



24th BUSINESS OUTLOOK SURVEY - 2016
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 a9n.....

Legend: 1=SRL; 2=SPA; 3=SAPA; 4=Soc. Coop.; 5=SAS; 6=SNC; 7=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 2015 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 2016 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

INVESTMENT

1 Compared with the LEVEL PLANNED AT THE END OF 2015, 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 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.

Please answer this question ONLY IF actual expenditure on investment is likely to differ from that planned

2 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

3 How does planned nominal expenditure on fixed investment in 2017 compare with that in 2016

- 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.

4 What factors are affecting your investment plans for 2017, and in what direction?

p89

- A** Positively (indicate up to two in order of importance).....
- B** Negatively (indicate up to two in order of importance)

A 1 st factor	B 2 nd factor

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 bank loans, indicate the trend of your demand excluding seasonal fluctuations^(*): p32.....

A 2016 H1 on 2015 H2	B 2016 H2 on 2016 H1 (forecast)

^(*) 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? p33

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

	A 1 st half 2016	B forecast 2 nd half 2016
A - change in funding requirement for fixed investment	<input type="checkbox"/>	<input type="checkbox"/>
B - change in funding requirement for stocks and working capital.....	<input type="checkbox"/>	<input type="checkbox"/>
C - change in funding requirement for debt restructuring	<input type="checkbox"/>	<input type="checkbox"/>
D - change in self-financing capacity	<input type="checkbox"/>	<input type="checkbox"/>
E - change in other forms of borrowing (non-bank credit, bond issues, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
F - other factors..... (specify) <u>p33faba</u>	<input type="checkbox"/>	<input type="checkbox"/>

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? p34

	A 2016 H1 on 2015 H2	B 2016 H2 on 2016 H1 (forecast)
A general conditions.....	<input type="checkbox"/>	<input type="checkbox"/>
B specific aspects:		
B.1 interest rates	<input type="checkbox"/>	<input type="checkbox"/>
B.2 other costs (banking fees, etc....).....	<input type="checkbox"/>	<input type="checkbox"/>
B.3 amount of collateral required	<input type="checkbox"/>	<input type="checkbox"/>
B.4 access to new financing.....	<input type="checkbox"/>	<input type="checkbox"/>
B.5 time necessary to obtain new funds.....	<input type="checkbox"/>	<input type="checkbox"/>
B.6 complexity of information needed to obtain new funds	<input type="checkbox"/>	<input type="checkbox"/>
B.7 requests of reimbursing previously granted loans beforehand	<input type="checkbox"/>	<input type="checkbox"/>

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

8 Did your firm obtain new bank loans in the first half of 2016?: p104

(Consider both the opening of new lines of credit and the extension of existing ones)

- 1 no banks were contacted
- 2 the loans that were offered were turned down because the costs involved or the collateral require were deemed excessive
- 3 the banks that were contacted did not grant any loans
- 4 only part of the amount requested was obtained
- 5 the full amount requested was obtained
- 9 do not know, no answer

9 Between June 2015 and June 2016 the level of your firm's liquid holdings (bank deposits, securities and other liquid financial assets): p105

- 1 decreased
- 2 held stable
- 3 increased
- 9 do not know, no answer

Please answer this question ONLY IF your answer to the previous question was 3

10 Please indicate the main source of the increase in your liquid holdings: p106

- 1 greater receipts from core business activities
- 2 limited monetary outlays
- 3 increased external funding
- 4 other (please specify) p106a
- 9 do not know, no answer

Please answer this question ONLY IF your answer to question 9 was 3

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

11 Please indicate the main reasons for keeping funds in liquid holdings.

- (Indicate no more than two) p107
- 1 limited opportunity for fixed investment (tangible and intangible)
 - 2 fears of future difficulty in accessing external funding
 - 3 uncertainty about future cash flows
 - 4 low interest rates (i.e. low opportunity cost of holding liquid assets)
 - 5 other (please specify)) p107aba
 - 9 don't know, no answer

WORKFORCE, WAGE SUPPLEMENTATION, WAGES AND NATIONAL WORK CONTRACT

12 How will the average size of the workforce in 2016 compare with that in 2015: 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

13 In 2016 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.

14 Have you granted any wage increases in 2016 NOT provided for by the NATIONAL LABOUR CONTRACT or do you intend to do so before the end of the year? p17

- 1 no
- 2 yes
- 9 do not know, no answer

Please answer the following question ONLY IF you answered YES to the previous question

15 Considering ONLY THESE INCREASES, what increase will they produce in average earnings (of all the firm's payroll workers) in 2016? 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

RESULT FOR THE YEAR, ORDERS, SALES REVENUE AND PRODUCTION

16 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
17 Sales revenue: what change is expected in Q1-Q3 2016 compared with Q1-Q3 2015? p23	<input style="width: 50px; height: 20px;" type="text"/>	<input style="width: 50px; height: 20px;" type="text"/>
18 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 style="width: 50px; height: 20px;" type="text"/>	<input style="width: 50px; height: 20px;" type="text"/>
19 ... and in 6 months, compared with now, will be: p25	<input style="width: 50px; height: 20px;" type="text"/>	<input style="width: 50px; height: 20px;" 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 (for column B only); 9=do not know, no answer.

For questions 18 and 19, consider orders for industrial firms and sales for service firms.

20 Only for industrial firms:
Considering the firm's total production, what do you expect in Q4 of 2016 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:

- 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.

GEOPOLITICAL DEVELOPMENTS

21 What overall effects do you think the outcome of the United Kingdom European Union membership referendum (Brexit) will have on your business in 2017? P108.....

- 1 very negative
- 2 negative
- 3 negligible
- 4 positive
- 5 very positive
- 9 don't know, no answer

Please answer ONLY IF you answered 1,2,4,5 to the previous question

- 22 Through which channels do you expect these effects to play out primarily? P109**..... **A 1st channel** **B 2nd channel**
- 1 direct impact on your firm's exports to the United Kingdom
 - 2 direct impact on your firm's business activity within the United Kingdom
 - 3 indirect impact via effects on third countries in which part of your firm's turnover is generated
 - 4 impact connected to changes in the demand for your products and services on the part of your firm's Italian customers
 - 5 other (please specify) **P109ABA** _____
 - 9 don't know, don't wish to answer


- 23 How much do you know about the negotiations under way between the United States and the European Union on the Transatlantic Trade and Investment Partnership (TTIP)? P110**.....
- 1 I was not aware of the existence of such negotiations
 - 2 I am aware of the negotiations but not of their content
 - 3 I have a general idea of the contents of the TTIP
 - 4 I have a fairly good understanding of some specific aspects of the TTIP
 - 9 don't know, no answer

- 24 If the TTIP is finalized, what impact would this have on your firm? P111**.....
- 1 very negative
 - 2 negative
 - 3 negligible
 - 4 positive
 - 5 very positive
 - 9 don't know, no answer

Please answer ONLY IF you answered 1 or 2 to the previous question

- 25 What do you believe is the main risk factor for your firm? P112**.....
- 1 difficulty adapting to a regulatory framework that differs from the current one
 - 2 introduction of less stringent regulations benefiting competitors
 - 3 weaker protection of brands and of protected designations of origin (PDO)
 - 4 increase in competition owing to the reduction of tariff barriers on goods imported from the United States
 - 5 increase in competition owing to easier investment opportunities in Italy/Europe for U.S. firms
 - 6 other (please specify) **P112A** _____
 - 9 don't know, no 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.

- 26 As regards trade receivables vis-à-vis general government bodies from January 2016 to now, did you observe an acceleration in payments compared with the same period of 2015?** **P101**
- 1 no
 - 2 yes, slight
 - 3 yes, significant
 - 8 not applicable
 - 9 don't know, no answer

IT SECURITY

- 27 How is IT security managed in your firm?**.....
- 1 in-house
 - 2 by an external company belonging to the same group as your firm
 - 3 by an external company not belonging to the same group
 - 4 partly in-house, partly by an external company
 - 5 the firm has no IT security measures in place
 - 9 don't know, no answer

- 28 The number of cyber attacks against firms, even small and medium-sized ones, is growing fast. In the last year, how many cyber attacks did your firm suffer? P114**.....

(Consider only those that had consequences, even if minor and/or short-lived and/or easily reversible, on the functioning of the firm's systems and/or on the integrity and confidentiality of the data stored in them)

- 1 none
- 2 1 cyber attack
- 3 2 to 5 cyber attacks
- 4 6 to 10 cyber attacks
- 5 more than 10 cyber attacks
- 9 don't know, don't wish to answer

Cyber attack: any action taken using IT tools against a firm's ITC systems for the purpose of disabling their functioning, physically damaging them, remotely controlling them or otherwise compromising their integrity. The cases to be reported are not only those in which the attack directly targets a firm's IT systems, but also those in which the attack takes advantage of risky behaviour on the part of employees (e.g. activating a link in a fraudulent email) to gain illicit access.

ASSESSMENT OF THE QUESTIONNAIRE

- 29 How do you assess the effort required to fill in this questionnaire?_P30**

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

- 30 How much do you think the following factors influenced the effort required to fill in the questionnaire?_P30BIS**

(please assign each factor a score from 1 to 10, where 1 indicates that the factor contributed very little and 10 indicates that it contributed very much)

- | | |
|---|---|
| A too many questions..... | <input style="width: 100%;" type="text"/> |
| B having to ask other people's help to answer the question | <input style="width: 100%;" type="text"/> |
| C it is not always easy to understand the question because obscure terms are used | <input style="width: 100%;" type="text"/> |
| D none of the options available reflected my situation | <input style="width: 100%;" type="text"/> |
| E for some questions it was difficult to choose the correct answer | <input style="width: 100%;" type="text"/> |

Comments:



.....

.....

.....

Thank you for participating