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NOTE D'INFORMATION • INFORMATISCHE AUFZEICHNUNG
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Results of the EEC Business Surveys

The Commission of the European Communities has published its first report for 1970 on the results of the EEC Business Surveys. This report summarizes, for the period December 1969 to May 1970, the replies given by businessmen to the monthly questionnaires.

Managements believe that the boom which in the past few months has been in evidence throughout the Community has lost something of its momentum, not only because production facilities are stretched to capacity but also, in some cases, because the pressure of demand has slackened. Total order books shortened and stocks of finished products, which had been very low, have begun to build up again. Production is still expected to go up, but answers to the survey suggest that the pace of growth may slacken.

In Germany, the replies show that although demand is still exerting unduly heavy pressure on production, the optimism of managements has been more tempered in recent months. At the end of May 85% of them judged their total order books to be "normal" or "above normal", as against 90% at the end of December. An increasing number of managements thought that stocks of finished products were "above normal". Opinions on the prospects for production were less favourable than at the end of 1969, for at the end of May 11% of managements were predicting a faster rate of production, against 18% at the end of December.

In France, managements report that the pressure of domestic demand has eased somewhat in recent months, especially in the consumer goods sector. At the end of May 31% of managements considered that their total order books were "above normal", compared with 4 0% at the end of December. Stocks of finished products are reported to have built up substantially. As production expectations showed that managements were less optimistic than before, the growth rate may slow down somewhat.

In Italy, the existence of a certain amount of social unrest and the disturbances caused by loss of output make the replies difficult to interpret. Opinions on the trend of domestic and export demand were fairly favourable. Production expectations were still favorable, though less so than previously. Expectations as regards selling prices pointed to a certain easing of pressure.

In Belgium, the replies received from managements have ~~been~~ less favourable in recent months. Reports on total order books and export order books are less encouraging than in autumn 1969. The percentage of managements which considered that total order books were well filled fell from 24 at the end of December to 14 at the end of May. Production expectations have become distinctly ~~less~~ optimistic: at the end of May 14% of industrialists expected their production to go up, as against 24% at the end of December.

In Luxembourg, the surveys show that total order books and export order books are tending to level off. Stocks of finished products are still low. The opinions expressed by managements on the future trend of production remain optimistic, though less so than before.

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