

"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

March 2007

by Valeria Negri

In March the Assolombarda Business Survey on the Manufacturing Sector revealed a strong increase in entrepreneurs sentiment, which recovered the fall of previous period and reached the high level of January 2007.

Short term prospects for firms variables and for Italian economy remained widely positive.

The confidence climate index jumped from 95.6 of last month to 99.9. The improvement was driven by a clear rise of domestic orders and by a strengthening in production expectations. Among the other variables of the indicator, foreign demand remained practically stable, while inventories grew slightly.

Industrial production was the only unfavourable element in this positive framework: the relative balance diminished for the second consecutive period, touching the lowest value in the last 18 months.

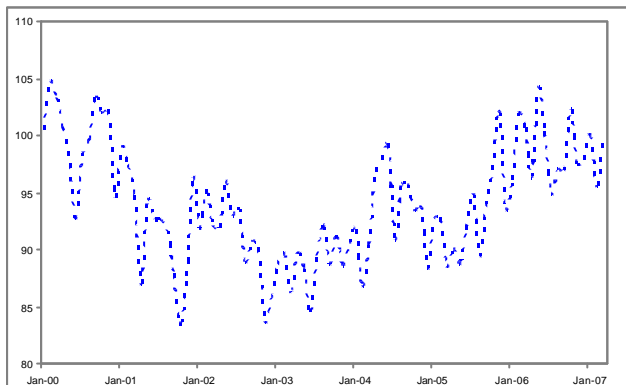
Assessment on turnover revealed an expansion in the internal market, and remained steady with reference to the foreign component. Lastly, employment balance bettered, becoming null from negative.

In relation to short-term prospects, expectations on domestic demand improved, while forecasts for foreign orders and opinion on general economic situation confirmed the high levels of February.

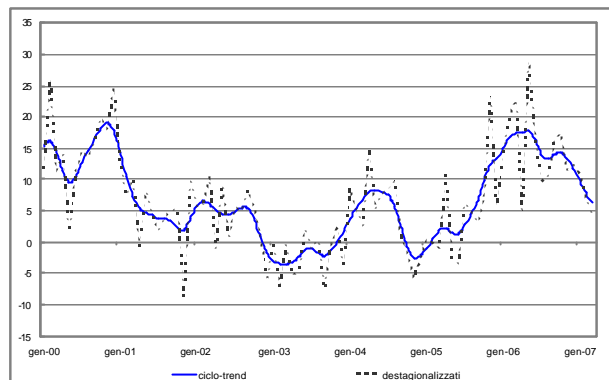
Research Department
<i>Giuseppe Panzeri</i>
Head of Department
<i>Maria Grazia De Maglie</i>
Macroeconomy and service sector
<i>Edoardo Della Torre</i>
Labour market
<i>Andrea Fioni</i>
Social issues and labour market
<i>Valeria Negri</i>
Macroeconomy and industrial sector
http://www.assolombarda.it/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

1 Graphs

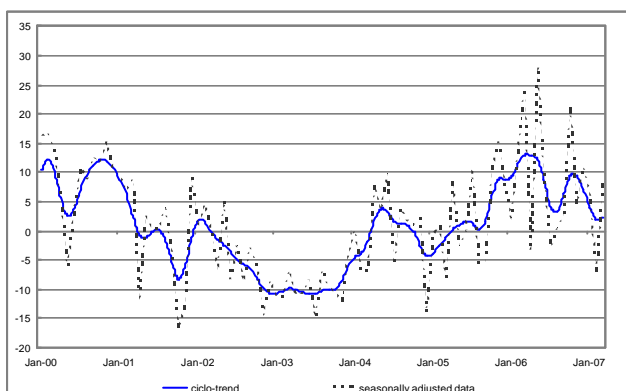
Graph 1 - Confidence Climate¹



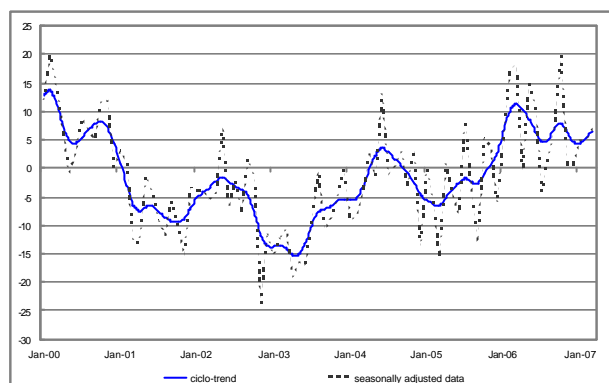
Graph 2 - Production assessment



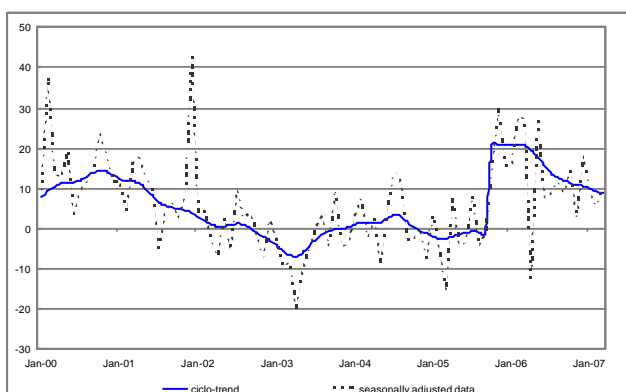
Graph 3 - Assessment on domestic orders



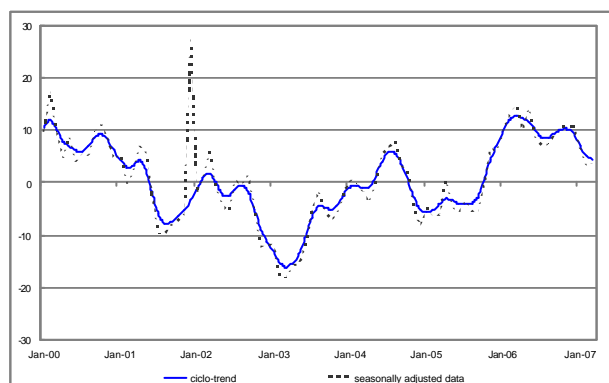
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
December-06	97,9
January-07	100,1
February-07	95,6
March-07	99,9

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
December-06	12	-33	23	26
January-07	11	24	25	38
February-07	7	27	21	30
March-07	4	27	26	28

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
December-06	11	-25	24	28
January-07	6	24	22	34
February-07	-7	5	16	27
March-07	9	22	25	26

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
December-06	1	-29	25	29
January-07	5	18	28	34
February-07	5	18	22	27
March-07	7	21	21	17

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
December-06	18	-25
January-07	9	18
February-07	5	25
March-07	10	30

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
December-06	11	-27
January-07	7	15
February-07	3	18
March-07	4	26

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
December-06	4	1	1	-8	15	18
January-07	-3	-3	2	-2	22	29
February-07	-1	1	-3	0	19	23
March-07	1	4	0	1	17	19

Documento: ENG_Rapida Mar07.doc

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.