

**XXVIII BUSINESS OUTLOOK SURVEY - 2020**  
**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.

Notice

**General information**

**Bank of Italy codes** ( to be entered by B.I. branch):

Branch code .....  **A1** Firm code .....  **A2**

Province in which the firm is located .....  **PROV**

**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 = other.

**Istat economic activity - Ateco2007** (first 5 figures) .....  **A4C**

**Istat (Italian National Statistical Institute):** see ISTAT. Classificazione delle attività economiche. Metodi e norme 2007.

Are the administrative headquarters and the registered office located in the same province? ..... (Yes/No)  **PROVU** → Province of the registered office .....  **PROVSL**

**Average payroll employment in 2019** .....  **A5M**

**Average payroll employment:** 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 2020** \* .....  **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 <i>(used in production process for longer than one year)</i>		
2 intermediate goods <i>(part of other goods/services)</i>		
3 consumer goods <i>(directly for consumption)</i>		
SERVICE FIRMS		
4 business services		
5 household services		
6 general government services		

## Investments

**1 Compared with the LEVEL PLANNED AT THE END OF 2019, nominal expenditure on (tangible and intangible) fixed investment in the current year will be\*:** .....

**P1N**

- 1 Lower by more than -50%
- 2 Lower by between -50% and -25.1%
- 3 Lower by between -25% and -10.1%
- 4 Lower by between -10% and -3.1%
- 5 Stable between -3% and +3%
- 6 Higher by between +3.1% and 10%
- 7 Higher by between +10.1% and 50%
- 8 Higher by more than +50%
- 9 Do not know, do not wish to answer

\* The responses "Lower by more than -50%" and "Higher by more than +50%" 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:** .....

**P147**

- 1 **Exclusively** to sales prices being different compared with those expected
- 2 **Exclusively** to the actual purchased quantities being different compared with those expected
- 3 To both sales prices and purchased quantities being different compared with those expected
- 9 Do not know/do not wish to answer

(Please answer ONLY IF you replied either 2 or 3 to the previous question)

**3 Please say whether the difference in quantities purchased (plus or minus) was due to:**  
(more than one positive answer possible)

- |  |  |              |
|--|--|--------------|
| <b>A</b> change in expectations regarding demand .....   |  | <b>P148A</b> |
| <b>B</b> change in expected production costs: level and uncertainty .....                                      |  | <b>P148B</b> |
| <b>C</b> change in regulations (taxes and tax deductions for investment, financial contributions , etc.) ..... |  | <b>P148C</b> |
| <b>D</b> change in self-financing and in availability, cost and conditions of financing .....                  |  | <b>P148D</b> |
| <b>E</b> change in the range of products/services or production processes adopted by the firm .....            |  | <b>P148E</b> |
| <b>F</b> factors relating to the firm's internal organization not related to product/process changes .....     |  | <b>P148F</b> |
| <b>G</b> uncertainty due to economic or political factors .....  |  | <b>P148G</b> |

**Legend:** 1 = no; 2 = yes; 9 = do not know/do not wish to answer

**4 How does planned nominal expenditure on fixed investment in 2021 compared with that in 2020?\*** .....

**P3N**

- 1 Lower by more than -50%
- 2 Lower by between -50% and -25.1%
- 3 Lower by between -25% and -10.1%
- 4 Lower by between -10% and -3.1%
- 5 Stable between -3% and +3%
- 6 Higher by between +3.1% and 10%
- 7 Higher by between +10.1% and 50%
- 8 Higher by more than +50%
- 9 Do not know, do not wish to answer

\* The responses "Lower by more than -50%" and "Higher by more than +50%" also apply when, in the two periods compared, investments are zero in one year and higher than zero in the other.

(Please ONLY answer if you did not answer "do not know/no answer" to the previous question)

5 What factors are affecting your investment plans for 2021 and in what direction? * .....	A 1 <sup>st</sup> factor	B 2 <sup>nd</sup> factor
A Positively (indicate up to two in order of importance) .....	<input type="text"/> P89AA	<input type="text"/> P89AB
B Negatively (indicate up to two in order of importance) .....	<input type="text"/> P89BA	<input type="text"/> P89BB

**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; 8 = no factors affects positively (cells AA or AB) or negatively (cells BA or BB); 9 = do not know, no answer.

\* A certain factor can be indicated only once, in the direction that has affected PREVALENTLY according to your expectations.

Climate change and the need for environmental protection can entail changes in legislation, market conditions and the frequency of adverse climatic events. This may have determined the need for your firm to plan measures to deal with these events.

6 Compared with the plans made last year, the pandemic has required your firm to:	<input type="text"/> P150
1 Suspend planned measures 2 Postpone planned measures 3 Expedite planned measures 4 Envisage further measures in addition to those already planned 5 No revisions of the planned measures were undertaken 6 No action was planned 9 Do not know, do not wish to answer	

## Firm's funding

7 Considering just bank loans, indicate the trend of your demand excluding seasonal fluctuations in the first semester 2020 compared with the second semester 2019 (consider the amount desired, independently of how much actually granted by banks): .....	<input type="text"/> P32A
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**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.

(Please answer ONLY IF your loan demand changed (answers 1, 2, 4, or 5 to the above))

8 What are the main factors determining changes in your demand for bank loans in the first half 2020? (indicate at most two factors as most important)	
A change in funding requirement for fixed investment .....	<input type="text"/> P33AA
B change in funding requirement for stocks and working capital .....	<input type="text"/> P33BA
C change in funding requirement for debt restructuring .....	<input type="text"/> P33CA
D change in self-financing capacity .....	<input type="text"/> P33DA
E change in other forms of borrowing (non-bank credit, bond issues, etc.) .....	<input type="text"/> P33EA

**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 in the first half 2020 compared with the second half 2019?**

<b>A</b> general conditions .....	<input type="text"/>	<b>P34AA</b>
<b>B</b> specifical aspects:		
<b>B.1</b> interest rates .....	<input type="text"/>	<b>P34B1A</b>
<b>B.2</b> other costs (banking fees, etc.) .....	<input type="text"/>	<b>P34B2A</b>
<b>B.3</b> amount of collateral required .....	<input type="text"/>	<b>P34B3A</b>
<b>B.4</b> access to new financing .....	<input type="text"/>	<b>P34B4A</b>
<b>B.5</b> time necessary to obtain new funds. ....	<input type="text"/>	<b>P34B5A</b>
<b>B.6</b> complexity of information needed to obtain new funds .....	<input type="text"/>	<b>P34B6A</b>
<b>B.7</b> requests of reimbursing previously granted loans beforehand .....	<input type="text"/>	<b>P34B7A</b>

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

**10 Please indicate the change in the level of financial debt, net equity and indebtedness that you expect for your firm between end-2020 and end-2019 .....**

<b>A</b> Financial debt .....	<input type="text"/>	<b>P151A</b>
<b>B</b> Net equity .....	<input type="text"/>	<b>P151B</b>
<b>C</b> Indebtedness (ratio of financial debt to net equity) .....	<input type="text"/>	<b>P151C</b>

**Legend:** 1 = significant contraction; 2 = moderate contraction; 3 = overall stability; 4 = moderate increase; 5 = significant increase; 9 = do not know/do not wish to answer.

**Liquidity and borrowing requirement**

**11 How did/will the level of your liquid holdings vary** (deposits and other financial assets that can easily be turned into cash) ...

<b>A</b> ... as of today compared with December 2019? .....	<input type="text"/>	<b>P152A</b>
<b>B</b> ... six months from now compared with today .....	<input type="text"/>	<b>P152B</b>

**Legend:** 1 = contraction; 2 = overall stability; 3 = increase; 8 = not applicable (the firms has no liquid holdings because liquidity is managed by the group to which the firm belongs); 9 = do not know/do not wish to answer.

**12 How do you rate the level of your liquid holdings** compared with your operational needs ...

<b>A</b> ... as of today? .....	<input type="text"/>	<b>P153A</b>
<b>B</b> ... six months from now? .....	<input type="text"/>	<b>P153B</b>

**Legenda:** 1 = scarce or insufficient; 2 = barely sufficient; 3 = more than sufficient or abundant; 9 = do not know/do not wish to answer.

If your firm's response to the previous question was 1 = 'scarce or insufficient' at least once

**13 How do you plan to meet your firm's liquidity needs** (indicate the **two** most significant tools)

First tool .....	<input type="text"/>	<b>P154A</b>	Second tool .....	<input type="text"/>	<b>P154B</b>
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- 1 Taking out new loans
- 2 Deferring the repayment of financial debt (e.g. by renegotiating the maturity date or availing of the debt moratorium)
- 3 Injection of new capital by shareholders
- 4 Injection of new capital by other entities (e.g. financial companies or new shareholders)
- 5 Managing payment deadlines with clients and suppliers
- 6 Managing inventory
- 7 One-off reduction in spending (e.g. investment expenditure, labour costs)
- 8 None of the above
- 9 Do not know, do not wish to answer

## Workforce

**14 How will the average size of the workforce in 2020 compare with that in 2019? .....**  **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 The trend of hours worked in the first three quarters of 2020 compared with the first three quarters 2019 will be: .....**  **P141**

**16 ... and six months compared with now, it will be: .....**  **P142**

**17 ... and in August 2020 compared with August 2019 it was: .....**  **P155**

**Legend:** 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.

**18 In 2020 did your firm use any form of wage supplementation or have recourse to the layoff procedure?**

(give an answer for each item)



**A wage supplementation (ordinary, extraordinary or under a waiver, including solidarity contracts) .....**  **P61A**

**B procedure for layoffs .....**  **P61B**

**Legenda:** 1 = no; 2 = si; 8 = non applicabile (es.: impresa non può fare richiesta); 9 = non so, non intendo rispondere

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.
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.

## Result for the year, orders, sales revenue and production

**19 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 for the firm's products/services**  
(give an answer for all the three items below)

**A Domestic market and exports**

(if you export)  
**B Total exports**

**20 What change is expected in Q1-Q3 2020 compared with Q1-Q3 2019?** .....  **P23AN**  **P23BN**

**21 ... and in 6 months, compared with now, will be:** .....  **P149AN**  **P149BN**

**22 ... and in August 2020 compared with August 2019 it was:** .....  **P156**

**Legend:** 1 = Lower by more than -30%; 2 = Lower by between -30% and -15.1%; 3 = Lower by between -15% and -4.1%; 4 = Lower by between -4% and -1.6%; 5 = Stable between -1.5% and +1.5%; 6 = Higher by between +1.6% and 4%; 7 = Higher by between +4.1% and 30%; 8 = Higher by more than +30%; 9 = Do not know, do not wish to answer.

**23 The change indicated for August 2020 compared with August 2019 was mainly attributable to** (indicate up to two factors):

	1 <sup>st</sup> factor	2 <sup>nd</sup> factor		1 <sup>st</sup> factor	2 <sup>nd</sup> factor
Negative change in turnover	<input type="text"/> <b>P157FNA</b>	<input type="text"/> <b>P157FNB</b>	Positive change in turnover	<input type="text"/> <b>P157FPA</b>	<input type="text"/> <b>P157FPB</b>
<ol style="list-style-type: none"> <li>1 Suspension or cancellation of previously awarded contracts</li> <li>2 Fall in domestic demand for new orders</li> <li>3 Fall in foreign demand for new orders</li> <li>4 Organizational factors relating to the workforce</li> <li>5 Difficulties in procuring goods and services</li> <li>6 None of the above</li> <li>9 Do not know, do not wish to answer</li> </ol>			<ol style="list-style-type: none"> <li>1 Resuming work on previously uncompleted contracts</li> <li>2 Rise in domestic demand for new orders</li> <li>3 Rise in foreign demand for new orders</li> <li>4 Organizational factors relating to the workforce</li> <li>5 None of the above</li> <li>9 Do not know, do not wish to answer</li> </ol>		

## Internationalization

International trade tensions, such as those between China and the United States and the United Kingdom's withdrawal from the European Union (Brexit) and the spread of the COVID-19 pandemic have made the coordination of production at a global scale riskier and more complex. In some cases, this may have led firms to rationalize their supply chains.

**24 Has your firm closed one or more production facilities abroad over the last three years?** .....  **P158**

- 1 Yes, and the corresponding production was transferred mainly to Italy
- 2 Yes, and the corresponding production was transferred mainly to other foreign countries
- 3 Yes, and the corresponding production was ended
- 4 No, but this move is being considered for next year
- 5 No, and we do not intend to do so over the course of next year
- 8 Not applicable (no production facilities abroad)
- 9 Do not know, do not wish to answer

**25 Has your firm reduced the number of its foreign suppliers over the last three years?** .....  **P159**

- 1 Yes, mostly producing in-house the inputs no longer being purchased
- 2 Yes, mostly replacing them with domestic suppliers
- 3 No, but this move is being considered for next year
- 4 No, and we do not intend to do so over the course of next year
- 8 Not applicable (no foreign suppliers)
- 9 Do not know, do not wish to answer

**26 How worried is your firm about the introduction of tariff and non-tariff barriers to trade in goods and services between the European Union and the United Kingdom due to Brexit?** .....  **P160**

- |   |                                    |
|---|------------------------------------|
| 1 | Not at all                         |
| 2 | Not much                           |
| 3 | Somewhat                           |
| 4 | Very                               |
| 8 | Not applicable                     |
| 9 | Do not know, do not wish to answer |

Digitization
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**27 To what extent did your firm avail of the following tools?**

	... in 2019?	... in 2020?
<b>A</b> Sales through the Electronic Data Interchange (EDI) system (as a % of turnover) .....	<input type="text"/> <b>P161AA</b>	<input type="text"/> <b>P161AB</b>
<b>B</b> Sales on the Internet (website of the firm or online store of the intermediary) (as a % of turnover) .....	<input type="text"/> <b>P161BA</b>	<input type="text"/> <b>P161BB</b>
<b>C</b> Remote working (as a % of average employment) .....	<input type="text"/> <b>P161CA</b>	<input type="text"/> <b>P161CB</b>

**Legend:** 1 = none; 2 = modest (less than 5%); 3 = not very significant (between 5% and 10%); 4 = somewhat significant (between 10.1% and 20%); 5 = significant (between 20.1% and 35%); 6 = very significant (between 35.1% and 50%); 7 = extremely significant (more than 50%); 9=do not know, do not wish to answer.

**E-commerce** is defined here as the sale of goods or services via computer networks using tools or platforms intended for this specific functions. Therefore, this definition excludes orders placed by e-mail. Payment and delivery need not be carried out online.

**Electronic Data Interchange (EDI)** is a business-to-business (B2B) technology enabling the exchange of business information (e.g. purchase orders, invoices, requests for quotation etc.) in a standard and pre-defined format that permits its automated processing and avoids manual re-coding of the information (e.g. EDIFACT, UBL-Universal Business Language, XML etc.).

## Assessment of the questionnaire

**28** How do you assess the effort required to fill in this questionnaire? ..... **P30**

**Legend:** 1 = modest; 2 = medium; 3 = high; 4 = excessive.

***Thank you for participating***