



23rd BUSINESS OUTLOOK SURVEY - 2015
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

Firm code

Date of interview (DD/MM/YYYY):

Tax Code

Name of firm

Legal status

Legend: 1=SRL; 2=SPA; 3=SAPA; 4=Soc. Coop.; 5=SAS; 6=SNC; 7=Altro.

Istat – Ateco2007 (first 5 figures)

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

Average payroll employment in 2014

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 2015

- 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:

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

INVESTMENT

1 Compared with the LEVEL PLANNED AT THE END OF 2014, nominal expenditure on (tangible and intangible) fixed investment in the current year will be:

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

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)

2 The gap is MAINLY due to:

- 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

3 How does planned nominal expenditure on fixed investment in 2016 compare with that in 2015

- 1 much lower (by more than 10%)
- 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.

4 What factors are affecting your investment plans for 2016, and in what direction?

- A** Positive *(indicate up to two in order of importance)*
- B** Negative *(indicate up to two in order of importance)*

A 1 st factor	B 2 nd factor
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>

Legend: 1=a change in borrowing conditions; 2=an expected change in demand; 3=a change in the uncertainty attributable to economic or political factors; 4=an expected change in buying prices; 5=organization and technical factors; 6=bureaucracy; 7=changes to the tax and incentives system; 9=don't know, don't wish to answer.

FIRM'S FUNDING

5 Considering just <u>bank loans</u>, indicate the trend of your demand excluding seasonal fluctuations^(*):	A 2015 H1 on 2014 H2	B 2015 H2 on 2015 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)

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

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

	A 1 st half 2015	B forecast 2 nd half 2015
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	<input type="text"/>	<input type="text"/>
(specify) <input type="text"/>		

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

7 How did the firm's overall borrowing conditions change and how will you expect them to change?

	A 2015 H1 on 2014 H2	B 2015 H2 on 2015 H1 (forecast)
A general conditions.....	<input type="text"/>	<input type="text"/>
B specific 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.

WORKFORCE, WAGE SUPPLEMENTATION, WAGES AND NATIONAL WORK CONTRACT

8 Would you be able to indicate whether the actions listed below have become more difficult now compared with 2013 (please provide an answer for each point)

- A Individual dismissal on economic grounds
- B Dismissal on disciplinary grounds
- C Salary cuts

Legend: 1=a lot more difficult; 2= more difficult; 3=virtually unchanged; 4=easier; 5=a lot easier.

(Please answer question No. 9 ONLY IF your answer to the previous question No. 8 was 1, 2, 4 or 5)

9 Regarding the actions listed in the previous question for which an answer pointing to a change was given, what are in your opinion the underlying factors? (please provide an answer for each point)

- A Individual dismissal on economic grounds.....
- B Dismissal on disciplinary grounds
- C Salary cuts

Legend: 1=structural changes in the labour market; 2=changes in the way laws and regulations are interpreted; 3=changes in the behaviour of trade unions; 4=changes in the individual behaviour of workers.

10 How will the average size of the workforce in 2015 compare with that in 2014:


Total	Of which, open-ended contracts
<input type="text"/>	<input type="text"/>

- 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

11 In 2015 did your firm use any form of wage supplementation or have recourse to the layoff procedure? (give an answer for each item)

- 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.

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- 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.
 - 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.
 - 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).
 - 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.

- 12 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?**.....
- 1 no ↻ question 15
 - 2 Yes
 - 9 do not know, no answer ↻ question 15

(Answer the following question ONLY IF you answered YES to question 12)

- 13 Considering ONLY THESE INCREASES, what increase will they produce in average earnings (of all the firm's payroll workers) in 2015?**.....
- 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 12)

- 14 The wage increases provided were:**
- 1 granted under company or territorial level wage agreements
 - 2 granted in the absence of company or territorial level wage agreements
 - 9 don't know, don't wish to answer

RESULT FOR THE YEAR, ORDERS, SALES REVENUE AND PRODUCTION

- 15 What AFTER-TAX result do you expect for the current year?**
- 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
16 Sales revenue: what change is expected in Q1-Q3 2015 compared with Q1-Q3 2014?	<input type="text"/>	<input type="text"/>
17 Orders/sales of the firm's products/services: on a seasonally adjusted basis their current trend compared with the end of June has been:	<input type="text"/>	<input type="text"/>
18 ... and in 6 months, compared with now, will be:	<input type="text"/>	<input type="text"/>

Legend: 1=much lower (less 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 17 and 18, consider orders for industrial firms and sales for service firms.


(For exporting firms only)

19 Sales abroad and currency used in price lists
(please provide a separate answer for each market)

	How do you expect your sales in the various outlet markets to change?		C What currency do you normally use in price lists for the following outlet markets in 2015? ⁽²⁾
	A in 2015 with respect to 2014 ⁽¹⁾	B in 2016 with respect to 2015 ⁽¹⁾	
A Euro area (excluding Italy)	<input type="text"/>	<input type="text"/>	<input type="text"/>
B Rest of Europe (excluding Russia)	<input type="text"/>	<input type="text"/>	<input type="text"/>
C USA	<input type="text"/>	<input type="text"/>	<input type="text"/>
D China	<input type="text"/>	<input type="text"/>	<input type="text"/>
E Russia, Brazil and India	<input type="text"/>	<input type="text"/>	<input type="text"/>
F Rest of the world	<input type="text"/>	<input type="text"/>	<input type="text"/>




Legend: (1) 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.

(2) 1=euro; 2=US dollar; 3=local currency, if different from euro or US dollar; 4=other currency, different from euro, US dollar or local currency; 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.

20 Starting from the second half of 2014 the euro depreciated strongly against the US dollar and other currencies. Has this had an impact on your business over the last 12 months?

.....

- 1 No  question 22
- 2 Yes, negative  question 22
- 3 Yes, positive
- 9 Don't know, don't wish to answer  question 22

(Only for firms who answered 'yes, a positive one' to the previous question)

21 How did the euro depreciation have a positive impact on your business?


- A Increase in sales volume
- B Increase in profit margins (in euros) per unit of sales

Legend: 1=very significant; 2=not very significant; 3=not at all significant; 9=don't know, don't wish to answer.

22 (Only for non-construction-industry firms)

Considering the firm's total production, what do you expect in Q4 of 2015 compared with Q3 of the same year?.....

- 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:

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

23 Over the course of 2015, compared with the previous three years, did your share of purchases from foreign suppliers increase relative to that of domestic suppliers

- 1 No 👉 question 26
- 2 Yes
- 3 I have not made purchases from foreign suppliers in the last four years 👉 question 26
- 9 Don't know, don't wish to answer 👉 question 26

(Please answer ONLY IF you answered YES to the previous question)

24 What is the main reason for this change in the shares?

- 1 The goods and/or services purchased from foreign suppliers are of better quality
- 2 The goods and/or services purchased from foreign suppliers are cheaper
- 3 The goods and/or services purchased from foreign suppliers are not available on the domestic market
- 4 The goods and/or services purchased from foreign suppliers are delivered more quickly and reliably
- 9 Don't know, don't wish to answer

(Please answer ONLY IF you answered YES to the previous question No. 23)

25 Do you believe this change in the shares to be:

- 1 Temporary
- 2 Long-term
- 9 Don't know, don't wish to answer

26 What do you think is the impact on your business of the recent slowdown in the Chinese economy?

- 1 Very negative
- 2 Fairly negative
- 3 Negligible 👉 question 28
- 4 Fairly positive
- 5 Very positive
- 9 Don't know, don't wish to answer 👉 question 28

(Please answer the following question ONLY IF you answered 1, 2, 4 or 5 to the previous question)


27 Through which channels are you feeling these effects the most?

(please indicate up to two in order of importance)

A 1 st channel	B 2 nd channel
<input type="text"/>	<input type="text"/>

- 1 Direct impact on your sales in China
- 2 Indirect impact through sales on other outlet markets
- 3 Effects stemming from the increased uncertainty concerning world growth
- 4 Effect connected to the prices of commodities and raw materials
- 5 Other *(please specify)* _____
- 9 Don't know, don't wish to answer

GENERAL GOVERNMENT PAYMENTS

 A list of the entities that are part of the General Government sector (Sector S13) is prepared by Istat drawing on the *European System of National and Regional Accounts (ESA 2010)* and is published in the Official Journal of the Italian Republic.

It is important to note that the General Government sector does not include companies partially owned by government entities if these sell most of their goods and services at market prices and their revenues cover at least 50 per cent of overheads. Mere control by a government entity does not automatically include a firm in the General Government sector.



28 As regards trade receivables vis-à-vis general government bodies from January 2015 to now, did you

observe an acceleration in payments compared with the same period of 2014?

- 1 No
- 2 Yes, slight
- 3 Yes, significant
- 8 Not applicable
- 9 Don't know, don't wish to answer

TAX ALLOWANCE FOR CORPORATE EQUITY AND SHAREHOLDERS' EQUITY


29 Compared with 2011, in the years 2012-15, did you or will you increase the company's shareholders' equity (e.g. by issuing shares or self-financing)?

- 1 No  question 31
- 2 Yes
- 9 Don't know, don't wish to answer  question 31

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

30 To what extent do you believe that the tax allowance in support of economic growth (known as 'ACE', Aiuto alla Crescita Economica) that was part of the end-2011 'Save Italy' decree influenced or will influence the decision to increase your company's shareholders' equity?.....

Legend: 1= not at all significantly; 2= a little significantly; 3= fairly significantly; 4= very significantly; 9=don't know, don't wish to answer.

 Article 1 of Decree Law 201/2011 ('Save Italy' decree, converted, with amendments, into Law 214/2011) provided for the deductibility of the notional yield of new equity as part of the tax allowance in support of economic growth ('ACE'), with the additional goal of strengthening the asset structure of firms. For private and public companies and public corporations and for other for-profit enterprises, the deduction applies to increases to equity in excess of the amount as of 31 December 2010; for partnerships and sole proprietorships subject to standard accounting practices, the deduction applies to all the equity that appears on the balance sheet. The notional yield is calculated applying a yearly interest rate equal to 3 per cent for 2011-13, to 4 per cent for 2014, to 4.5 per cent for 2015 and to 4.75 per cent for 2016.

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

- 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