



**15<sup>th</sup> BUSINESS OUTLOOK SURVEY - 2007**  
**INDUSTRIAL FIRMS (EXCLUDING CONSTRUCTION) AND SERVICE FIRMS**

*Information to be given to firms in the sample BEFORE the start of the interview*

- ❖ The purpose of this survey is to collect information on the trend of the main economic and financial variables of firms in industry excluding construction and in the service sector.
- ❖ The information provided by the firms will NOT be distributed outside the Bank except in aggregate form.
- ❖ Your cooperation is important, but it is not compulsory.
- ❖ The results of the survey will be published in aggregate form in the Supplements to the Statistical Bulletin. A copy of the issue relating to the survey will be sent to all participating firms.

**Instructions for the interviews**

**Average workforce during the year:**

- A5M:** **average** number of employees (production workers, apprentices, managers and assistants, part-time employees) in the firm; does NOT include temporary workers and workers on collaboration contracts (*co.co.co.*). Partners and owners should be included if they work for the firm. The total includes workers on fixed-term contracts and redundant workers receiving Wage Equalization Fund benefits. The information can be obtained as the arithmetical mean of the average monthly workforce. In the case of temporary and seasonal workers and generally anyone working for only part of the year, the number of employees must be multiplied by the fraction of the year during which they have worked. Employees receiving Wage Equalization Fund benefits and part-time employees should be regarded as working for the whole of the year.
- A6:** in the case of service firms, the share of exports is the share of sales (or of turnover) relating to non-residents of Italy.
- M1** during the interview, when the respondent is asked to compare the values of effective and planned investment all tangible and intangible assets should be included. The interviewee's attention should also be directed to the data provided during the January-April 2007 survey of industrial and service firms, if available.
- M1 and M3:** the answers "much higher" and "much lower" also apply if, in the two periods compared,

investment was zero one year and greater than zero in the other.

- M4:** the firm's cash flow can be increased, for instance, by reducing direct costs or by increasing turnover.

- M10:** a merchant bank works with firms to raise funds by issuing and selling stock on the primary market. It also helps firms (listed or otherwise) to raise funds on the capital market (in the form of either equity capital or debt) and provides strategic advice in the case of mergers, buy-outs and similar events. A private equity specialist raises funds from a small group of investors in the form of units of a closed-end fund and invests them in shareholdings in firms, becoming directly involved in their management. Venture capital is a particular form of private equity reserved to young firms with very good growth prospects.

**M12 and M13:** see A5M.

- M19:** **volume** of orders in the case of firms in industry excluding construction and of sales for service firms.

- M21:** **volume** of production for firms in industry excluding construction.

**In addition:**

- Privacy:** in compliance with the provisions of the law on the handling of personal information, the front page of the questionnaire contains the notice required by Legislative Decree 196/2003.

**Remarks:**



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# BANCA D'ITALIA

EUROSISTEMA

## 15<sup>th</sup> BUSINESS OUTLOOK SURVEY - 2007 INDUSTRIAL FIRMS (EXCLUDING CONSTRUCTION) AND SERVICE FIRMS

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

Date of interview: Day  Month

### GENERAL INFORMATION

A1 Branch code (Bank of Italy)

A2 Firm code (Bank of Italy)

A3 Name of firm

Tax number

A4B Istat – Ateco2002 category

A5M Average workforce in 2006  
(see instructions)

A6 Share of exports in total turnover  
1 zero  
2 less than 1/3  
3 from 1/3 to 2/3   
4 over 2/3  
9 don't know, not answering

A7 MAIN economic purpose of goods and services produced:

#### NON-CONSTRUCTION FIRMS

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

#### SERVICE FIRMS

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

### INVESTMENT AND FINANCE

M1 How does nominal expenditure on fixed investment (in tangible and intangible assets) in the current year compare with PLANNED INVESTMENT AT THE END OF 2006?

- 1 much lower (by more than 10%)
- 2 a little lower (from 3.1% to 10%)
- 3 about the same (from -3% to 3%)  M3
- 4 a little higher (from 3.1% to 10%)
- 5 much higher (by more than 10%)
- 9 don't know, not answering  M3

M2 (Ask the question ONLY IF actual expenditure on investment is likely to differ from planned expenditure)

The difference is MAINLY due to:

(one answer only)

- 1 financial factors
- 2 unexpected changes in demand
- 3 changes in the level of uncertainty due to economic or political factors
- 4 changes in purchase prices
- 5 organizational or technical factors
- 6 bureaucracy
- 7 changes in taxation or incentives
- 9 don't know, not answering

M3 How does planned nominal expenditure on fixed investment in 2008 compare with 2007?

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

M4 How do you expect to finance the majority of fixed investment in 2008? (no more than two answers)

- M4A present level of cash flow
- M4B increase in present level of cash flow
- M4C increase in debt
- M4D capital increases
- M4E sale of securities and/or other assets
- M4F other (public financing, leasing, etc.)
- M4G not applicable (e.g. the firm will not invest)
- M4H don't know, not answering

M5 How do you expect your bank debt (used credit lines) IN 6 MONTHS' TIME to compare with THE CURRENT LEVEL?

- 1 much lower (by more than 10%)
- 2 somewhat lower (between 6.1% and 10%)
- 3 slightly lower (between 2.1% and 6%)
- 4 about the same (between -2% and 2%)
- 5 slightly higher (between 2.1% and 6%)
- 6 somewhat higher (between 6.1% and 10%)
- 7 much higher (by more than 10%)
- 9 don't know, not answering, not applicable

M6 In the last 2 months have you noticed a tightening of credit conditions for the firm? ☐

**Legend:** 1=no (☞ M8); 2=yes; 9=don't know, not answering (☞ M8).

M7 If you answered yes, please say which of these situations your firm has encountered:

- M7A reduction in credit ☐  
M7B higher interest rates ☐  
M7C request for additional collateral for loans ☐  
M7D other ☐

(please specify) ☞ \_\_\_\_\_

**Legend:** 1=no; 2=yes; 9=don't know, not answering.

M8 Is any part of your firm's equity capital owned by financial operators (commercial banks, merchant banks, private equity funds, venture capitalists)? ☐ No ☐ Yes ☞

M9 If so, what percentage do they hold? ☐ ☐ ☐ %  
(rounded to the nearest percentage point)

M10 In 2005-07 did the firm sell part of its equity capital to any of the following financial operators?

- M10A yes, to banks ☐  
M10B yes, to merchant banks ☐  
M10C yes, to private equity funds ☐  
M10D yes, to venture capitalists ☐  
M10E yes, to other financial operators ☐  
M10F no ☐ ☞ M12  
M10G don't know, not answering ☐ ☞ M12

M11 If so, in what year did the largest transfer of equity take place? ☐ ☐ ☐ ☐

### WORKFORCE AND WAGES

M12 How does the average number of employees (see instructions) in 2007 compare with 2006? ☐

**Legend:** 1=much lower (by more than 5%); 2=slightly lower (between 1.1% and 5%); 3=about the same (between -1% and 1%); 4=slightly higher (between 1.1% and 5%); 5=much higher (by more than 5%); 9=don't know, not answering.

M13 Have you granted any pay rises NOT envisaged in the NATIONAL LABOUR CONTRACT during 2007 or do you plan to do so at the end of the year? ☐

**Legend:** 1=no (☞ M15); 2=yes; 9=don't know, not answering (☞ M15).

M14 Considering ONLY ADDITIONAL PAY RISES OF THIS TYPE, how will they increase average compensation (of all employees) in 2007? ☐

**Legend:** 1=by less than 1%; 2=between 1% and 2%; 3=between 2.1% and 3%; 4=by more than 3%; 9=don't know, not answering.

### PRODUCTION

M15 What AFTER-TAX RESULT do you expect at the end of this year? ☐

**Legend:** 1=large loss; 2=small loss; 3=balance; 4=small profit; 5=large profit; 9=don't know, not answering.

M16 Considering the overall market for your goods/services, how would you describe the economic situation in the last 6 months? ☐  
(see legend M16-M17)

M17 And what are your expectations for the next 6 months? ☐

**Legend (M16-M17):** 1=recession; 2=stagnation; 3=expansion; 9=don't know, not answering.

Looking now at aspects such as turnover, orders/sales of your goods/services and (only for non-construction industries) production (see legend M18-M21).

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

M18 Turnover: what change do you expect in the first 3 quarters of 2007 compared with the first 3 quarters of 2006? ☐ ☐

M19 Orders/sales of your goods/services (see instructions): how does the present seasonally adjusted performance differ with respect to the end of June? ☐ ☐

M20 How will it differ in 6 months' time compared with the present? ☐ ☐

M21 (Only for non-construction firms) Total output (see instructions): what seasonally adjusted change do you expect in the fourth quarter of this year compared with the third quarter? ☐

**Legend (M18-M21):** 1=large decrease (more than 4%); 2=small decrease (between 1.6% and 4%); 3=stable (between -1.5% and 1.5%); 4=small increase (between 1.6% and 4%); 5=large increase (more than 4%); 8=not applicable (e.g. not exporting firms for questions on export market); 9=don't know, not answering

### INNOVATION

M22 Does the firm, or the group to which it belongs, if any, have a research centre or a design facility? ☐ No ☐ Yes ☞ ☐ Staff

M22A in Italy

M22B abroad

M23 In 2005-07, what importance did the following sources of information have for the firm's innovation activities? (please assign a value to each item)

- M23A sources inside the firm or group ☐  
M23B suppliers ☐  
M23C clients ☐  
M23D other firms ☐  
M23E private consultants ☐  
M23F universities and public research centres ☐  
M23G fairs, conventions, publications, trade associations ☐

**Legend:** 0=not used; 1=of little importance; 2=fairly important; 3=very important; 9=don't know, not answering.

M24 Please say whether the firm did any of the following in 2005-07: (one answer for each item)

- M24A purchase patents ☐  
M24B purchase software and/or innovative machinery ☐  
M24C recruit personnel with post-graduate qualifications (PhD or other specialization) ☐

**Legend:** 1=no; 2=yes; 9=don't know, not answering.

M25 **Has the firm entered into collaboration agreements with Italian universities (or public research centres)**

M25A ... in 2002-04?

M25B ... in 2005-07?


**Legend:** 1=no; 2=yes; 9=don't know, not answering. **If the answer to question M25B is "no" → M29**

**ONLY if the answer to question M25B is yes,**

M26 ... **what is the type of agreement?**

M26A the firm has financed research

M26B the firm has purchased consulting services

M26C the firm has offered student internships


**Legend:** 1=no; 2=yes; 9=don't know, not answering.

M27 ... **were the initiatives**

M27A individual?

M27B collective? (consortium, agency, trade association...)


**Legend:** 1=no; 2=yes; 9=don't know, not answering.

M28 ... **has the firm received tax subsidies and/or public funding for these activities?**

M28A tax subsidies

M28B public funding (including EU)


**Legend:** 1=no; 2=yes; 9=don't know, not answering.

**ONLY if the answer to question M25B is "no"**

M29 ... **why not?** (please give the main reason)

- 1 the idea has never been considered
  - 2 academic research is unrelated to the firm's requirements
  - 3 universities involve too much bureaucracy
  - 4 the quality of research is unsatisfactory
  - 5 the cost is too high
  - 6 the firm prefers to work with foreign universities
  - 7 other
- (please specify) ☞ \_\_\_\_\_

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