



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

Assolombarda Business Survey of the Manufacturing Sector in the Milan Area

February 2008¹

In February entrepreneur confidence fell again, plunging to the lowest value in more than four years.

Indications by entrepreneurs confirmed a decline in industrial activity in the first part of this year: the variables collected in this survey showed a downward trend in balances as well as short-term expectations.

The confidence climate index was in a free-fall - to 85,4 from 91,2 in January - because of the decline in orders from domestic and, above all, foreign markets. Short-term forecasts for production dropped slightly with reference to January, while inventories continued to grow.

In terms of balances, industrial production fell dramatically on a extremely negative balance. Domestic turnover decreased, after the growth in January, and foreign turnover dropped a bit. Employment fell, showing a negative balance.

With reference to short-term prospects, expectations of domestic orders remained steady at the negative value of January, while forecasts for foreign orders decreased.

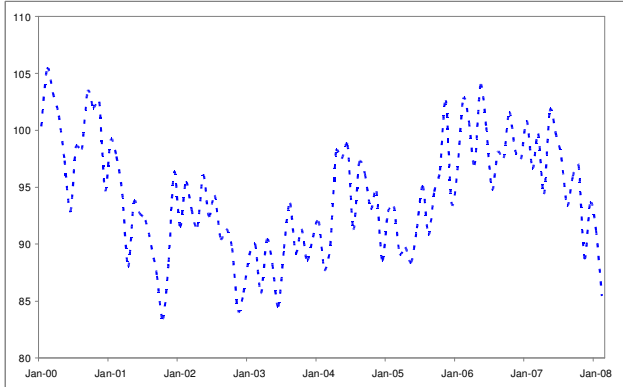
Entrepreneur opinion on the general economic situation fell for the fifth consecutive month, remaining at the lowest level since the second half of 2005.

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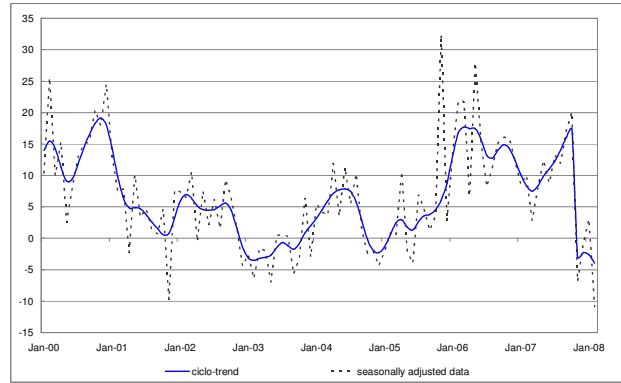
¹ Report written by Valeria Negri.

1 Graphs

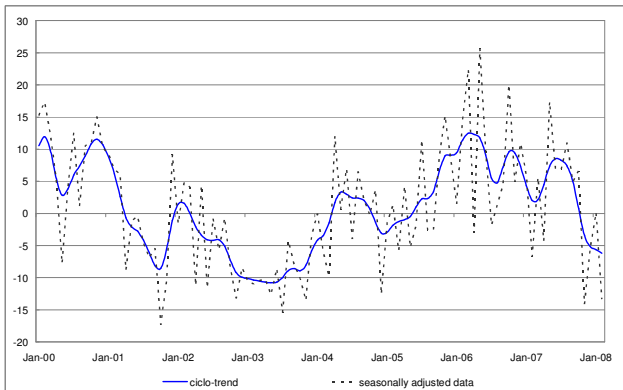
Graph 1 - Confidence Climate¹



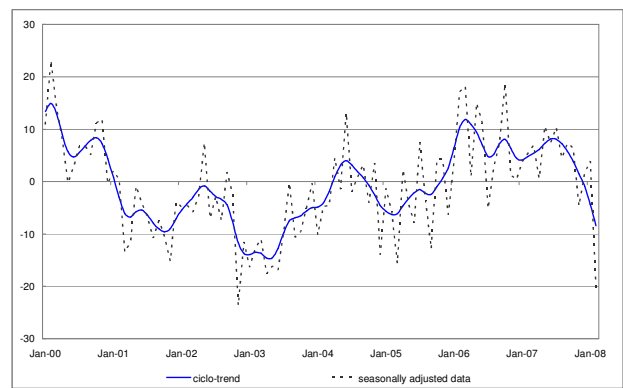
Graph 2 - Production assessment



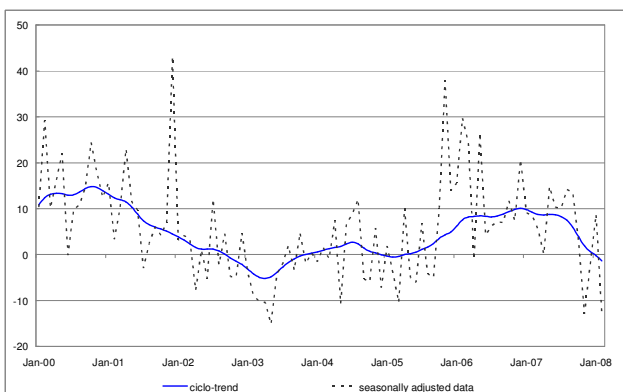
Graph 3 - Assessment on domestic orders



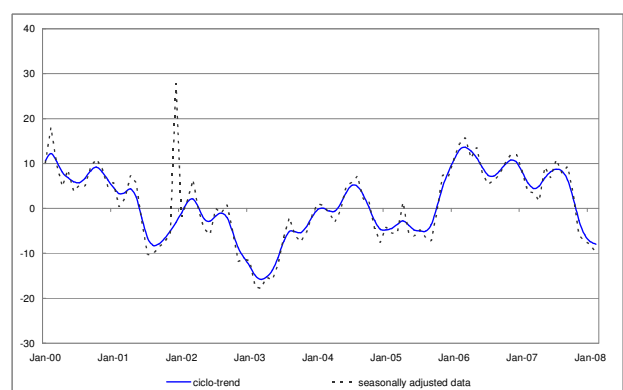
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
November-07	88,7
December-07	93,6
January-08	91,2
February-08	85,4

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-07	-7	-14	10	2
December-07	-1	-46	17	21
January-08	3	20	7	16
February-08	-11	9	6	12

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-07	-14	-23	12	3
December-07	-5	-44	14	19
January-08	0	18	-3	8
February-08	-13	6	-3	3

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
November-07	-5	-9	16	7
December-07	2	-28	18	23
January-08	4	19	10	15
February-08	-20	-8	3	6

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
November-07	-13	-28
December-07	-2	-48
January-08	9	18
February-08	-13	13

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
November-07	-6	-20
December-07	-7	-46
January-08	-8	2
February-08	-10	3

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
November-07	4	1	-2	-2	-8	-12
December-07	2	-2	0	-8	-18	-15
January-08	5	4	0	-7	-26	-20
February-08	6	8	-3	-1	-31	-28

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.