

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

Assolombarda Business Survey of the Manufacturing Sector in the Milan Area May 2011¹

by Valeria Negri

In May 2011 manufacturing confidence in the Milan Area fell again, moving back to March value. In this last months the index showed a fluctuating trend around value lower than the peaks reached at the end of 2010 and at the beginning of 2011.

The confidence climate index descended from 102.8 in April to 102.4 in May 2011. The reduction was mild and it was linked to a slight decrease in demand (on both national and foreign markets) and in production expectations, while stocks balance lowered to zero, becoming in line with normal levels.

In terms of assessments, industrial production went down, countering the recovery registered in April. Turnover plunged both in the domestic market and in foreign markets, while employment balance dwindled to a value just a bit below zero.

With reference to forecasts for the next 3-4 months, national orders expectations plummeted, while foreign orders sank slightly.

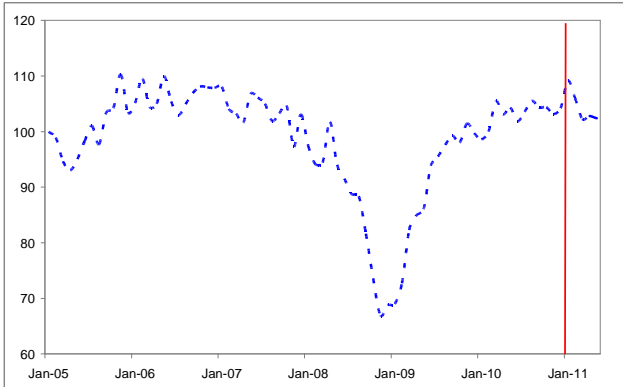
Finally, opinions about the Italian economic situation went up to March value, but the balance remained negative.

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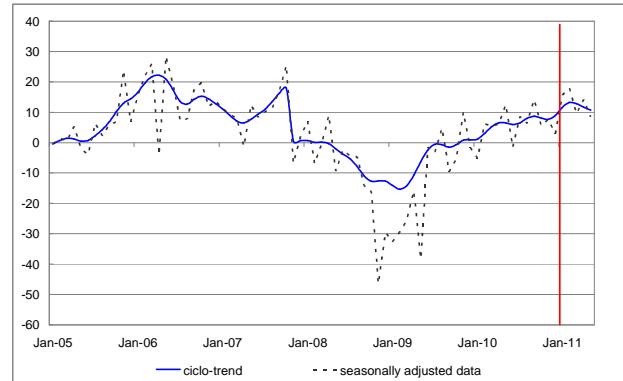
¹ Since January 2011 the sample of the survey has been revised and expanded: the number of the firms interviewed grew from 220 to 350, with a statistical significance of 95% and a standard error of 0,05%. However, the new data are consistent and comparable with the historical series.

1 Graphs²

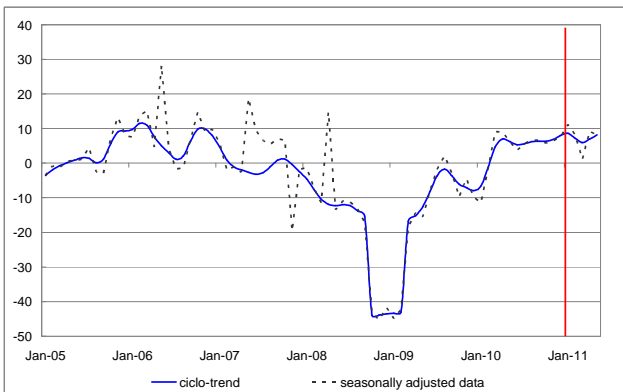
Graph 1 - Confidence Climate¹



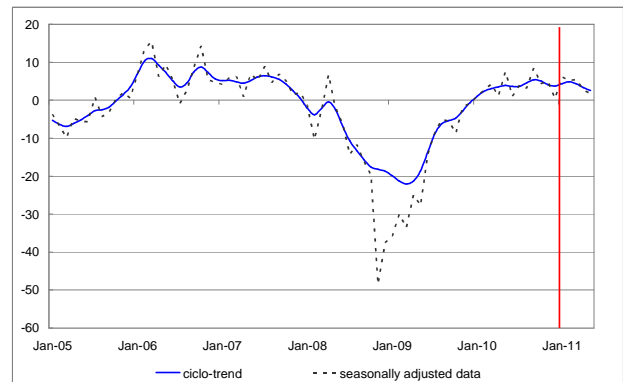
Graph 2 - Production assessment



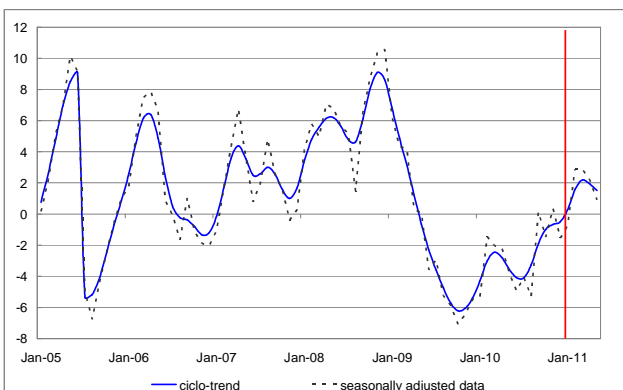
Graph 3 - Assessment on domestic orders



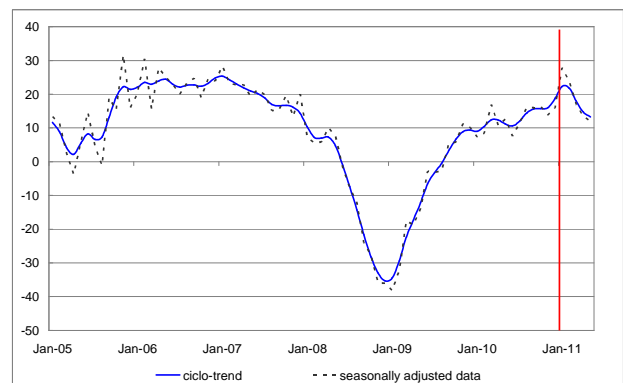
Graph 4 - Assessment on foreign orders



Graph 5 - Inventories



Graph 6 - Production expectations



² In the graphs a red vertical line is drawn next to January 2011, month in which the sample of the survey has been revised and expanded.

2 Data

Table 1 - Confidence climate¹

Reference period	Index (2005=100)
February-11	106.0
March-11	102.3
April-11	102.8
May-11	102.4

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
February-11	18	38	24	31
March-11	10	38	17	26
April-11	14	2	13	19
May-11	9	27	12	15

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
February-11	8	27	17	24
March-11	1	15	15	18
April-11	9	2	12	13
May-11	8	8	7	6

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
February-11	5	17	16	6
March-11	5	23	19	23
April-11	3	-9	23	33
May-11	2	8	22	27

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
February-11	13	33
March-11	1	28
April-11	19	-1
May-11	1	15

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
February-11	11	27
March-11	3	27
April-11	13	-3
May-11	3	12

Table 7 - Other balances

Reference period	Inventories seasonally adj. data	Inventories raw data	Employment seasonally data	Employment adj. raw data	Expectations on economic situation seasonally adj. data	Expectations on economic situation raw data
February-11	3	6	2	4	1	1
March-11	3	1	-3	-1	-6	-5
April-11	2	2	0	1	-10	-11
May-11	1	0	-1	3	-7	-6

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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 2005=100.