

"Studi e Analisi" presents surveys and analysis carried out by the Research Department in its areas of interest

Assolombarda Quarterly Survey on Business Services Sector of the Milan Area

(reference period: July – September 2007)

By Maria Grazia De Maglie

Research Department

Giuseppe Panzeri
Head of Department

Maria Grazia De Maglie
Macroeconomy and service sector

Andrea Fioni
Social issues and labour market

Edoardo Della Torre
Labour market

Valeria Negri
Macroeconomy and industrial sector

www.assolombarda.it
stud@assolombarda.it
main tel: 02.58370.328

The decline in economic activity had repercussions on business services¹ firms; during the third quarter of 2007 the sector demonstrated an appreciable decrease in activity.

The consumptive assessment, in fact, showed an important reduction in orders and turnover balances; the employment balance, on the other hand, increased and returned on the level reached at the end of 2006.

The confidence climate² slowed down for the third quarter and registered a negative number (which hadn't happened since the first quarter of 2004). The result was due, above all, to the deterioration of the orders balance and expectations regarding economic situation.

For the fourth quarter the entrepreneurs expected a rise of all balances (orders, turnover and employment).

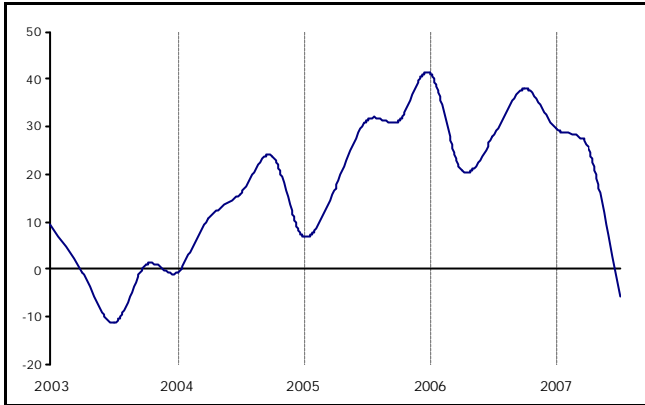
The firms of the sample showed a drop in service prices in the third quarter, compensated for, however, by the expectation of a rise in the last quarter of the year.

¹ Tables 4 and 5 show statistic information about each sector within business services (information technology, engineering, marketing and advertising, administrative and executive advice).

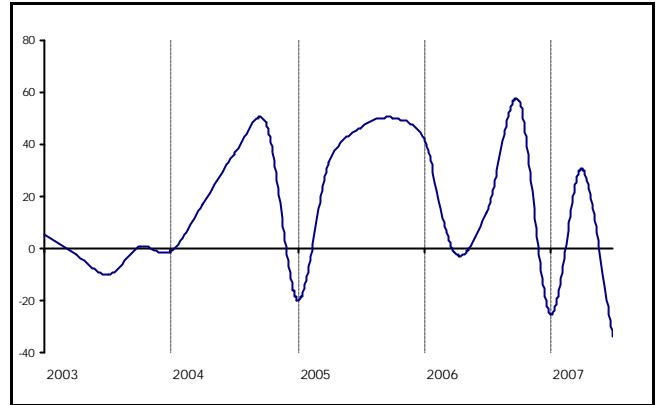
² The confidence climate is calculated by an arithmetic mean with the balances of the following variables: consumptive orders, orders forecast and general economic trend forecast.

1 Graphs

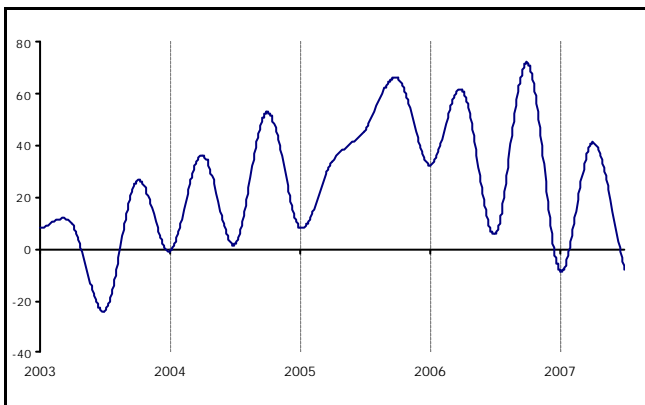
Graph 1 – Confidence climate²



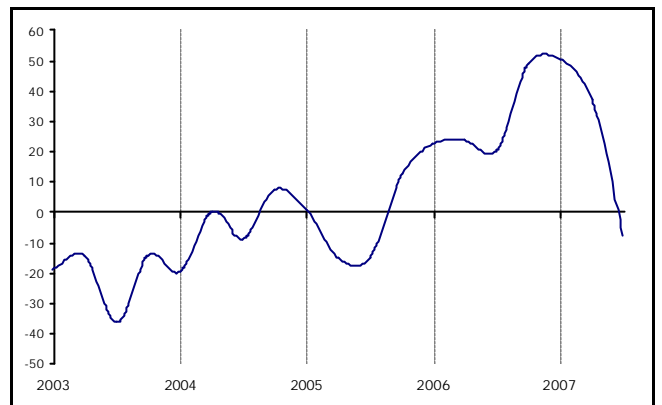
Graph 2 – Assessment on orders



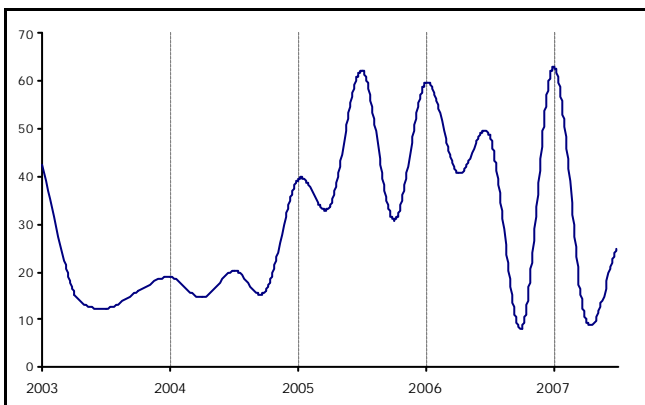
Graph 3 – Assessment on turnover



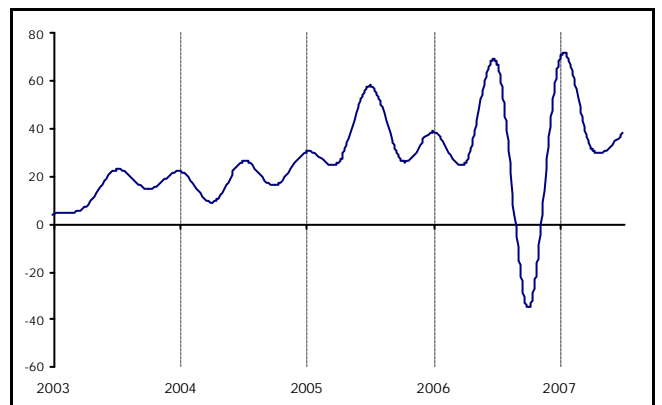
Graph 4 – Expectations on economic situation



Graph 5 – Expectation on orders



Graph 6 – Expectation on Turnover



2 Raw data

Table 1 – Confidence climate

Reference period	index
third quarter 2006	27.8
fourth quarter 2006	38.0
first quarter 2007	29.4
second quarter 2007	25.8
third quarter 2007	-5.7

Table 2 – Assessment on consumptive balance

Reference period	Orders	Turnover	Employment	Service price
third quarter 2006	14.0	5.8	23.6	19.6
fourth quarter 2006	56.8	72.1	18.4	-19.5
first quarter 2007	-25.3	-8.4	32.1	15.2
second quarter 2007	30.3	41.2	-4.0	0.8
third quarter 2007	-33.9	-8.0	-24.0	-1.8

Table 3 – Short term expectation balance

Reference period	Orders	Turnover	Employment	Service price	Forecast of general economic trend
third quarter 2006	48.7	67.7	30.8	45.5	20.6
fourth quarter 2006	8.1	-35.4	22.7	1.0	49.1
first quarter 2007	63.0	70.2	28.7	4.3	50.4
second quarter 2007	10.2	31.3	4.0	0.6	36.9
third quarter 2007	24.9	38.0	28.1	2.2	-8.0

Table 4 - Assessment on consumptive balance: sector data

Sector	Orders	Turnover	Employment	Service price
Information technology	47.8	70.4	14.4	0.0
Administrative and executive advice	-79.4	-81.2	14.3	-0.9
Engineering	-69.0	35.7	78.5	-8.4
Marketing and advertising	-86.7	-87.0	0.0	0.0
Business service	-33.9	-8.0	24.0	-1.8

Table 5 - Short term expectation balance: sector data

Sector	Orders	Turnover	Employment	Service price	Forecast of general economic trend
Information technology	17.9	24.7	27.2	1.3	4.1
Administrative and executive advice	83.0	83.1	13.3	1.1	2.0
Engineering	-10.3	50.2	72.1	3.3	-11
Marketing and advertising	-66.7	-67.4	8.7	6.5	-65.2
Business service	24.9	38.0	28.1	2.2	-8.0

Documento: III trim 07 terz inn_inglese.doc