

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

Assolombarda Business Survey of the Milan Area Manufacturing Sector November 2007

by Valeria Negri

In November entrepreneur confidence declined, as well as the assessment of companies' main variables. On the contrary, short-term forecasts on orders remained positive, confirming high historical values.

The confidence climate index fell to 91,5 from 95,4 in October, due to worsened expectations on production and to a drop in demand. Among the other components of the indicator, stock inventories went down, even if they remained above a normal level.

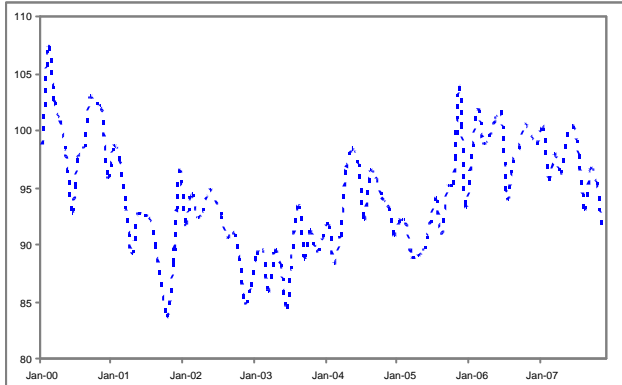
In terms of balances, industrial production plunged to the lowest level since June 2005 and turnover fell in both domestic and foreign markets. Employment repeated the negative balance of the two previous months.

With reference to short-term prospects, expectations of orders remained unchanged from October high, while entrepreneurs' opinions of the general economic situation deteriorated for the second consecutive month, with unfavourable expectations more widespread than favourable ones.

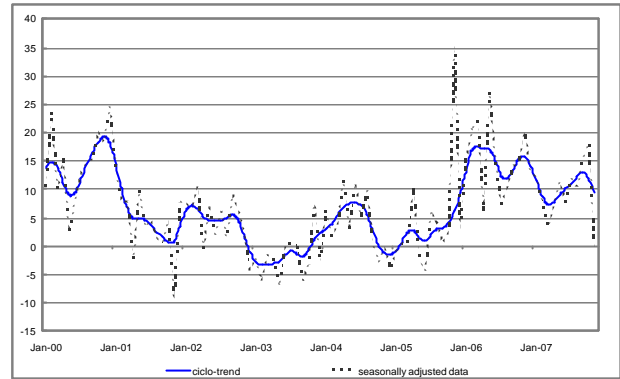
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1 Graphs

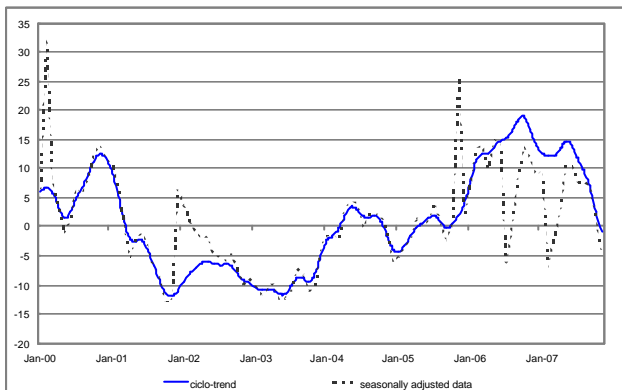
Graph 1 - Confidence Climate¹



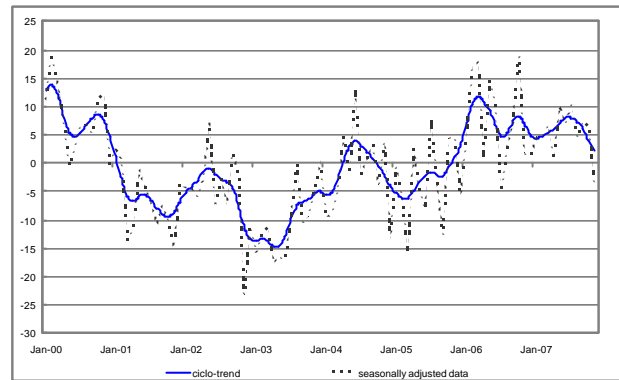
Graph 2 - Production assessment



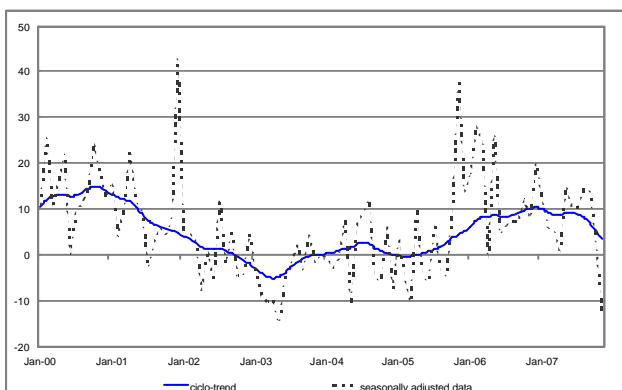
Graph 3 - Assessment on domestic orders



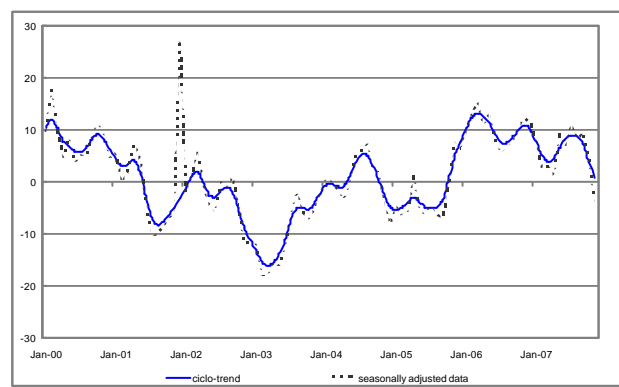
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
August-07	93,1
September-07	96,7
October-07	95,4
November-07	91,5

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
August-07	10	-52	17	15
September-07	16	51	14	11
October-07	18	36	19	6
November-07	-1	-14	11	2

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
August-07	8	-51	14	16
September-07	7	39	13	10
October-07	1	17	15	3
November-07	-5	-23	15	3

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
August-07	5	-48	9	10
September-07	7	34	17	14
October-07	6	15	17	9
November-07	-4	-9	16	7

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
August-07	14	-47
September-07	14	49
October-07	3	22
November-07	-12	-28

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
August-07	8	-53
September-07	10	44
October-07	4	24
November-07	-4	-20

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
August-07	14	9	0	-4	-2	-8
September-07	0	0	-3	2	7	2
October-07	5	1	-2	0	-1	-4
November-07	2	1	-3	-2	-7	-12

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.