



22th BUSINESS OUTLOOK SURVEY - 2014
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 a9

Legend: 1=SRL; 2=SPA; 3=SAPA; 4=SCRL; 5=SCRI; 6=SAS; 7=SNC; 8=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 2013 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 2014 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

BUSINESS CONFIDENCE

1 Please compare your present expectations for the last quarter of 2014 with the expectations you had at the start of the year for the first quarter.

How have your expectations changed during the year so far with respect to: p77

- the national economy?.....

- your own firm's level of activity?.....

- 1 worsened
- 2 unchanged
- 3 improved
- 9 don't know, don't wish to answer

INVESTMENT

2 Compared with the LEVEL PLANNED AT THE END OF 2013, 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 4
- 4 a little higher (between 3.1% and 10%)
- 5 much higher (by more than 10%)
- 9 do not know, no answer question 4

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)

3 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

4 How does planned nominal expenditure on fixed investment in 2015 compare with that in 2014.....

- 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.

5 Indicate the main factors that, in the event of unexpected changes, could lead you to revise your investment plans for 2015 upwards or downwards: p78

A upwards (indicate up to two).....

B downwards (indicate up to two).....

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=unexpected changes in domestic demand; 2=unexpected changes in export demand; 3=unexpected changes in raw material prices; 4=unexpected changes due to institutional factors (e.g. greater or lesser uncertainty as a result of economic or political factors); 5=unexpected changes due to financial factors (e.g. the availability and cost of loans); 6=unexpected variations of General Government's reimbursements of trade debts towards your firm; 7=other; 9=don't know, don't wish to answer.

FIRM'S FUNDING

6 Excluding seasonal fluctuations and considering all your funding needs (for fixed investment, working capital, etc.), indicate the trend of your external funding needs (bank loans, leasing, factoring, intra-group loans, contributions of capital, etc.) p31.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 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.

7 Considering just bank loans, indicate the trend of your demand excluding seasonal fluctuations(*): p32.....	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 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)

8 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 2014	B forecast 2 nd half 2014
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..... (specify) ➤ p33faba	<input type="text"/>	<input type="text"/>


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

9 How did the firm's overall borrowing conditions change and how will you expect them to change? p34

	A 2014 H1 on 2013 H2	B 2014 H2 on 2014 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.



PAYMENTS FROM GENERAL GOVERNMENT BODIES

 The list of institutions that form part of the general government sector (Sector S13) is drawn up by Istat according to the European System of Accounts (ESA2010). The updated list is published in Gazzetta Ufficiale – Serie Generale, No. 2010, 10 September 2014; it is available at:

http://www.istat.it/files/2011/01/ISTAT_lista_AAPP_10_settembre2014_GU_numero210.pdf

Note that general government does not include publicly owned firms if most of their output is sold at market conditions and the proceeds cover at least 50 per cent of operating costs. Mere control by a public entity, that is, is not a sufficient condition for classifying a firm as belonging to the general government sector.

10 Does your firm now have trade credits vis-à-vis general government bodies that were already overdue at the end of 2012?


- 1 no  question 12
- 2 yes
- 9 don't know, don't wish to answer  question 12

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(Answer ONLY if you answered YES to Question 10)

11 How much is the amount of these credits in relation to your sales to general government bodies in 2012? **p80**.....

- 1 not more than 2 per cent of sales to general government in 2012
- 2 more than 2 per cent of sales to general government in 2012
- 9 don't know, don't wish to answer

 Decree Laws 35/2013 and 102/2013, converted with amendments into Laws 64/2013 and 124/2013, appropriated funds to speed up the payment of general government debts, for the most part trade payables, on condition that these debts were already overdue at the end of 2012.

12 Did your firm receive payment in 2013 or 2014 of all or part of such claims (already overdue at the end of 2012 or having become overdue subsequently)?

- 1 no  question 14
- 2 yes
- 9 don't know, don't wish to answer  question 14

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(Answer ONLY if you answered YES to Question 12)

13 How have you used or do you plan to use the payment in 2013?

(indicate the 1st and 2nd most important uses in terms of importance) **p82**

1st use **a**

2nd use **b**

- 1 to pay wage arrears
- 2 to pay trade payables
- 3 to reduce tax or contribution arrears
- 4 to reduce payables to the financial system
- 5 to finance working capital in other ways
- 6 to finance investment
- 7 to increase liquidity
- 8 other (specify)  **p59ABA** _____
- 9 don't know, don't wish to answer

14 Have you observed an acceleration in payments by general government bodies with regard to invoices issued since January 2014 by comparison with those issued in 2013?..... **p83**


- 1 no
- 2 yes, slight
- 3 yes, significant
- 8 not applicable
- 9 don't know, don't wish to answer

WORKFORCE, WAGE SUPPLEMENTATION, WAGES AND NATIONAL WORK CONTRACT

- 15 How will the average size of the workforce in 2014 compare with that in 2013? 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

- 15 In 2014 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.

- 17 Please, compare the trends of the hours worked in your enterprise during the 2nd and 3rd quarters of 2014 with those of the same quarters of the previous year p84.....

A 2 nd quarter 2014 on 2 st quarter 2013	B 3 rd quarter 2014 on 3 rd quarter 2013
<input type="text"/>	<input type="text"/>

Legend: 1=much lower (by more than 5%); 2=slightly lower (between 1.1% and 5%); 3=practically the same (between -1% and 1%); 4=slightly higher (between 1.1% and 5%); 5=much higher (by more than 5%); 9=do not know, no answer.

- 18 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? p17
- 1 no ↔ question 21
 - 2 yes
 - 9 do not know, no answer ↔ question 21

(Answer the following question ONLY IF you answered YES to question 18)

- 19 Considering ONLY THESE INCREASES, what increase will they produce in average earnings (of all the firm's payroll workers) in 2014? 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

(Answer the following question ONLY IF you answered YES to question 18)

- 20 The wage increases provided were: p62**
- 1 granted under company or territorial level wage agreements
 - 2 granted in the absence of company or territorial level wage agreements *☞ question 21*
 - 9 don't know, don't wish to answer *☞ question 21*

21 Recent legal measures (Article 8 of the budget package ratified by Law on 15 September 2011) 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 2014 or 2015? p35**
- 1 no
 - 1 yes *☞ question 23*
 - 9 do not know, no answer *☞ question 23*

(Answer the following question ONLY IF you answered NO to question 21)

22 For which of the following reasons do you not want to have recourse to the derogations? (give an answer to each item, maximum two YESSES). **p66**

- A** the present contractual arrangements are satisfactory
 - B** the present contractual arrangements are NOT satisfactory, but there is uncertainty about the legal framework, which changes too frequently
 - C** the present contractual arrangements are NOT satisfactory, but it is feared that agreements could become the subject of disputes (ineligibility)
 - D** the present contractual arrangements are NOT satisfactory, but there is a fear of negotiating costs with the trade unions
 - E** other
- (specify) *☞ p66ea* _____

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

 Article 8 of Decree Law 138/2011 (known as the second budgetary measure and ratified with amendments on 15 September), established that collective labor contracts signed at company or territorial level between firms and the most representative trade unions can regulate, including by way of derogation from the law or national industry wage agreements, specific provisions concerning staff duties and job descriptions, working hours, shifts and the organization of jobs, the use of fixed term and/or part-time job contracts, and redefining the consequences of the termination of employment contracts (e.g. in the event of dismissal without good cause).

RESULT FOR THE YEAR, ORDERS, SALES REVENUE AND PRODUCTION

- 23 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
24 Sales revenue: what change is expected in Q1-Q3 2014 compared with Q1-Q3 2013? p23	<input type="text"/>	<input type="text"/>
25 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 type="text"/>	<input type="text"/>
26 ... and in 6 months, compared with now, will be: p25	<input type="text"/>	<input 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 25 and 26, consider orders for industrial firms and sales for service firms.

(Only for exporting firms)

27 How do you expect exports to perform in each outlet market? (reply separately for each market) **p85**

- A Euro area (excluding Italy).....
- B Rest of Europe (excluding Russia).....
- C Russia
- D USA
- E Brazil, India and China
- F Rest of the world

	A in 2014 with respect to 2013 (forecast)	B in 2015 with respect to 2014 (forecast)
A Euro area (excluding Italy).....	<input type="text"/>	<input type="text"/>
B Rest of Europe (excluding Russia).....	<input type="text"/>	<input type="text"/>
C Russia	<input type="text"/>	<input type="text"/>
D USA	<input type="text"/>	<input type="text"/>
E Brazil, India and China	<input type="text"/>	<input type="text"/>
F Rest of the world	<input type="text"/>	<input type="text"/>

Legend: 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.

To answer this set of questions, refer to the lists of countries at the bottom of the questionnaire.

(Answer ONLY if you answered 1, 2, 3, 4, or 5 on the corresponding lines of Question 27)

28 To what extent do you think expected developments in markets A-B-C depend directly or indirectly on the recent geopolitical tensions in Ukraine?

(reply separately for each market) **p86**

- A Euro area (excluding Italy).....
- B Rest of Europe (excluding Russia)
- C Russia

	A in 2014 with respect to 2013	B in 2015 with respect to 2014
A Euro area (excluding Italy).....	<input type="text"/>	<input type="text"/>
B Rest of Europe (excluding Russia)	<input type="text"/>	<input type="text"/>
C Russia	<input type="text"/>	<input type="text"/>

Legend: 1=Not at all; 2=modestly; 3=significantly; 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.

29 (Only for non-construction-industry firms)

Considering the firm's total production, what do you expect in Q4 of 2014 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.

MEASURES IN SUPPORT OF ECONOMIC GROWTH AND SHAREHOLDERS' EQUITY

30 Compared with 2011, in the three years 2012-14 did you or will you increase shareholders' equity (for example, by issuing shares or retaining profits)?

- 1 no 👉 domanda 32
- 2 sì
- 9 non so, non intendo rispondere 👉 domanda 32

p87

(Answer ONLY if you answered YES to Question 30)

31 How much, in your opinion, did or will the "Save Italy" tax relief enacted at the end of 2011 – the allowance for corporate equity for firms increasing their shareholders' equity – affect the decision to increase shareholders' equity and the amount of such increase? p88.

A Decision to increase equity	B Amount of the increase
<input type="text"/>	<input type="text"/>

Legend: 1=insignificantly; 2=modestly; 3=fairly significantly; 4=very significantly; 9=don't know, don't wish to answer.

📄 Article 1 of Decree Law 201/2011 (the so-called "Save Italy" decree), converted with amendments as Law 214/2011, introduced the allowance for corporate equity for the purpose of strengthening firms' capital structure. The allowance eased the tax burden on firms, by means of an annual company tax deduction of 3 per cent of the own resources reinvested for three years starting with 2011. The 2014 Stability Law raised the deduction to 4 per cent in 2014, 4.5 per cent in 2015 and 4.75 per cent in 2016.

32 How do you assess the effort required to fill in this questionnaire? p30

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

Comments:



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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