such increase?

PC31

A Decision to increase equity	B Amount of the increase
<input type="text"/>	<input type="text"/>

Legend: 1=insignificantly; 2=modestly; 3=fairly significantly; 4=very significantly; 9=don't know, don't wish to answer.

 Article 1 of Decree Law 201/2011 (the so-called "Save Italy" decree), converted with amendments as Law 214/2011, introduced the allowance for corporate equity for the purpose of strengthening firms' capital structure. The allowance eased the tax burden on firms, by means of an annual company tax deduction of 3 per cent of the own resources reinvested for three years starting with 2011. The 2014 Stability Law raised the deduction to 4 per cent in 2014, 4.5 per cent in 2015 and 4.75 per cent in 2016.

15 How do you judge the effort required to fill in the questionnaire? **PC11**

1 modest

2 average

3 high

4 excessive

Comments:



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Thank you for participating

GENERAL INFORMATION

- I - Unless indicated otherwise, figures have been computed by the Bank of Italy.
- II - Symbols and Conventions:
- the phenomenon in question does not occur;
 - the phenomenon occurs but its value is not known;
 - .. the value is known but is nil or less than half the final digit shown.
- Figures in parentheses in roman type () are provisional, those in parentheses in italics () are estimated.
- III - The tables are identified both by a number and by an alphanumeric code that defines the content of the table in the database in the electronic archive in which information to be released to the public is held. A similar code identifies the different aggregates shown in each table.
- IV - The methodological notes in the last part of the Supplement are identified by electronic codes that refer to the tables and, within each table, to the individual aggregates. Notes that refer to a single observation are also identified by the date of that observation.

SUPPLEMENTS TO THE STATISTICAL BULLETIN

Money and Banking (monthly)

The Financial Market (monthly)

The Public Finances, borrowing requirement and debt (monthly)

Balance of Payments and International Investment Position (monthly)

Financial Accounts (quarterly)

Payment System (half yearly)

Public Finance Statistics in the European Union (annual)

Local Government Debt (half yearly)

Household Wealth in Italy (annual)

Sample Surveys (irregular)

Methodological Notes (irregular)

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

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

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