



20th BUSINESS OUTLOOK SURVEY - 2012
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 cooperation is important but not compulsory and refusal to take part will not have any consequences. The information provided will be used for research purposes only and will not be disseminated 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 with procedures that ensure their security and confidentiality. The only people with access to individual data are the Head of the Economic and Financial Statistics Department of the Bank of Italy (Via Nazionale 91, 00184 Rome, Italy) and the staff entrusted with data processing and analysis.

Date of interview: **data** Day Month

GENERAL INFORMATION

Branch code (Bank of Italy) **a1**

Firm code (Bank of Italy) **a2**

Name of firm **a3**

Tax code **codf**

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

Average payroll employment in 2011 **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 2012 **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 2011, 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 %) 📞 O3
- 4 a little higher (between 3.1% and 10%)
- 5 much higher (by more than 10%)
- 9 do not know, no answer 📞 O3

📄 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: 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 2013 compare with that in 2012: p3

- 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.

FIRM'S FUNDING

4 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.) p31	A 2012 H1 on 2011 H2	B 2012 H2 on 2012 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.

5 Considering just <u>bank loans</u> , indicate the trend of your demand, excluding seasonal fluctuations ^(*) : p32	A 2012 H1 on 2011 H2	B 2012 H2 on 2012 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? p33 (for each half-year, indicate at most two factors as most important)	A 1 st half 2012	B forecast 2 nd half 2012
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) p33faba		

Legenda: 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 I sem. 2012 rispetto al II sem. 2011	B II sem. 2012 rispetto al I sem. (previsione)
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; 9=do not know, no answer; 8=not applicable.

WORKFORCE, WAGES AND WAGE SUPPLEMENTATION

8 How will the average size of the workforce in 2012 compare with that in 2011? **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

9 By what percentage did or will the firm's

workforce change? **p13** +/- % %

p14

10 Has the firm used the following social shock absorbers?
(give an answer for each item)

- B of which: ordinary
- C extraordinary
- D under a waiver
- E Job mobility schemes

Legend: 1=no; 2=yes; 8=not applicable (e.g. firm can't apply); 9=do not know, no 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).

11 Have you granted any wage increases in 2012 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 14
- 2 yes
- 9 do not know, no answer ↪ question 14

12 Considering ONLY THESE INCREASES, what increase will they produce in average earnings (of all the firm's payroll workers) in 2012? ? 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

13 Recent legal measures (Article 8 of the budget package ratified by Law 148/2012) 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 2013? p35

Legend: 1= no; 2= yes; 8= not applicable; 9= do not know, no answer.

14 (Reply to this question ONLY IF you replied "Yes" to Question 14)

Indicate whether your firm would be interested in derogations mainly concerning the provisions governing the following matters (give an answer for each item, maximum two "Yes" answers): p36

A Job descriptions and grades

B Working hours, shifts and organization of jobs

C Consequences of termination of employment (e.g. in the case of dismissal without cause)

D Use of the various kinds of employment contract (temps, fixed-term and part-time contracts and free-lance workers with a VAT number)

Legend: 1= no; 2= yes; 8= not applicable; 9= do not know, no answer.

15 (Reply to this question ONLY IF you replied "no" to Question 14)

For which of the following reasons do you not want to use the derogations (give an answer for each item, maximum two "Yes" answers)? P37

A The present contractual arrangements are satisfactory

B The present contractual arrangements are NOT satisfactory, but the legal framework is uncertain

C The present contractual arrangements are NOT satisfactory, but costs of union negotiations are feared

D Other.....

(specify) p37da

Legend: 1= no; 2= yes; 8= not applicable; 9= do not know, no answer.

Article 8 of the budget package in Decree Law 138/2012, ratified with amendments by Law 148/2012, established that collective wage agreements signed at company or territorial level between firms and the most representative trade unions may introduce, including by way of derogation from provisions of law or national industry wage agreements, specific provisions concerning: job descriptions and grades; working hours, shifts and organization of jobs; use of fixed-term and part-time contracts; and redefining the consequences of the termination of employment (e.g. in the case of dismissal without cause).

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)

17 Sales revenue: what change is expected in Q1-Q3 2012 compared with Q1-Q3 2011? **p23**

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** .

19 And in 6 months, compared with now, will be: **p25**

A Domestic market and exports	B Total exports
<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>
<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>
<input style="width: 50px; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 50px; height: 20px; border: 1px solid black;" 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 19 and 20, consider orders for industrial firms and sales for service firms.

20 (Only for non-construction-industry firms)

Considering the firm's total production, what do you expect in Q4 of this year compared with Q3 of

this 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



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

CAPACITY UTILIZATION AND PRODUCTION IN ITALY

(only non-construction firms established before 2006)

21 In what year, since 2005, did your firm achieve its peak level of

production in Italy (do not include 2012, which is still under way) **P42**

Answer the next two questions (22 and 23) with reference to production in Italy.

22 Compared with the year given in your answer to question 21, how would you describe the level of production in 2012?

P43A



(-/+)

P43B

P44A



(-/+)

P44B

Num. var.: 8

(give even a rough estimate of the percentage change)

(give even a rough estimate of the percentage change)

- 1 lower
- 2 about the same
- 3 higher
- 9 don't know, don't wish to answer

- 1 lower
- 2 about the same
- 3 higher
- 9 don't know, don't wish to answer

Answer the next three questions (24, 25 and 26) with reference to your installed production capacity ("potential output") in Italy.

Production capacity ("potential output") is the maximum output obtainable using plant to full capacity without altering the organization of work shifts.

24 Again compared with the year given in your answer to question 21, how would you describe your production capacity in 2012?

P45

25 ... and what level of production capacity do you expect in 2013 compared with 2012?

P46

- 1 Much lower (by more than 20 %)
- 2 Slightly lower (between 5% and 20 %)
- 3 About the same (between -5% and 5 %) question 27
- 4 Slightly higher (between 5% and 20 %)
- 5 Much higher (by more than 20 %)
- 9 Don't know, don't wish to answer question 27

(Answer the question ONLY IF you expect to change production capacity before the end of 2013)

26 What are the main reasons for the decision to change the installed production capacity in Italy during 2013?

- A Expectations regarding demand for your products/services
- B Availability of credit
- C Cost of credit
- D Obsolescence of existing installed capital
- E Decisions of main competitors on the firm's markets
- F Other reasons

(Please specify) **P47FA**

Legend: 1=first factor by order of importance; 2=second factor; 3=third factor; 4=not or not very important; 9=don't know, don't wish to answer.

GENERAL ECONOMIC FRAMEWORK AND FIRMS' STRATEGIES

27 How do you think the prospects will change for the outlet markets for your firm's products/services:

p39

A In the next 6 months	B In the next 12 months
<input type="text"/>	<input type="text"/>

Legend: 1= sharp deterioration; 2= slight deterioration; 3= basically unchanged; 4= slight improvement; 5= sharp improvement; 9=do not know, no answer.

28 In the next six months what is the probability of your firm adopting the following strategies to improve its sales performance? (give an answer for each strategy) **p40**

- A Changes to the prices of products/services sold
- B Qualitative improvements, new products, marketing strategies
- C Diversification of outlet markets
- D Other factors

(specify) **p40da** _____

Legend: 1= none; 2= low; 3= moderate; 4= high; 8=not applicable (e.g. the strategy not adopted); 9=do not know, no answer.

29 According to the firm's plans, how likely is each of the following in 2013?

- A opening abroad of new facilities or enlargement of some existing facilities **P48A**
- B closure abroad of facilities or downsizing of some facilities **P48B**
- C opening in Italy of new facilities or enlargement of some existing facilities **P48C**
- D closure in Italy of facilities or downsizing of some facilities **P48D**

Legend: 1=unlikely; 2=not very likely; 3=fairly likely; 4=very likely; 8=not applicable (e.g. use for question B if the firm does not have any facilities abroad); 9=don't know, don't wish to answer.

30 Please indicate the most important factors that could make your production of goods and services in Italy less competitive than that of you main foreign competitors located in the areas below

(Please refer to competitors in your main, domestic or foreign, market. Indicate the importance of each factor separately in each column) **P49**

	A-Euro area	B-Other advanced countries (United Kingdom, USA, Canada, South Korea, Japan, etc.)	C-Emerging countries (rest of the world)
A Do you have competitors producing locally in the area?.....	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Answer the questions below only if you answered "yes" to the question above

Possible competitive disadvantages ...

... with respect to foreign competitors located in the area

B labour costs (including social security)	<input type="text"/>	<input type="text"/>	<input type="text"/>
C corporate taxation	<input type="text"/>	<input type="text"/>	<input type="text"/>
D cost of services (energy, professional services, transport, communication, etc.)	<input type="text"/>	<input type="text"/>	<input type="text"/>
E cost of finance	<input type="text"/>	<input type="text"/>	<input type="text"/>
F exchange rate	<input type="text"/>	<input type="text"/>	<input type="text"/>
G other ⁽¹⁾	<input type="text"/>	<input type="text"/>	<input type="text"/>
(Please specify) p49da	_____	_____	_____

(1) For example: bureaucracy and administration, infrastructure, quality of Public Administration, etc.

Legend: 1=first factor by order of importance in the area; 2=second factor in the area; 8=factor not or not very important for advantage/disadvantage with respect to competitors (e.g.: does not make the firm less competitive than competitors); 9=don't know, don't wish to answer. For the **countries** see the table at the end of the document.

MEASURES TO SUPPORT ECONOMIC GROWTH AND NET WORTH

- 31 Have you/will you increase the firm's net worth by means of share issues and/or self-financing? **P50**.....

A In 2012 compared with 2011	B In 2013 compared with 2012 (forecast)
<input type="text"/>	<input type="text"/>


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

(Please answer the next question ONLY IF you answered YES to at least one of the questions above)

- 32 To what extent do you think the "Save Italy" measures introduced at the end of 2011 in favour of firms that increase their net worth – called ACE (aid to economic growth) – influenced/will influence your firm's decision to increase its net worth? **P51**.....

A In 2012 compared with 2011	B In 2013 compared with 2012 (forecast)
<input type="text"/>	<input type="text"/>

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

 Article 1 of Legislative Decree 201/2011 (the "Save Italy" law), amended and enacted on 22 December 2011, introduced the Aid to Economic Growth measure (ACE) to help strengthen firms' capital structure. ACE reduces firms' tax liabilities by allowing them to deduct from their taxable income for corporation tax (IRES) for the three years 2011-2013 3% per annum of the value of own funds invested in the company as of the 2011 financial year.

INTERNATIONALIZATION

- 33 Does the firm have a presence abroad in 2012
(through ownership/control of foreign companies, ownership of local establishments without separate legal status, including commercial facilities)?

- 1 yes
2 no, but it did in the past
3 no, never
9 don't know, don't wish to answer

 question 35

 question 35

P52

(Please answer the next question ONLY IF the firm has a presence abroad, or did have in the past)

- 34 Please indicate the year and the country in which the country established a presence abroad for the first time:

Year **P53A**

Country **P53B**

(A list of countries will be provided as in the previous survey)

- 35 How do you judge the effort required to fill in the questionnaire? **p30**

- 1 modest
2 average
3 high
4 excessive

Comments:



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Thank you for participating