



"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: fourth quarter 2007)

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At the end of 2007 the Milan business services¹ firms showed some small positive signals after the very low levels reached in the previous quarter. But, the expectations regarding the first quarter of 2008 indicated another possible decrease.

In term of balances, in fact, the sector showed a rise in the orders, turnover and employment balances.

The confidence climate² registered an improvement after three quarters in contraction (in the previous survey, the index was negative, the lowest level since the first quarter of 2004). The result was due, above all, to the increase of the orders balance, while expectations regarding orders and the economic situation worsened.

For the first quarter of 2008 the entrepreneurs expected another worsening of the orders and turnover balances; while expectations regarding employment showed another increase.

The firms in the sample indicated a rise in prices of services in the fourth quarter, but the expectations for the next period again showed a drop.

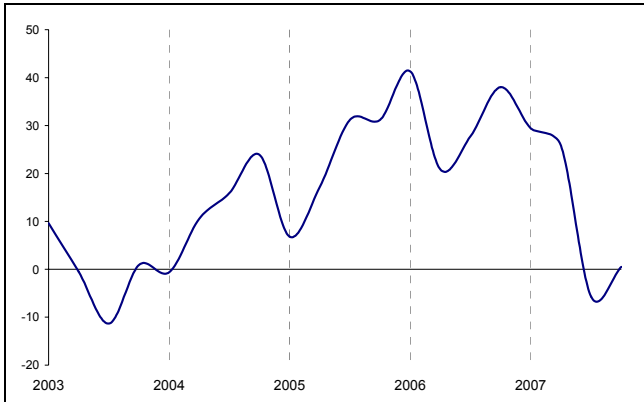
¹ Tables 4 and 5 show statistic information about each sector within business services (information technology, engineering, marketing and advertising, administrative and executive advice).

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.

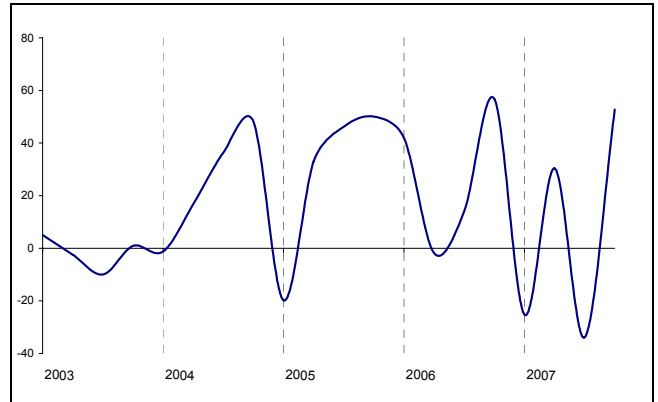


1 Graphs

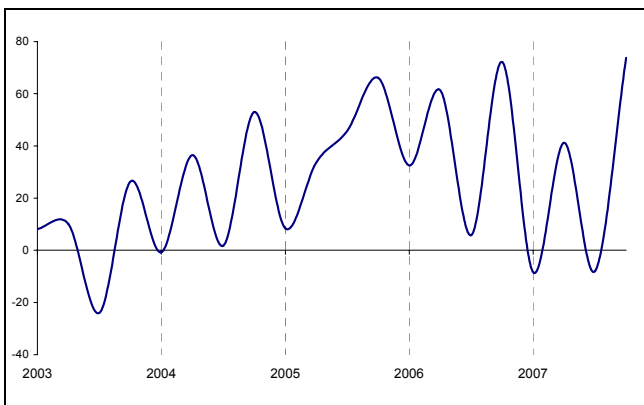
Graph 1 – Confidence climate²



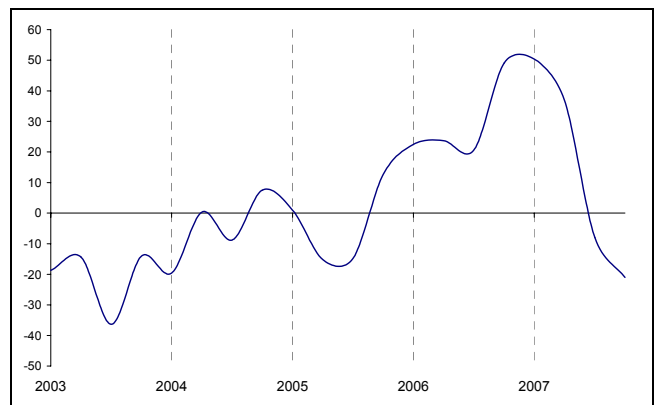
Graph 2 – Assessment on orders



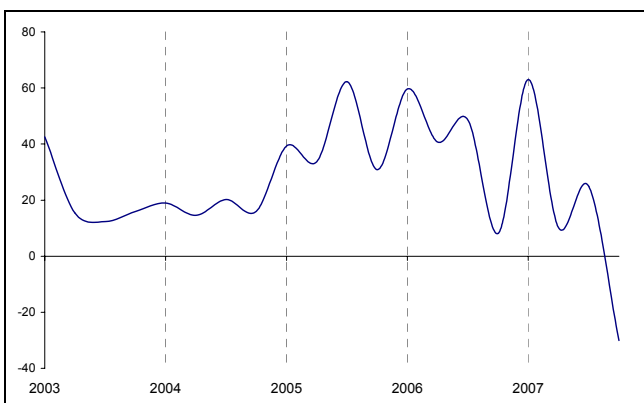
Graph 3 – Assessment on turnover



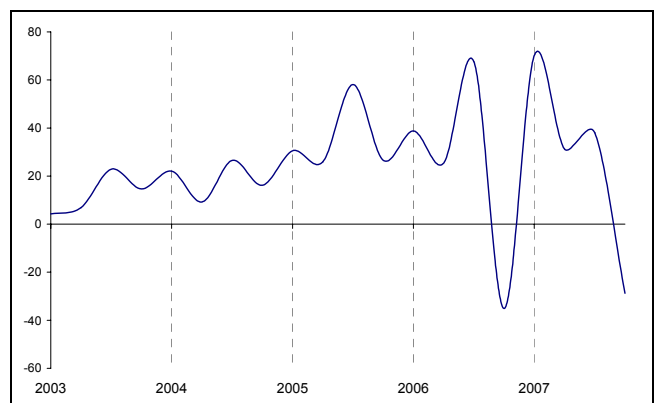
Graph 4 – Expectations on economic situation



Graph 5 – Expectation on orders



Graph 6 – Expectation on Turnover



2 Raw data

Table 1 – Confidence climate

Reference period	index
fourth quarter 2006	38.0
first quarter 2007	29.4
second quarter 2007	25.8
third quarter 2007	-5.7
fourth quarter 2007	0.5

Table 2 – Assessment on consumptive balance

Reference period	Orders	Turnover	Employment	Service price
fourth quarter 2006	56.8	72.1	18.4	-19.5
first quarter 2007	-25.3	-8.4	32.1	15.4
second quarter 2007	30.3	41.2	-4.0	0.8
third quarter 2007	-33.9	-8.0	24.0	-1.8
fourth quarter 2007	57.2	73.8	48.3	8.6

Table 3 – Short term expectation balance

Reference period	Orders	Turnover	Employment	Service price	Forecast of general economic trend
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
fourth quarter 2007	-30.1	-28.7	30.9	16.8	-21.0

Table 4 - Assessment on consumptive balance: sector data

Sector	Orders	Turnover	Employment	Service price
Information technology	82.6	65.7	61.2	0.0
Administrative and executive advice	94.0	93.7	16.5	-1.2
Engineering	-74.1	54.9	77.7	9.4
Marketing and advertising	35.0	68.5	58.4	58.4
Business service	52.7	73.8	48.3	8.6

Table 5 - Short term expectation balance: sector data

Sector	Orders	Turnover	Employment	Service price	Forecast of general economic trend
Information technology	-4,5	-9,5	30,4	44,7	-34,6
Administrative and executive advice	-78,0	-63,7	13,8	2,2	2,0
Engineering	4,4	-5,7	86,9	0,7	-29,5
Marketing and advertising	-18,1	-18,5	0,0	1,7	34,3
Business service	-30,1	-28,7	30,9	16,8	-21,0

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