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P-21

INFORMATION MEMO

Community Business Surveys

The Commission of the European Economic Community has just published its first four-monthly Report for 1967 on the results of the business surveys carried out among heads of enterprises in the Community.

This report summarizes - for the last five months - the replies sent in by managements to the monthly questionnaires. It covers industry as a whole and the individual sectors.

The replies received from managements indicate that for the Community as a whole economic expansion has been very modest over this period. The only exception has been Italy, where replies reflected the buoyancy of the economy at the present time. In Germany the slowdown in activity was very evident in the replies received during the period, but it looks as if the situation is now no longer deteriorating. In France, replies have recently become a little less favourable, although there is no evidence of any crucial change in the general economic trend. In Belgium and Luxembourg, expansion remained very slow and no important new factor was brought out by the latest returns.

The surveys have of late brought to light one favourable factor in the outlook for the coming months, namely that production expectations have tended to improve a little. In Germany, the fact that production expectations have become much less negative is an element of particular importance. At the end of March only 15% of the firms questioned expected their output to decline, against 25% at the end of October and 33% at the end of December. This change of attitude suggests that the situation may not deteriorate further, and that activity may revive in the not too distant future; when a recovery is on the way production expectations are generally the first to change, and the assessment of order-books always tends to lag behind.

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