

"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: January – March 2007)

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During the first quarter of 2007 the business services' firms in Milan outlined a slight slowdown of the sector that should end in the next months.

The consumptive assessment, in fact, pointed out a decrease in orders and turnover, going back to the values of the beginning of 2005; the employment balance, instead, increased after the contraction registered in the previous quarter.

The confidence climate² decreased but it remained at the high value of the second quarter of 2006. This result was due, above all, to the decrease in orders balance, which contrasted the improvement of the expectations on orders and economic situation.

The expectation for the second quarter of 2007 was optimistic and showed an increase in orders, turnover and employment balances.

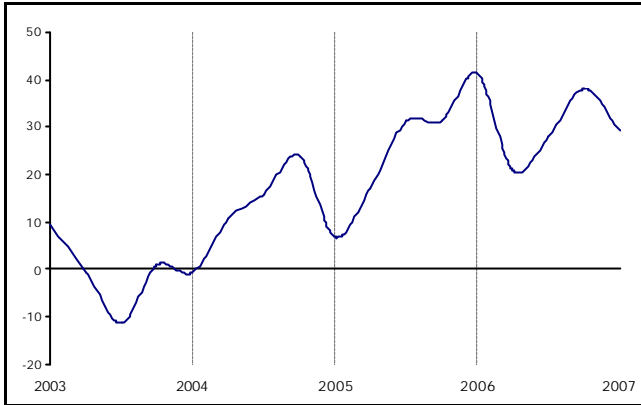
Finally, the entrepreneurs reported a rise in service price balance both in the first and the second quarter.

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

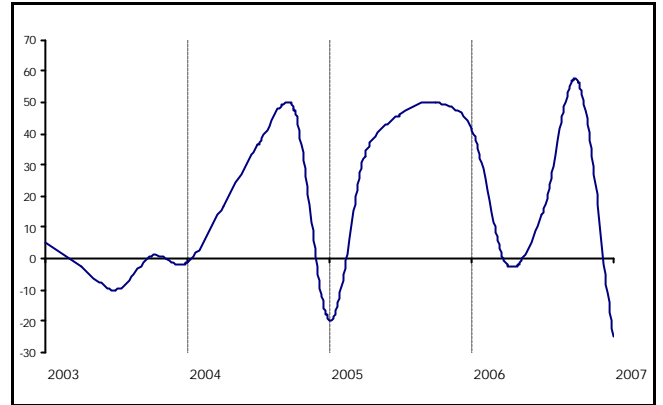
² The confidence climate is calculated by an arithmetic mean with the balances of the following variables: consumptive orders, orders forecast and general economic trend forecast.

1 Graphs

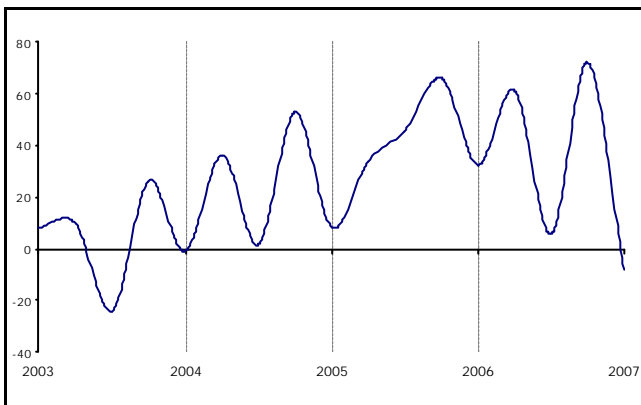
Graph 1 – Confidence climate²



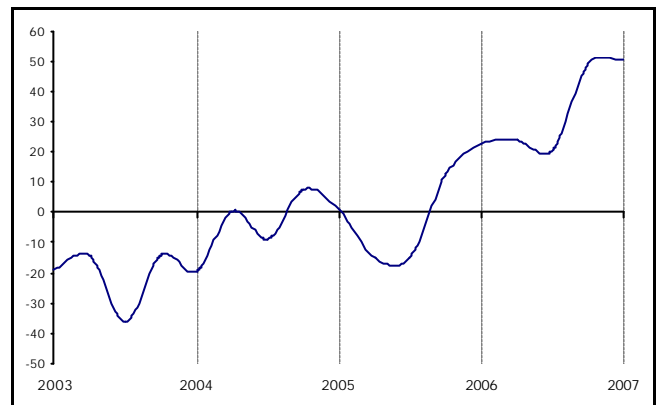
Graph 2 – Assessment on orders



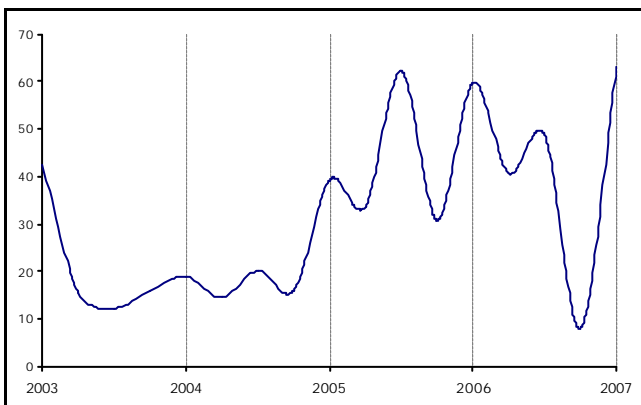
Graph 3 – Assessment on turnover



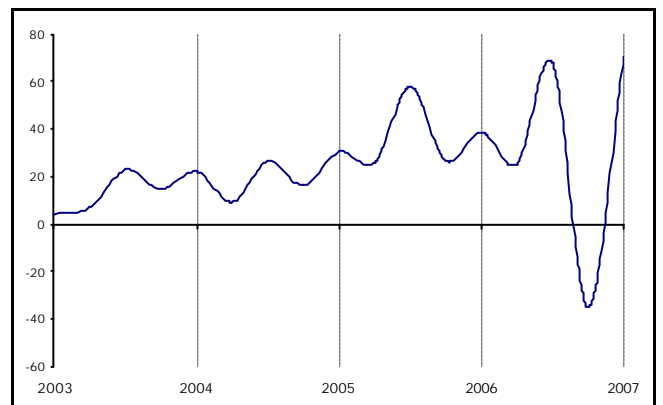
Graph 4 – Expectations on economic situation



Graph 5 – Expectation on orders



Graph 6 – Expectation on Turnover



2 Raw data

Table 1 – Confidence climate

Reference period	Saldo
first quarter 2006	41.3
second quarter 2006	20.8
third quarter 2006	27.8
fourth quarter 2006	38.0
first quarter 2007	29.4

Table 2 – Assessment on consumptive balance

Reference period	Orders	Turnover	Employment	Service price
first quarter 2006	41.9	32.5	43.7	16.7
second quarter 2006	-1.9	61.3	34.8	23.2
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

Table 3 – Short term expectation balance

Reference period	Orders	Turnover	Employment	Service price	Forecast of general economic trend
first quarter 2006	59.7	38.8	46.5	12.6	22.5
Second quarter 2006	40.7	25.4	21.9	17.4	23.7
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

Table 4 - Assessment on consumptive balance: sector data

Sector	Orders	Turnover	Employment	Service price
Information technology	0.8	25.9	22.2	40.1
Administrative and executive advice	-63.8	-65.3	14.8	2.4
Engineering	-61.4	-1.2	80.0	1.7
Marketing and advertising	59.8	43.2	39.5	1.6
Business service	-25.3	-8.4	32.1	15.2

Table 5 - Short term expectation balance: sector data

Sector	Orders	Turnover	Employment	Service price	Forecast of general economic trend
Information technology	29.2	48.7	8.2	8.8	32.7
Administrative and executive advice	98.0	97.0	14.4	3.1	89.9
Engineering	64.2	66.2	66.2	0.6	0.6
Marketing and advertising	61.4	61.6	71.9	0.0	61.1
Business service	63.0	70.2	28.7	4.3	50.4

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