

## Monthly business survey (goods producing industries)

Note: Business surveys are published according to the French economic activities and products classification, NAF rev. 2 since April 2010. This new classification became national classification in January 2008 and replaced the French economic activities and products classification, NAF rev. 1, dating back to 2003.

### Survey description

The INSEE Department of Short-Term Economic Analysis conducts a monthly business survey of industrial enterprises in the competitive sector. The scope of coverage includes :

- Manufacturing industries, which contains:
  - Manufacture of food products and beverages
  - Manufacture of coke and refined petroleum products <sup>(1)</sup>
  - Electrical and electronic equipment; machine equipment
  - Manufacture of transport equipment
  - Other manufacturing
- Mining and quarrying <sup>(1)</sup>.

The survey sample comprises about 4,000 enterprises.

The method used is stratified sampling without replacement and with unequal probabilities. Each sample stratum corresponds to one activity sector (using the French NAF rev. 2 since April 2010). The individual responses for each primary stratum (A129 level) are aggregated after being weighted in accordance with structural constants. These are supplied annually by the enterprises themselves—as a rule, in the April quarterly survey.

Most of the monthly-survey questions concern the enterprise's products. Responses to these questions are weighted by the total product sales (turnover) or product export sales. The only questions to which this product-oriented approach is not applied are the ones regarding overall expectations, for which a simple, unweighted mean is used.

Except for overall expectations, the inter-strata aggregation relies on adjustment coefficients from external sources (National Accounts, Annual Enterprise Survey). These provide a structure resembling that of the total French goods-producing sector.

All questions are qualitative with a triple choice. The results are reported as balances of opinion, i.e., the differences between the percentage of "increase" or "above normal" responses and the percentage of "decrease" or "below normal" responses. This presentation improves clarity without notable information loss.

The series should be consistently interpreted with caution: changes in scores should always be treated as more significant than absolute score levels. If, however, analysts wish to qualify the level figures, they should always refer to the mean long-term value of a series in order to allow for business owners' habitual response behavior.

All series have been seasonality-tested. As a result, the published series display no residual seasonality. An initially non-seasonal series is shown as a seasonally-adjusted series with null coefficients.

(1). To comply with regulations on statistical confidentiality, the results for these sectors are not published separately but are included in the aggregate results.

## Indicators

Each indicator is computed as the difference between the percentages of positive and negative responses.

### Change in production

Change in past three months:

... increase (+)                      ... no change                      ... decrease (-)

Likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

### Demand level

Total (all sources): for the season, your order intake (or demand for your products) is currently:

... above normal (+)                      ... normal                      ... below normal (-)

International: for the season, your order intake (or demand for your products) is currently:

... above normal (+)                      ... normal                      ... below normal (-)

### Finished-product inventories (stocks) (products ready for sale)

For the season, your current inventories of finished products are:

... above normal (+)                      ... normal                      ... below normal (-)

### Likely change in selling prices (net of taxes)

Likely change in your selling prices in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

### Expectations for total French goods-producing industries

Industrial production volume: likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

Overall prices of industrial products: likely change in three months ahead:

... increase (+)                      ... no change                      ... decrease (-)

## Changes in Survey questionnaire

To ensure complete harmonization of European business surveys, the monthly questionnaire for the French industrial survey has been slightly modified with effect from January 2004.

The main change concerns the question on the outlook for selling prices. The question is now worded identically in the monthly questionnaire and the quarterly questionnaire (January, April, July, and October). Until now, the question in the quarterly surveys was quantitative and the responses were converted into qualitative changes; in the monthly surveys, the question was qualitative. This difference in approach complicated the comparison between monthly and quarterly results.

Henceforth, the question will be phrased as follows in the monthly and quarterly questionnaires:

*Likely change in your selling prices (net of taxes) in three months ahead:* ↗   ⇨   ↘

The series on individual respondents' price outlook has thus been made consistent, which should facilitate its interpretation.

The above-mentioned changes in the survey questionnaire will fully harmonize it with the harmonized European industrial-survey questionnaire. As approximately European thirty institutes producing business surveys have done the same, the results obtained will be more directly comparable.