

BANCA D'ITALIA – ECONOMIC RESEARCH DEPARTMENT

14th BUSINESS OUTLOOK SURVEY OF INDUSTRIAL AND SERVICE FIRMS - 2006

Notice to be read to firms in the sample BEFORE the start of the interview

- ❖ The purpose of the survey is to gather information on the performance of the main economic and financial variables relating to industrial and service firms.
- ❖ Any information provided by the firms WILL NOT be distributed outside the Bank except in aggregate form.
- ❖ Although your co-operation is important, it is not compulsory.
- ❖ Firms taking part in the survey will receive an extract of the main results.

Instructions for interviews

Average workforce in the year:

A5M: **Average** number of employees (workers, apprentices, clerks, managers and assistants, part-time staff) working in the firm; DOES NOT INCLUDE temporary workers and those on collaboration contracts. It should include partners/owners working in the firm. It includes workers on fixed-term contracts and workers registered with the Wage Equalisation Fund (WEF). This information can be obtained as an arithmetical average of the figure for the average monthly workforce. In the case of temporary and seasonal workers and generally any employees working only part of the year, the number should be multiplied by the number of months of work. WEF and part-time workers should be regarded as employed for the whole year.

A6: For service firms, the share of exports is the proportion of sales (or turnover) pertaining to non-residents in Italy.

L1 and L3: The answers 'much higher' and 'much lower' are also possible if, in the two years compared, investments amounted to zero in one and more than zero in the other.

L4: cash flow. An increase in cash flow can be obtained, for example, by reducing direct costs or increasing turnover.

L6M and L12: see A5M.

L10: Consider the number of hours actually worked (including overtime). Also take into account the reduction in hours during the summer closure compared with other times of the year.

L15: **Volume** of orders for industrial firms, and of sales for service firms.

L17: **Volume** of production for industrial firms.

L19B: Include **EU countries on 31-12-2003:** Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom; also include the **new EU countries** Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, Slovenia.

In addition:

Privacy: in compliance with the provisions of the law regarding the handling of personal data, at the top of the questionnaire is the confidentiality notice required pursuant to Legislative Decree 196/2003.

Free comments:

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14th BUSINESS OUTLOOK SURVEY OF INDUSTRIAL AND SERVICE FIRMS – 2006

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

Date of interview: Day Month

GENERAL INFORMATION

A1 **Branch code** (B.I. code)

A2 **Firm code** (B.I. code)

A3 **Name**

A4B **Istat class – Ateco2002**

A5M **Average workforce 2005**
(see instructions)

A6 **Share of exports in total turnover**
1 zero
2 less than 1/3
3 1/3 to 2/3 ☐
4 more than 2/3
9 don't know, don't wish to answer

A7 **MAIN economic purpose of the production of goods and services:** ☐

NON-CONSTRUCTION FIRMS

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

SERVICE FIRMS

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

INVESTMENT AND BORROWING

L1 **Nominal spending on fixed investment (tangible and intangible assets) in current year compared with PLANNED INVESTMENT AT END OF 2005 will be:** ☐

- 1 much lower (more than 10 %)
- 2 a little lower (3.1% to 10 %)
- 3 virtually the same (-3% to 3 %) ☐ L3
- 4 a little higher (3.1% to 10 %)
- 5 much higher (more than 10 %)
- 9 don't know, don't wish to answer ☐ L3

L2 (Ask this question ONLY IF actual investment spending is likely to differ from planned)

The gap reported (one answer only)

is MAINLY due to: ☐

- 1 financial factors
- 2 unexpected changes in market demand
- 3 changes in the level of uncertainty due to economic or political factors
- 4 changes in purchase prices
- 5 organisational or technical factors
- 6 bureaucracy
- 7 changes to the tax system or to incentives
- 9 don't know, don't wish to answer

L3 **Compared with 2006, for 2007 is planned nominal spending on investment in fixed assets:** ☐

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

L4 **In order to finance fixed investment in 2007 do you plan to rely mainly on: (no more than two answers)**

- L4A present cash flow ☐
- L4B increase in present cash flow ☐
- L4C increased borrowing ☐
- L4D capital increases ☐
- L4E sale of securities and/or other assets ☐
- L4F other (public funding, leasing, etc.) ☐
- L4G not applicable (e.g. the firm will not invest) ☐
- L4H don't know, don't wish to answer ☐

L5 **IN 6 MONTHS' TIME, will your exposure to banks, COMPARED WITH THE CURRENT LEVEL, be:** ☐

- 1 much lower (more than 10%)
- 2 somewhat lower (6.1% to 10%)
- 3 a little lower (2.1% to 6%)
- 4 about the same (-2% to 2 %)
- 5 a little higher (2.1% to 6 %)
- 6 somewhat higher (6.1% to 10 %)
- 7 much higher (more than 10 %)
- 9 don't know, don't wish to answer, not applicable

WORKFORCE AND WAGES

L6M **The average workforce (see instructions) in 2006 compared with 2005 will be:** ☐

Legend: 1=much smaller (more than 5 %); 2=a little smaller (1.1% to 5 %); 3=virtually the same (-1% to 1 %); 4=a little larger (1.1% to 5 %); 5=much larger (more than 5 %); 9=don't know, don't wish to answer.

Questions L7, L8 and L9 are about you firm's actual payroll workforce compared with the desired level in the current year

- L7 In 2006, compared with the desired level, it is:

Workers		Clerks	Managers
unskilled	skilled		
L7A	L7B	L7C	L7D
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Legend: 1= smaller; 2=about the same; 3=larger; 8=not applicable (the firm does not use this type of personnel); 9=don't know, don't wish to answer.

- L8 (Only if the answer to question L7 was **lower** for some categories)

To what extent did the following factors prevent you achieving the desired level? (Use the legend: 1=no effect; 2=little effect; 3=some effect; 4=much effect; 9=don't know, don't wish to answer).

Workers		Clerks	Managers
unskilled	skilled		
A	B	C	D

L8A lack of personnel with required skills

L8B labour cost of suitable candidates too high

L8C other

☞ (give details)

- L9 (Only if the answer to question L7 was **lower** for some categories)

To what extent can increasing immigration from non-EU countries help you achieve the desired level?

Workers		Clerks	Managers
unskilled	skilled		
L9A	L9B	L9C	L9D
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Legend: 1=no effect; 2=little effect; 3=some effect; 4=much effect; 9=don't know, don't wish to answer.

- L10 (Only for industrial firms)

Regarding the number of hours worked in the summer period, compared with the other months of the year did your firm

reduce them

L10A this year?

L10B in 2003-2005?

Legend: 1=no (☞ L12); 2=yes; 9=know, don't wish to answer (☞ L12)

- L11 (Only if the answer to both questions L10A and L10B was **yes**)

How much, compared with the past, did your firm reduce the number of hours worked in summer this year?

Legend: 1=less; 2=about the same; 3=more; 9= don't know, don't wish to answer.

- L12 **Regarding pay rises NOT envisaged in the NATIONAL CONTRACT, did you in 2006 or will you before the end of the year, grant any increases of this type?**

Legend: 1=no (☞ L14); 2=yes; 9=don't know, don't wish to answer (☞ L14)

- L13 **Considering ONLY SUCH PAY RISES, how much will they increase the average compensation (of all employees) in**

2006?

Legend: 1=less than 1 %; 2=1% to 2 %; 3=2.1% to 3 %; 4=more than 3 %; 9=don't know, don't wish to answer.

PRODUCTIVE ACTIVITY

The following questions look at aspects such as turnover, orders/sales of your products (only for industrial firms) and production (see legend L14-L18).

Home and export markets	Export market (if firm exports)
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- L14 **Turnover: what change is expected in the first 3 quarters of 2006 compared with the first 3 quarters of 2005?**

A

B

- L15 **Orders/sales of your products/services (see instructions): the present seasonally adjusted trend with respect to the end of June is:**

- L16 **Compared with now, in 6 months' time it will be:**

- L17 (Only for industrial firms)

Total production (see instructions): what seasonally adjusted trend do you forecast for the 4th quarter of the current year compared with the 3rd quarter?

- L18 (Only for industrial firms)

And for the 1st quarter of 2007 compared with the 4th quarter of 2006?

Legend (L14-L18): 1=large decline (more than 4 %); 2=small decline (1.6% to 4 %); 3=stable (-1.5% to 1.5 %); 4=small increase (1.6% to 4 %); 5=large increase (more than 4 %); 8=not applicable (e.g. non-exporting firm for questions on export market); 9=don't know, don't wish to answer.

- L19 **How do you think your per capita gross profit margins (per capita revenue minus unit costs) this year will compare with 2005?**

L19A Italy

L19B EU countries (see instructions)

L19C non-EU countries

Legend: 1=much smaller; 2=slightly smaller; 3=stable; 4=slightly larger; 5=much larger; 8=not applicable (e.g. firm does not sell on that market); 9=don't know, don't wish to answer.

- L20 **What AFTER-TAX operating profit do you expect to close this year with ?**

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

- L21 **Considering the whole market for your goods/services, how would you describe the situation in the last 6 months?**

(see legend L21-L22)

- L22 **And what are your expectations for the next 6 months?**

Legend (L21-L22): 1=recession; 2=stagnation; 3=expansion; 9=don't know, don't wish to answer.