

"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 December 2007

by Valeria Negri

In December entrepreneur confidence recovered partially from its plunge in November, but it still remains lower than the 2007 average. The performance in December confirms the downward trend in the second half of 2007 after the acceleration in the spring, in line with Italian and European trends.

The confidence climate index grew to 94,6 in December from 89,4 in November. All the components of the indicator improved: orders and short-term forecasts on production increased, stock inventories went down.

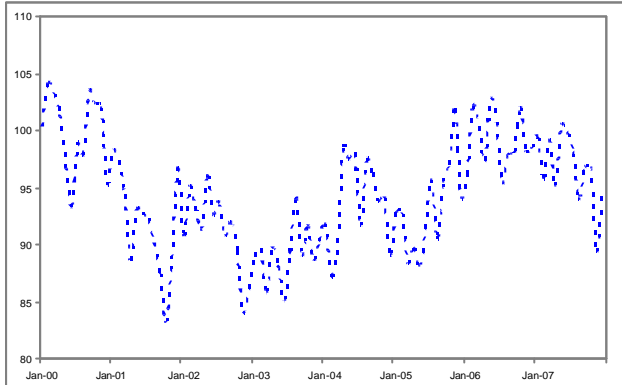
In terms of balances, industrial production returned to a positive level, after the sharp fall in November due to the peak in inventories in October. Domestic turnover rose and foreign turnover remained steady; employment showed a zero balance between positive and negative indications, after three months of balances under zero.

With reference to short-term prospects, the entrepreneurs expressed rising expectations of production and orders. On the other hand, their opinions on the general economic situation deteriorated for the third consecutive month, plummeting to the lowest value since the second half of 2005.

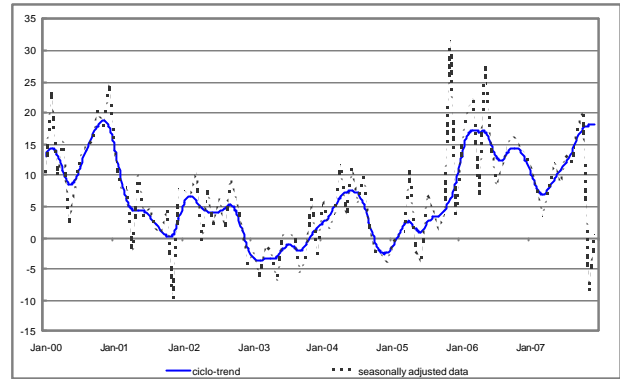
Research Department
<i>Giuseppe Panzeri</i>
Head of Department
<i>Maria Grazia De Maglie</i>
Macroeconomy and service sector
<i>Edoardo Della Torre</i>
Labour market
<i>Andrea Fioni</i>
Social issues and labour market
<i>Valeria Negri</i>
Macroeconomy and industrial sector
http://www.assolombarda.it/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

1 Graphs

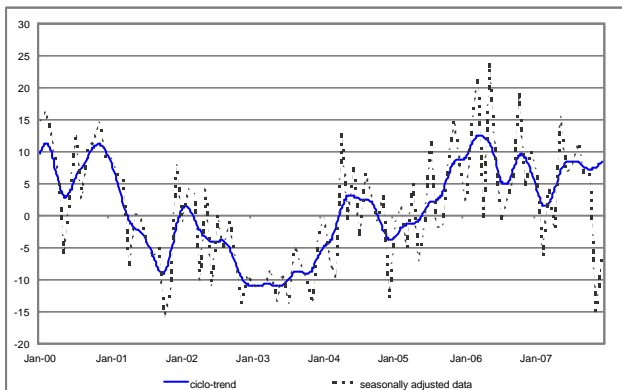
Graph 1 - Confidence Climate¹



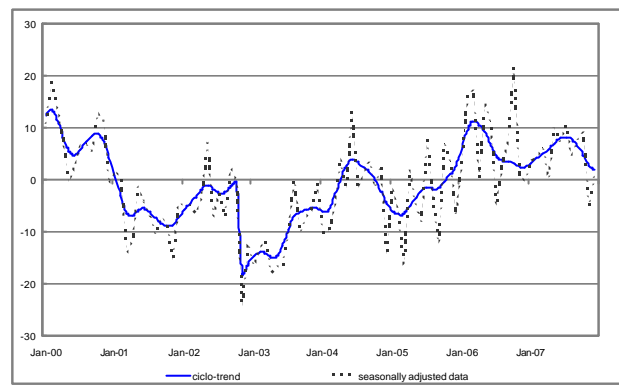
Graph 2 - Production assessment



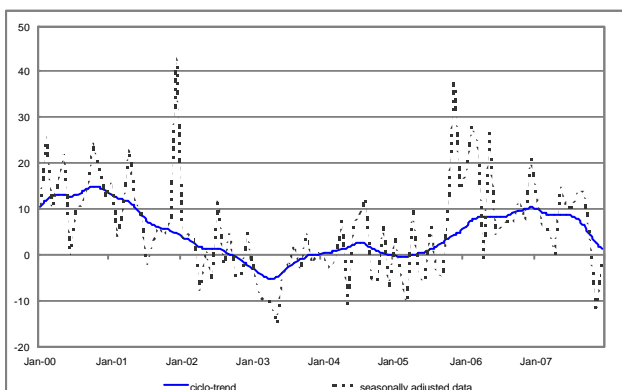
Graph 3 - Assessment on domestic orders



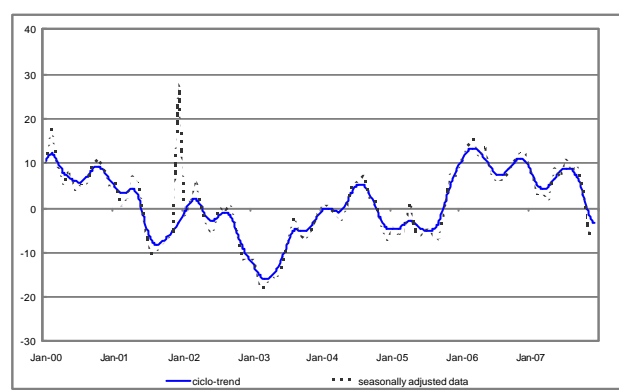
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
September-07	96,8
October-07	96,9
November-07	89,4
December-07	94,6

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
September-07	17	51	15	11
October-07	20	36	20	6
November-07	-8	-14	12	2
December-07	1	-46	18	21

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
September-07	6	39	13	10
October-07	6	17	15	3
November-07	-16	-23	15	3
December-07	-6	-44	17	19

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
September-07	8	34	17	14
October-07	9	15	17	9
November-07	-5	-9	16	7
December-07	1	-28	19	23

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
September-07	14	49
October-07	3	22
November-07	-13	-28
December-07	-2	-48

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
September-07	10	44
October-07	3	24
November-07	-6	-20
December-07	-6	-46

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
September-07	0	0	-3	2	6	2
October-07	5	1	-2	0	-1	-4
November-07	2	1	-3	-2	-8	-12
December-07	0	-2	0	-8	-17	-15

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.