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APPENDICES

Appendix 1 - **Summary technical description of Building Survey**

1. Survey name and status

Official name: "Business Survey on the Situation and Outlook in the Building Industry".

Abbreviated names: "Business Survey of the Building Industry" or "Building Survey".

On 19 June 2003, the Survey was submitted for review to the Quality Label Committee of the National Council for Statistical Information (Conseil National de l'Information Statistique: CNIS), which designated it as a statistical operation "of public interest" and certified its statistical quality.

2. Producer

INSEE, Department of Short-Term Analysis, Business Surveys Division.

3. Frequency

Monthly except August.

4. General purposes of Survey, main topics covered, and Survey variables

The purpose of the Building Survey is to supply timely information on conditions in the building industry, for economic analysis and short-term forecasting of building-enterprise activity at the national and European levels. The Survey is the source of data on the French building-industry for the Harmonised European Programme of Business and Consumer Surveys.

The Survey seeks to record business owners' opinions on their recent business activity and outlook. It does so by tracking the volume of business activity and related variables such as order books, production constraints, and changes in workforce size and prices. Business owners also provide estimates of their investments and an opinion on their cash-flow position, as well as on their customers' settlement times and late payments. The Survey thus provides information on the business trend in each building sector, but also explanations of these trends.

The questions are worded to facilitate fast response. Most questions are qualitative with a choice of three answers expressed in "increasing/decreasing/unchanged" or "above normal/normal/below normal" form. The number of questions varies from about fifteen to about twenty, depending on the questionnaire. The responses to the four quantitative questions (total turnover and turnover by project category; workforce size; share of work performed in public-sector projects; share of work performed in region where enterprise is located) are preprinted: the enterprise is asked to update its responses only once a year, when the structural constants are revised.

5. Characteristics of sample (units surveyed, survey field, sampling method, coverage rate, and response)

The units surveyed are enterprises (legal units). The Survey is conducted by means of stratified sampling (by sector at the NAF700 level and using six brackets for enterprise size) of 3,000 enterprises in the building industry.

The sectors covered are defined by the following NAF codes: Division 45 (excluding 45.1, 45.2C, 45.2D, 45.2E, 45.2F, 45.2N, 45.2P, 45.2R, 45.2U, 45.3H, and 45.5Z).

All enterprises with more than 500 employees are surveyed. The sample consists of an enterprise panel. It is tracked continuously and revised once a year. Revision operations include removal of enterprises that have discontinued operations; addition of newly established large enterprises belonging to the "exhaustive-coverage" stratum; random sampling without replacement of the number of small and medium-sized enterprises needed to obtain a sample of the desired size; and so on. The principal sampling frame is INSEE's Annual Enterprise Survey in the building industry.

The coverage rate of the building industry is about 45% as a percentage of turnover by building enterprises, slightly under 40% as a percentage of their workforce, and approximately 17% of the number of enterprises in the industry[1].

In H1 2005, the mean response rate was 67% (percentage of enterprises having returned a questionnaire out of total number of questionnaires sent), 72% in turnover-weighted terms, and 68% in workforce-weighted terms.

6. Collection period and publication date

The Survey is performed every month except August. Collection takes place by postal mail from the end of the month before the Survey month m to a few days before the end of month m: questionnaires are posted around the 27th of month m-1, reminders are sent out around the 10th of month m, sectoral results are sent to the European Commission 4 working days before the end of month m, and results are published at the end of month m.

7. Processing of results

The results of a Survey m are initially published in provisional form at the end of the Survey execution month. When the following Survey (m+1) is published, they are revised to incorporate late responses: these are referred to as the final figures.

To ensure comparability, the results of the two latest Surveys are computed on the same sample of responding or "imputed" enterprises ("constant sample" procedure). For qualitative questions, an answer actually provided in Survey m-1 is carried forward, in the event of a non-response in Survey m, to allow the provisional processing of the latter. For the final processing of Survey m-1, an intermediate response between the responses to Surveys m-2 and m is imputed to non-responding enterprises if needed.

INSEE calculates weighted averages of actual and imputed responses in the primary strata. Depending on the question, the weighting is based on the enterprise's turnover (total or by project category) or workforce size. The primary averages computed in the primary aggregation are aggregated to the various levels of publication or analysis using a weighted average based on adjustment coefficients derived from sources external to the business survey (INSEE's Annual Enterprise Survey). These coefficients are updated annually when the sample is renewed.

8. Precision of balances of opinion

The rigorous method for computing the precision of a balance of opinion (or, more accurately, of its standard deviation linked to the sampling error) is described in detail in Caron, Ravalet, and Sautory (1996). When this method is applied to the balances of opinion for the total building industry (field of survey), the sampling-related margin of uncertainty obtained does not exceed four points of the balance at the most aggregated level.

[1] Estimate based on 2003 Annual Enterprise Survey.

9. Users and uses of results

The Building Survey is used by: economic analysts and forecasters at INSEE, in the Forecasting Directorate of the French Ministry of Economy, Finance, and Industry (Direction générale du trésor et de la politique économique—DGTPE) and other institutes in France and abroad, as well as in international organisations (European Commission—most notably DG-Ecfin[2] and Eurostat—the European Central Bank, OECD, etc.); decision-makers (government officials, enterprises, and trade organisations); economists; and economic journalists.

The Survey results are used at three levels: European, national, and regional. At each of these levels, they serve to track short-term developments in the economic activity sectors covered, as well as to prepare short-term business forecasts (one or two quarters):

- at the European level, they form part of the battery of indicators used by European authorities for tracking short-term developments in the euro zone;

- at the national level, they are one of the sources used to develop short-term analyses of the French economy;

- at the regional level in France, some INSEE Regional Offices rely on the Survey results as a source of initial indications on local construction-industry conditions. For this purpose, they use a reprocessing method that applies regional weightings to the detailed Survey figures. When used for such tracking of regional short-term developments, the Survey provides insights that allow regional analysts to corroborate or, on the contrary, to qualify impressions formed by examining other sources. This type of application seeks to respond to the strong demand for short-term information often expressed by regional government bodies, local elected officials, and regional trade organisations.

10. Role and contribution of Survey in existing statistical system covering the same field

Business surveys are published very rapidly—faster than quantitative statistics. They also provide a relatively comprehensive and consistent view of an activity sector, shedding light on areas that are covered with considerable lags, if at all, by traditional statistics. They are a key source for gauging the expectations of businesses.

As INSEE's Building Survey is integrated into the Harmonised European Programme of Business and Consumer Surveys, it is the source for qualitative information published on the French construction industry by the European Commission for the European Union (EU), the euro zone, and individual EU Member States. As its results are directly comparable with those of the other surveys in the Harmonised Programme, it is a particularly valuable source for economic analysts tracking the euro zone and the EU. The Survey results are used to compute the European Commission's monthly Business Climate Indicator, prepared by combining the results of business surveys (in manufacturing, construction, retail trade, and services) and consumer surveys carried out by institutes of countries participating in the Harmonised Programme.

Moreover, at the national level, some Building Survey results are used to compile the short-term forecasts of production and workforce size in the construction industry published in INSEE's *Notes de Conjoncture* and *Points de Conjoncture*.

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[2] Directorate-General for Economic and Financial Affairs.

Appendix 2 - **Main short-term questions in Building Survey**

Summary of question topic	Response	Type of response	Frequency of question	Constant sample	EU
Trend in your turnover in past three months (total and by project category)	increasing unchanged decreasing	three-choice	monthly	yes	yes
Likely trend in your turnover in three months ahead (total and by project category)	increasing unchanged decreasing	three-choice	monthly	yes	no
Order-book level (in months)	number of months	quantitative	monthly	yes	yes
Opinion on order books	above normal normal below normal	three-choice	monthly	yes	yes
Cash-flow position since previous survey	better comparable worse	three-choice	quarterly	no	no
Trend in settlement times (overall and by customer category)	getting shorter unchanged getting longer	three-choice	quarterly	no	no
Trend in late payments (overall and by customer category)	getting shorter unchanged getting longer	three-choice	quarterly	no	no
Obstacle to production increase	yes no	two-choice	monthly	yes	yes
If yes, specify: . weak demand . poor weather conditions . workforce shortage . equipment shortage . financial problems[3] . procurement problems . other	 yes / no yes / no yes / no yes / no yes / no yes / no yes / no	 two-choice two-choice two-choice two-choice two-choice two-choice two-choice	monthly	yes	yes

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[3] Choice added to questionnaire since January 2004 Survey.

French business survey on situation and outlook in building industry

Summary of question topic	Response	Type of response	Frequency of question	Constant sample	EU
Potential for increasing production	yes no	two-choice	monthly	yes	no
If yes, by how much?	percentage	quantitative	monthly	yes	no
Hiring problems	yes no	two-choice	monthly	no	no
If yes, for what kind of personnel?	4		quarterly	no	no
Total number of persons employed in past three months	increasing unchanged decreasing	three-choice	monthly	yes	no
Likely trend in number of persons employed in three months ahead	increasing unchanged decreasing	three-choice	monthly	yes	yes
General outlook for total building industry	increasing unchanged decreasing	three-choice	quarterly	no	no

4 The question is open-ended, but the only percentages published in *Informations Rapides* concern labourers, unskilled workers, skilled workers, and technicians and supervisory personnel

Summary table of questions asked in each Survey month

	January, July, and October	February, March, May, June, September, November and December	April
Structural data (total turnover and turnover by project category, total workforce, share of work performed on public-sector projects, share of work performed in region where enterprise is based)			x
Short-term data			
Past turnover	x	x	x
. all projects	x	x	x
. construction of new dwellings	x	x	x
. construction of other new buildings	x	x	x
. improvement and maintenance	x	x	x
. of which: public-sector projects	x		x
. of which: private-sector projects	x		x
Expected turnover	x	x	x
. all projects	x	x	x
. construction of new dwellings	x	x	x
. construction of other new buildings	x	x	x
. improvement and maintenance	x	x	x
. of which: public-sector projects	x		x
. of which: private-sector projects	x		x
Order-book level	x	x	x
Opinion on order books	x	x	x
Expected prices	x	x	x
Cash-flow position	x		x
Settlement times	x		x
. all projects	x		x
. of which: public-sector projects	x		x
. of which: private-sector projects	x		x
Late payments	x		x
. all projects	x		x
. of which: public-sector projects	x		x
. of which: private-sector projects	x		x

	January, July, and October	February, March, May, June, September, November and December	April
Obstacles to business growth	x	x	x
. weak demand	x	x	x
. poor weather conditions	x	x	x
. workforce shortage	x	x	x
. equipment shortage	x	x	x
. financial constraints	x	x	x
. procurement problems	x	x	x
. other	x	x	x
Potential for increasing production	x	x	x
. percentage increase	x	x	x
Past workforce size	x	x	x
Expected workforce size	x	x	x
Hiring problems	x		x
Apprentice training	x		x
General business outlook	x		x

Appendix 3 - **Questionnaire models, 2006**

Directorate of Economic Studies and Summaries

INSEE

INSTITUT NATIONAL
DE LA STATISTIQUE
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ÉCONOMIQUES

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FEDERATION
FRANCAISE
DU BATIMENT

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SIRET
-

INSEE contact for this
questionnaire:

Phone: 01 41 17 59
Fax: 01 41 17 36 24

Paris, [date]

BUSINESS SURVEY ON THE SITUATION AND OUTLOOK IN THE CONSTRUCTION INDUSTRY
January 2006

Please return this questionnaire by

INSEE wishes you a Happy 2006 and thanks you for participating in this survey

Dear Respondent,

You share our interest in past and expected business trends in the construction industry, in which your company operates.
With the agreement of your National Federation, and your regional and département representative bodies, INSEE has developed the questionnaire below. We have aimed to make it clear, simple, and easy to fill in, so as to replace traditional surveys by effective dialogue with your business sector. Your response will therefore be valuable.

Naturally, in exchange, we will inform you personally of the Survey results.

Thank you in advance for taking the time to answer this questionnaire.

T. Ceccon
Chairman, Council of FFB Regional Branches

M. Devilliers
Head of Department of Short-Term Economic Analysis

COMMENTS

Name and position of respondent: -
Phone: E-mail:
Please correct any errors in the enterprise address.

Please fill in the questionnaire as indicated and return it in the enclosed postage-paid envelope.

I – PLEASE TELL US ABOUT YOURSELF

1. Principal economic activity of your enterprise: ....

2. Breakdown of your turnover (sales), net of taxes, in metropolitan France, in **2004**:

	Total	Construction work			Other
		New dwellings	Other new buildings	Improvement and maintenance	
Totals in euros					
% of business subcontracted	**%**	**%**	**%**	**%**	**%**

3. Share of construction work performed on public-sector projects .... **%**

4. Share of construction work performed in your region .... **%**

5. Average workforce size in your enterprise in **2004** .... **employees**

II – HOW IS YOUR BUSINESS DOING?

(Circle the appropriate arrow)	Total turnover			New dwellings			Other new buildings			Improvement and maintenance		
1. Change in past 3 months:	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘
of which – public-sector projects	↗	⇨	↘									
– private-sector projects	↗	⇨	↘									
2. Likely change in 3 months ahead:	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘
of which – public-sector projects	↗	⇨	↘									
– private-sector projects	↗	⇨	↘									

III – WHAT ABOUT YOUR ORDER BOOKS?

1. Number of months of work guaranteed by your current order books, with your workforce working at full capacity .... months

2. For the season, do you regard your orders as ☐ above normal ☐ normal ☐ below normal

IV – WHAT ARE YOUR PRICE FORECASTS?

What change do you expect in the prices of the contracts you will be handling in the 3 months ahead?   ↗   ⇨   ↘

V – WHAT IS YOUR FINANCIAL POSITION?

1. Since the previous survey, your financial position is: ☐ better ☐ comparable ☐ worse

	All projects	Public-sector projects	Private-sector projects
2. Your customers' settlement times have been:	☐ getting shorter ☐ unchanged ☐ getting longer	☐ getting shorter ☐ unchanged ☐ getting longer	☐ getting shorter ☐ unchanged ☐ getting longer
3. Your customers' late payments have been:	☐ getting shorter ☐ unchanged ☐ getting longer	☐ getting shorter ☐ unchanged ☐ getting longer	☐ getting shorter ☐ unchanged ☐ getting longer

VI – HOW ARE YOU USING YOUR PRODUCTIVE CAPACITY?

Are there obstacles to your business growth?.. ☐ YES ☐ NO

    If YES, please specify:

        - weak demand .... ☐

        - adverse weather conditions .... ☐

        - shortage in your workforce, which you are having trouble increasing .... ☐

        - inadequate plant or equipment .... ☐

        - financial constraints .... ☐

        - procurement problems .... ☐

        - other (please describe) ....

If you were to receive more orders, would you be able to raise production with your current resources? ☐ YES ☐ NO

    If YES, by how much? .... %

VII – HOW ARE YOUR INVESTMENTS?

1. Did you make investments in **2005?** .... ☐ YES ☐ NO

    If YES, please indicate amount ....euros

    of which   replacement ....%

                capacity growth ....% Total = 100%

2. Will your expected investment expenditures in **2006** be**:**

            ☐ above   ☐ comparable to   ☐ below   what they were in **2005?**

VIII – WHAT IS THE EMPLOYMENT TREND IN YOUR ENTERPRISE?

1. What is the mean age of your workforce? .... years

2. Are you experiencing hiring problems? .... ☐ YES ☐ NO

    If YES, for what type of personnel? ....

3. Are you training apprentices?.. ☐ YES ☐ NO

4. Change in your total workforce (whether salaried or not) in past 3 months .... ↗ ⇨ ↘

5. Likely change in your total workforce (whether salaried or not) in 3 months ahead .... ↗ ⇨ ↘

IX – TO CONCLUDE, WHERE IS THE CONSTRUCTION INDUSTRY HEADING?

What is your business outlook for the construction industry as a whole in the 3 months ahead?...... ↗ ⇨ ↘

EXPLANATORY NOTE

1 – CLASSIFICATION OF PRINCIPAL ACTIVITIES (question I)

Please select the principal activity of your enterprise from the list of activities below:

- Carcase work involving reinforced-concrete masonry, structural steel work, lifting-erection, demolition, historical monuments, standardised houses.

- Framework, locksmith work, ironwork, joinery, parquet floors, shutters and blinds.

- Roofing, plumbing, water and gas, sealing.

- Heating, insulation, air conditioning, ventilation, stove-building.

- Installation, finishings, plasterwork, staff, floor and wall coverings, painting, glazing, mirrors, marble work, tiling.

- Electrical fixtures and fittings.

2 – DEFINITIONS CONCERNING YOUR COMPANY'S ACTIVITY (questions I and II)

- **Total activities:**

  Total activities, including construction and non-construction (for example: public works, trading, transport, rental, etc.).

- **New dwellings:**

  Structures or parts of structures constructed in dwellings never previously used.

- **Other new buildings:**

  Structures or parts of structures constructed in buildings other than dwellings never previously used.

- **Improvement and maintenance:**

  Work on buildings (residential or non-residential) that have already been used.

- **Other:**

  Total activites excluding construction (for example: public works, trading, transport, rental, etc.).

3 – SHARE OF WORK PERFORMED IN YOUR REGION (question I)

"Region" here is used in the administrative sense, i.e., one of the 22 "project regions" in which your enterprise is located (example Nord-Pas-de-Calais, Bourgogne, Rhône-Alpes, etc.).

4 – DEFINITIONS CONCERNING YOUR ENTERPRISE'S CONSTRUCTION PROJECTS (questions I, II, V)

- **Total:**

  Work performed on building constructions (residential or non-residential), new or second-hand.

- **Public-sector projects:**

  Includes the projects where the client belongs to the public sector (State, local authorities, State-owned enterprises) and projects for which the client may belong to the private sector but **partly funded by the State** (example: subsidised loans to tenants, loans to first-time home-buyers, home-improvement bonuses, etc.).

- **Private-sector projects:**

  Work performed for private-sector clients with **private-sector financing**: individuals, retailers, industrial firms, etc.

  Dwellings built with the aid of State-approved loans are included in this category.

5 – ORDER BOOKS (question III)

Number of months of work corresponding to the value of expected work:

- for private-sector projects covered by signed contracts,

- for public-sector projects awarded to your enterprise by official order or any other procedure,

- excluding work already performed,

- excluding work assigned to subcontractors.

6 – INVESTMENTS (question VII)

Includes: outlays on physical goods: equipment, vehicles, operating premises, and tooling.

Excludes acquisitions of land, equity investments, and real-estate development activities.

Please classify your investments according to the following criteria:

- replacement: investment to replace a production-related asset,

- capacity growth: investment to increase your enterprise's productive potential.

Directorate of Economic Studies and Summaries

INSEE
**INSTITUT NATIONAL
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ET DES ÉTUDES
ÉCONOMIQUES**

FFB FÉDÉRATION FRANÇAISE DU BÂTIMENT

INSEE contact for this
questionnaire:

Phone: 01 41 17 59
Fax: 01 41 17 36 24

Paris, [date]

BUSINESS SURVEY ON THE SITUATION AND OUTLOOK IN THE CONSTRUCTION INDUSTRY
February 2006

Please return this questionnaire by

Dear Respondent,

You share our interest in past and expected business trends in the construction industry, in which your company operates.
With the agreement of your National Federation, and your regional and département representative bodies, INSEE has developed the questionnaire below. We have aimed to make it clear, simple, and easy to fill in, so as to replace traditional surveys by effective dialogue with your business sector. Your response will therefore be valuable.

Naturally, in exchange, we will inform you personally of the Survey results.

Thank you in advance for taking the time to answer this questionnaire.

T. Ceccon
Chairman, Council of FFB Regional Branches

M. Devilliers
Head of Department of Short-Term Economic Analysis

COMMENTS

Name and position of respondent: -
Phone: E-mail:
Please correct any errors in the enterprise address.

Please fill in the questionnaire as indicated and return it in the enclosed postage-paid envelope.

I – HOW IS YOUR BUSINESS DOING?

(Circle the appropriate arrow)	Total turnover			New dwellings			Other new buildings			Improvement and maintenance		
a. Change in past 3 months	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘
b. Likely change in 3 months ahead	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘	↗	⇨	↘

II – WHAT ABOUT YOUR ORDER BOOKS?

1. Number of months of work guaranteed by your current order books, with your workforce working at full capacity .... months

2. For the season, do you regard your orders as ☐ above normal   ☐ normal   ☐ below normal

III – HOW ARE YOU USING YOUR PRODUCTIVE CAPACITY?

Are there obstacles to your business growth? .... ☐ YES   ☐ NO

If YES, please specify:

- weak demand .... ☐

- adverse weather conditions .... ☐

- shortage in your workforce, which you are having trouble increasing .... ☐

- inadequate plant or equipment .... ☐

- financial constraints .... ☐

- procurement problems .... ☐

- other (please describe) ....

If you were to receive more orders, would you be able to raise production with your current resources? ☐ YES   ☐ NO

If YES, by how much? .... %

IV – WHAT IS THE EMPLOYMENT TREND IN YOUR ENTERPRISE?

1. Change in your total workforce (whether salaried or not) in past 3 months	↗	⇨	↘
2. Likely change in your total workforce (whether salaried or not) in 3 months ahead	↗	⇨	↘

V – WHAT ARE YOUR PRICE FORECASTS?

What change do you expect in the prices of the contracts you will be handling in the 3 months ahead?	↗	⇨	↘