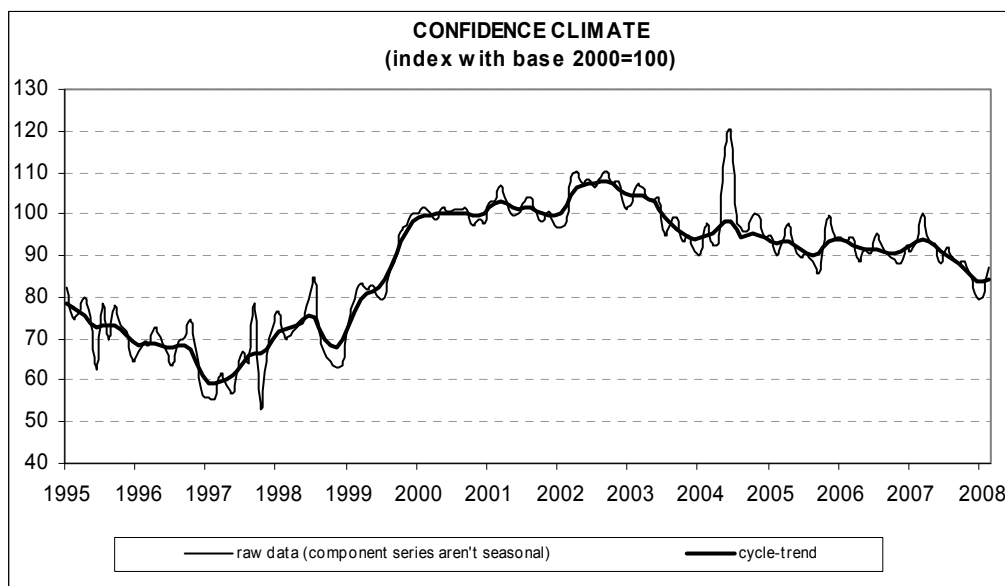




Date: March 27, 2008
TEL.: 06/444821

CONSTRUCTION FIRMS' CONFIDENCE GROWS IN FEBRUARY

- According to the ISAE Survey carried out on a panel of around 500 firms, in February the seasonally adjusted confidence index (2000=100) increased from 80.1 to 86.9, reaching the average value recorded in September-November 2007
- Among the variables included in the definition of the confidence climate, for the third month running the opinions on construction plans continued to improve, and employment prospects started to rise once more, following the fall posted between the end of 2007 and the start of 2008
- Slight pessimism characterized firms' appraisal of construction activity, whereas optimism distinguished prospects for construction plans. The balance for expected prices charged in the sector held virtually stable, remaining at a record low level
- However, the number of entrepreneurs who stated they found obstacles limiting their construction activity increased (though the percentage remained lower than for those who thought they did not find any). Among the considered obstacles, insufficient demand was the main constraint, followed by adverse weather conditions and shortage of labour force
- The improvement in the overall confidence indicator was widespread across sectors: confidence markedly bettered both in residential and non-residential building and in civil engineering



Data on March shall be released on April 29, 2008

The next ISAE surveys are scheduled as follows:

April 8, 2008: *ISAE International Comparison of Consumer and Business Surveys (reference period: March)*

The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

General results

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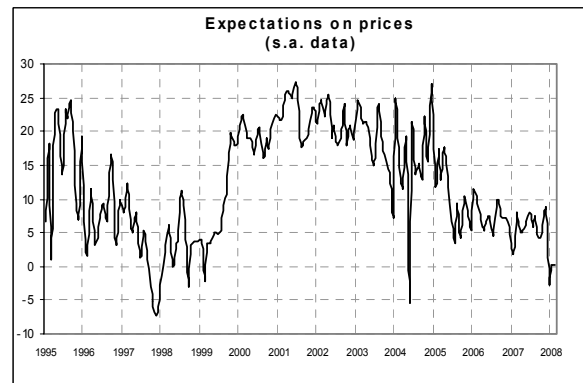
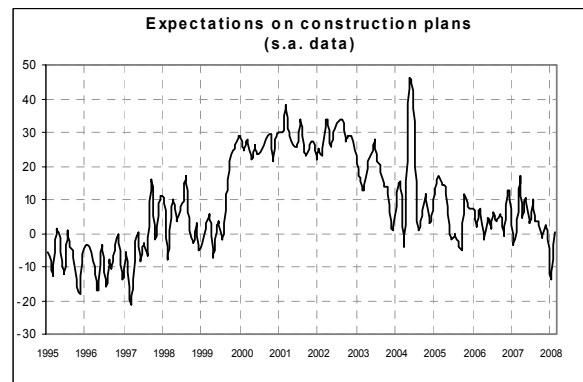
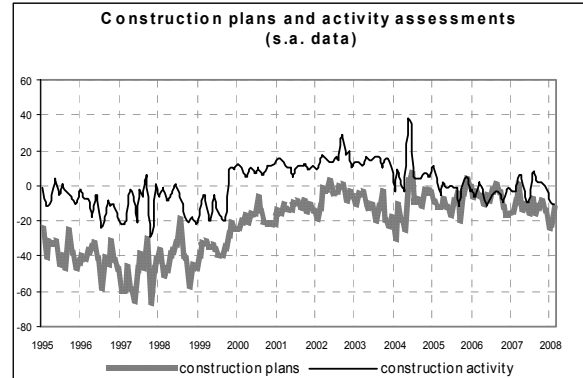
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Situation in the reference period (February 2008)

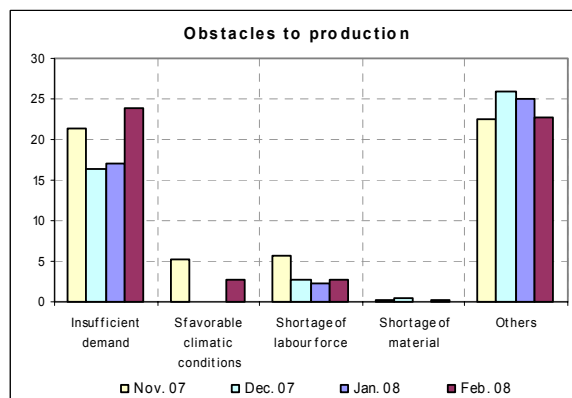
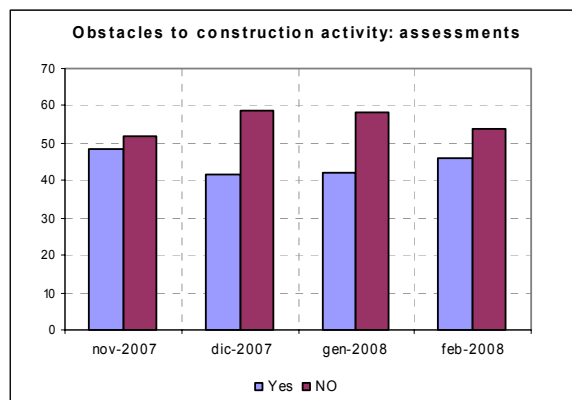
In February, for the second consecutive month, assessments on construction plans improved: the related balance came in at -13, compared to -22 in January, reaching the level posted in September 2007. Instead, the evaluation of construction activity worsened for a fourth month in a row: the seasonally adjusted balance declined from -9 to -10, the lowest value since October 2006. In February, the number of entrepreneurs declaring they found obstacles limiting their activity increased (the percentage rose from 42% to 46%, though remaining below the one of those who declared they did not find any limitation). Furthermore,

among perceived obstacles, most firms still considered insufficient demand as a major constraint, followed by adverse weather conditions and shortage of labour force.



Forecasts for the following three months

Short-term prospects for construction plans showed positive indications (the related balance increased from -14 to 0), while the number of entrepreneurs expecting a rise in prices charged in the sector was equal to the share of those predicting a decline (the balance remained at 0, hanging around a historically low average). Lastly, forecasts for employment, a variable included in the calculation of the confidence climate, picked up after five consecutive months of worsening: the related balance moved from -10 to -5, reaching its October 2007 value.



Confidence climate and balances of the component series index (s.a. data)

	Confidence climate (index base 2000=100)	Assessments on construction plans	Expectations on employment
Nov 2007	85.2	-14	-7
Dec 2007	79.9	-24	-9
Jan 2008	80.1	-22	-10
Feb 2008	86.9	-13	-5