PART THREE:
INTERPRETATION AND DISSEMINATION OF SURVEY RESULTS

3.1. - Interpretation of Survey results

Indicators developed from business-survey results using very simple procedures provide timely signals on activity, employment, and other economic aggregates of crucial importance to short-term economic analysis.

In this section we offer some "internal" and "external" guidelines for interpreting the Building Survey results.

The "internal" guidelines consist in displaying the results in the most legible form possible (§3.1.1).

The "external" guidelines allow the indicators introduced in §3.1.1 to be interpreted with reference to an exogenous measure of the aggregates on which the Survey is designed to provide leading information: turnover (sales) and employment in the building industry.

3.1.1. - Summary of surveyed enterprises' responses to each question: balances of opinion

For each qualitative question asked, the Building Survey directly supplies a distribution of enterprises into three groups: (1) enterprises giving a positive response (increasing, above normal, etc.), (2) enterprises giving an "intermediate" response (unchanged, normal, etc.), and (3) enterprises giving a negative response (decreasing, below normal, etc.). However, the simultaneous analysis of the changes in three percentages that sum to 100% is fairly inconvenient, whatever the visual representation chosen. This point is illustrated by Charts 1 and 2, taking the example of responses to the question on expected business activity (measured by turnover).

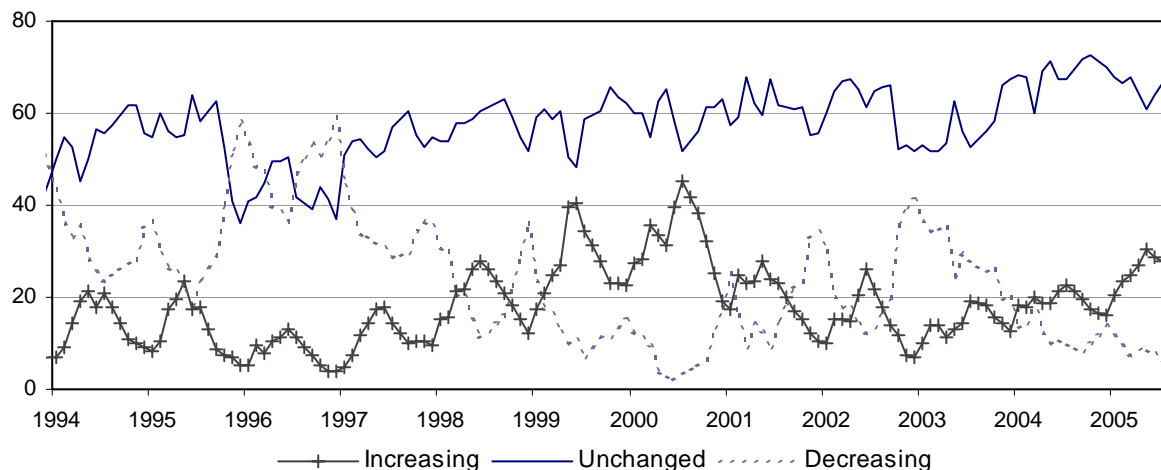**Chart 1**: Expected business activity (% of responses)
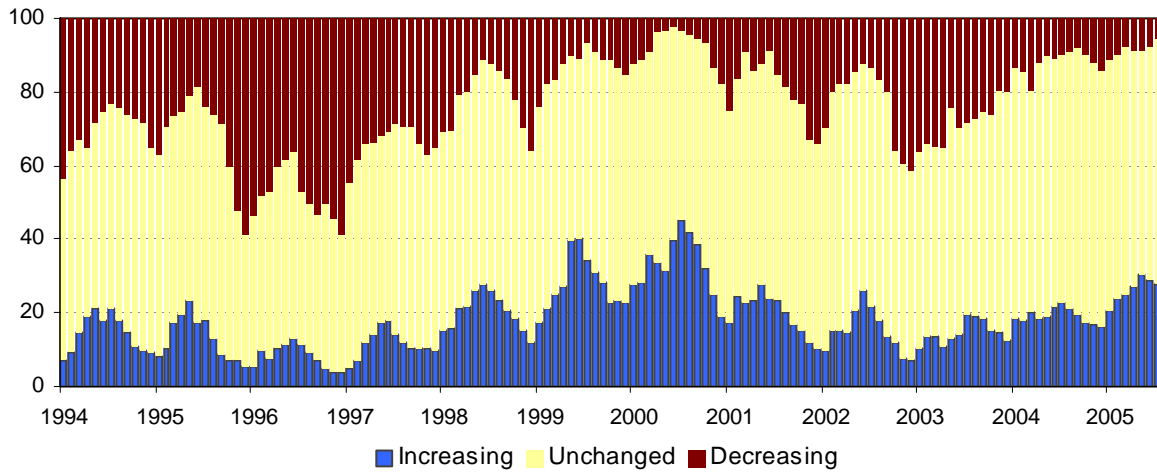"Curve" display

Chart 2: Expected business activity (% of responses)
"Bar " display

Experience shows that we can simply focus—with a limited loss of information—on the algebraic difference between the two percentages concerning the diametrically opposing opinions (increase and decrease, above normal and below normal). This difference—i.e., the balance of opinion—is more legible and offers a fairly clear reflection of the business cycles (see Chart 3 and §3.1.2)[1].

Chart 3: Expected business activity (balance of opinion, SA)
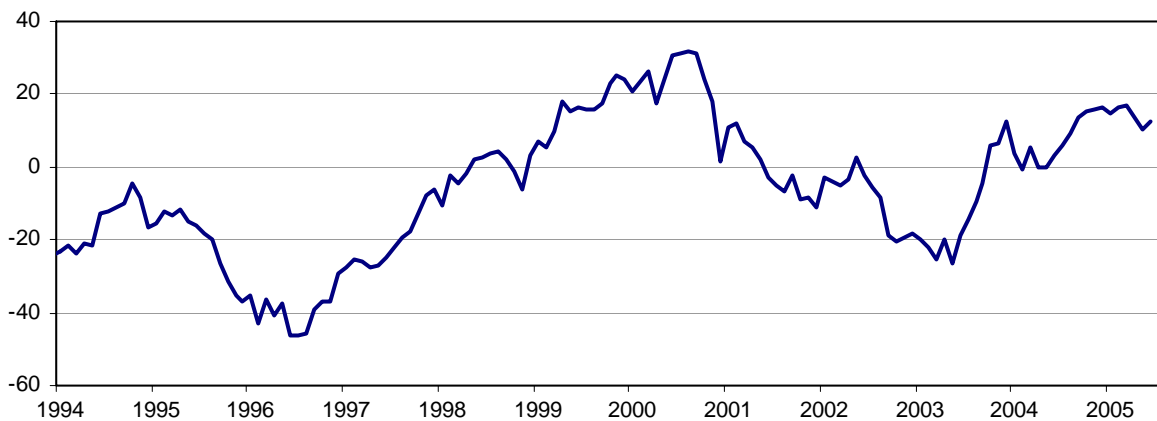
In themselves, balances of opinion are abstract numbers: they can only be interpreted by referring to earlier balances or to their long-term averages. Only the changes in responses measured in several Surveys can give meaning to the balances. Correlatively, the interpretation of the balances must take account of the factors to which business owners refer when responding:

- Some business owners view their turnover as satisfactory when it is increasing faster than a given rate. Consequently, the qualitative indicator may be negative for positive turnover growth rates. More generally, the absolute value of balances may be affected by such "subjective biases", which must be reduced by means of an appropriate method for reading the balances when interpreting the results.

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[1] The building of balances of opinion is discussed in detail in §2.4.3. For a justification of the concept of balance of opinion, see Fansten (1976).

Insee Méthodes

- Some business owners fail to eliminate seasonal variations, hence the frequent need to observe seasonally adjusted (SA) series in order to assess the trends correctly (see §2.5).

Lastly, the information yielded by a change in an opinion balance is all the more reliable as the percentages of enterprises having responded positively (increasing, above normal, etc.) or negatively (decreasing, below normal, etc.) are sufficiently high. One must be cautious in interpreting a balance when the percentage of "intermediate" responses (unchanged, normal) is unusually large.

3.1.2. - The Building Survey as a timely indicator of activity in the industry

One of the main goals of the Building Survey is to collect timely information on activity in the industry. Hence the importance of verifying the existence of a high correlation between the Survey's main results and selected economic aggregates representative of the industry.

This is effectively illustrated by Charts 4 and 5 below. The balance of opinion on expected workforce size in the building industry is also a fairly satisfactory proxy for that aggregate (Chart 4). Likewise, the balance of opinion on expected business activity accurately captures the annual changes in construction-industry production, particularly since 1997 (Chart 5).

Chart 4: Workforce size in construction industry
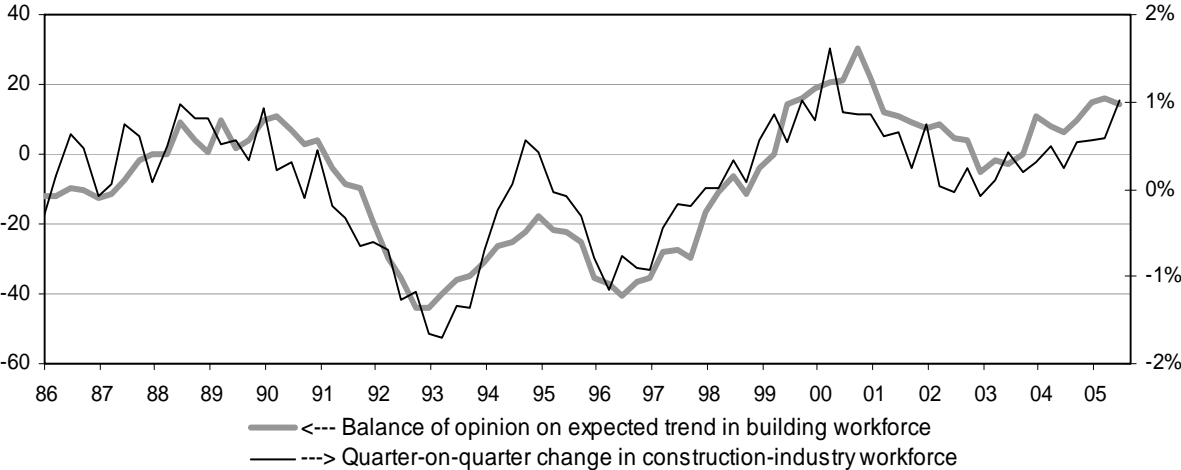and balance of opinion on expected trend in building workforce

—— <--- Balance of opinion on expected trend in building workforce
—— ---> Quarter-on-quarter change in construction-industry workforce

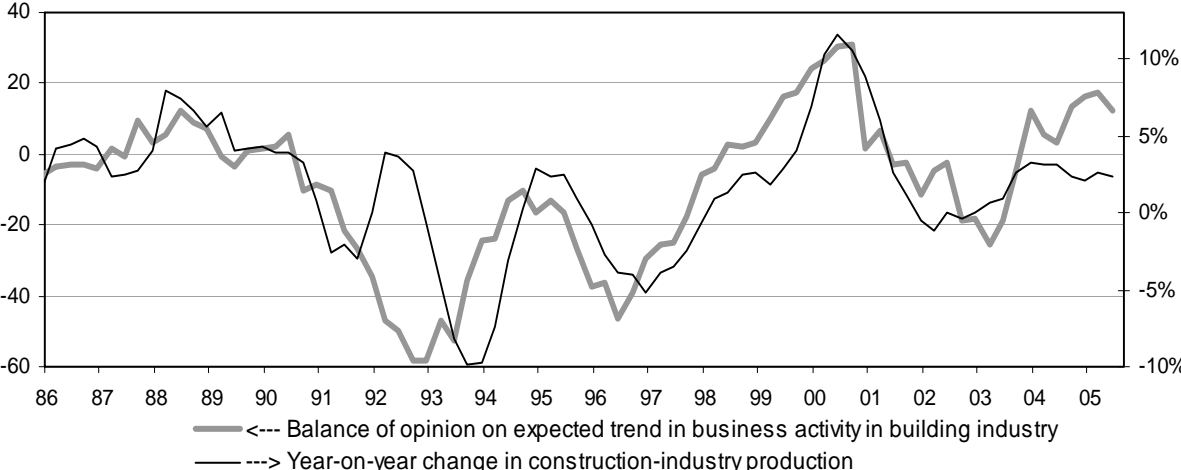**Chart 5**: Construction-industry production
and balance of opinion on expected trend in business activity in building industry

—— <--- Balance of opinion on expected trend in business activity in building industry
—— ---> Year-on-year change in construction-industry production

Exploiting the strong correlations illustrated in Chart 5, INSEE's Business Surveys Division uses the Building Survey results to compile quarterly short-term forecasts of activity and employment in the construction industry for the serial publications entitled *Notes* and *Points de Conjoncture*.

3.2. - Dissemination of Survey results

The Building Survey is executed and published every month except August[2]. Since July 1999, the series have been presented using the French Classification of Economic Activities (Nomenclature d'Activités Française: NAF).

The results are released in three publications: *Informations Rapides*, *Tableau de bord de la conjoncture en France*, and *Notes de Conjoncture* (plus their companion *Points de Conjoncture*).

The building series (raw and seasonally adjusted) are also available in the INSEE Macroeconomic Database (Banque de Données Macroéconomiques: BDM), and the latest *Informations Rapides* is accessible on the INSEE website (www.insee.fr).

As the Building Survey forms part of the Harmonised European Programme of Business and Consumer Surveys, the data from the French Survey are sent to the European Commission, which disseminates them in its own publications.

3.2.1. - Informations Rapides

At the end of the Survey execution month, the Survey's main results are published in an issue of *Informations Rapides*. This four-page document is very widely distributed, in particular to economic journalists.

3.2.2. - Tableau de bord de la conjoncture en France

The *Tableau de bord de la conjoncture en France* are daily round-ups of the main short-term economic indicators. They are chiefly designed to summarise the information produced by INSEE (and published in the *Informations Rapides* series). This summary is complemented by a selection of the main indicators prepared by other organisations. The *Tableau de bord de la conjoncture en France* are thus a valuable tool for economic analysts and economic journalists.

In particular, the *Tableau de bord de la conjoncture en France* contain charts of the main series of the Building Survey, along with a general commentary. They are available on the INSEE website[3] (see also §3.2.5).

3.2.3. - *Contribution to* Notes de Conjoncture

The *Notes de Conjoncture* are issued three times a year in March, June, and December. A more concise *Point de Conjoncture* updates the June *Note* in October. Both publications present INSEE's short-term forecasts. Construction-industry activity and outlook are discussed three times a year in the "Production" section of the *Notes*.

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[2] The August value is obtained with a linear interpolation of the data from the July and September Surveys.

[3] At the following address: http://www.insee.fr/fr/indicateur/tableau_de_bord/tableau_de_bord.asp.

3.2.4. - *Macroeconomic Database (*Banque de Données Macroéconomiques*: BDM)*

The main Building Survey results are available in the BDM. The raw series go back to 1975; most are also shown in seasonally-adjusted form. At present, the database contains 150 building series: 100 monthly series and 50 three-monthly series. The series are accessed via scrolling menus using two alternative paths— "Statistiques françaises" [French statistics] or "Principaux indicateurs" [Main indicators]—in correlation with *Informations Rapides*. The BDM is the prime vehicle for public release of the Survey series. The database is open to INSEE and non-INSEE users.

3.2.5. - *Data available on the Internet*

A few years ago, INSEE opened a website (www.insee.fr), which offers the public a very wide range of information. The short-term indicators section notably includes all issues of *Informations Rapides* (at least in the French version of the site), among them the most recent publication on the Building Survey (to access the French version, click on "Conjoncture", "Indicateurs", "Autres indicateurs" then on the row "Enquête mensuelle dans le bâtiment" [Monthly survey of building industry] in the pop-up table)[4].

As a complement to its national indicators and analyses and its links to sites presenting European indicators, the INSEE website offers the public a set of analyses of current economic conditions in French regions, prepared by several of the Institute's Regional Offices[5]. Some "dashboards" and analyses presented under the "Conjoncture" [Current economic conditions] heading of INSEE regional websites reproduce the results of the Building Survey after weighting business owners' responses by coefficients reflecting the breakdown of the regional economy by industry[6].

3.2.6. - *European Commission publications of Building Survey results*

The European Commission dissemination medium for the construction industry (building/public works) is *European Economy: Business and Consumer Survey Results*, available on the Commission website in English only (see part 4 and references at the end of this document).

As the French Building Survey forms part of the Harmonised European Programme of Business and Consumer Surveys, some of its sectoral results are sent to the Commission, which disseminates them as information about France. These results of the French Survey are also incorporated into the computation of aggregate figures for the euro zone and the EU25.

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[4] At the time of writing, the English version of the site did not yet carry the full series of *Informations Rapides*. In particular, the construction-industry results were available only in the French section.

[5] www.insee.fr, click on "Le portrait de votre région" [Portrait of your region]; select the region you want in order to reach the home page of the corresponding INSEE Regional Office. Then click on "La région en faits et chiffres" [The region in facts and figures], "Conjoncture" [Current economic conditions] heading.

[6] The regional uses of the Building Survey are listed in the summary technical description of the Survey, Appendix 1, item 9.