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**European
Communities**

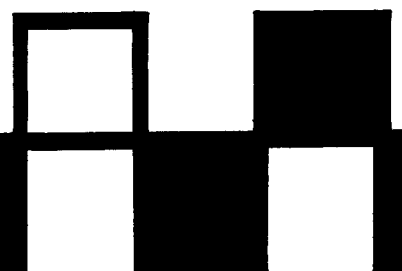
Commission

**Directorate-
General
for Economic
and Financial
Affairs**

**Report of the results
of the business surveys
carried out among heads
of enterprises
in the Community**

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1971



Published three times a year

Commission of the European Communities
Directorate-General for Economic and Financial Affairs
Directorate for National Economies and Economic Trends

200, rue de la Loi, 1040 Brussels

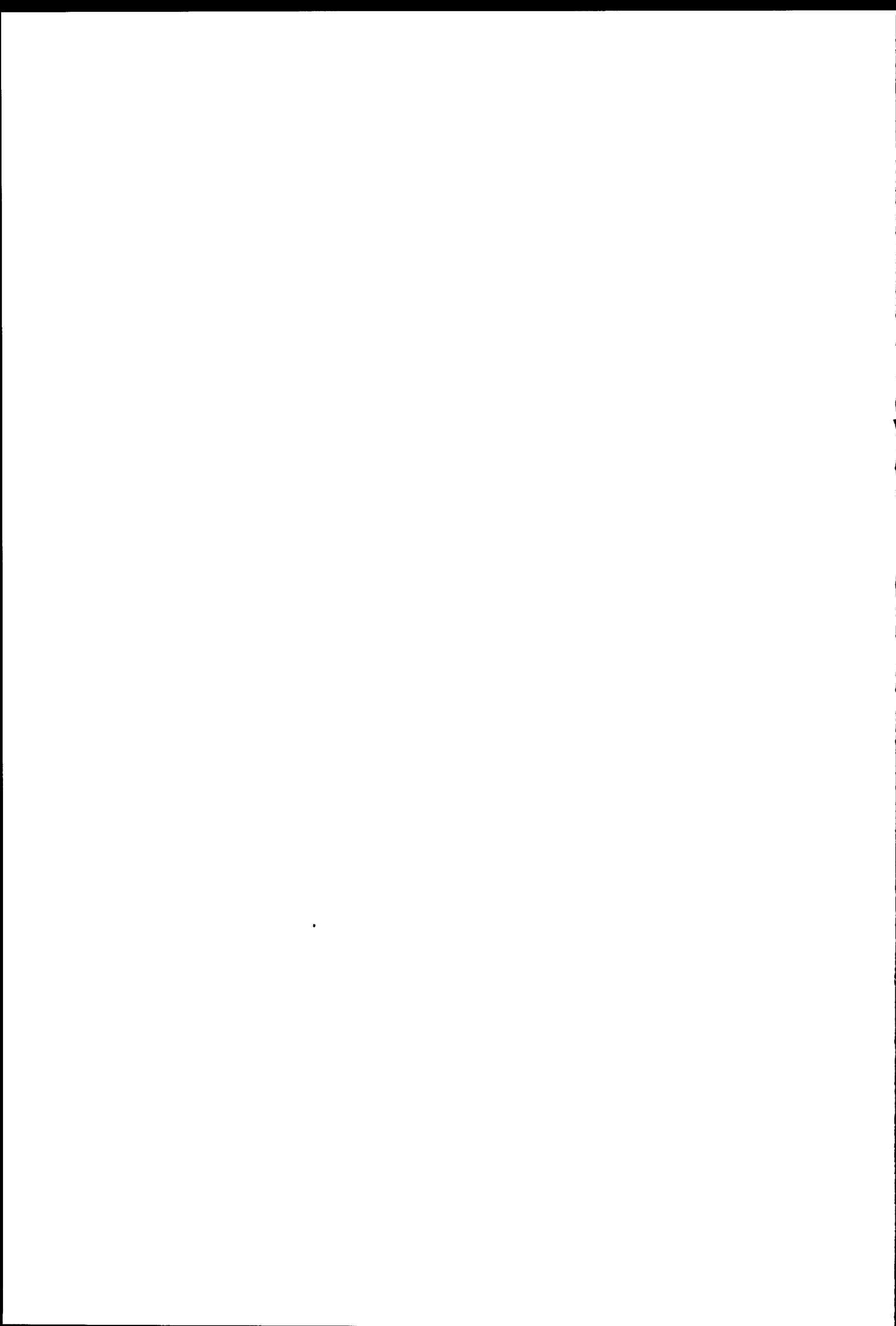
EEC business surveys, carried out:

in the German Federal Republic by the IFO-Institut
in France by INSEE
in Italy by ISCO-Mondo Economico
in the Netherlands by CBS
in Belgium by the National Bank
in Luxembourg by STATEC

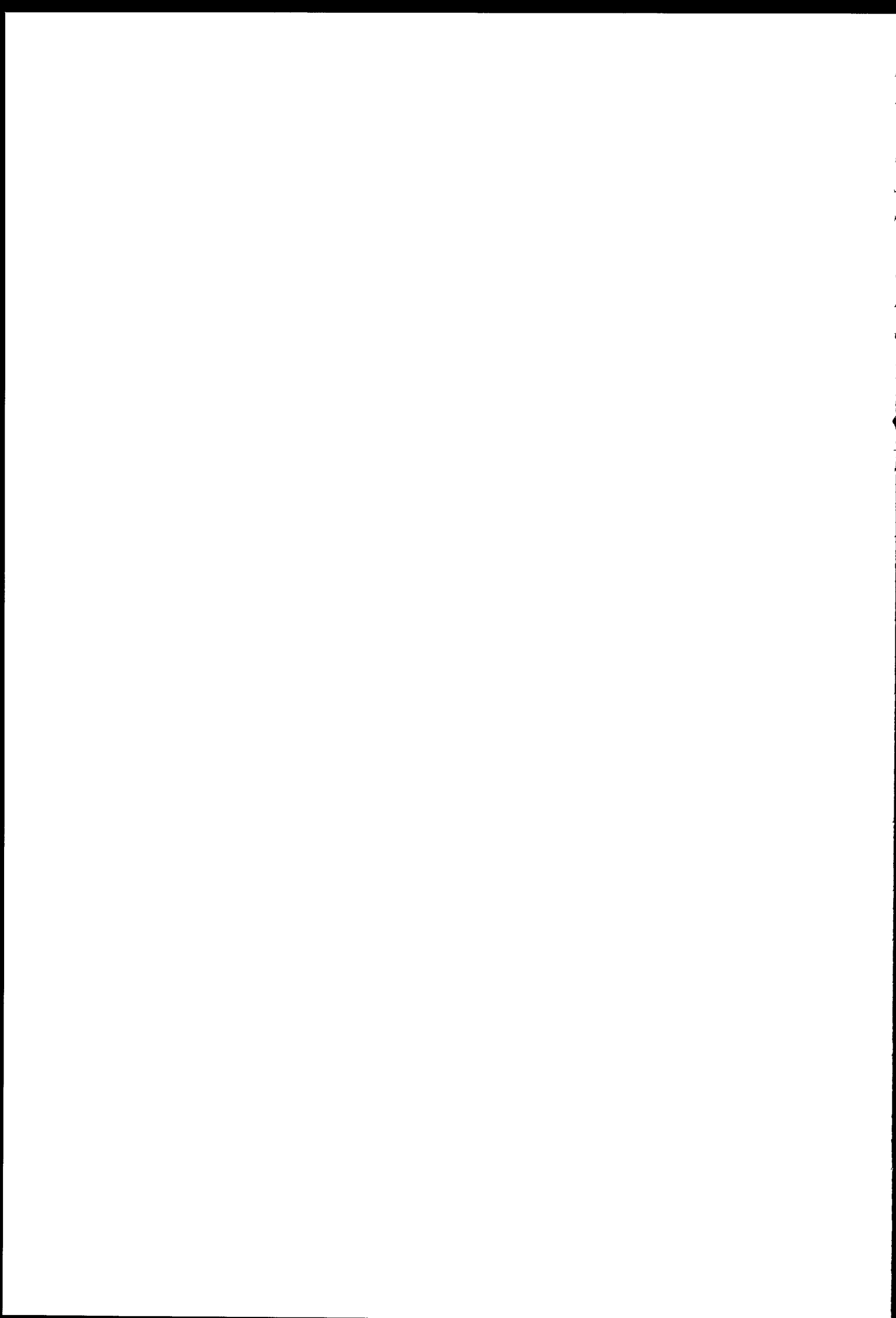
COMMISSION OF THE EUROPEAN COMMUNITIES
Directorate-General for Economic and Financial Affairs

RESULTS OF THE BUSINESS SURVEYS
CARRIED OUT AMONG HEADS OF ENTERPRISES
IN THE COMMUNITY

April 1972



MONTHLY BUSINESS SURVEY
(ECONOMIC TRENDS)



PRESENTATION OF THE RESULTS

This issue summarizes the results of the monthly business surveys carried out between the end of August 1971 and the end of December 1971. It comprises four chapters—industry as a whole, consumer goods, capital goods, and intermediate goods—each with comments illustrated by diagrams and tables displaying the relevant data for each participating country and for the Community as a whole. The data relating to specific industries are given only for the Community as a whole and will be found in a consolidated table at the end of the brochure. For Luxembourg, the data given concern only industry as a whole; the relatively small number of firms in this country makes it practically impossible to publish a breakdown for the three types of industry without disclosing confidential information.

All the member countries contribute to the survey on a voluntary basis. Dutch companies and their trade federations have so far considered that for reasons of industrial secrecy they could not take part in the survey. After negotiations with the trade federations concerned, the "Centraal bureau voor de statistiek" has, however, been carrying out the business survey since September 1969 in accordance with the Community plan in certain industrial sectors, and it hopes to extend the survey gradually to the remaining sectors. The first results cannot be published in the present Report as they are still incomplete, but they will be included at a later date.

In the EEC Business Survey the data concerning the Community as a whole have been calculated on the basis of information obtained from the five participating countries, whose aggregate contribution to the Community's industrial production is more than 90 %. However, as concerns individual industries, overall Community data are reckoned only in those cases where they are deemed sufficiently representative: thus, for the man-made fibre branch no figure is given, since no results can at present be included for the Federal Republic of Germany.

The classification of the main sectors of economic activity is based provisionally on the nomenclature given below. It is intended in the future to provide a more detailed breakdown, with a classification based on the main end-uses for each product.

INDUSTRIES PRODUCING CONSUMER GOODS	INDUSTRIES PRODUCING CAPITAL GOODS	INDUSTRIES PRODUCING INTERMEDIATE GOODS
Garments and knitted and crocheted goods	Building materials	Textiles
Footwear and processing of leather	General equipment products	Leather
Consumer chemicals	Mechanical equipment (other than electrical)	Wool and cork
Furniture	Electrical equipment goods	Paper
China and hollow glass	Commercial vehicles	Printing
Metal consumer articles	Shipbuilding, aircraft manufacturing, railway and tramway rolling stock	Processing of plastics
Domestic electric appliances	Precision instruments	Basic chemicals
Private cars		Chemicals for industrial and agricultural uses
Photographic goods, spectacles, watches and clocks		Petroleum
		Iron and steel and primary processing thereof
		Production of man-made fibres
		Rubber
		Non-ferrous metals industry

INDUSTRY AS A WHOLE

In the COMMUNITY AS A WHOLE, the fall-off in economic activity, foreshadowed for some months by the slow deterioration in replies to the surveys, became more pronounced during the closing months of 1971 as a result of the uncertainty created by the international monetary crisis. Assessments of total and export order books again reflected a decline : at the end of December, only 8% of managements considered that the level of total orders was "above normal", as against 10% at the end of October. For export orders, the corresponding percentages were 8 and 6. Production expectations became rather pessimistic; at the end of December, 17% of the industrialists questioned expected activity to decline in the months ahead. Selling prices still show an upward tendency.

In GERMANY, managements' replies to the surveys reflect the weaker trend of domestic and export demand. At the end of December, 48% of managements considered that total order books were "below normal", as against 42% at the end of October; for forecasts of export orders, the corresponding percentages were 41 and 43. During the same period, stocks of finished products probably built up and the margin of free production capacity widened quite substantially. Views on the production outlook were less pessimistic : at the end of December, 19% of industrialists expected the pace of activity to slacken, as against 35% at the end of October.

In FRANCE, replies from managements suggest that orders on hand have fallen in recent months. At the end of December, 16% of managements considered that total order books were "above normal", as against 19% at the end of October. Stocks of finished products were thought to have built up a little. Industrialists were predicting a less buoyant rate of activity for the months ahead : at the end of December, 23% of them expected an upturn in production over the coming months, as against 24 % at the end of October. Since October 1971, there has been a fall in the proportion of managements planning to recruit additional labour in the months ahead.

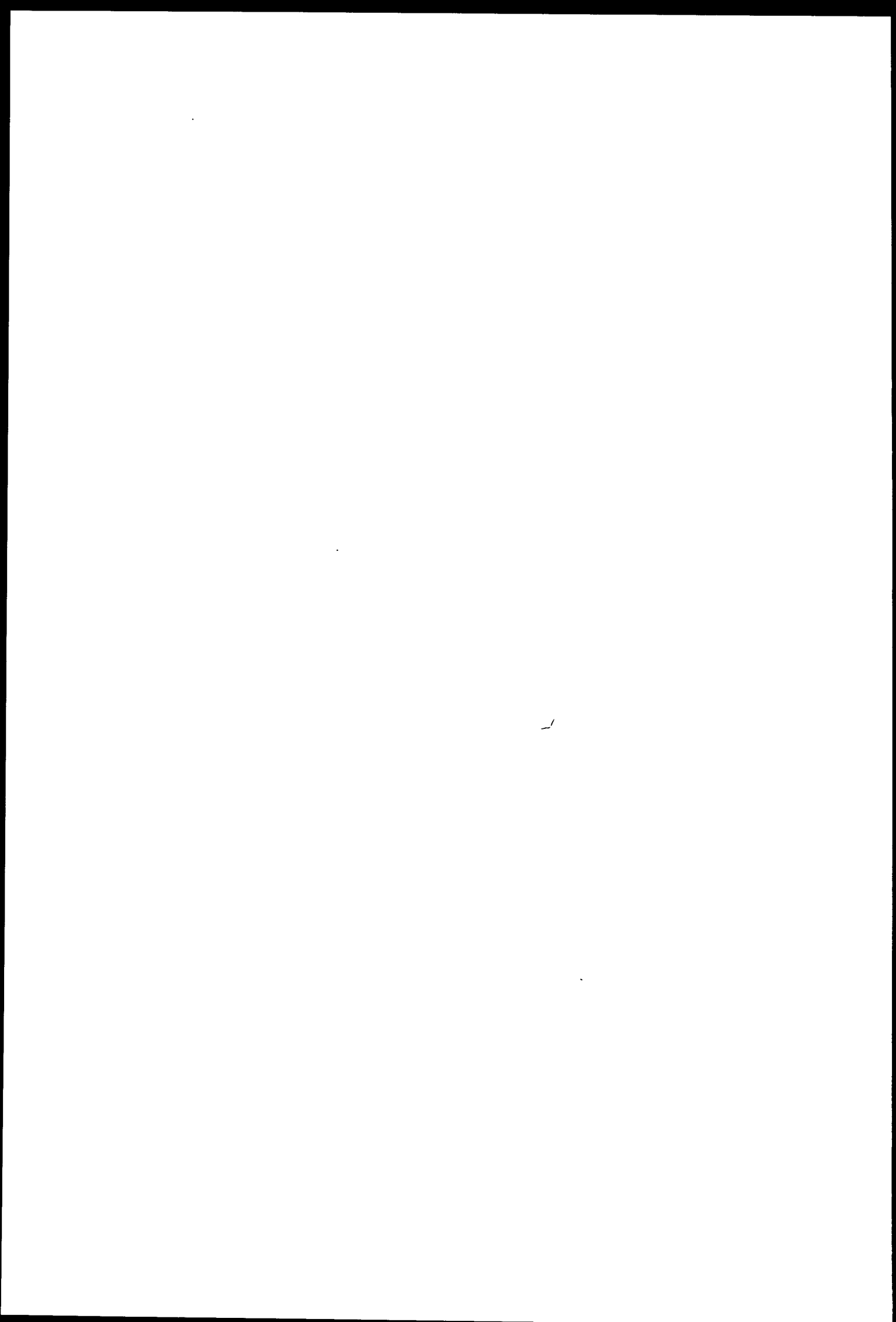
In ITALY, the surveys seem to point to a slight strengthening of domestic and export demand. At the end of December, 55% of managements considered the level of total orders on hand to be "normal" or "above normal", as against 47% at the end of October. The corresponding percentages for export orders were 54 and 53. Stocks of finished products were reported to have contracted a little. Industrialists were also slightly more optimistic about the future : at the end of December, 12% of them thought that activity would increase, as against 8% at the end of October. Expectations regarding selling prices suggested that the upward trend would be less marked.

In BELGIUM, replies from managements indicate that orders on hand stabilized towards the end of 1971. At the end of December, 8% of industrialists considered that the level of orders on hand was "above normal", as against 6% at the end of October. Export orders showed a similar trend. Stocks of finished products were reported to have contracted a little and the margin of free production capacity was thought to have widened distinctly. Production expectations were nevertheless somewhat more optimistic : at the end of December, 25% of industrialists still expected a downturn in production in the months ahead, as against 29% at the end of October. Price expectations indicated a persistence of the upward tendency.

In LUXEMBOURG, the surveys show domestic and export demand remained sluggish. Stocks of finished products are still depleted. Managements took a less pessimistic view of the future trend of production. The upward tendency of selling prices has persisted.

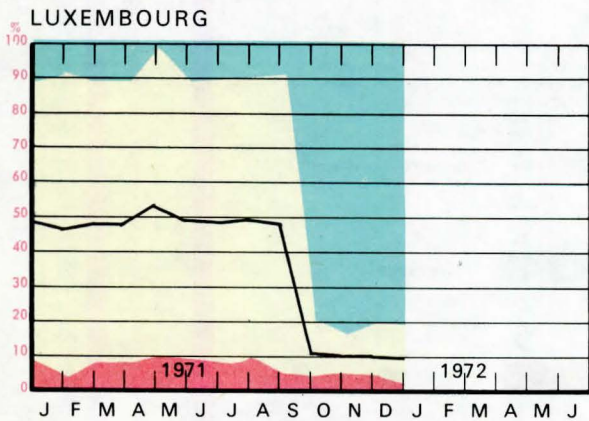
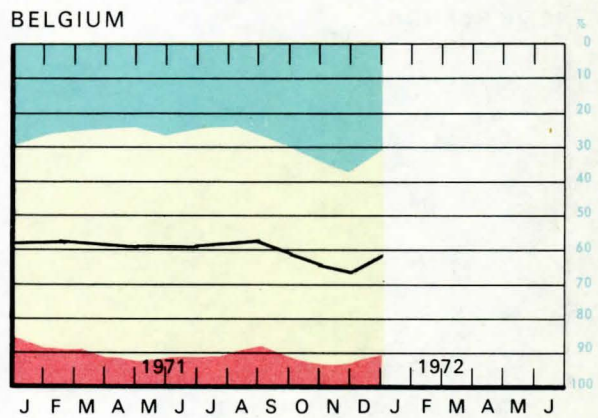
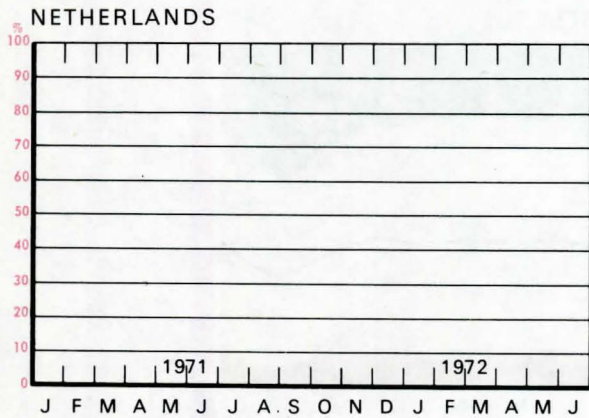
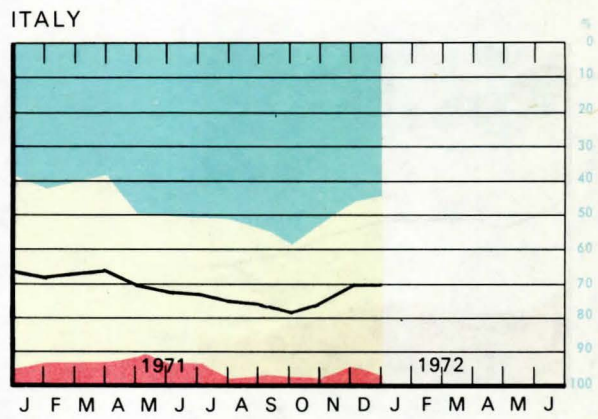
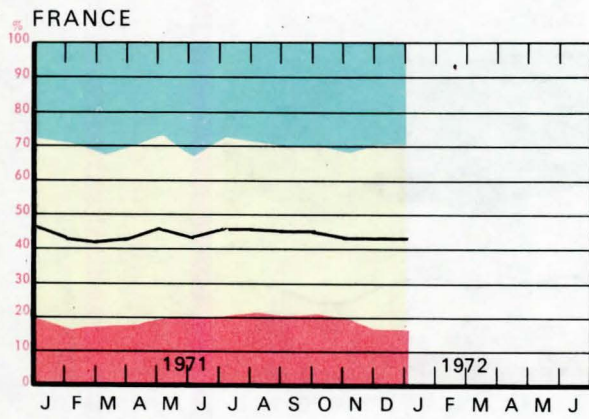
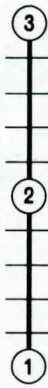
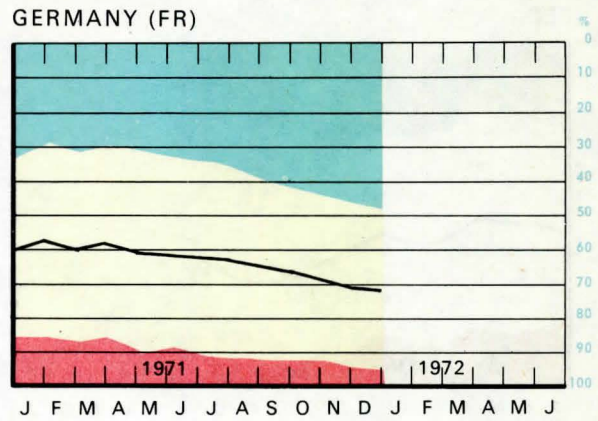
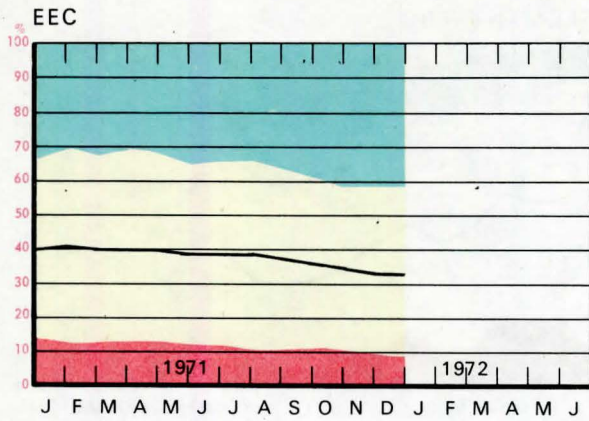
The figures are percentages of replies received

Questions Country	1971	Assessments			Expectations	
		Total order-book	Export order-book	Stocks of finished products	Production	Selling prices
		A S O N D	A S O N D	A S O N D	A S O N D	A S O N D
GERMANY (FR)	+	7 7 7 5 4	7 3 3 5 6	22 24 26 28 27	11 7 4 3 10	21 24 24 28 32
	=	57 54 51 49 48	56 57 54 54 69	70 70 70 68 70	69 67 61 63 71	76 68 65 62 63
	-	36 39 42 46 48	37 40 43 41 25	8 6 4 4 3	20 26 35 34 19	3 8 11 10 5
FRANCE	+	20 21 19 16 16	20 19 14 14 14	24 24 21 21 20	31 30 24 22 23	39 33 37 33 33
	=	50 49 49 54 54	47 39 47 43 43	64 66 69 71 72	59 57 63 64 63	59 62 56 62 62
	-	30 30 32 30 30	33 42 39 43 43	12 10 10 8 8	10 13 13 14 14	2 5 7 5 5
ITALY	+	3 2 2 5 3	1 3 3 7 6	37 43 39 37 33	14 11 8 11 12	32 32 32 29 38
	=	43 40 45 49 52	48 44 50 48 46	56 50 58 59 59	65 66 68 72 73	62 56 56 62 52
	-	54 58 53 46 45	51 53 47 45 48	7 7 3 4 8	21 23 24 17 15	6 12 12 9 10
NETHERLANDS	+					
	=					
	-					
BELGIUM	+	11 8 6 6 8	9 7 5 7 12	22 20 23 24 19	14 12 12 10 13	27 22 24 29 37
	=	63 62 59 56 61	63 59 55 55 60	70 71 68 68 72	61 57 59 63 62	64 62 61 62 57
	-	26 30 35 38 31	28 34 40 38 28	8 9 9 8 9	25 31 29 27 25	9 16 15 9 6
LUXEMBOURG	+	4 3 4 3 1	1 1 2 2 1	2 2 3 3 7	6 3 0 3 5	5 6 8 9 8
	=	87 17 12 15 17	90 12 7 10 11	94 97 95 93 92	91 18 24 25 94	95 94 20 90 91
	-	9 80 84 82 82	9 87 91 88 88	4 1 2 4 1	3 79 76 72 1	0 0 72 1 1
EEC	+	11 11 10 8 8	9 7 6 7 8	25 27 26 27 25	18 15 11 11 15	29 28 29 30 33
	=	53 50 49 51 51	54 51 51 51 59	66 65 68 68 69	65 63 63 64 68	68 64 61 62 61
	-	36 39 41 41 41	37 42 43 42 33	9 8 6 5 6	17 22 26 25 17	3 8 10 8 6



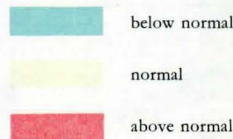
INDUSTRY AS A WHOLE

Order-books



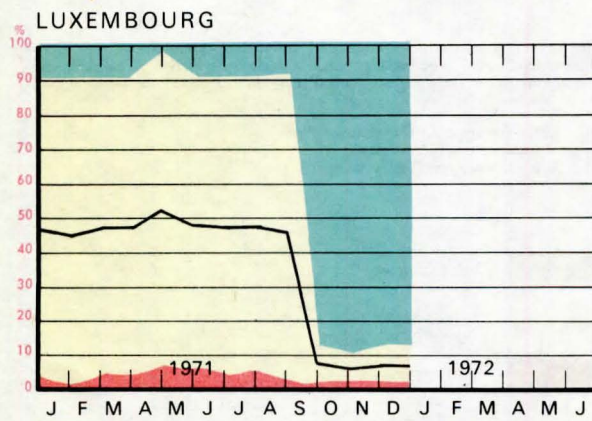
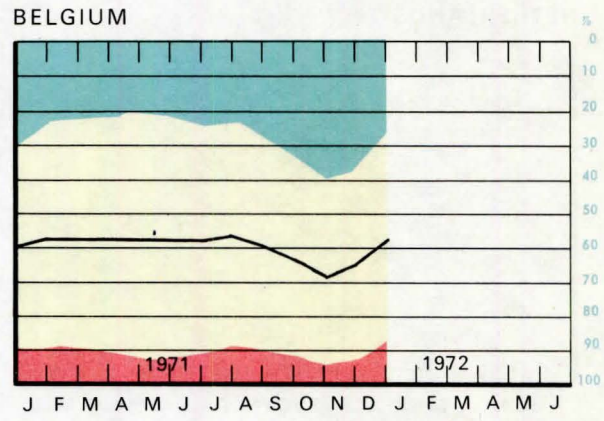
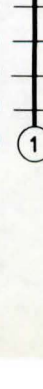
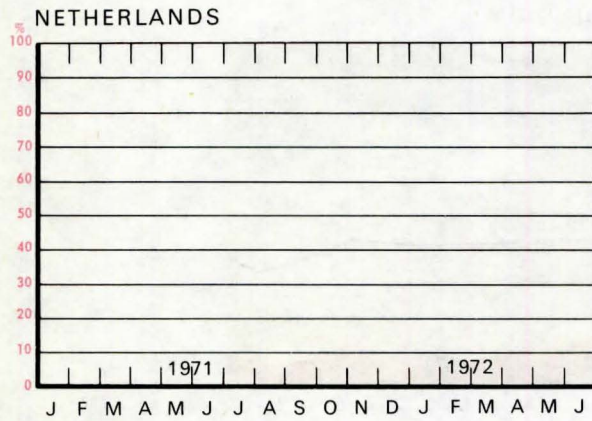
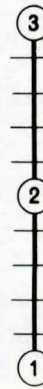
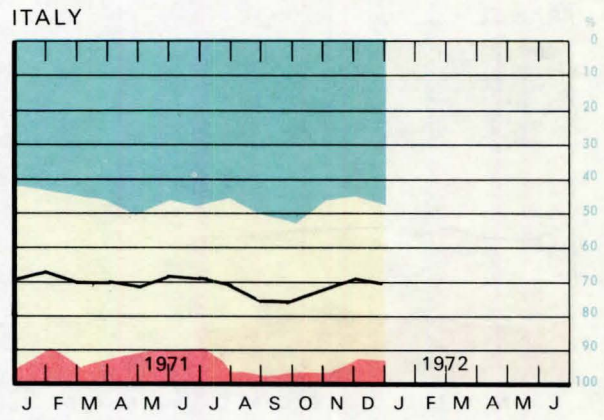
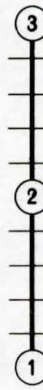
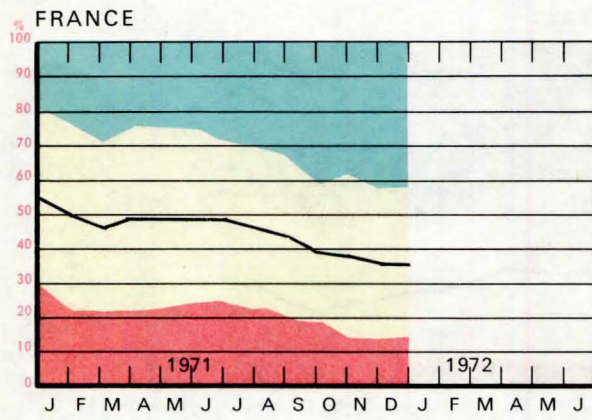
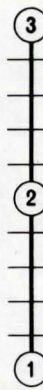
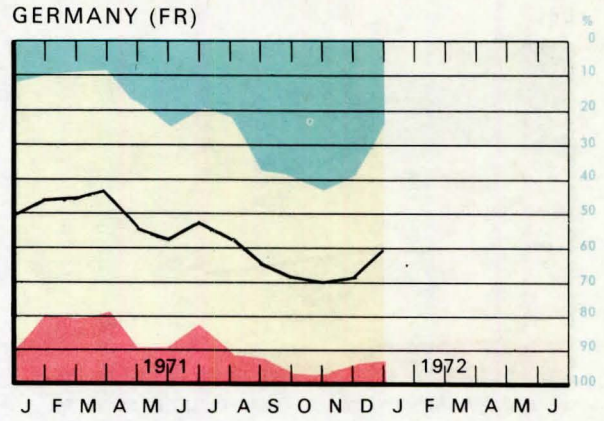
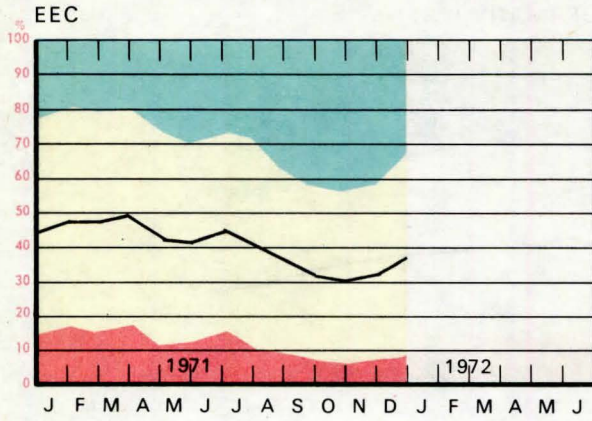
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal".



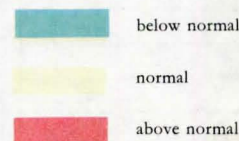
INDUSTRY AS A WHOLE

Export order-books



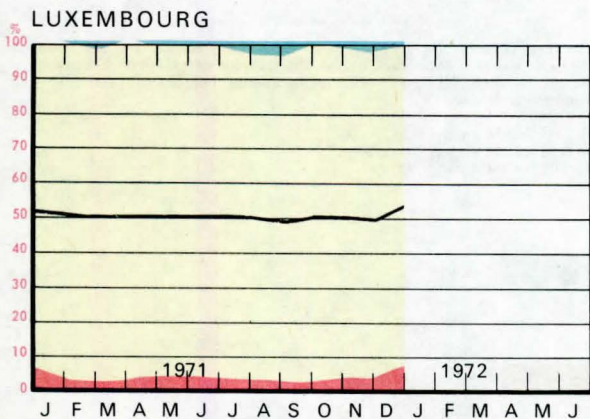
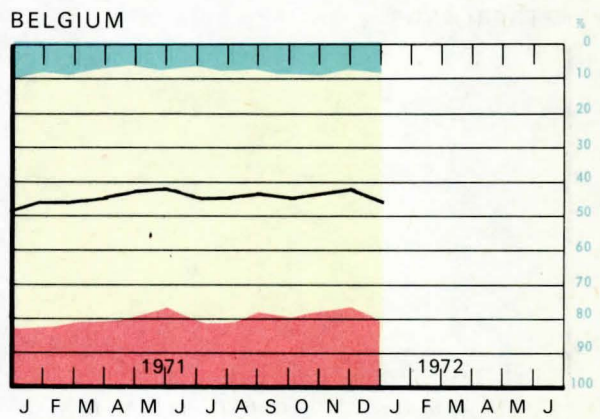
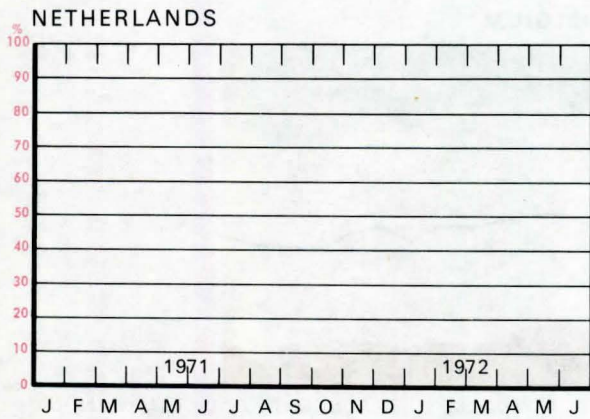
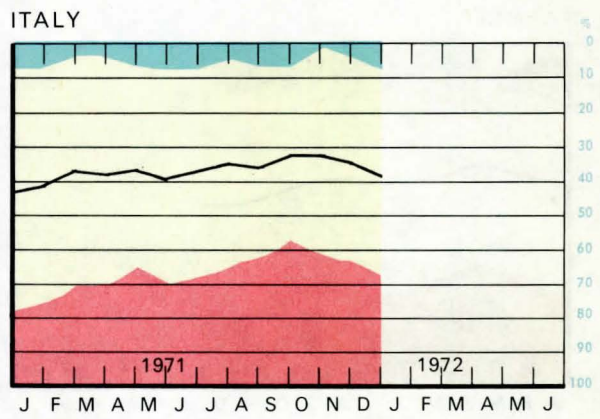
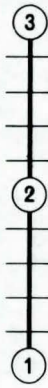
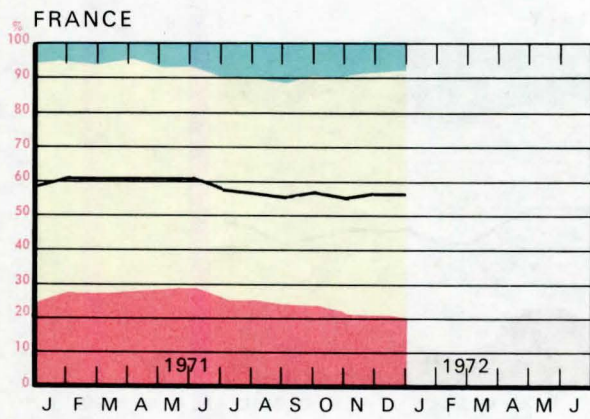
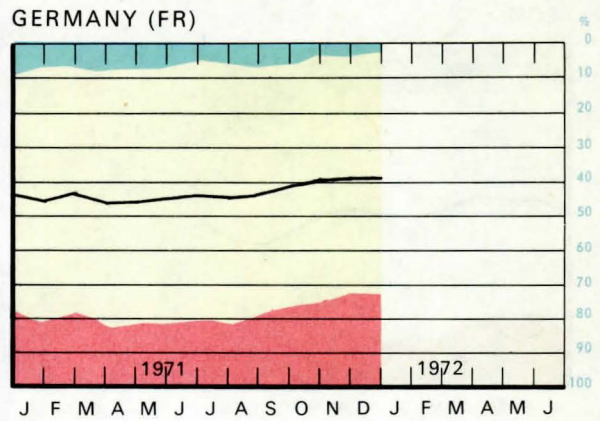
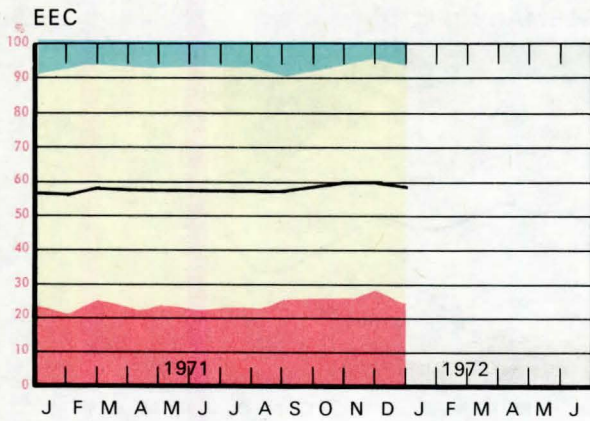
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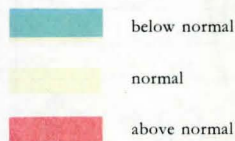
INDUSTRY AS A WHOLE

Stocks of finished products



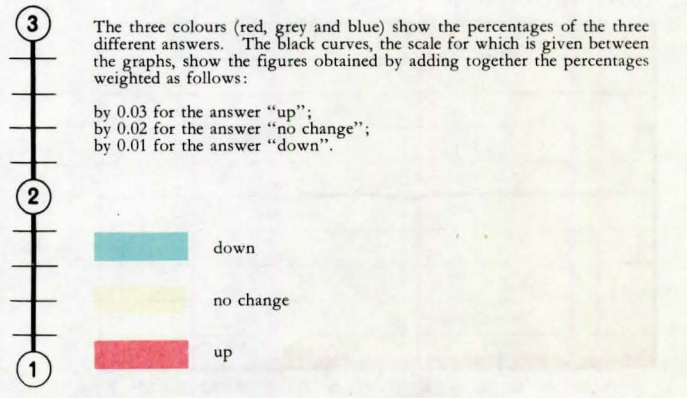
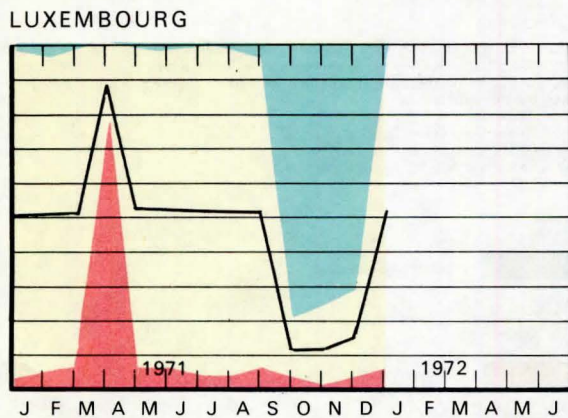
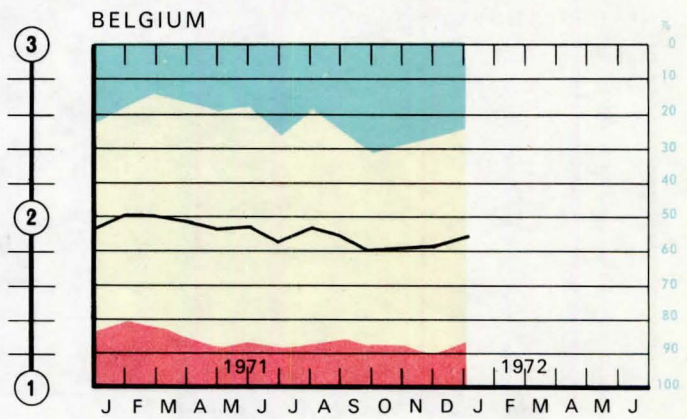
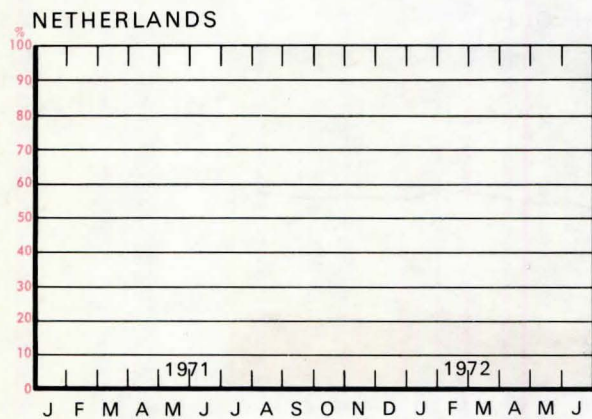
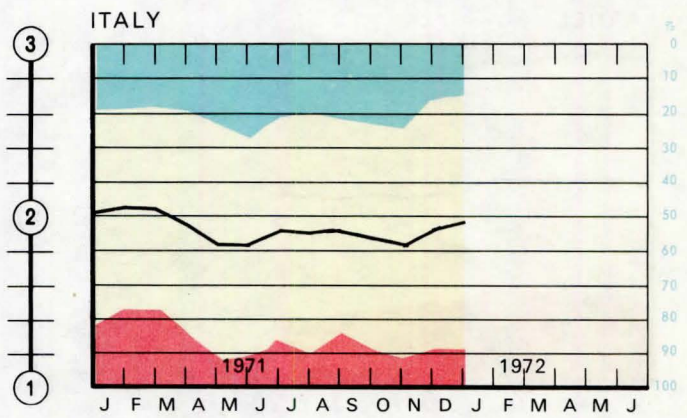
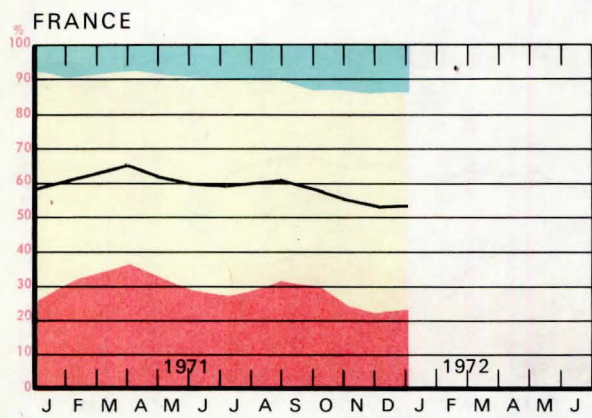
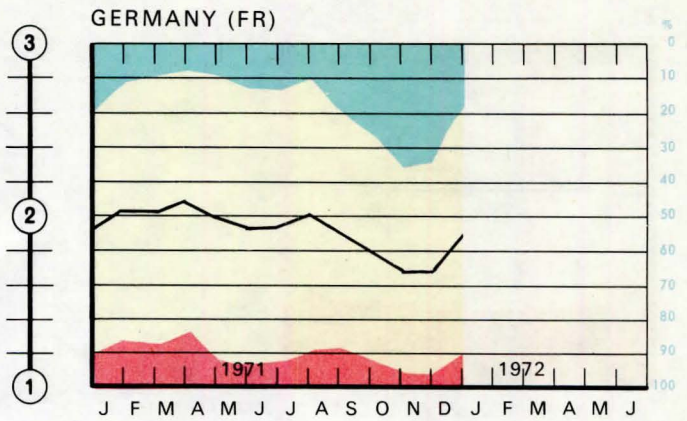
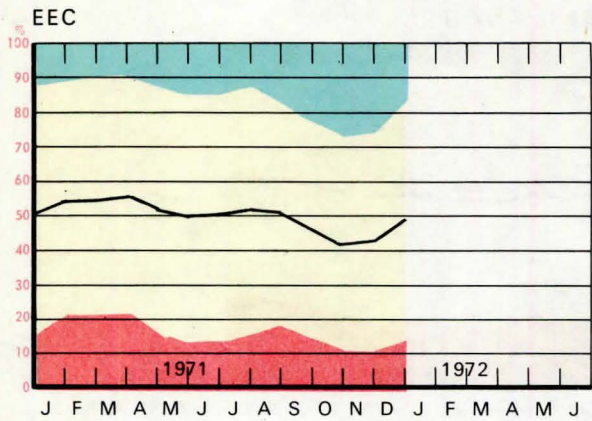
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- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal".



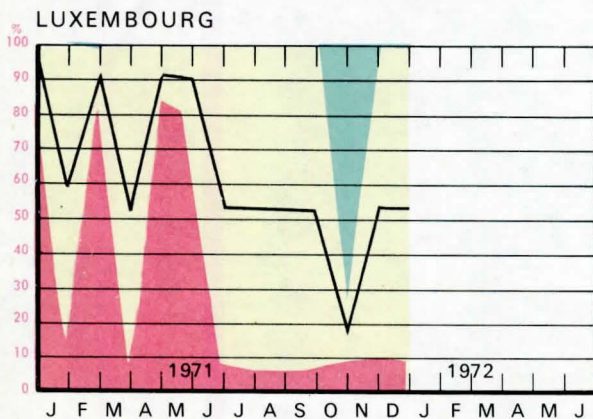
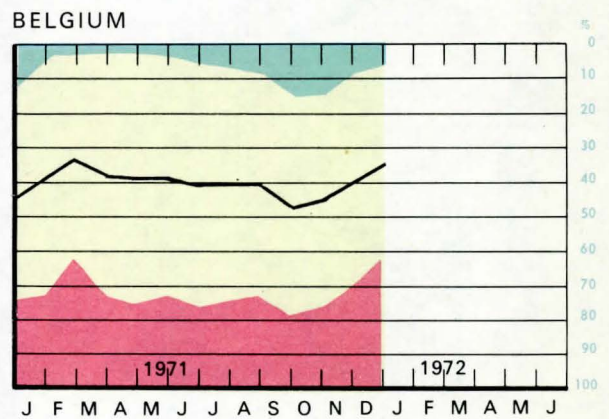
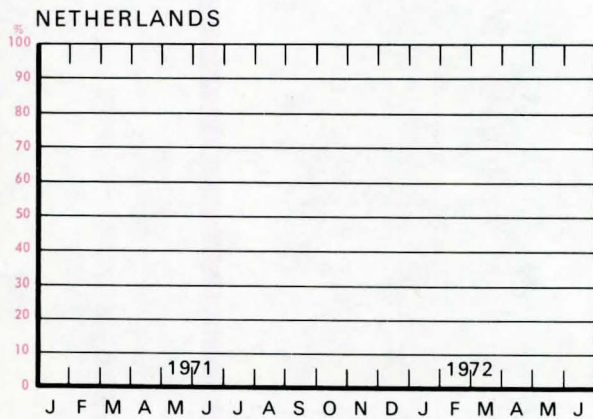
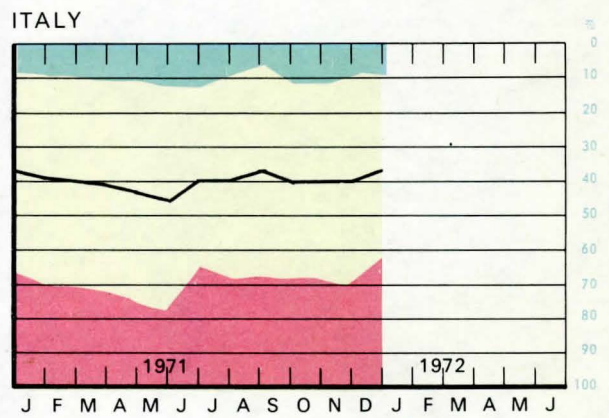
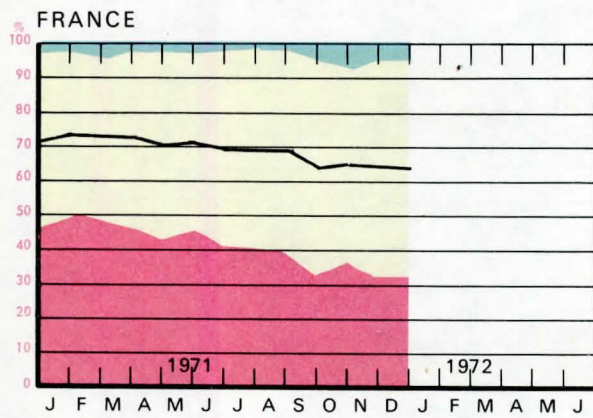
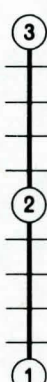
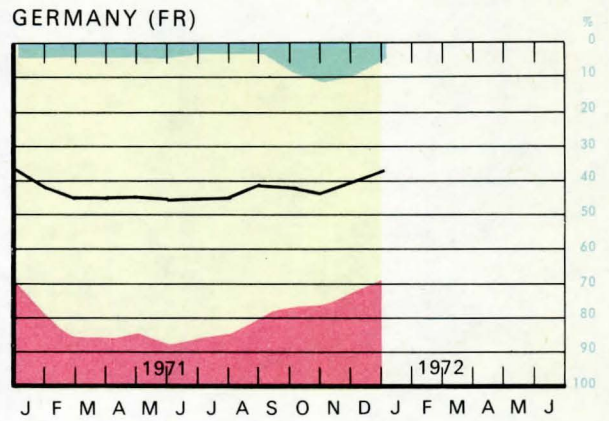
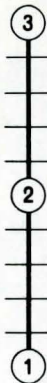
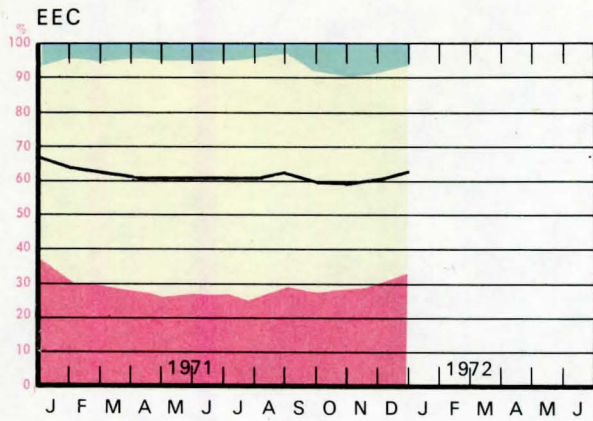
INDUSTRY AS A WHOLE

Trend in production



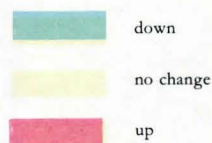
INDUSTRY AS A WHOLE

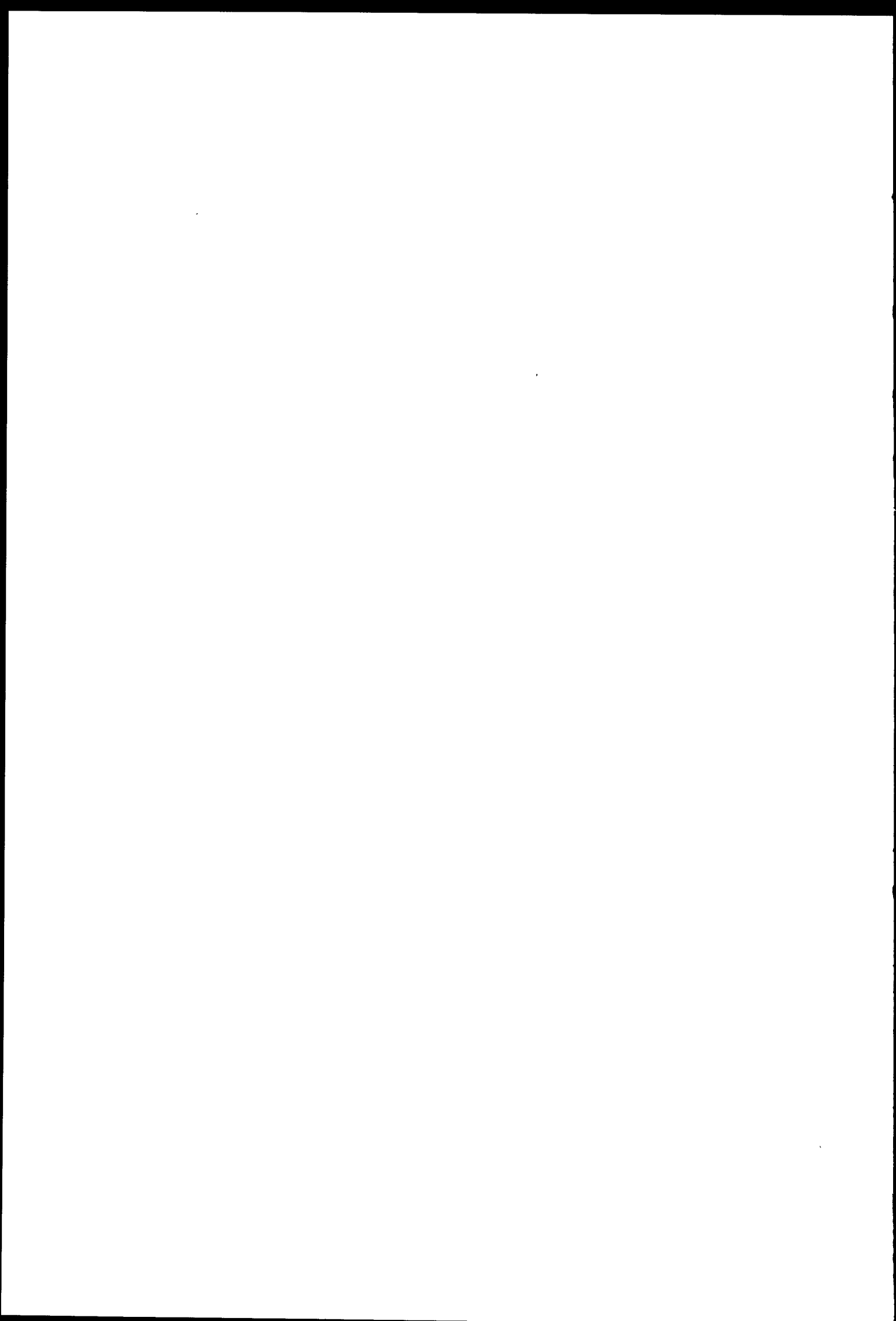
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".





CONSUMER GOODS

In GERMANY, managements' views on the levels of orders in the consumer goods industries became less favourable in the final quarter of 1971. The proportion of managements which considered that their total order books were "below normal" rose from 29% at the end of October to 41% at the end of December. Stocks of finished products are thought to have built up again somewhat and a growing percentage of industrialists felt that available production capacity was "more than sufficient". Production expectations pointed to a slightly more expansionary trend: at the end of December, 14% of managements looked forward to higher production in the months ahead, as against 8% at the end of October. Pressures on selling prices were still heavy.

In FRANCE, activity in the consumer goods industries appears to show a gradual loss of momentum. Managements' views on total order books became less favourable, in part no doubt because of the uncertainty created by the monetary crisis: at the end of December, 27% of them considered total orders to be "above normal", as against 36% at the end of October. For export orders, the corresponding percentages were 16 at the end of December and 23 at the end of October. Stocks of finished products are thought to have built up a little. Production expectations nonetheless remained quite favourable: at the end of December, 95% of industrialists expected that the present rate of activity would be maintained or increased during the months ahead, as against 94% at the end of October. Pressures on selling prices probably persisted.

In ITALY, demand in the consumer goods industries became a little more buoyant. The percentage of managements considering their total order books to be "above normal" remained unchanged between the end of October and the end of December (3%), whereas the corresponding percentage for export order books rose from 7 at the end of October to 9 at the end of December. Stocks of finished products are reported to have built up a little. Managements' opinions on the future trend of production did not deteriorate further: at the end of December, 88% of industrialists expected the rate of production to be maintained or increased, as against 83% at the end of October. Pressures on selling prices probably eased somewhat.

In BELGIUM, managements took a more optimistic view of the trend of orders. At the end of December, 22% of them considered that their total order books were "below normal", as against 31% at the end of October. Stocks of finished products are thought to have stabilized and a growing number of industrialists felt that available production capacity was "more than sufficient". Production expectations became a little more pessimistic: at the end of December, 17% of managements expected their activity to increase in the months ahead, as against 22% at the end of October. Managements considered that selling prices would rise distinctly.

In the COMMUNITY AS A WHOLE, activity in the consumer goods industries appears to lack vigour, particularly in consumer durables: at the end of December, 30% of managements considered their total order books to be "below normal", as against 25% at the end of October. For export orders, the corresponding percentage was 35 both at the end of December and at the end of October. Stocks of finished products were reported to have built up again somewhat. Production expectations became optimistic: at the end of December, 20% of industrialists expected an increase in their production in the months ahead, as against 17% at the end of October.

In the *non-durable consumer goods industries*, total and export orders were slightly up, the margin of free production capacity narrowed and production expectations remained favourable.

In *garments and knitwear*, total and export order books lengthened, stocks are reported to have built up again production expectations were more optimistic.

In *leather and footwear*, demand remained weak and production expectations were not very encouraging.

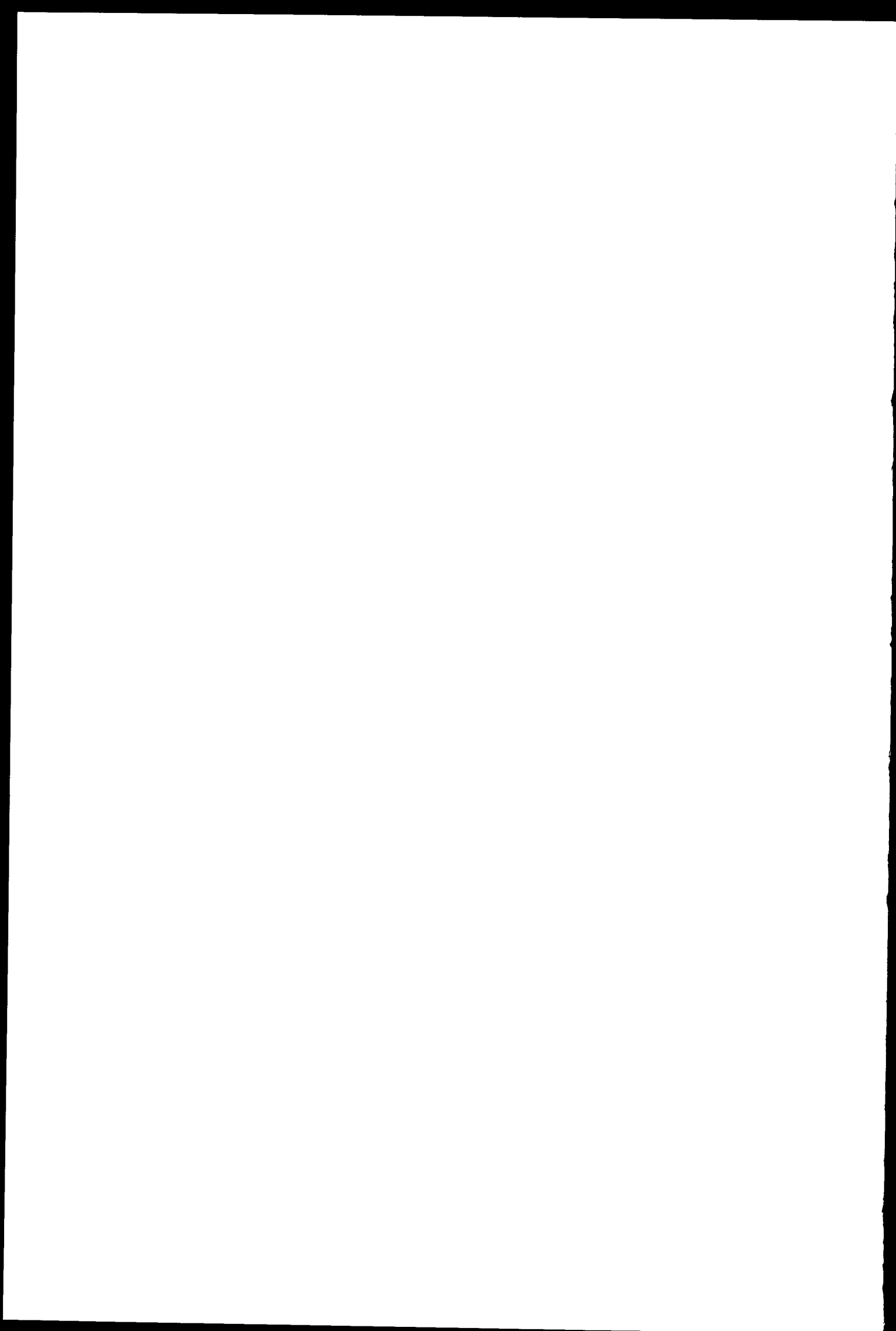
In *consumer durables*, overall and export demand slackened; stocks are thought to have built up again and production expectations reflected industrialists' pessimism.

In the *motor vehicle industry*, demand was weak, stocks are reported to have risen and the production outlook was not very favourable.

As regards *metal consumer articles and domestic electric appliances*, demand is reported to have been less buoyant and production expectations were quite pessimistic.

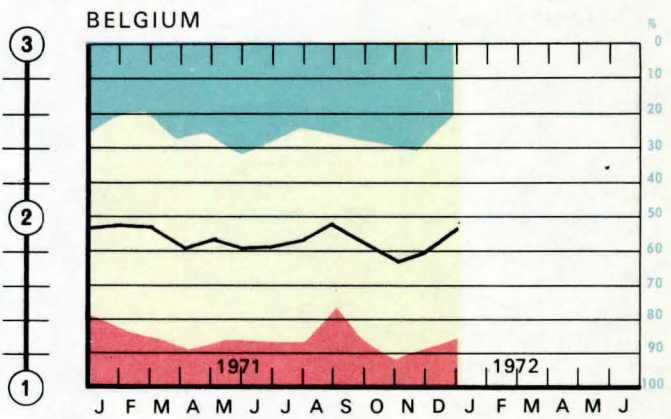
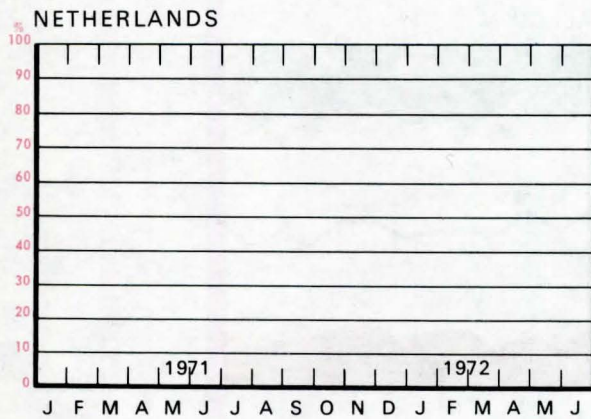
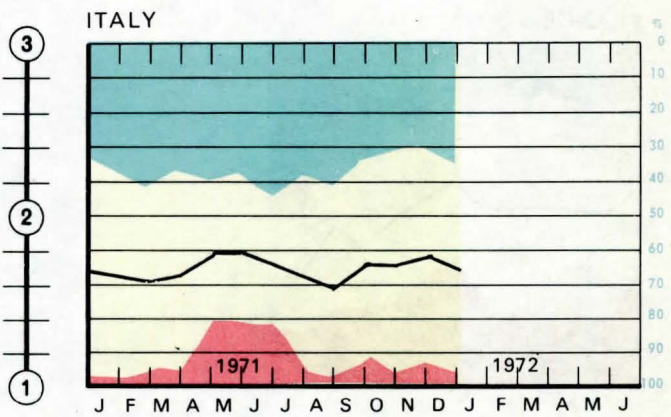
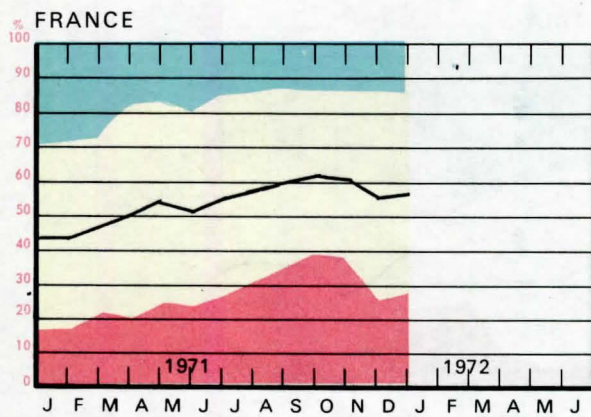
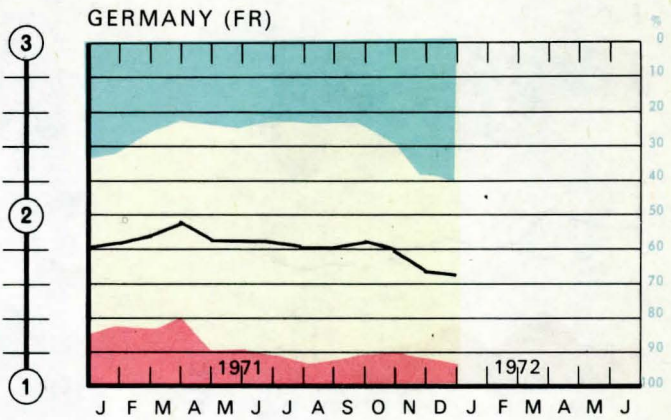
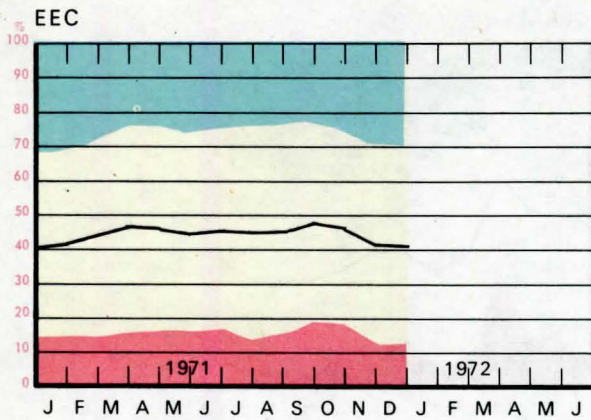
The figures are percentages of replies received

Questions Country	1971	Assessments			Expectations	
		Total order-book	Export order-book	Stocks of finished products	Production	Selling prices
		A S O N D	A S O N D	A S O N D	A S O N D	A S O N D
GERMANY (FR)	+	6 8 9 6 5	10 3 3 8 8	20 17 21 26 26	17 11 8 6 14	23 19 22 31 39
	=	70 68 62 55 54	51 58 57 48 60	61 70 71 67 69	77 79 65 65 66	77 79 76 67 60
	-	24 24 29 39 41	39 39 40 44 32	19 13 8 7 5	6 10 27 29 20	0 2 2 2 1
FRANCE	+	34 38 36 25 27	25 24 23 16 16	18 17 17 18 18	38 36 30 33 35	41 36 43 40 39
	=	52 48 50 61 59	50 35 49 33 33	62 62 64 73 73	58 60 64 61 60	58 61 54 56 57
	-	14 14 14 14 14	25 41 28 51 51	20 21 19 9 9	4 4 6 6 5	1 3 3 4 4
ITALY	+	1 7 3 6 3	0 7 7 9 9	31 26 25 25 26	9 8 10 7 7	35 33 33 34 51
	=	57 59 65 64 62	55 58 58 57 51	49 54 69 68 70	69 68 73 77 81	63 63 61 61 45
	-	42 34 32 30 35	45 35 35 34 40	20 20 6 7 4	22 24 17 16 12	2 4 6 5 4
NETHERLANDS	+					
	=					
	-					
BELGIUM	+	22 12 6 10 13	18 14 13 11 16	28 20 28 28 23	24 17 22 14 17	42 35 47 41 41
	=	51 59 63 58 65	63 56 65 62 68	62 73 62 66 71	55 59 56 56 57	57 65 52 58 59
	-	27 29 31 32 22	19 30 22 27 16	10 7 10 6 6	21 24 22 30 26	1 0 1 1 0
LUXEMBOURG	+	0 36 36 25 24	0 0 0 0 0	1 0 0 13 14	13 40 40 40 26	44 30 37 20 36
	=	98 64 64 69 60	0 0 0 0 0	99 88 88 69 58	85 60 60 54 68	56 70 63 80 64
	-	2 0 0 6 16	0 0 0 0 0	0 12 12 18 28	2 0 0 6 6	0 0 0 0 0
EEC	+	15 18 17 12 12	12 9 8 10 11	22 19 21 24 23	23 19 17 16 20	32 28 32 36 41
	=	61 59 58 59 58	52 53 57 49 54	59 64 68 68 71	68 70 65 65 66	67 69 65 61 57
	-	24 23 25 29 30	36 38 35 41 35	19 17 11 8 6	9 11 18 19 14	1 3 3 3 2



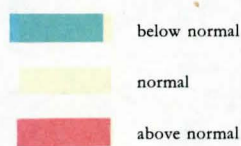
CONSUMER GOODS

Order-books



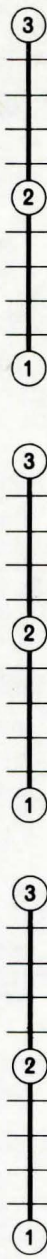
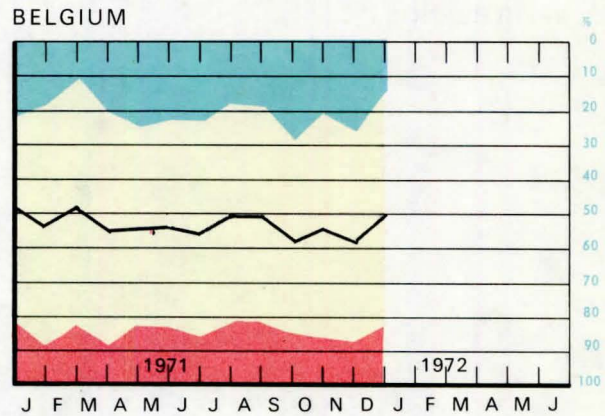
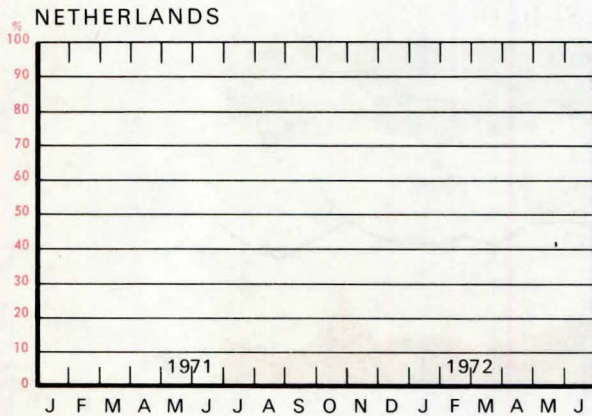
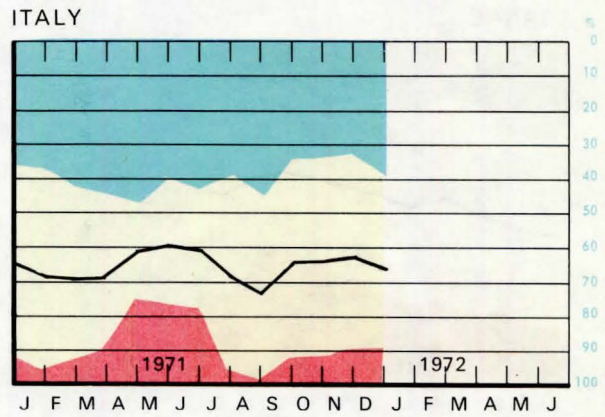
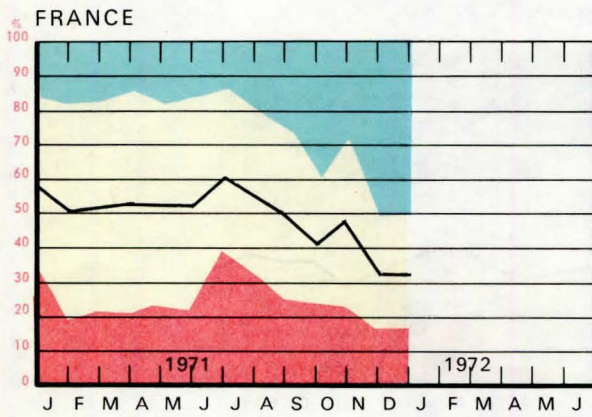
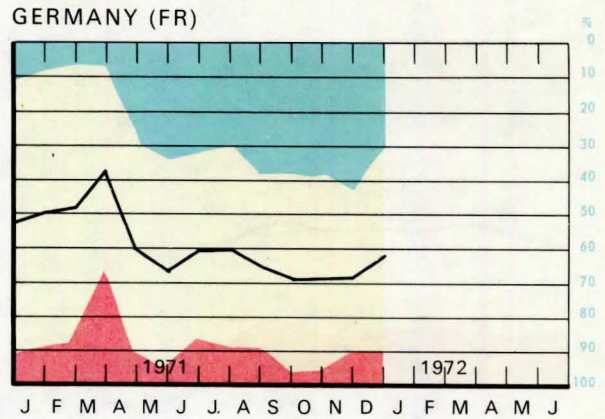
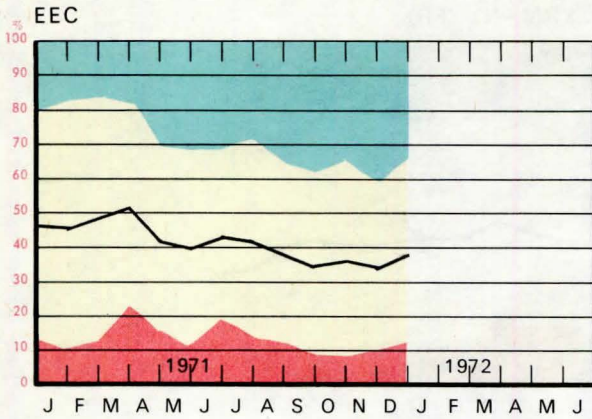
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "above normal";
 by 0.02 for the answer "normal";
 by 0.01 for the answer "below normal".



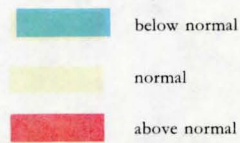
CONSUMER GOODS

Export order-books



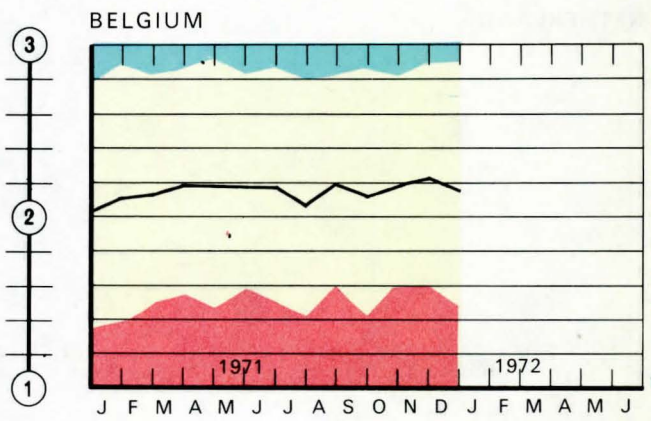
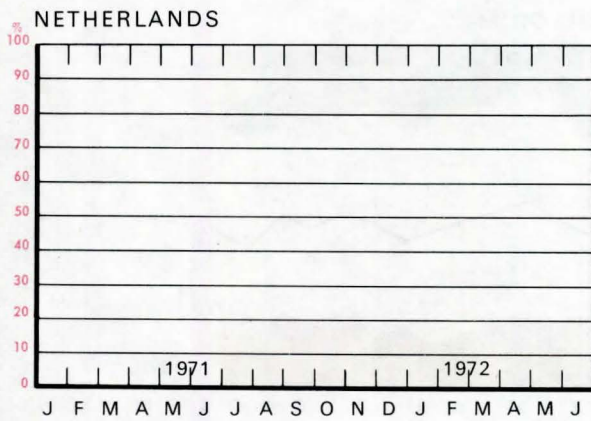
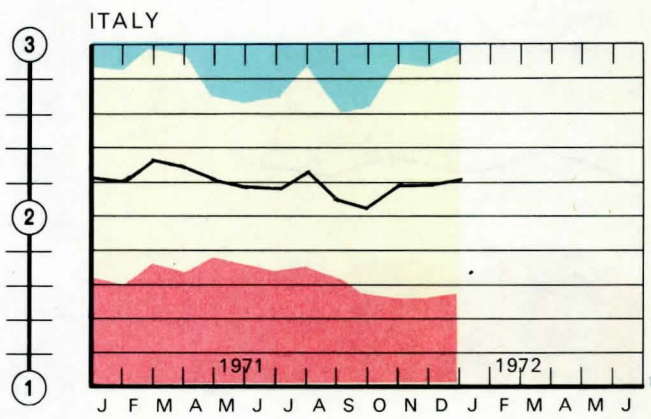
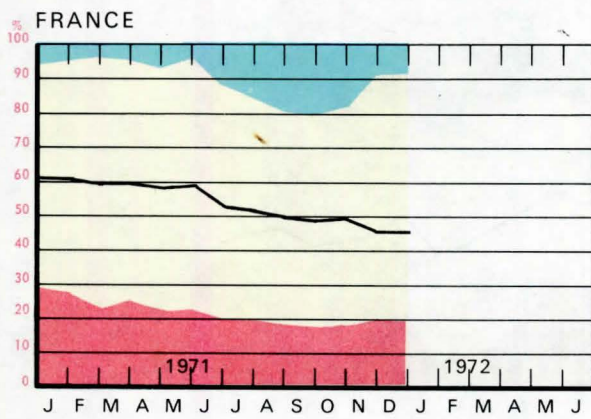
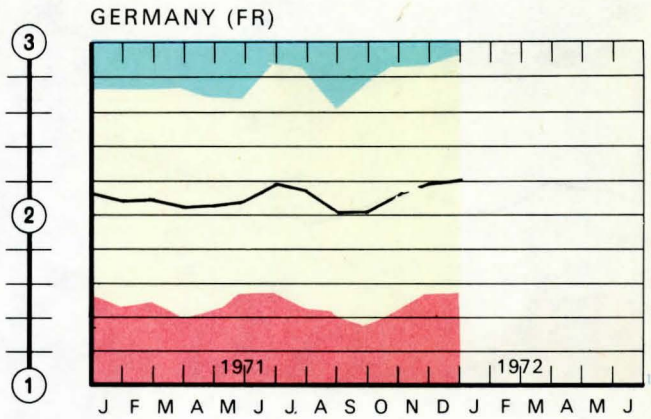
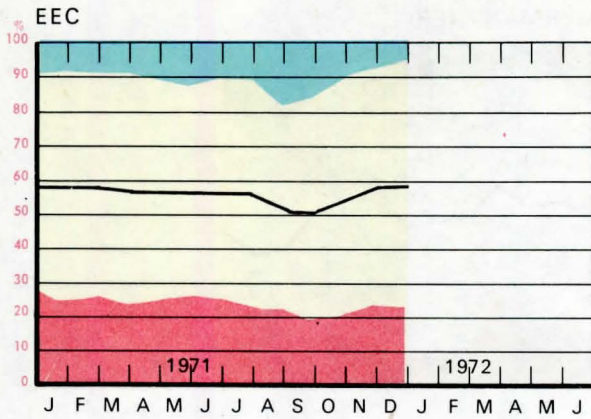
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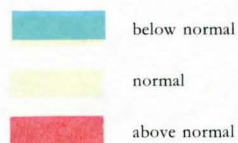
CONSUMER GOODS

Stocks of finished products



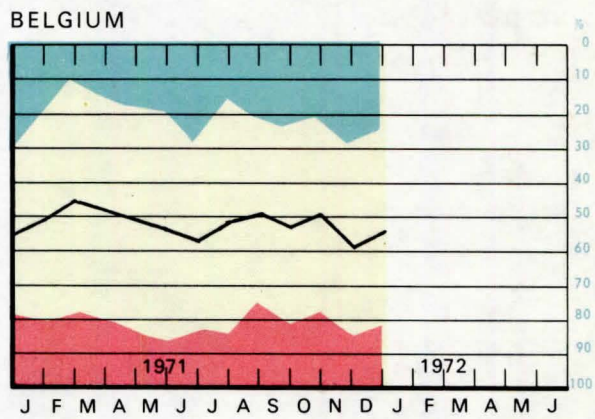
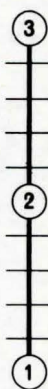
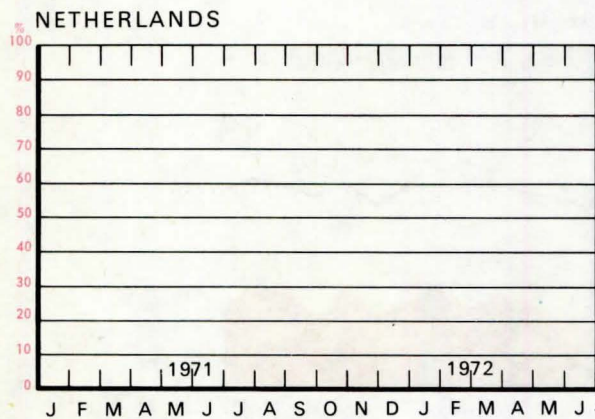
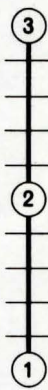
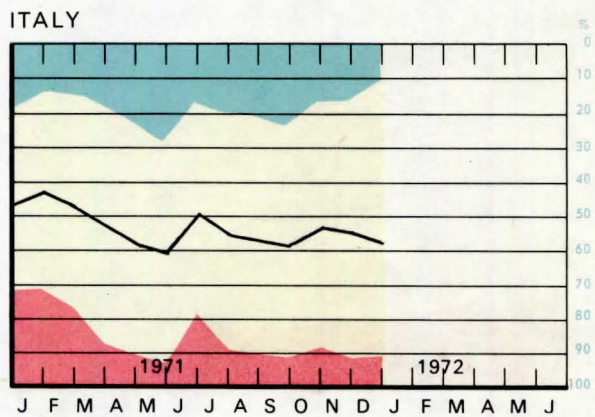
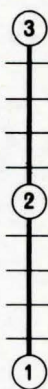
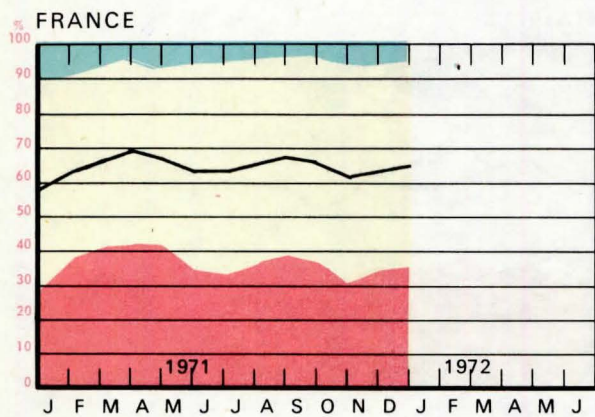
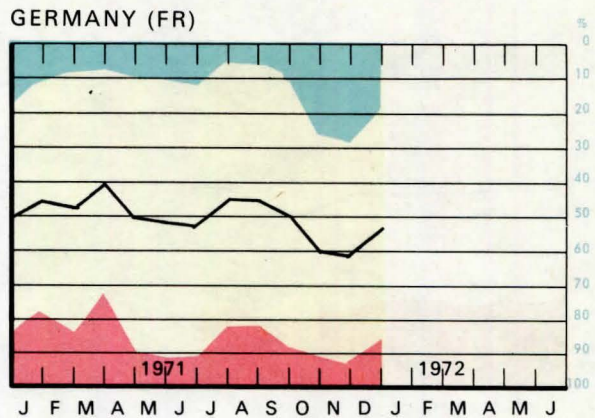
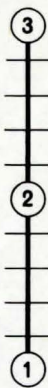
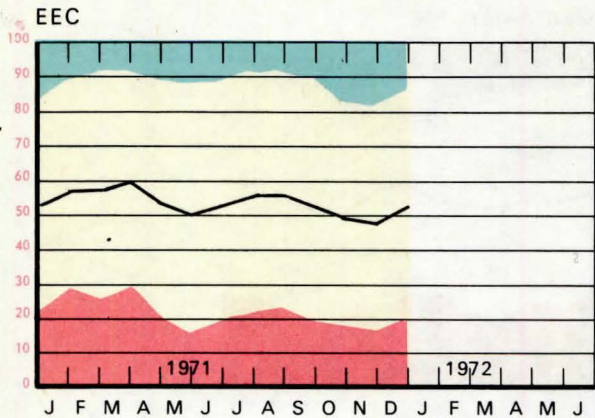
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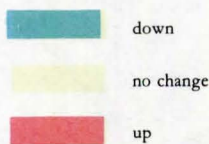
CONSUMER GOODS

Trend in production



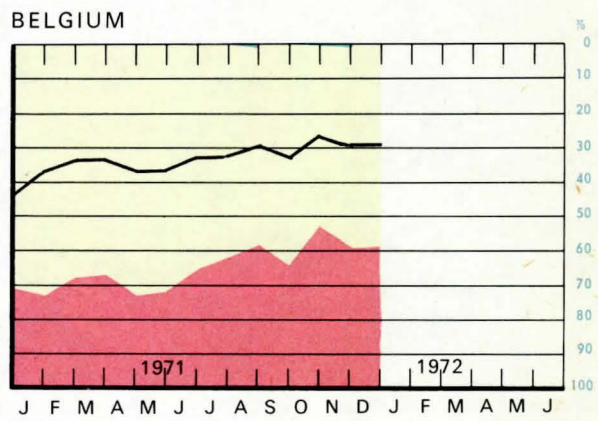
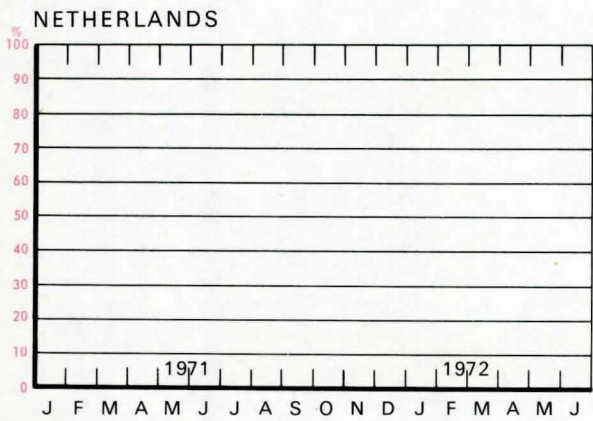
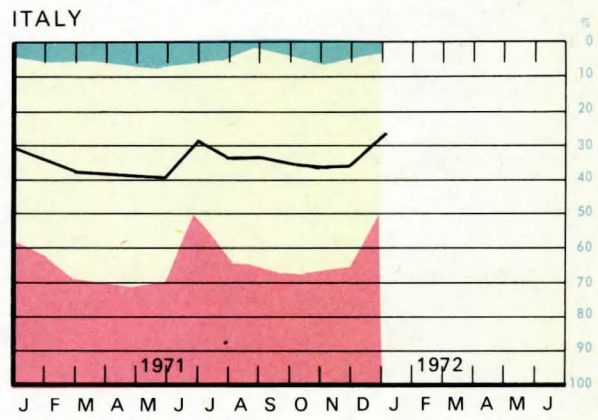
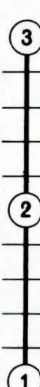
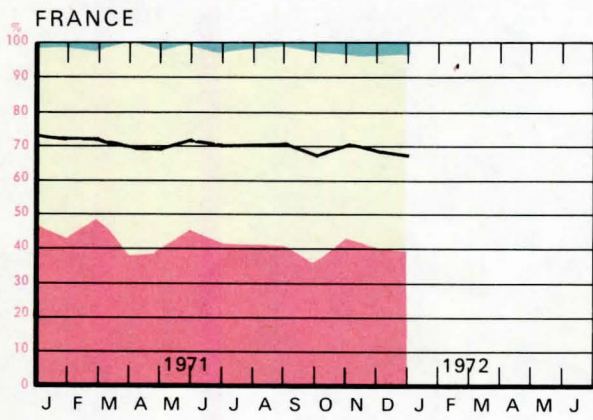
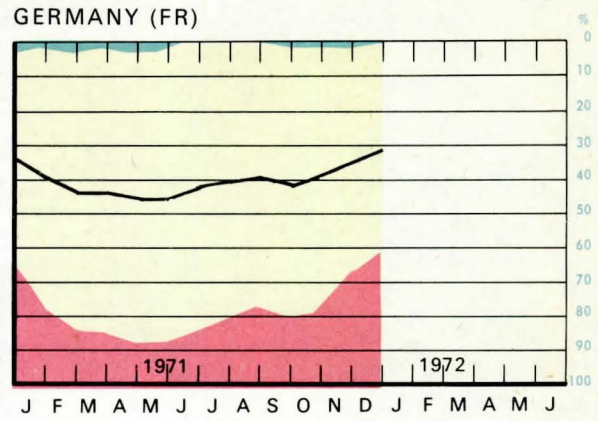
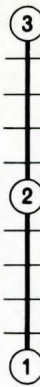
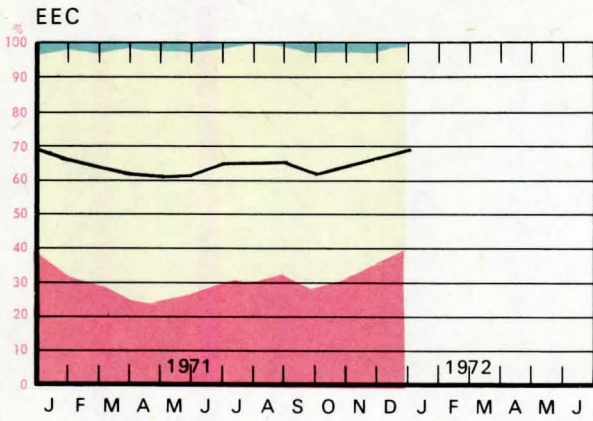
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".



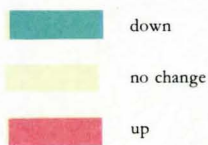
CONSUMER GOODS

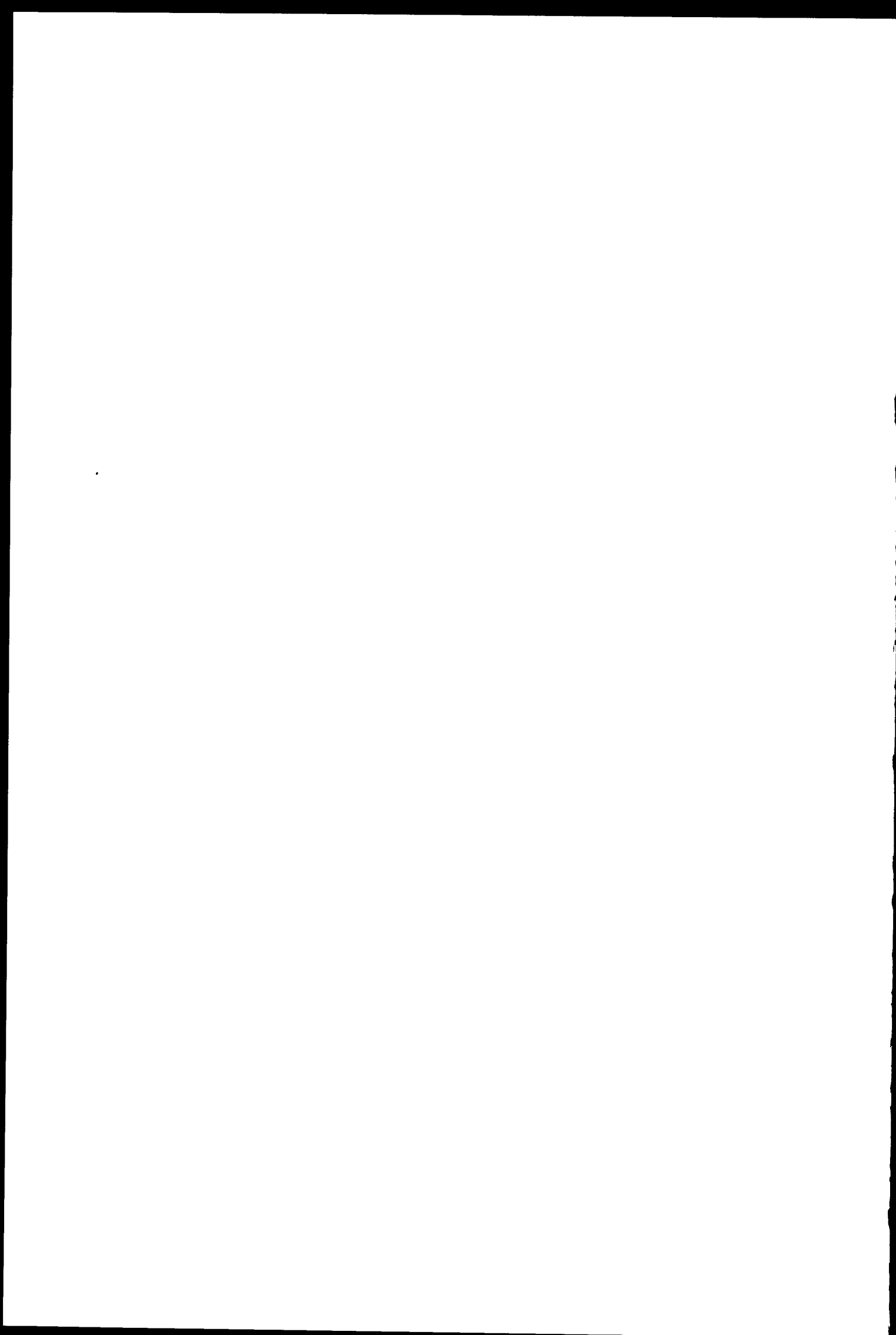
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".





CAPITAL GOODS

In GERMANY, the surveys suggest that the pressure of overall demand has eased substantially in recent months; at the end of December, 42% of managements considered that their total order books were "below normal", as against 39% at the end of October. Opinions on the future trend of exports improved slightly. Stocks of finished products are reported to have built up and a higher percentage of industrialists considered available production capacity to be "more than sufficient". Production expectations stabilized: at the end of December, 4% of managements thought that activity would speed up in the next few months, as against 3% at the end of October. Price predictions still foreshadowed relatively strong pressures.

In the industries associated with building, total and export order books shortened sharply, stocks built up again and production expectations became very pessimistic.

In FRANCE, managements' views on the trend of total orders have become less favourable in recent months: at the end of December, 11% of them considered that their order books were "above normal", as against 14% at the end of October. Export orders, on the other hand, tended to stabilize. Stocks of finished products would appear to have remained at a high level. Industry reported that there was less free production capacity than at the beginning of the year. Production expectations deteriorated: at the end of December, 16% of industrialists expected activity to speed up in the months ahead, as against 22% at the end of October.

In the industries associated with building, there was a drop in demand and stocks of finished products remained high. Production expectations deteriorated distinctly.

In ITALY, business in the capital goods sector still lacked vigour. Managements' views on the trend of demand were not very favourable: at the end of December, only 3% of them considered the total level of orders to be "above normal", as against 2% at the end of October. For export orders, the corresponding percentages were 7 and 3. Stocks of finished products were reported to be still at a high level. Production expectations, were more optimistic: at the end of December, 21% of industrialists expected production to decline in the coming months, as against 35% at the end of October. Price expectations indicated a persistence of pressures.

In the industries associated with building, demand continued to be sluggish and stocks of finished products were still very high. Views on the trend of production in the coming months remained pessimistic.

In BELGIUM, growth in the capital goods sector has slowed down further in recent months. Demand, both domestic and export, has weakened: the percentage of managements which considered their total order books to be "below normal" rose from 33 at the end of October to 41 at the end of December. Stocks of finished products were still described as high and managements reported that there was much more free production capacity than previously. Production expectations reflected the continuing pessimism of industrialists: at the end of December, 35% of them expected the current rate of activity to fall, as against 36% at the end of October. Price expectations pointed to the persistence of pressures.

In the industries associated with building, demand lost in vigour and production expectations were not very favourable.

In the COMMUNITY AS A WHOLE, managements' assessments of total order books deteriorated: at the end of December, 44% of them considered that total orders were "below normal", as against 42% at the end of October. Views on the future trend of production were still unfavourable and reflected the growing pessimism of managements.

In the *commercial vehicle industry*, order books were much shorter, stocks were reported to have built up again and production expectations were very pessimistic.

In the *general equipment products industry*, demand was sluggish and production expectations were pessimistic.

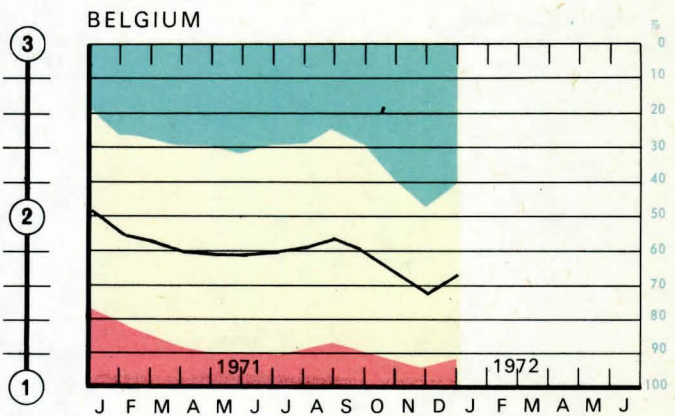
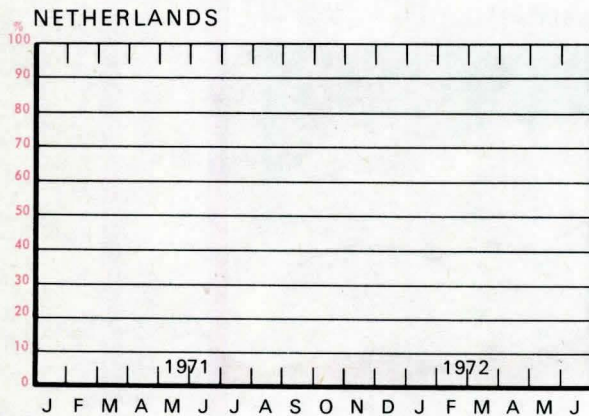
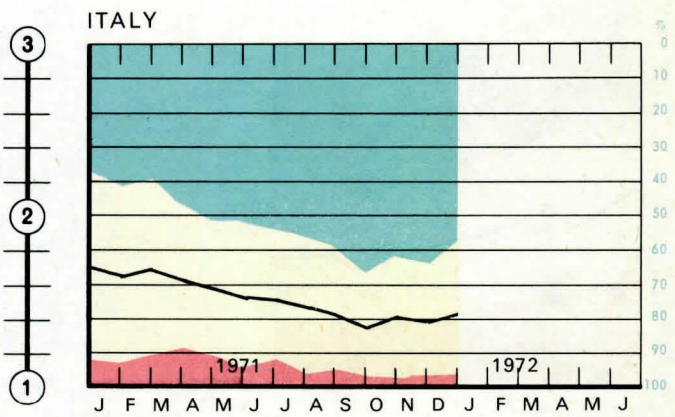
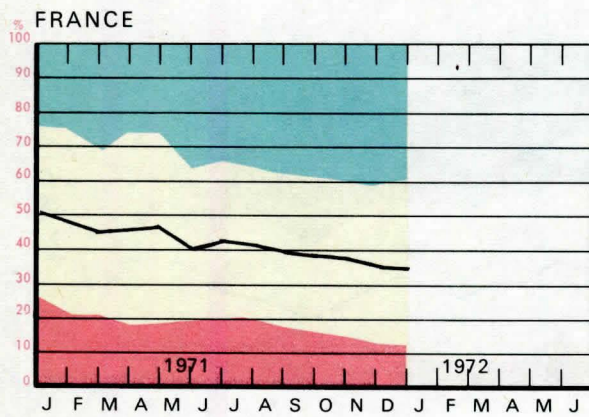
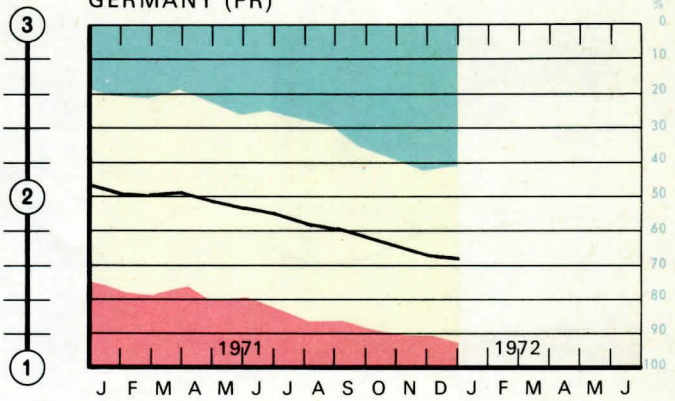
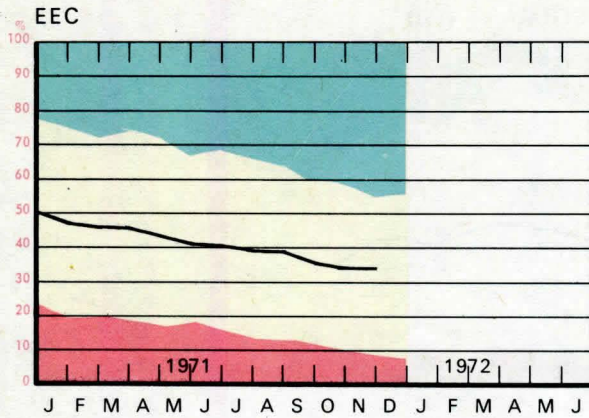
In the *mechanical equipment* (other than electrical) industry, orders and stocks of finished products are thought to have stabilized, but production expectations remained pessimistic. In the *electrical equipment industry*, business slackened, order books shortened, stocks were reported to have built up and production expectations became pessimistic again.

The figures are percentages of replies received

Country	Questions	Assessments															Expectations									
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	S	O	N	D	A	S	O	N	D	A	S	O	N	D	A	S	O	N	D	A	S	O	N	D
GERMANY (FR)	+	13	11	9	8	6	5	5	4	4	5	17	19	23	24	23	6	4	3	3	4	23	31	31	36	37
	=	57	53	52	49	52	62	56	53	55	66	75	75	72	70	72	73	73	65	63	71	75	66	65	58	59
	-	30	36	39	43	42	33	39	43	41	29	8	6	5	6	5	21	23	32	34	25	2	3	4	6	4
FRANCE	+	17	15	14	11	11	18	13	16	17	16	27	28	26	25	24	25	24	22	17	16	50	41	50	39	38
	=	45	46	46	48	48	39	41	45	42	43	68	67	69	71	71	59	56	61	60	61	50	58	49	60	61
	-	38	39	40	41	41	43	46	39	41	41	5	5	5	4	5	16	20	17	23	23	0	1	1	1	1
ITALY	+	4	2	2	2	3	3	2	3	4	7	35	47	42	44	44	13	12	7	7	11	37	30	37	30	41
	=	37	31	36	34	39	43	35	43	45	42	62	50	57	53	53	61	55	58	64	68	57	61	57	62	51
	-	59	67	62	64	58	54	63	54	51	51	3	3	1	3	3	26	33	35	29	21	6	9	6	8	8
NETHERLANDS	+																									
	=																									
	-																									
BELGIUM	+	12	9	5	4	7	6	6	3	2	9	26	30	30	33	31	14	12	7	7	16	31	28	22	28	36
	=	63	61	56	48	52	69	63	55	56	49	66	63	59	54	60	58	53	57	59	49	66	66	65	63	56
	-	25	30	39	48	41	25	31	42	42	42	8	7	11	13	9	28	35	36	34	35	3	6	13	9	8
LUXEMBOURG	+	29	19	18	5	4	20	15	12	3	11	9	9	9	9	22	29	11	1	0	11	18	28	49	53	38
	=	54	61	50	57	62	57	58	53	53	52	63	91	78	77	71	64	79	77	84	77	82	70	45	37	54
	-	17	20	32	38	34	23	27	35	44	37	28	0	13	14	7	7	10	22	16	12	0	2	6	10	8
EEC	+	13	11	9	8	7	7	6	6	6	7	23	26	27	27	27	14	12	10	8	9	34	34	37	36	38
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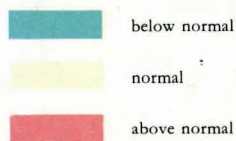
CAPITAL GOODS

Order-books



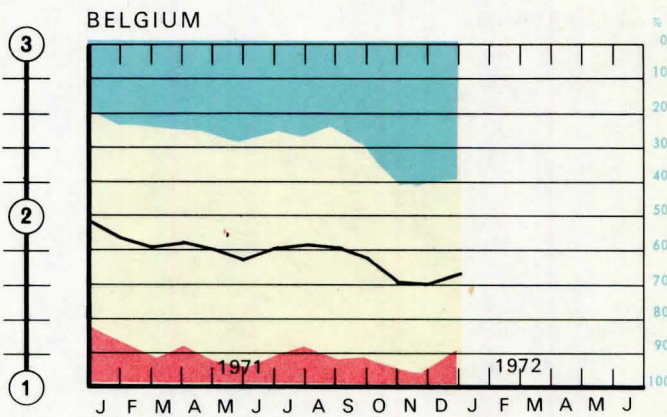
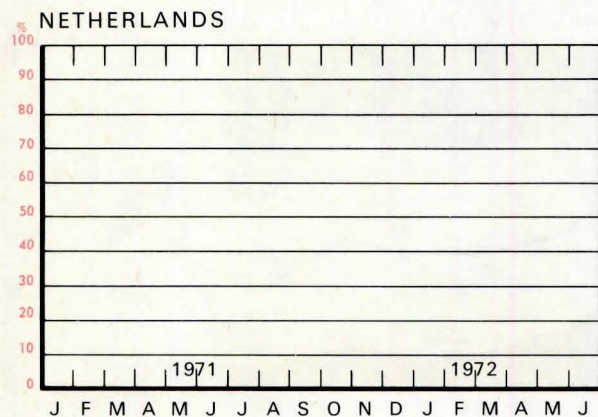
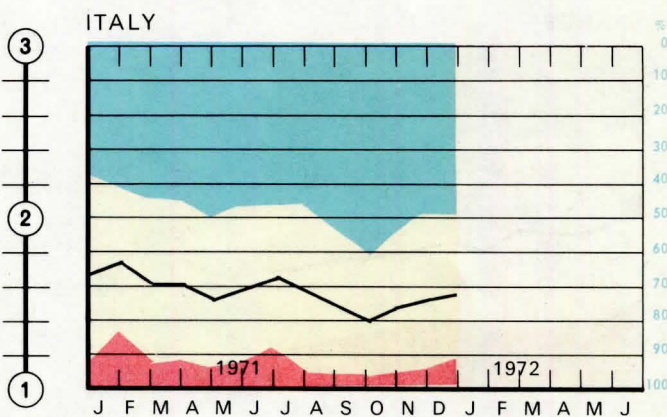
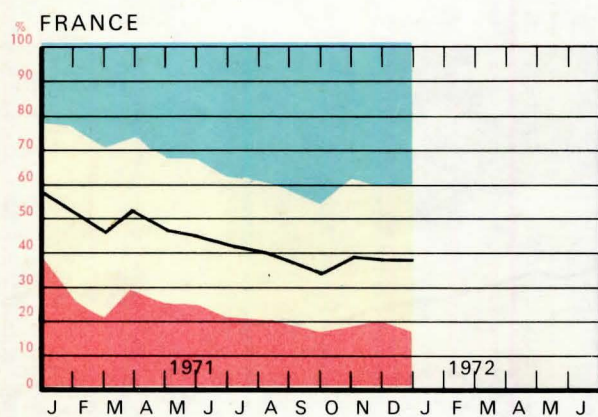
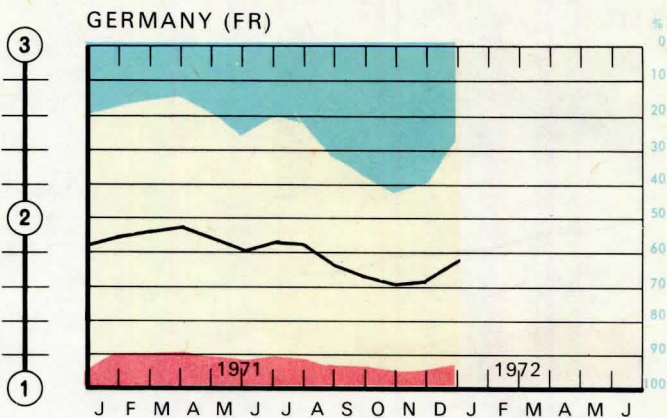
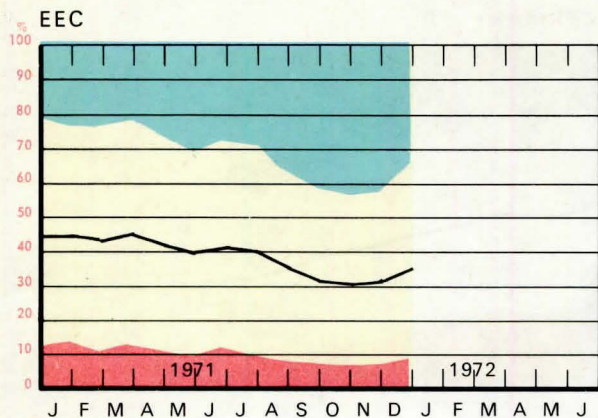
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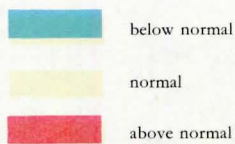
CAPITAL GOODS

Export order-books



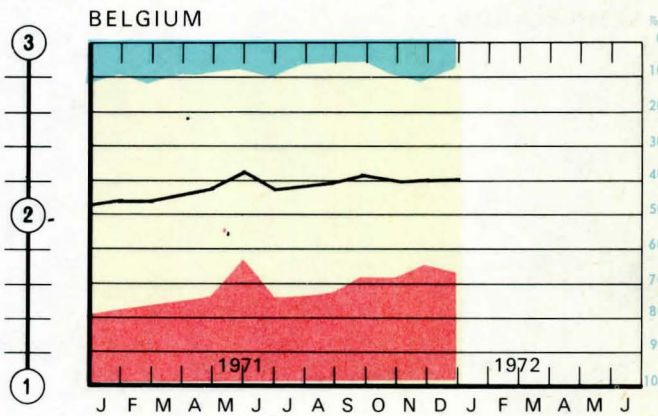
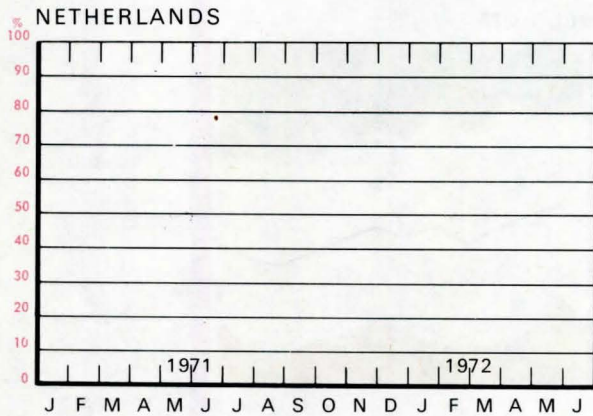
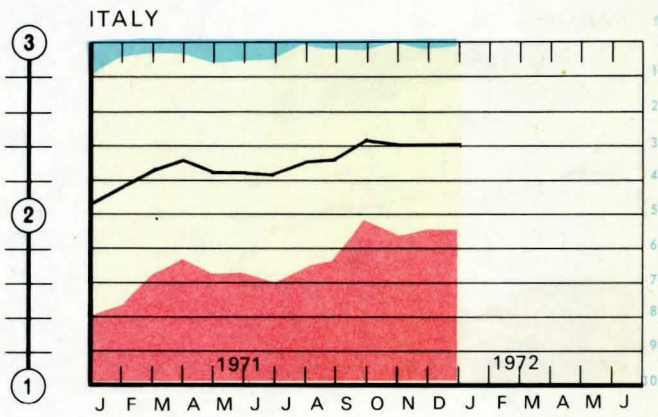
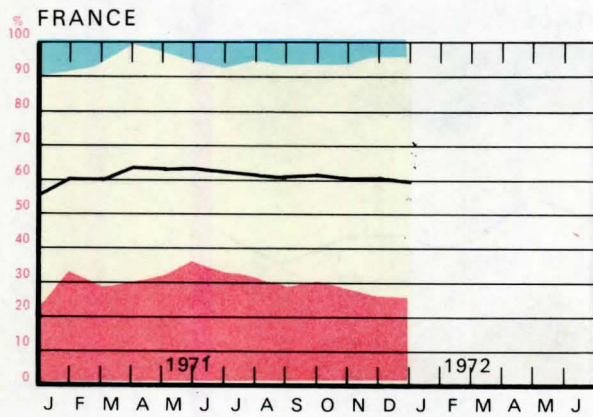
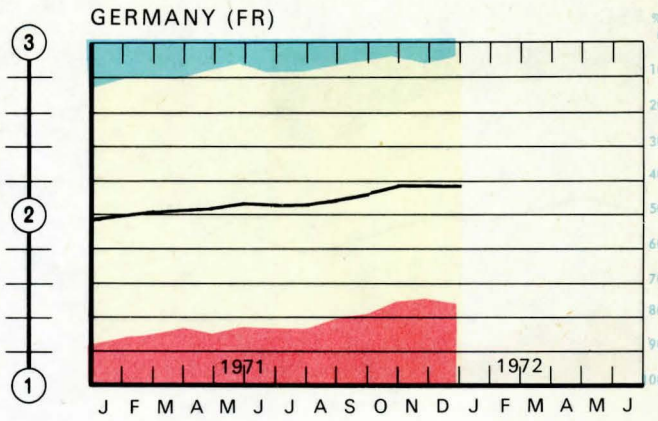
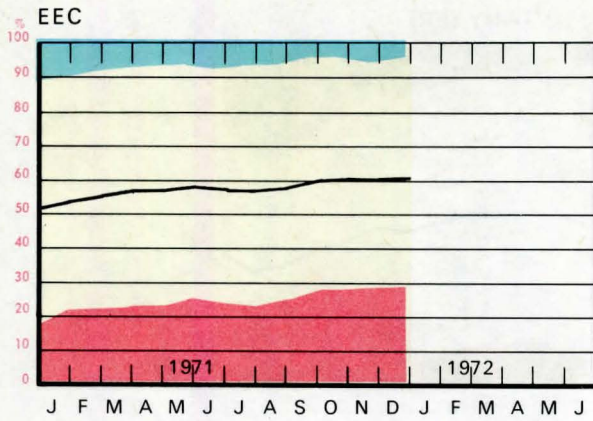
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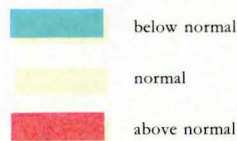
CAPITAL GOODS

Stocks of finished products



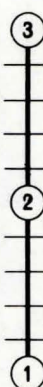
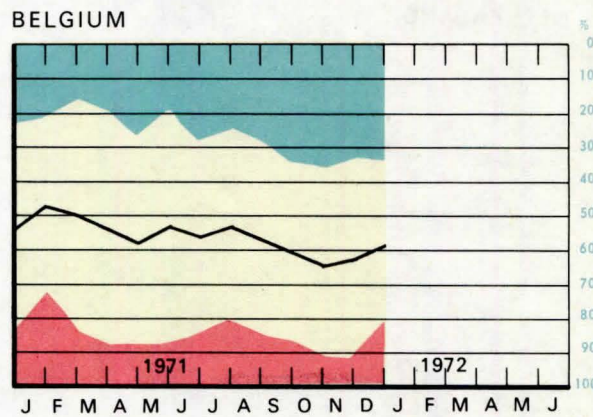
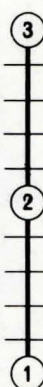
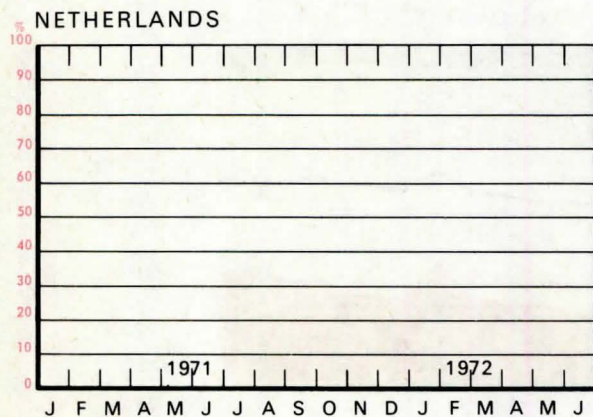
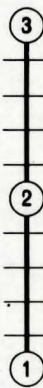
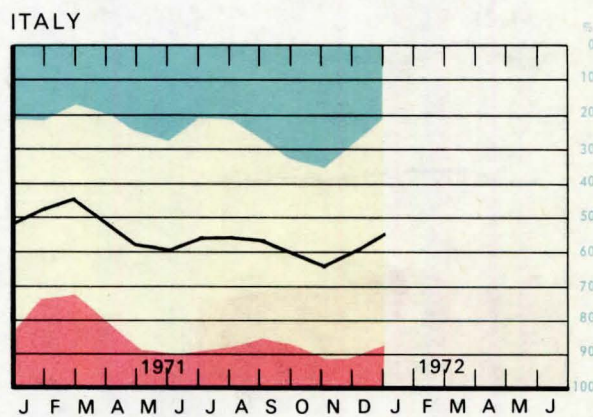
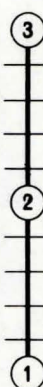
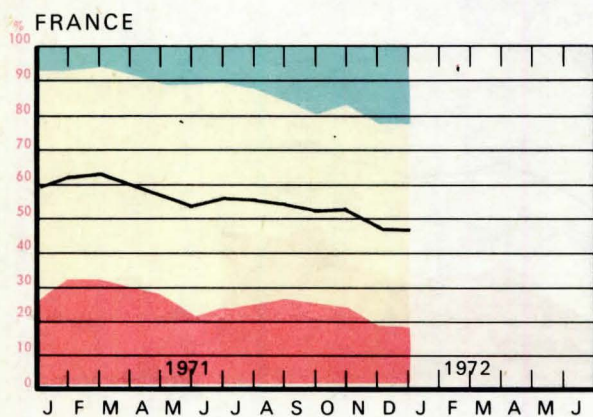
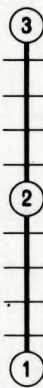
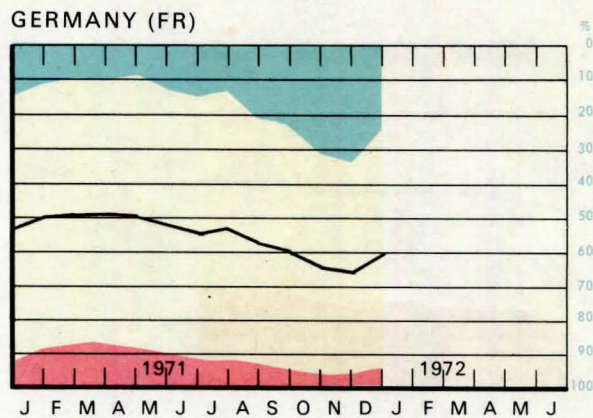
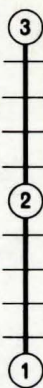
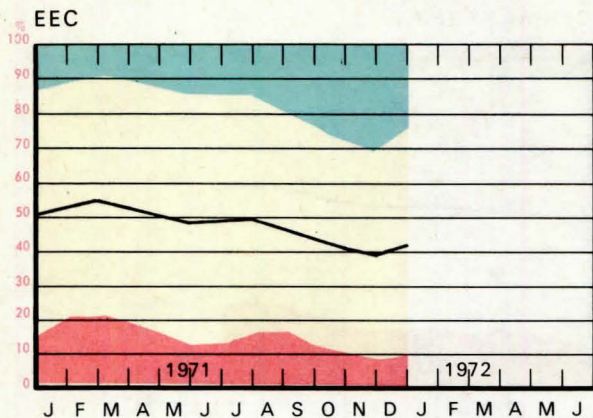
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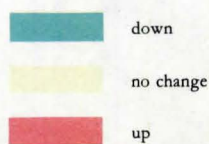
CAPITAL GOODS

Trend in production



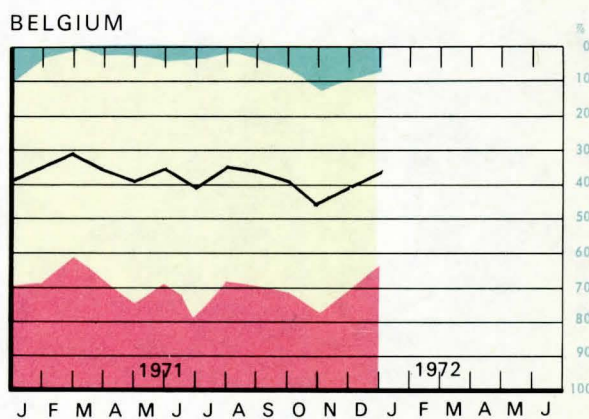
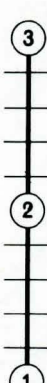
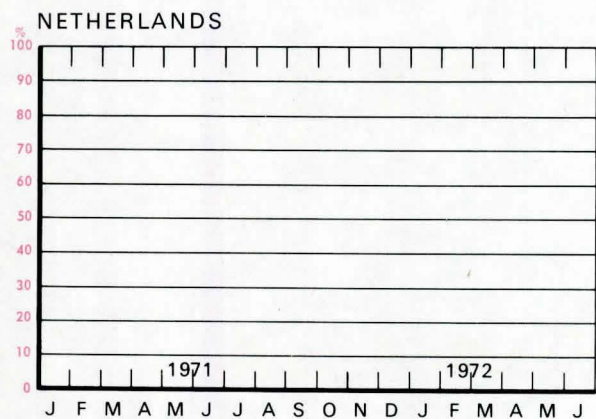
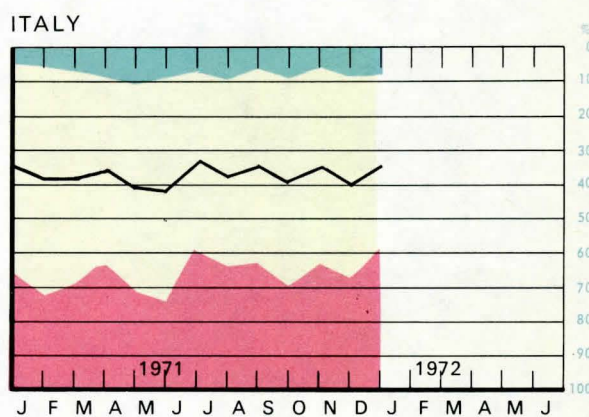
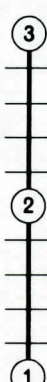
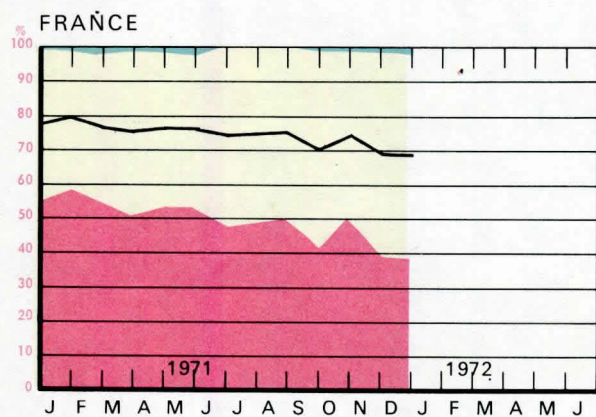
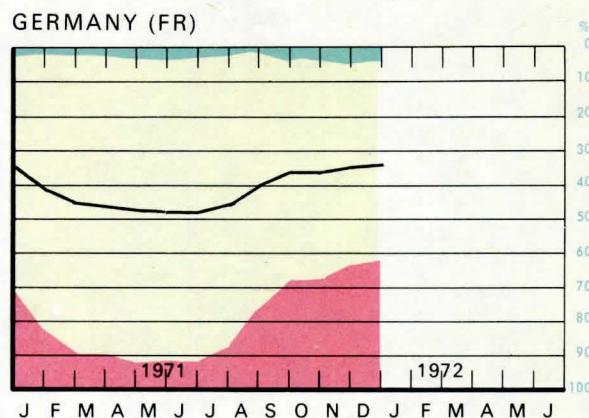
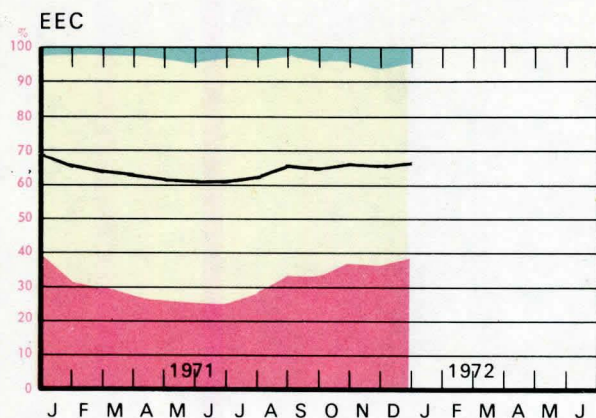
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".



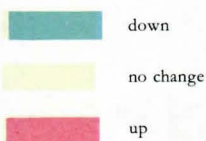
CAPITAL GOODS

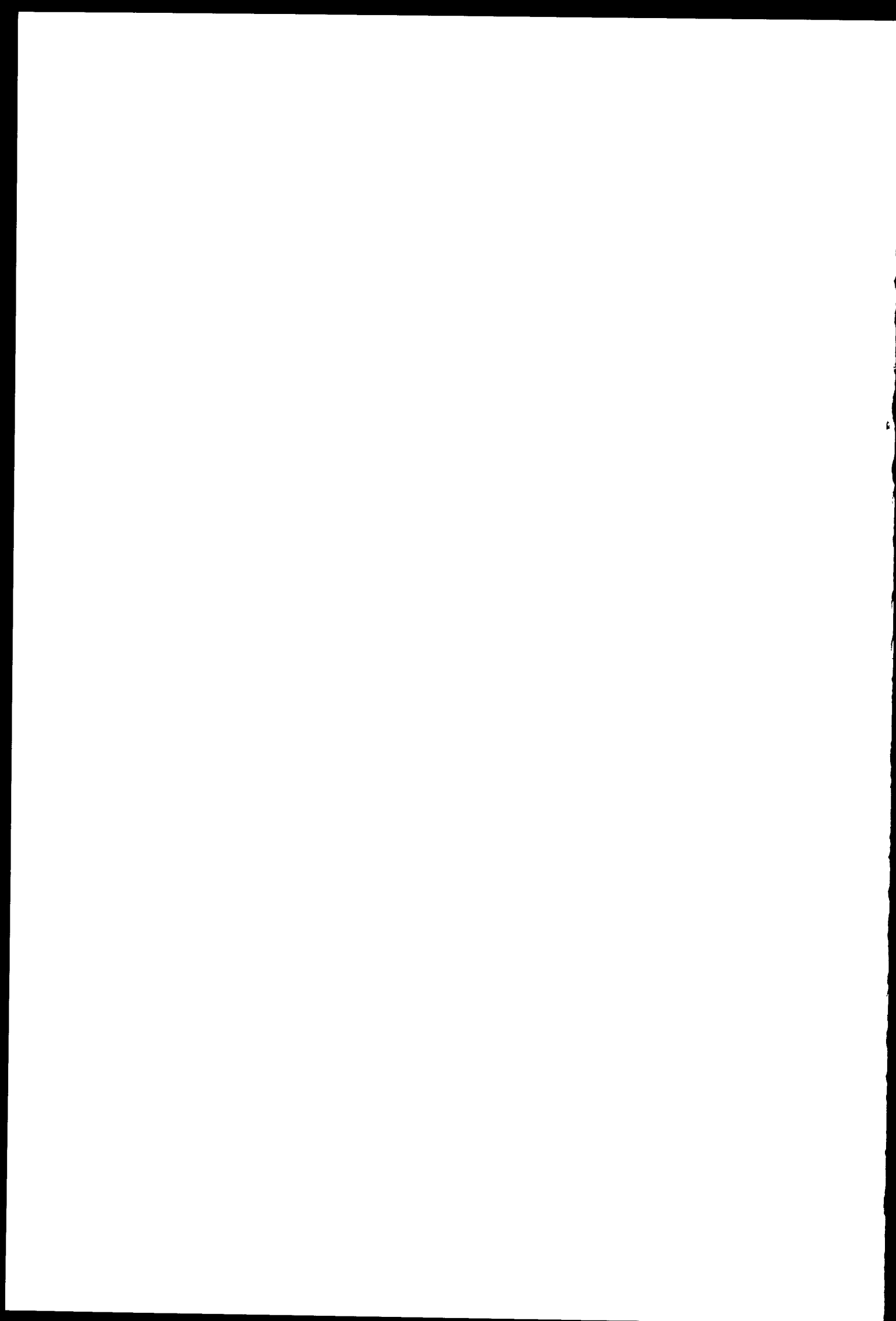
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".





INTERMEDIATE GOODS

In GERMANY, business in the intermediate goods industries deteriorated slightly. Managements' views on the trend of demand were a little more pessimistic: at the end of December, 3% of them considered the total level of orders to be "above normal", as against 5% at the end of October. Export expectations, on the other hand, reflected a very slight improvement. Stocks of finished products were reported to have stabilized. Production expectations picked up a little: at the end of December only 15% of industrialists thought that activity would decline in the coming months, as against 42% at the end of October. The surveys show that the upward tendency of selling prices strengthened further.

In FRANCE, activity in the intermediate goods sector changed little during the closing months of 1971. All in all, managements' reports on the trend of overall demand improved: the difference between the percentage of managements which considered total order books to be "above normal" and the percentage of those which thought them to be "below normal" narrowed from -21 at the end of October to -15 at the end of December. Assessments of export demand also improved. Stocks of finished products are said to have contracted a little. Industrialists expected the future trend of production to remain favourable: at the end of December, 88% of them thought that production would be maintained or stepped up in the next few months, as against 86% at the end of October. Pressure on selling prices remained heavy.

In ITALY, the latest surveys reflected an improved business situation in the intermediate goods industries. Managements' reports on the state of their total order books improved a little: at the end of December, 4% of managements considered that total orders were "above normal", as against 1% at the end of October. Export order books showed a similar trend, the corresponding percentages being 3 and 2. Stocks of finished products are said to have contracted. At the end of December, 15% of industrialists expected the current rate of activity to accelerate, as against 7% at the end of October.

In BELGIUM, business in the intermediate goods sector has picked up a little in recent months: the difference between the percentage of managements which considered total order books to be "above normal" and the percentage of those which thought them to be "below normal" narrowed from -29 at the end of October to -21 at the end of December, while for export orders the corresponding difference narrowed from -40 at the end of October to -14 at the end of December. Stocks of finished products are thought to have built up slightly. Production expectations became more optimistic: at the end of December, only 19% of managements expected the present rate of production to fall, as against 29% at the end of October.

In the COMMUNITY AS A WHOLE, the surveys reflected a slightly more buoyant trend in the intermediate goods industries. Managements' reports on the state of order books improved: at the end of December, 56% of them considered the level of their total orders to be "normal" or "above normal", as against 53% at the end of October. Stocks of finished products are thought to have stabilized at a high level. Production expectations pointed upward: at the end of December, 86% of industrialists expected the present rate of expansion to be maintained or stepped up, as against 71% at the end of October.

In the *iron and steel products industry* (including primary processing), demand stabilized and production expectations became more optimistic. In the *non-ferrous metals industry*, activity was still relatively sluggish and production expectations were not very favourable. In *wood and printing*, order books shortened, stocks remained high and the trend of production was becoming negative again.

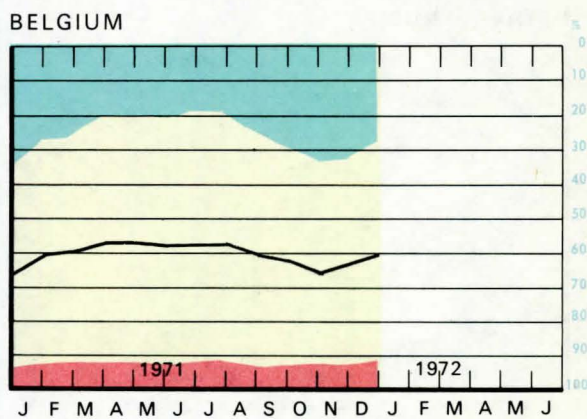
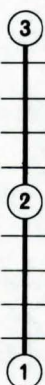
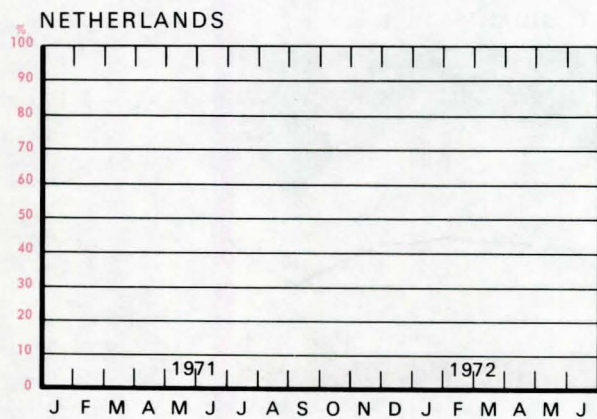
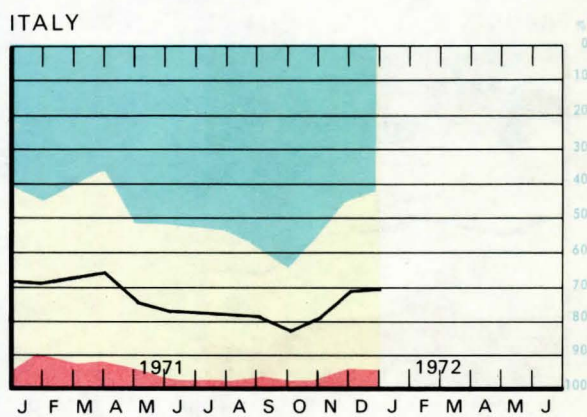
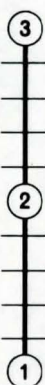
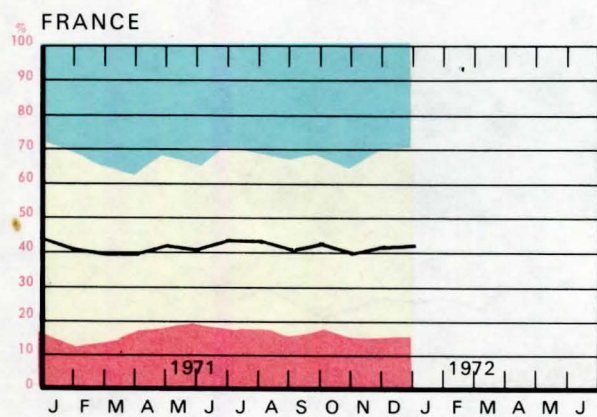
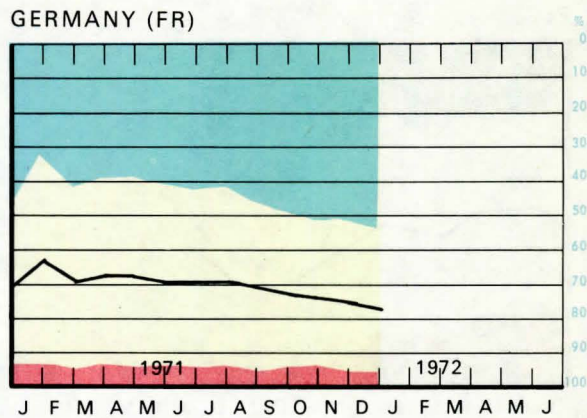
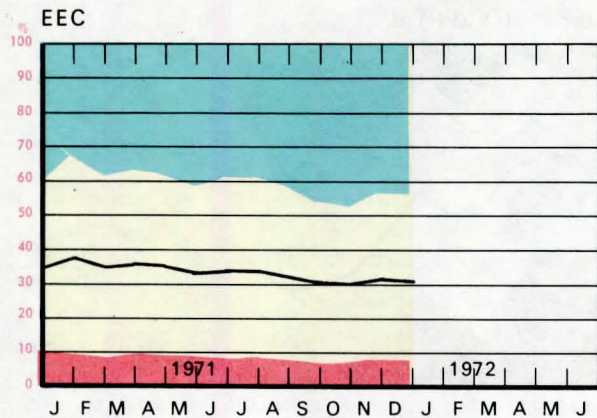
In *chemicals*, order books lengthened and expectations regarding future activity were more optimistic. In the *rubber industry*, orders on hand rose a little and the trend of production improved.

The figures are percentages of replies received

Country	Questions 1971	Assessments												Expectations												
		Total order-book					Export order-book					Stocks of finished products					Production					Selling prices				
		A	S	O	N	D	A	S	O	N	D	A	S	O	N	D	A	S	O	N	D	A	S	O	N	D
GERMANY (FR)	+ = -	4	4	5	3	3	8	2	1	3	5	26	32	32	31	30	12	6	2	2	12	19	20	20	20	24
		50	47	44	46	42	52	56	55	57	79	71	66	67	68	69	63	58	56	62	73	76	66	60	63	68
		46	49	51	51	55	40	42	44	40	16	3	2	1	1	1	25	36	42	36	15	5	14	20	17	8
FRANCE	+ = -	15	17	15	15	15	20	20	11	12	12	24	25	20	19	19	32	31	21	20	21	30	25	25	25	26
		52	51	49	54	55	50	40	45	46	46	64	66	71	72	73	59	56	65	67	67	67	66	62	68	67
		33	32	36	31	30	30	40	44	42	42	12	9	9	9	8	9	13	14	13	12	3	9	13	7	7
ITALY	+ = -	3	1	1	5	4	1	1	2	8	3	41	49	44	39	32	17	12	7	15	15	29	32	29	26	30
		39	34	42	50	53	47	41	48	43	46	56	48	53	58	56	66	70	70	73	71	63	50	54	62	56
		58	65	57	45	43	51	58	50	49	51	3	3	3	3	12	17	18	23	12	14	8	18	17	12	14
NETHERLANDS	+ = -																									
BELGIUM	+ = -	5	6	6	6	7	7	5	5	9	12	16	14	16	17	11	9	8	10	10	9	16	12	13	22	35
		69	64	59	60	65	61	59	50	52	62	78	75	76	77	78	67	59	61	70	72	66	58	63	65	57
		26	30	35	34	28	32	36	45	39	26	6	11	8	6	11	24	33	29	20	19	18	30	24	13	8
LUXEMBOURG	+ = -	1	1	2	2	0	0	0	2	2	0	1	1	2	2	5	3	1	0	3	3	3	3	2	4	4
		91	11	6	9	11	91	11	5	8	10	98	98	98	96	95	94	11	16	17	97	97	97	17	96	96
		8	88	92	89	89	9	89	93	90	90	1	1	0	2	0	3	88	84	80	0	0	0	81	0	0
EEC	+ = -	7	7	7	7	7	9	6	4	7	8	27	31	29	28	25	19	15	10	11	15	24	23	22	23	26
		51	47	46	50	49	54	50	50	50	62	67	64	67	68	69	63	59	61	65	71	71	63	60	64	65
		42	46	47	43	44	37	44	46	43	30	6	5	4	4	6	18	26	29	24	14	5	14	18	13	9

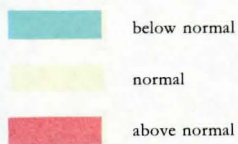
INTERMEDIATE GOODS

Order-books



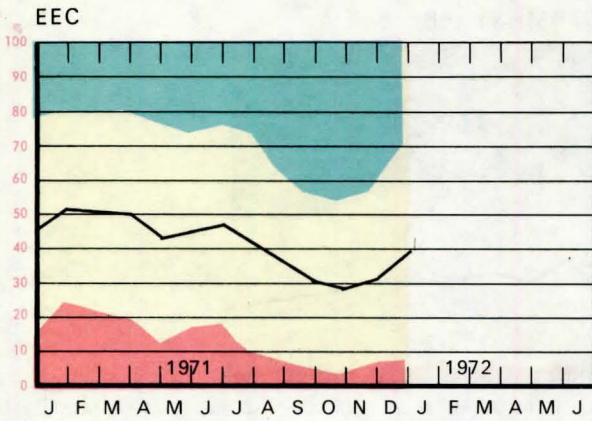
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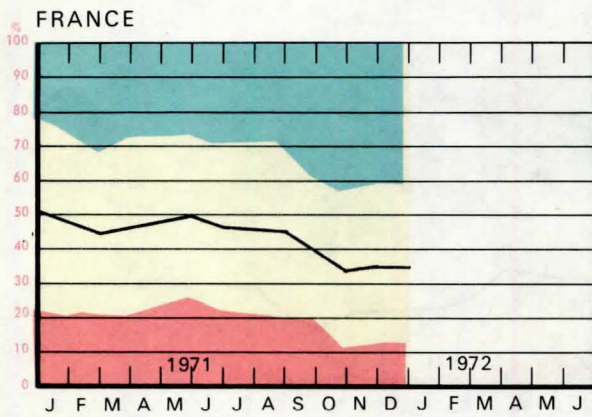
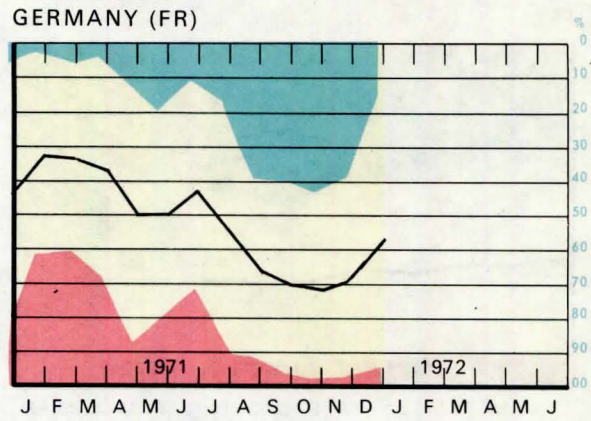


INTERMEDIATE GOODS

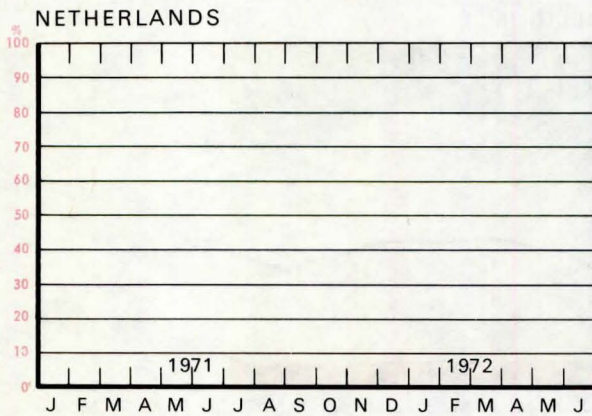
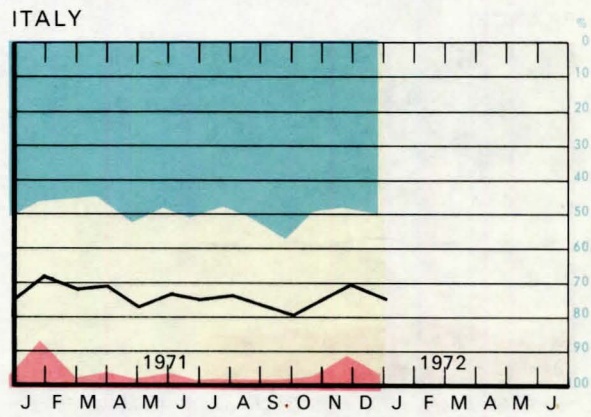
Export order-books



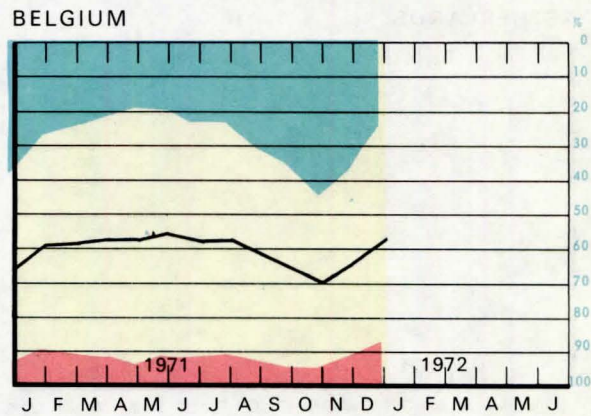
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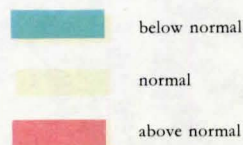


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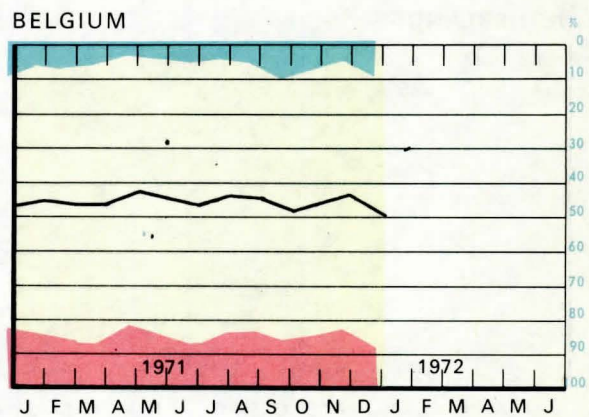
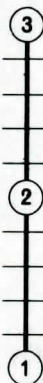
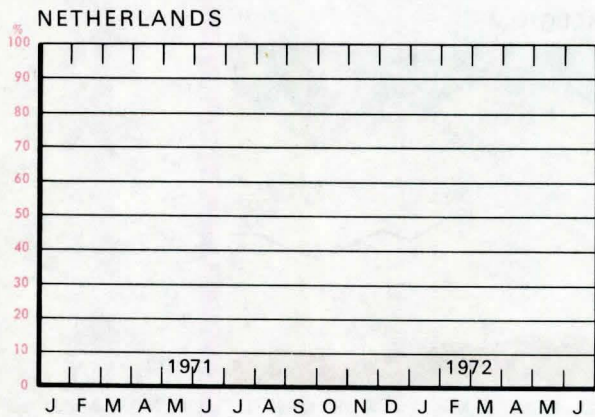
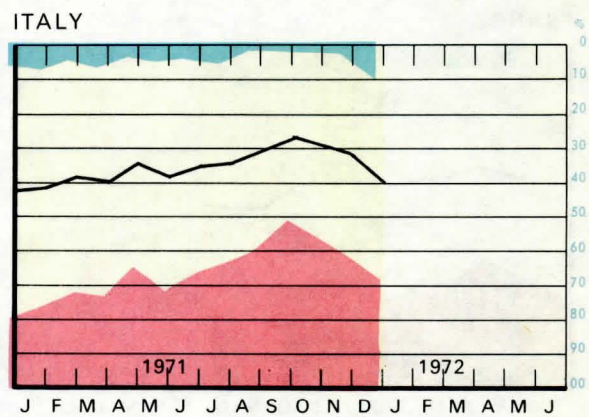
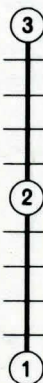
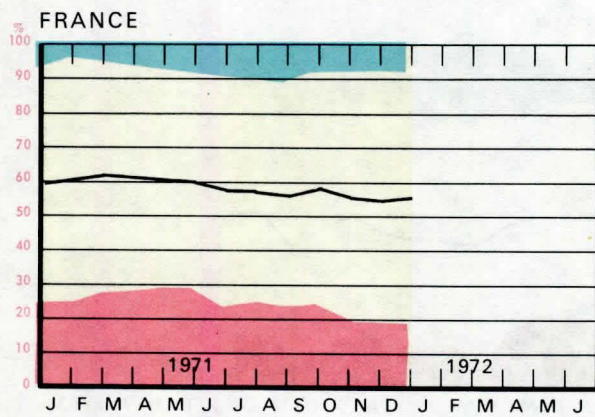
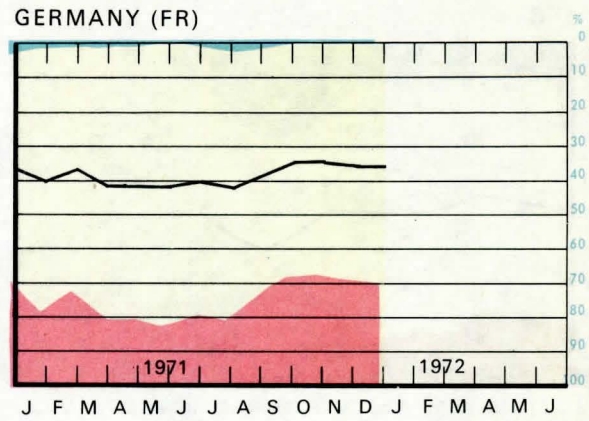
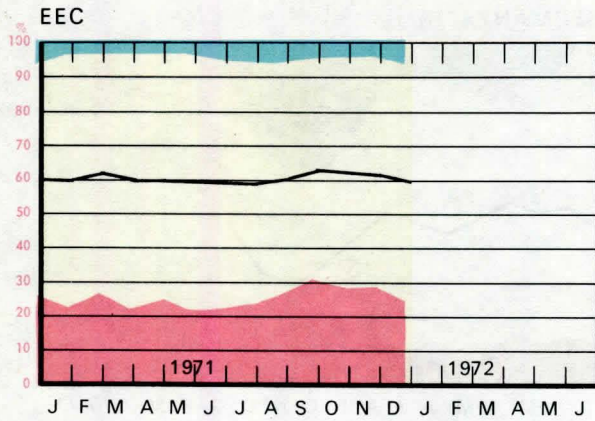
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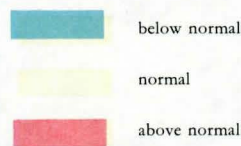
INTERMEDIATE GOODS

Stocks of finished products



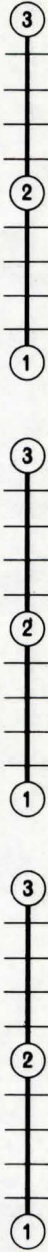
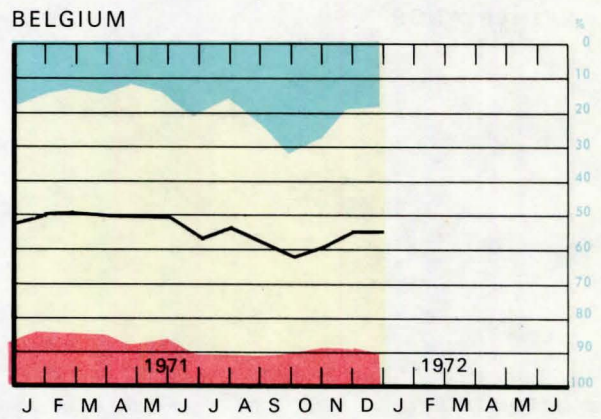
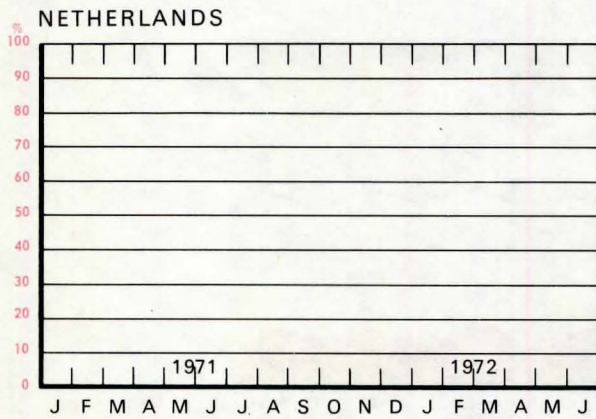
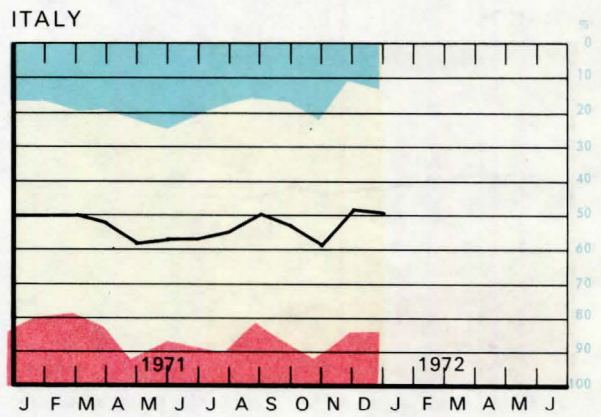
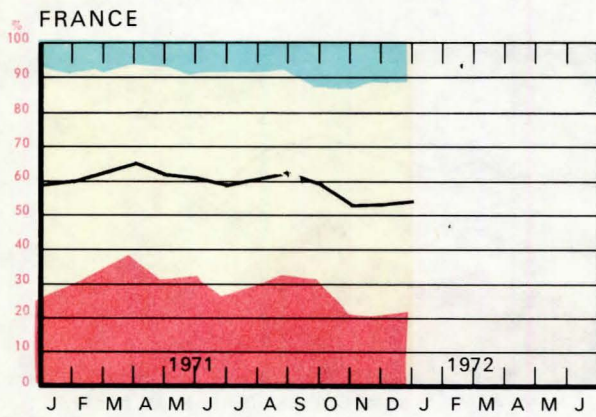
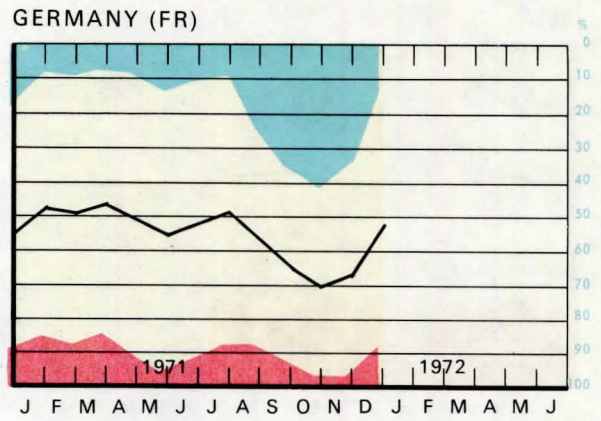
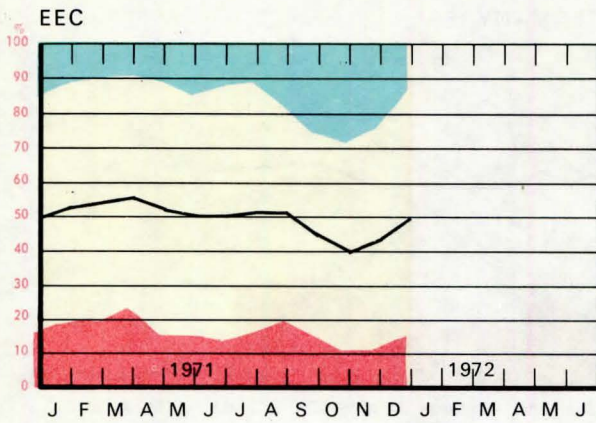
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

- by 0.03 for the answer "above normal";
- by 0.02 for the answer "normal";
- by 0.01 for the answer "below normal".



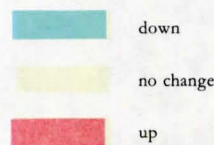
INTERMEDIATE GOODS

Trend in production



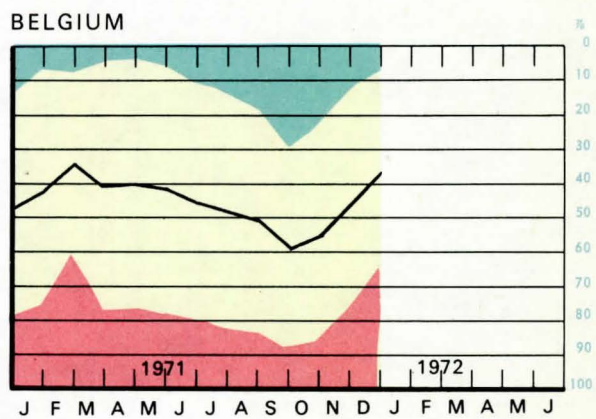
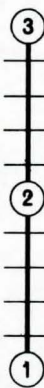
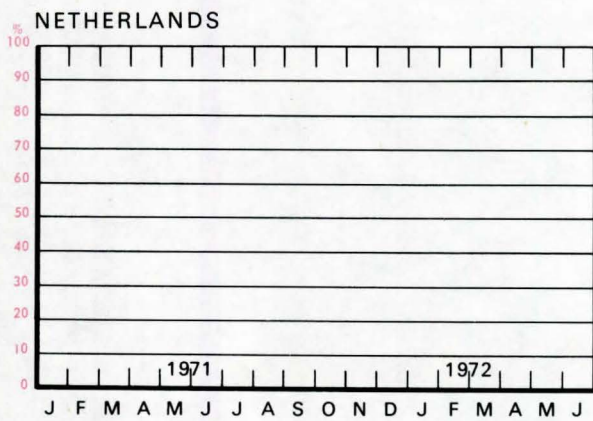
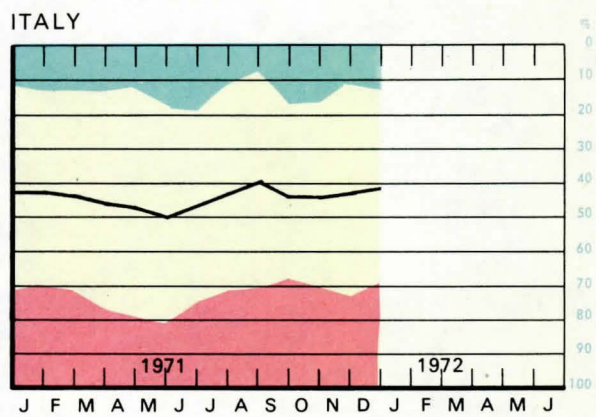
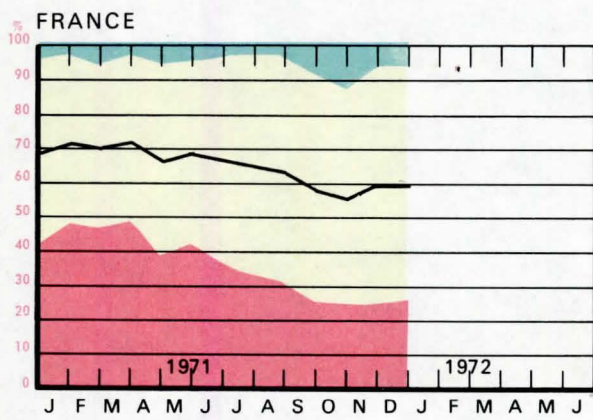
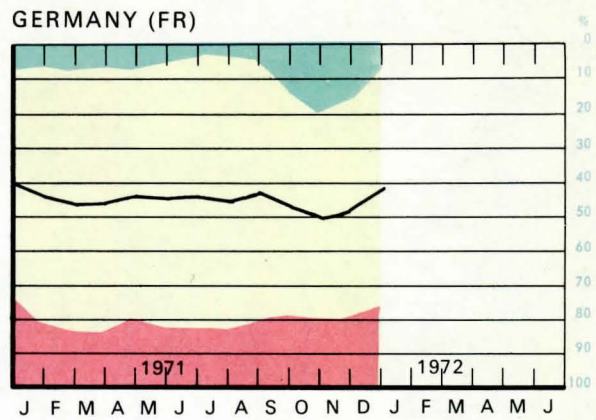
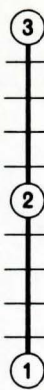
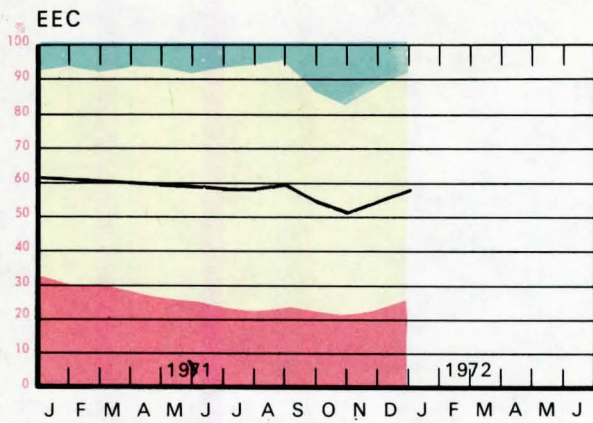
The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".



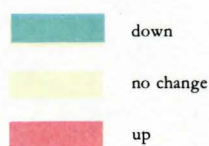
INTERMEDIATE GOODS

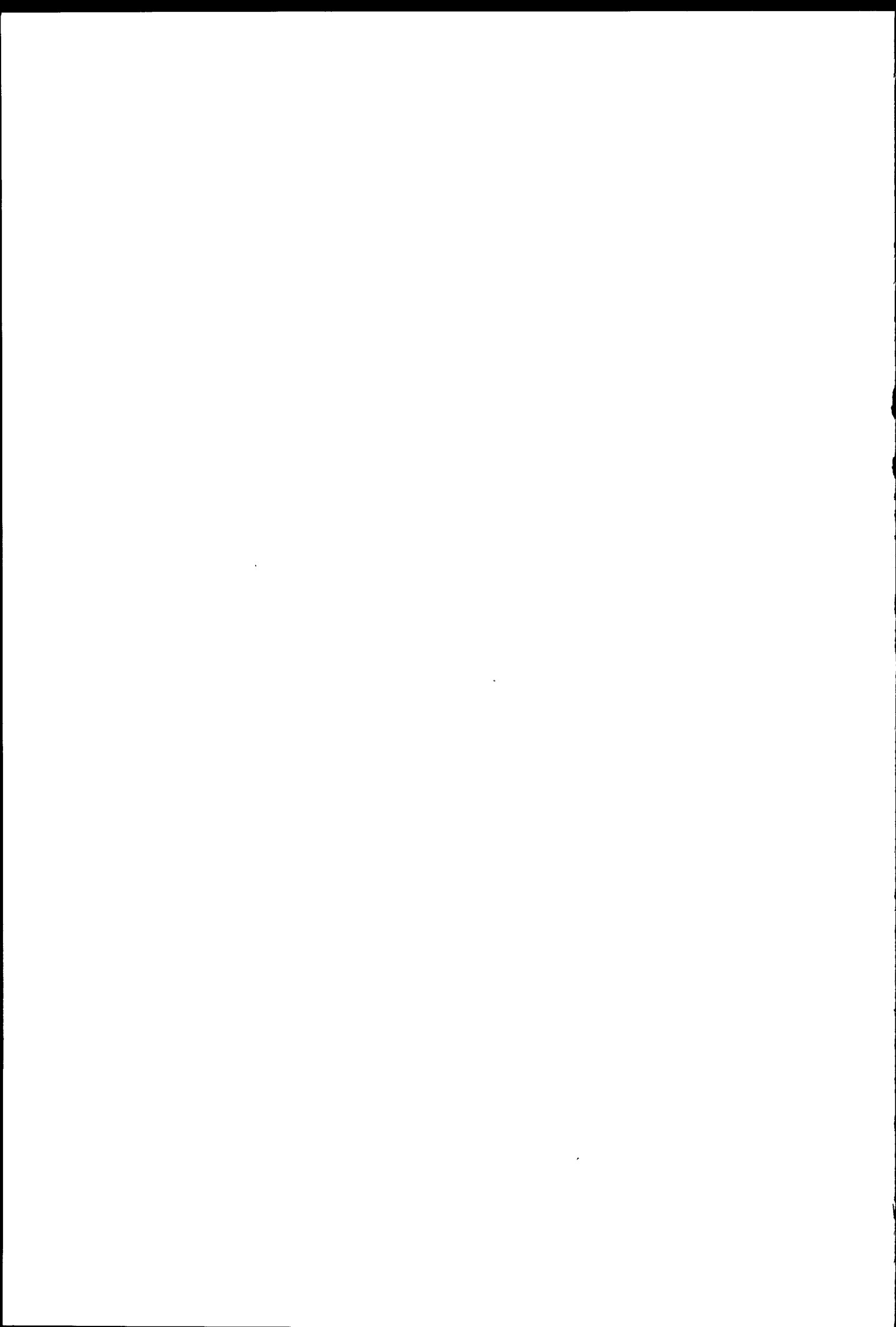
Trend in selling prices



The three colours (red, grey and blue) show the percentages of the three different answers. The black curves, the scale for which is given between the graphs, show the figures obtained by adding together the percentages weighted as follows:

by 0.03 for the answer "up";
by 0.02 for the answer "no change";
by 0.01 for the answer "down".





RESULTS BY BRANCH OF INDUSTRY AT COMMUNITY LEVEL

The figures are percentages of replies received

Questions Sector	1971	Assessments			Expectations	
		Total order-book	Export order-book	Stocks of finished products	Production	Selling prices
		A S O N D	A S O N D	A S O N D	A S O N D	A S O N D
1. Textiles	+	12 16 19 18 19	10 12 10 13 13	35 34 31 29 26	19 15 13 15 15	42 34 38 35 37
	=	48 47 48 51 52	49 47 50 45 51	59 58 59 62 65	64 70 72 69 70	52 60 57 61 58
	—	40 37 33 31 29	41 41 40 42 36	6 8 10 9 9	17 15 15 16 15	6 6 5 4 5
2. Garments and knitted and crocheted goods	+	21 26 35 28 29	12 13 18 18 16	29 21 26 29 29	17 18 22 23 23	44 35 35 34 34
	=	53 52 48 53 50	44 51 46 52 47	63 67 66 64 65	72 72 68 67 68	56 64 64 65 65
	—	26 22 17 19 21	44 36 36 30 37	8 12 8 7 6	11 10 10 10 9	0 1 1 1 1
3. Leather and footwear	+	11 12 17 15 13	5 6 9 13 8	21 20 19 21 23	26 22 19 16 20	40 37 40 49 50
	=	57 56 51 50 56	51 47 52 45 43	69 72 72 73 73	59 63 67 65 66	60 63 60 51 50
	—	32 32 32 35 31	44 47 39 42 49	10 8 9 6 4	15 15 14 19 14	0 0 0 0 0
4. Wood and cork	+	10 10 10 9 9	4 3 2 7 8	27 24 22 23 24	21 16 13 8 11	25 18 20 21 25
	=	50 58 58 56 52	59 56 60 57 56	65 68 69 70 69	68 70 65 73 75	67 71 67 66 63
	—	40 32 32 35 39	37 41 38 36 36	8 8 9 7 7	11 14 22 19 14	8 11 13 13 12
5. Furniture	+	21 26 14 13 11	23 22 5 4 6	21 14 17 14 17	31 24 17 14 12	30 29 44 50 52
	=	51 54 63 62 64	53 59 73 84 82	72 79 77 78 78	64 69 67 65 73	70 71 56 50 48
	—	28 20 23 25 25	24 19 22 12 12	7 7 6 8 5	5 7 16 21 15	0 0 0 0 0
6. Paper	+	5 4 6 5 7	4 8 9 3 7	39 41 36 37 35	26 18 9 10 13	30 21 22 17 19
	=	42 37 34 40 35	59 60 50 64 67	57 55 61 60 62	60 60 68 63 72	66 68 63 67 64
	—	53 59 60 55 58	37 32 41 33 26	4 4 3 3 3	14 22 23 27 15	4 11 15 16 17
7. Printing	+	10 6 5 7 8	0 2 1 10 20	14 13 10 10 12	17 16 12 14 15	26 30 29 35 45
	=	57 59 54 56 57	69 73 77 68 64	75 87 90 86 84	71 65 67 69 71	72 63 66 60 52
	—	33 35 41 37 35	31 25 22 22 16	11 0 0 4 4	12 19 21 17 14	2 7 5 5 3
8. Processing of plastics	+	13 12 10 13 15	5 8 1 8 15	16 18 20 19 17	24 27 18 11 18	26 30 31 33 32
	=	56 58 57 49 47	65 58 67 66 63	69 74 73 78 80	62 57 60 64 67	71 67 65 64 66
	—	31 30 33 38 38	30 34 32 26 22	15 8 7 3 3	14 16 22 25 15	3 3 4 3 2
9. Chemicals	+	6 10 7 5 5	14 4 3 6 5	24 26 26 23 19	28 15 11 12 29	13 17 15 12 13
	=	67 61 59 71 61	55 56 61 64 74	71 71 70 72 73	67 70 61 72 65	85 67 66 70 78
	—	27 29 34 24 34	31 40 36 30 21	5 3 4 5 8	5 15 28 16 6	2 16 19 18 9
10. Petroleum	+	4 3 3 12 5	7 5 0 15 1	47 60 52 45 22	32 32 14 21 30	31 49 37 43 55
	=	65 46 57 62 74	78 79 88 71 80	41 35 41 48 57	60 51 67 72 52	69 47 49 50 40
	—	31 51 40 26 21	15 16 12 14 19	12 5 7 7 21	8 17 19 7 18	0 4 14 7 5
11. Building materials, pottery, glassware	+	9 9 8 8 7	7 13 7 7 15	35 35 32 35 35	11 9 9 5 11	22 14 19 19 25
	=	46 50 47 47 48	61 60 57 64 61	54 56 58 55 57	68 67 61 56 62	74 81 74 71 65
	—	45 41 45 45 45	32 27 36 29 24	11 9 10 10 8	21 24 30 39 27	4 5 7 10 10
12. + 13. Iron and steel Primary processing of iron and steel	+	5 4 4 3 3	9 8 2 4 7	20 29 27 30 29	7 12 1 4 5	9 9 5 7 14
	=	39 34 29 31 30	51 39 32 37 55	80 70 73 70 70	56 41 50 60 79	81 66 55 72 76
	—	56 62 67 66 67	40 53 66 59 38	0 1 0 0 1	37 47 49 36 16	10 25 40 21 10

RESULTS BY BRANCH OF INDUSTRY AT COMMUNITY LEVEL (cont'd)

The figures are percentages of replies received

Sector	Questions	1971	Assessments			Expectations	
			Total order-book	Export order-book	Stocks of finished products	Production	Selling prices
			A S O N D	A S O N D	A S O N D	A S O N D	A S O N D
14. Metal consumer articles	+		14 15 12 11 9	17 14 7 12 11	21 15 16 17 17	18 13 12 9 13	38 37 37 42 47
	=		53 53 51 56 59	45 46 55 49 53	64 68 71 68 76	67 69 71 67 69	61 62 60 58 52
	-		33 32 37 33 32	38 40 38 39 36	15 17 13 15 7	15 18 17 24 18	1 1 3 0 1
15. General equipment	+		17 10 9 5 6	6 4 4 3 4	19 20 19 17 17	13 9 6 7 9	34 39 43 40 39
	=		54 60 54 55 58	60 60 58 55 57	73 73 76 77 78	71 69 64 63 68	61 55 50 52 54
	-		29 30 37 40 36	34 36 38 42 39	8 7 5 6 5	16 22 30 30 23	5 6 7 8 7
16. Mechanical equipm. (other than electrical)	+		11 8 7 6 6	8 5 5 5 6	28 33 33 32 30	9 8 5 5 6	40 40 41 46 44
	=		44 39 40 40 42	47 42 40 43 52	67 62 63 64 67	66 61 63 63 65	59 57 58 52 55
	-		45 53 53 54 52	45 53 55 52 42	5 5 4 4 3	25 31 32 32 29	1 3 1 2 1
17. Domestic electric appliances, radio, television	+		10 15 11 9 11	10 9 7 5 5	32 25 20 26 28	17 13 7 9 16	42 32 30 42 43
	=		57 60 65 65 65	64 52 60 64 72	61 63 68 62 61	69 71 83 74 71	56 65 68 56 56
	-		33 25 24 26 24	26 39 33 31 23	7 12 12 12 11	14 16 10 17 13	2 3 2 2 1
18. Electrical equipment	+		16 14 12 11 9	6 5 7 9 9	21 21 25 28 27	21 20 17 15 14	30 31 33 27 29
	=		60 58 54 51 54	75 69 66 65 69	75 75 71 66 66	61 60 60 66 67	69 64 62 67 67
	-		24 28 34 38 37	19 26 27 26 22	4 4 4 6 7	18 20 23 19 19	1 5 5 6 4
19. Motor vehicle industry	+		16 15 13 2 4	9 4 5 6 7	10 14 20 20 21	25 21 16 14 19	27 25 33 38 56
	=		72 64 64 59 57	57 57 61 44 52	47 56 66 74 73	62 68 49 52 57	73 75 67 62 43
	-		12 21 23 39 39	34 39 34 50 41	43 30 14 6 6	13 11 35 34 24	0 0 0 0 1
20. Shipbuilding, aircraft manufacturing, railway and tramway rolling stock	+		16 15 16 13 9	10 14 14 10 15	5 3 8 5 7	19 20 18 16 18	55 63 72 42 43
	=		51 53 65 62 59	37 33 44 48 58	95 97 92 95 93	77 75 76 63 65	45 37 28 58 57
	-		33 32 19 25 32	53 53 42 42 27	0 0 0 0 0	4 5 6 21 17	0 0 0 0 0
21. Precision and optical instruments, watches and clocks	+		11 14 11 11 12	10 12 9 10 15	27 29 27 33 32	15 11 11 9 7	23 26 34 41 51
	=		50 42 42 40 42	46 49 48 46 60	63 66 67 62 63	69 65 70 66 74	77 74 65 58 48
	-		39 44 47 49 46	44 39 43 44 25	10 5 6 5 5	16 24 19 25 19	0 0 1 1 1
B. Rubber	+		6 2 2 4 4	13 15 12 18 20	22 43 44 43 44	23 9 20 19 23	31 27 41 28 27
	=		71 73 78 73 70	50 40 44 34 60	63 46 53 54 53	61 54 46 45 71	69 73 59 71 72
	-		23 25 20 23 26	37 45 44 48 20	15 11 3 3 3	16 37 34 36 6	0 0 0 1 1
C. Non-ferrous metals industry	+		2 1 2 2 2	0 0 0 0 8	30 30 30 27 25	14 14 11 4 5	19 18 18 20 21
	=		27 24 24 29 34	44 42 42 38 45	66 65 63 73 74	63 52 61 65 79	67 59 57 61 62
	-		71 75 74 69 64	56 58 58 62 47	4 5 7 0 1	23 34 28 31 16	14 23 25 19 17
Total of industry	+		11 11 10 8 8	9 7 6 7 8	25 27 26 27 25	18 15 11 11 15	29 28 29 30 33
	=		53 50 49 51 51	54 51 51 51 59	66 65 68 68 69	65 63 63 64 68	68 64 61 62 61
	-		36 39 41 41 41	37 42 43 42 33	9 8 6 5 6	17 22 26 25 17	3 8 10 8 6