

Business survey June 2016

Manufacturing industry, market services and construction

July 11, 2016



- **In June, industrial production grew very slightly.** The agri-food and electrical equipment sectors were buoyant. The transport equipment and textile sectors lost ground.

Order flows strengthened from both France and abroad.

Business leaders expect industrial activity to improve slightly in July.

- **Service sector activity grew in June but at a moderate pace.** Consulting activities were strong. The accommodation and food as well as the transport services sectors were subdued.

Business leaders expect a moderate rise in service sector activity in July.

- **Construction activity waned in June after a sharp rebound in May,** both for the construction of buildings and the specialised construction activities sectors.

Order books continued to improve.

Business leaders expect construction activity to improve slightly in July.

The business sentiment indicator in manufacturing industry* stood at 97 in June, like in May.

The business sentiment indicator in services* stood at 97 in June, after 98 in May.

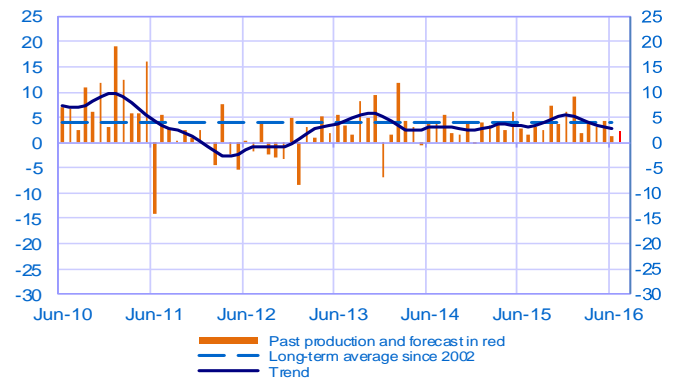
The business sentiment indicator in construction* stood at 97 in June, like in May.

According to the monthly index of business activity (MIBA), **GDP is expected to increase by 0.2% in the second quarter of 2016** (third estimate, unchanged).

* Calculations are based on survey data, SA-WDA and smoothed over five months

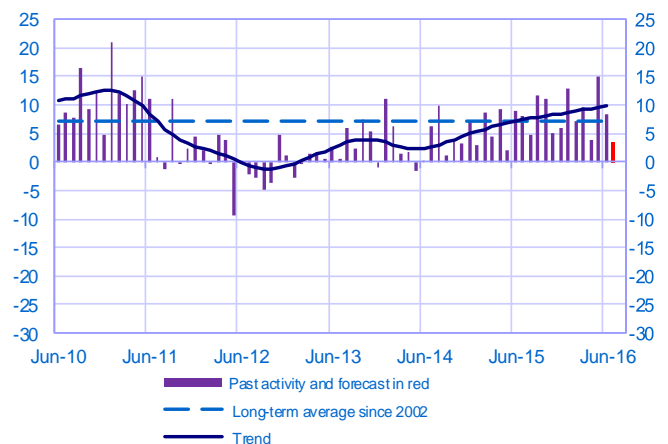
Opinion on the outlook for industrial production*

Balance of opinions, SA-WDA



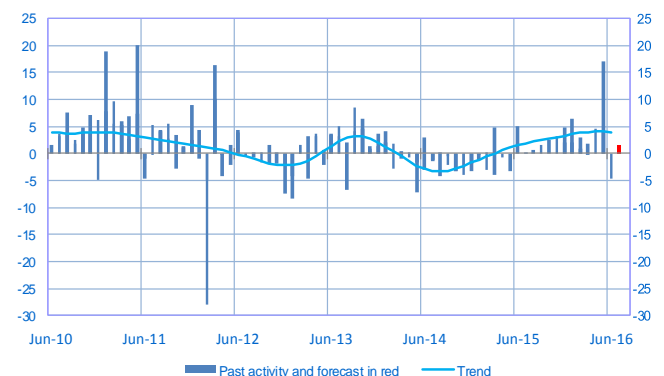
Opinion on the outlook for services activity*

Balance of opinions, SA-WDA



Opinion on the outlook for construction activity*

Balance of opinions, SA-WDA



* A positive (negative) balance of opinions corresponds to a rise (fall) in the evolution of activity

Manufacturing industry

| | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Production | 3 | 2 | 7 | 4 | 6 | 9 | 2 | 4 | 3 | 4 | 1 | 2 |
| Deliveries | 3 | 3 | 6 | 3 | 7 | 13 | 1 | 5 | 4 | 3 | 3 | |
| Total orders | 6 | 5 | 8 | 5 | 5 | 11 | 1 | 7 | 3 | 4 | 5 | |
| Staff | -1 | 2 | 3 | 1 | 1 | 2 | 0 | 1 | 0 | 1 | 0 | |
| Final goods prices | -1 | -2 | -1 | -1 | -2 | -3 | -3 | -2 | -1 | -1 | -1 | |
| Commodity prices | -3 | -3 | -1 | -1 | -2 | -4 | -4 | -3 | -1 | 0 | 0 | |
| Level | | | | | | | | | | | | |
| Order books | 7 | 9 | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 8 | |
| Inventories of finished goods | 4 | 5 | 4 | 4 | 5 | 4 | 4 | 4 | 3 | 3 | 2 | |
| Capacity utilisation rate | 77.3 | 77.4 | 77.8 | 77.8 | 78.1 | 78.1 | 78.2 | 78.2 | 77.9 | 78.3 | 77.9 | |
| Cash positions | 8 | 9 | 10 | 10 | 10 | 11 | 10 | 10 | 10 | 11 | 13 | |

Services

| | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 5 | 12 | 11 | 5 | 6 | 13 | 7 | 10 | 4 | 15 | 8 | 4 |
| Aggregate demand | 2 | 12 | 11 | 5 | 6 | 12 | 7 | 11 | 4 | 15 | 9 | |
| Prices | -1 | -1 | -1 | -2 | -1 | -2 | -2 | -1 | -1 | 0 | -1 | |
| Staff | 3 | 4 | 4 | 4 | 3 | 4 | 4 | 6 | 4 | 6 | 4 | |
| Level | | | | | | | | | | | | |
| Cash positions | 14 | 13 | 14 | 14 | 8 | 13 | 11 | 17 | 12 | 13 | 15 | |

Construction

| | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Change | | | | | | | | | | | | Forecast |
| Activity | 1 | 2 | 3 | 3 | 5 | 6 | 3 | 0 | 5 | 17 | -5 | 2 |
| Estimates prices | -3 | -2 | -2 | -3 | -2 | -2 | -2 | -1 | -1 | 0 | 0 | |
| Staff | 0 | -1 | 0 | -1 | -1 | 0 | 1 | -1 | 1 | -1 | -1 | |
| Level | | | | | | | | | | | | |
| Order books | 4 | 5 | 7 | 5 | 6 | 7 | 6 | 6 | 8 | 10 | 13 | |

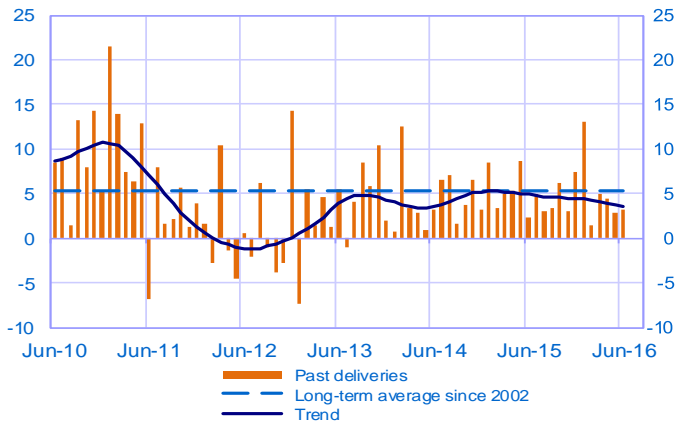
Notes:

- A positive (negative) balance of opinions corresponds to a rise (fall) in the evolution of activity.
- The last point corresponds to the business leaders' forecasts of future activity.
- The series are revised on a monthly basis. These revisions take into account additional gross data and the evolution of the seasonal and working-day adjustment depending on the latest available data. The business sentiment indicators of the previous months are revised accordingly.

Manufacturing industry

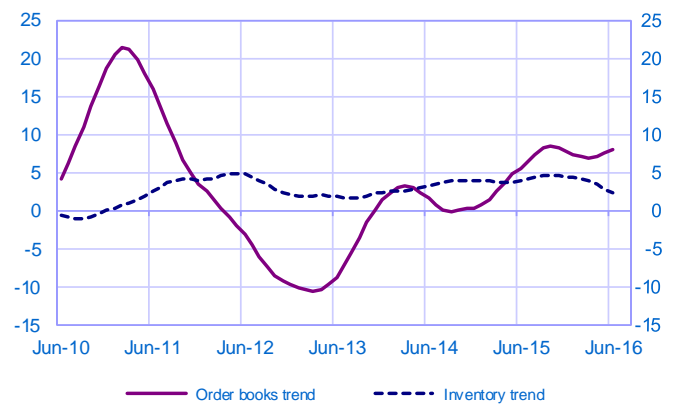
Changes in deliveries

Balance of opinions, SA-WDA



Inventories and order book level

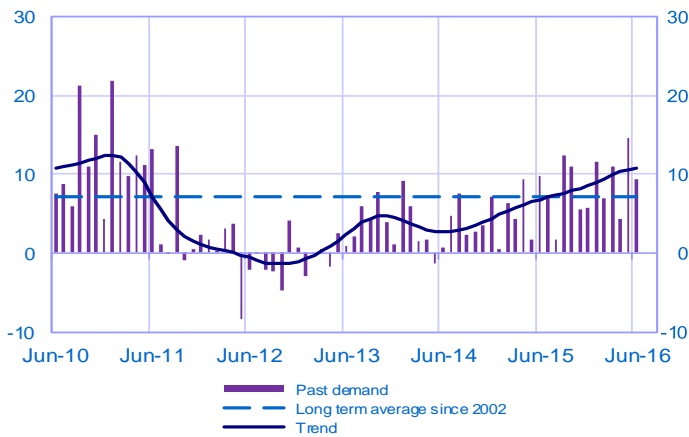
Balance of opinions, SA-WDA



Services

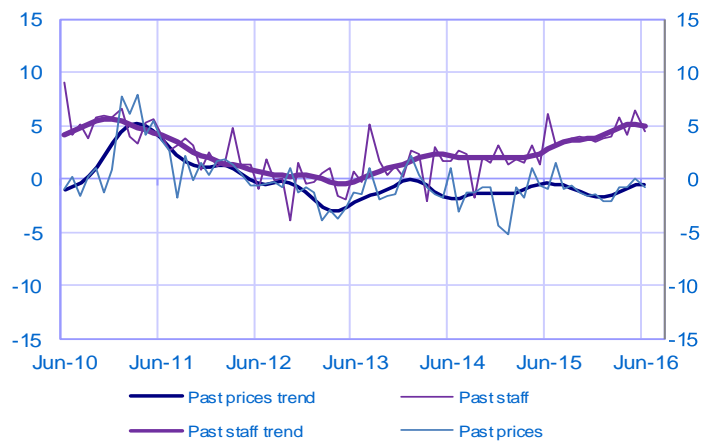
Changes in demand

Balance of opinions, SA-WDA



Changes in prices and staff

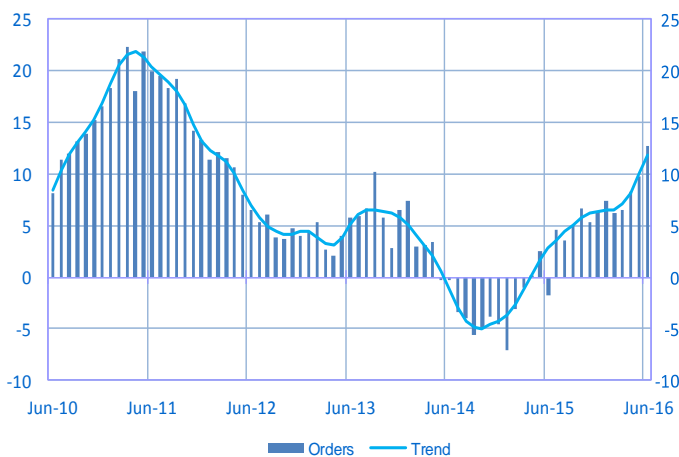
Balance of opinions, SA-WDA



Construction

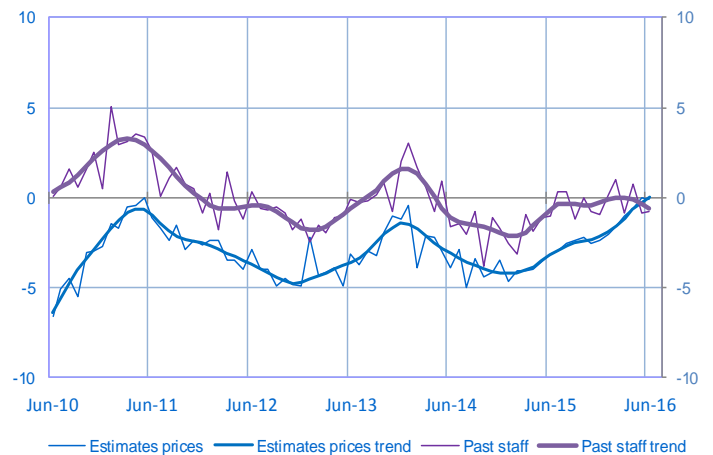
Order book level

Balance of opinions, SA-WDA



Changes in estimates prices and staff

Balance of opinions, SA-WDA



For further details, see [sectoral level information](#), the [methodology](#), the [publications calendar](#), the [contacts](#) and all statistical time series published by the Banque de France can be accessed [WEBSTAT Banque de France](#)

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