

# Survey of the cash-flow situation in industry

## Survey description

The survey of the cash-flow situation in industry is carried out by the Department of Short-Term Economic Analysis at INSEE, at half-yearly intervals, in June and December. It covers a sample of around 4,000 enterprises with over 20 employees.

Since June 2010, results from the half-yearly survey of the cash-flow situation in industry have been calculated using the aggregated classification NA 2008, derived from the French classification of activities revision 2 (NAF rev. 2, 2008).

Its scope covers the following sectors:

- Manufacturing industry, including:
  - Manufacture of food products, beverages and tobacco products;
  - Manufacture of coke and refined petroleum products;<sup>1</sup>
  - Manufacture of electrical, computer and electronic equipment; manufacture of machinery;
  - Manufacture of transport equipment;
  - Other manufacturing;
- Mining and quarrying.

Unless otherwise stated, the results presented cover the whole of this field, assimilated with that of industry. The results produced when a given survey is first published are provisional. The definitive results are incorporated when the following survey is published. They take account of the responses received in the interval.

The majority of the survey questions are qualitative with three modalities of response (e.g. “favourable”, “neutral”, or “unfavourable”). Responses to this type of question are analysed in the form of a balance of opinion, which is the difference between the percentage of positive responses (“favourable” in the previous example, or “increase”) and the percentage of negative responses (“unfavourable” or “decrease”). Balances of opinion should be interpreted as trends or with reference to their long-term average.

Specifically, balances of opinion are estimated from individual responses in two stages. The first is to calculate the weighted means from the turnover of responding businesses (for the last available year), for three size brackets of enterprises crossed with about sixty branches of activity, at level “A129” of the aggregated classification NA 2008. In the second stage, the results for these elementary strata are aggregated by applying a secondary weighting, which adjusts the sample of respondents to the structure of industry.

With the exception of interest rates, all series are seasonally adjusted (SA). A series which initially shows no seasonal characteristics is presented as corrected for seasonal variations and given a zero coefficient. Seasonal coefficients are recalculated every year, which can lead to slight revisions being made to the series.

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<sup>1</sup> Results for this sector are not supplied in order to respect the rules of statistical confidentiality, but they are included in the calculations for the aggregated levels.

**Presentation of the questionnaire**

- Current cash-flow situation, given the season (easy, normal, difficult)
- Change in cash-flow during the half-year, excluding seasonal factors (improvement, stability, deterioration)
- Verdict on operating balance for the half-year (satisfactory, average, poor)
- Factors that have influenced cash-flow (modalities: favourable, neutral, unfavourable)
  - Concerning the income statement:
    - sales volume
    - sales prices
    - sourcing prices
    - wage contributions
    - financial expenses (net of investment income)
    - structural factors (restructuring, etc.)
  - In the balance sheet:
    - exceptional profits or losses
    - the rate of capital spending (including those financed through leasing)
    - financial investment
    - the variation in stable external resources (equity and medium-term assistance including leasing)
    - change in inventories
    - the variation in client credit
    - the variation in supplier credit
- Conditions of funding:
  - Change during the previous six months in (increase, stable, decrease):
    - level of equity capital of external origin
    - medium to long-term debt
  - Bank loans to two years maturity at least (new or renewal credits during the previous six months):
    - if so: duration and overall interest rate
  - Short-term loans outstanding:
    - change during the previous six months (increasing, stable, decreasing)
    - if appropriate, average global interest rate:
      - for commercial draft discounting
      - overdraft facilities
      - short-term credit facilities (any non-assigned short-term loan)
  - Commercial paper:
    - currently use (yes/no)
    - changes in outstanding during the period (increasing, stable, decreasing)
    - duration (in days) and overall interest rate of the last issue of the previous six months
- Development perspectives:
  - Probable trend during the next six months (improvement, stability, deterioration):
    - cash-flow
    - operating profits
  - Given the current cash position, expected trend (increasing, stable, decreasing) for:
    - production rates
    - working hours or work force
    - selling prices
    - capital expenditure (including leasing)
    - the level of equity of external origin
    - medium to long-term debt (including leasing)