

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

Assolombarda Business Survey on the Manufacturing Sector of the Milan Area

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by Valeria Negri

Research Department
Giuseppe Panzeri
Head of Department
Maria Grazia De Maglie
Macroeconomy and service sector
Edoardo Della Torre
Labour market
Andrea Fioni
Social issues and labour market
Valeria Negri
Macroeconomy and industrial sector
http://www.assolombarda.it/
mailto:stud@assolombarda.it
main tel: 02.58370.328

In February entrepreneurs sentiment dropped after two consecutive months of growth. Also short term expectations on firm variables and on overall economy showed a decrease, but still remained on extremely positive levels.

The confidence climate index reduced to 95,3 from 99,8 of January, due to the decline in production expectations and, above all, in assessment on domestic demand.

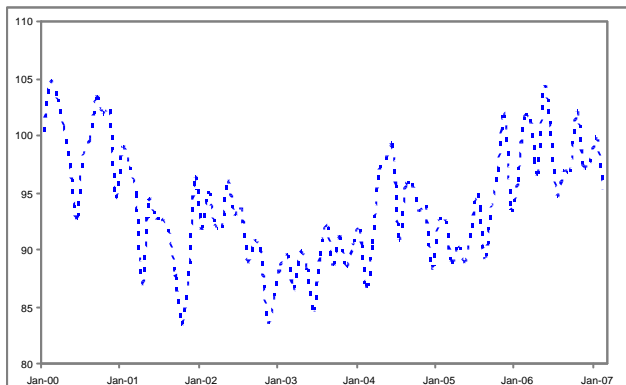
Among the other variables of the indicator, stocks of finished products grew slightly, even if they maintained a lower value than normal level, while foreign orders confirmed last month balances.

Assessment on industrial production, on domestic and foreign turnover and on employment also went down. In particular, employment balance became negative, after five consecutive periods of positive values.

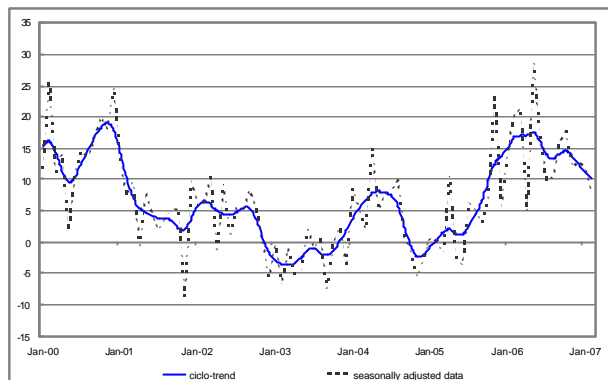
Finally, prospects for the next 3-4 months were less optimistic than in January: expectations on domestic and foreign orders and opinion on general economic situation lowered, even though balances remained on historically high levels.

1 Graphs

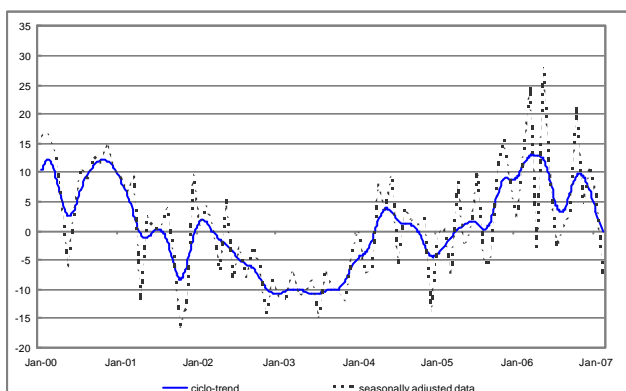
Graph 1 - Confidence Climate¹



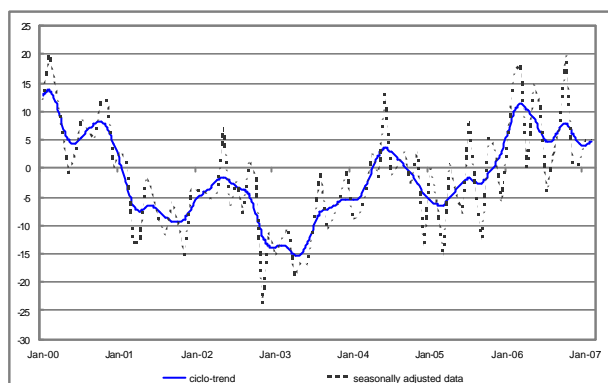
Graph 2 - Production assessment



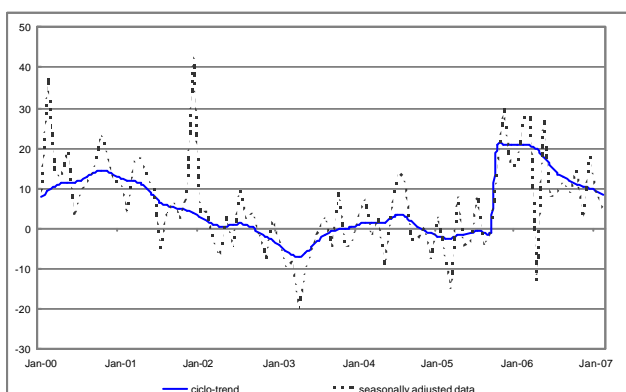
Graph 3 - Assessment on domestic orders



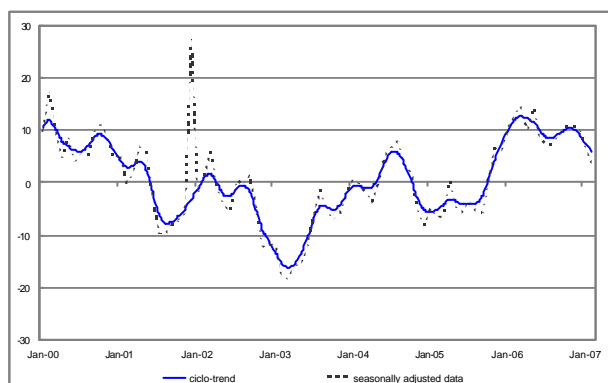
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
November-06	97,3
December-06	97,7
January-07	99,8
February-07	95,3

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-06	12	8	20	15
December-06	13	-33	22	26
January-07	12	24	25	38
February-07	8	27	20	30

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-06	5	-3	20	9
December-06	11	-25	24	28
January-07	6	24	21	34
February-07	-8	5	15	27

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-06	1	-3	22	13
December-06	1	-29	26	29
January-07	5	18	28	34
February-07	5	18	22	27

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
November-06	2	-6
December-06	18	-25
January-07	9	18
February-07	5	25

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
November-06	11	5
December-06	11	-27
January-07	7	15
February-07	4	18

Table 7 - Other balances

Reference period	Inventories seasonally adj. data	Inventories raw data	Employment seasonally adj. data	Employment raw data	Expectations on economic situation seasonally adj. data	Expectations on economic situation raw data
November-06	-1	-4	1	2	13	9
December-06	4	1	0	-8	16	18
January-07	-3	-3	3	-2	22	29
February-07	-1	1	-3	0	19	23

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¹ The industrial confidence indicator is the arithmetic average of the seasonally adjusted data on production expectations, order books and stocks of finished products (with inverted sign). The index base is 2000=100.