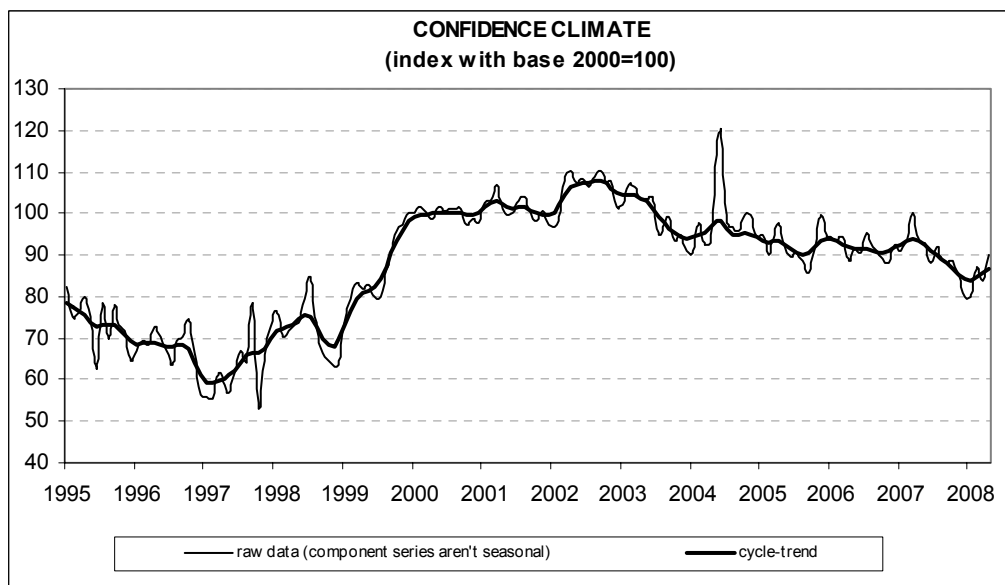




Date: May 28, 2008  
TEL.: 06/444821

## IN APRIL, CONSTRUCTION FIRMS' CONFIDENCE IMPROVES

- According to the ISAE Survey carried out on a panel of around 500 firms, in April the seasonally adjusted confidence index (2000=100) increased from 83.7 to 89.9, reaching the level posted in August 2007
- Both the opinions on construction plans and employment prospects started to better once more. Optimism characterized assessments on construction activity and the balance hit its May 2007 level. Accordingly, also prospects for construction plans improved: the related balance turned positive for the first time since last November. However, the forecasts for prices charged in the sector increased
- The number of entrepreneurs who stated they found obstacles limiting their construction activity remained virtually stable (though the percentage stayed lower than the one for those who said they did not find any limitation). Among considered obstacles, insufficient demand was the main constraint, followed by adverse weather conditions and shortage of labour force
- The improvement in the overall index was homogeneous across sectors. The confidence climate improved in both residential and non-residential building and in civil engineering



**Data on May shall be released on June 27, 2008**

The next ISAE surveys are scheduled as follows:

**June 5, 2008:** ISAE International Comparison of Consumer and Business Surveys (reference period: May)

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](http://www.isae.it))

## General results

According to the ISAE Survey carried out on a panel of around 500 firms, in April the seasonally adjusted confidence index (2000=100) increased from 83.7 to 89.9, reaching the level posted in August 2007.

Among the variables included in the calculation of the confidence indicator, both the opinions on construction plans and employment prospects started to better once more.

Optimism characterized the evaluation of construction activity and the balance hit its May 2007 level. Consistently with the favourable indications coming from assessments, also prospects for construction plans improved: the related balance turned positive for the first time since last November. However, forecasts for prices charged in the sector markedly bettered and the related balance reached its highest value since April 2005.

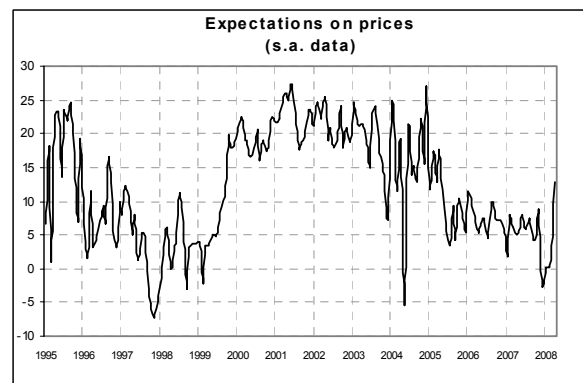
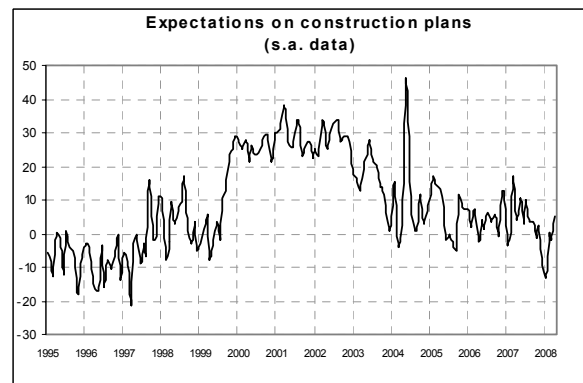
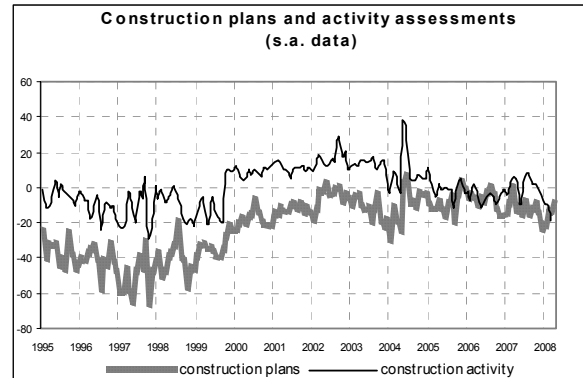
The number of entrepreneurs who stated they found obstacles limiting their construction activity remained virtually stable (though the percentage stayed lower than the one for those who said they did not find any limitation). Among considered obstacles, insufficient demand was the main constraint, followed by adverse weather conditions and shortage of labour force.

The improvement in the overall index was homogeneous across sectors. The confidence climate improved in both residential and non-residential building and in civil engineering.

### Situation in the reference period (April 2008)

In April, the opinions on construction plans started to improve once more: the related balance came in at -10 from -14 in the previous month, reverting to its October 2007 value. Assessments on construction activity also clearly improved: the seasonally adjusted balance reached -6 (from -18), remaining however at a record low. The number of entrepreneurs who stated they found obstacles limiting their construction remained virtually stable (the share stood at 45%). Furthermore, among declared obstacles, insufficient

demand was considered the main constraint, followed by adverse weather conditions, shortage of labour force and of materials.



### Forecasts for the following three months

Prospects confirmed the optimistic indications which came from entrepreneurs' appraisal of current activity. In April, short-term forecasts for construction plans improved. The balance went back in positive territory for the first time since November 2007, moving from -2 to 5. However, the number of entrepreneurs who forecast a rise in prices charged in the sector markedly increased (the balance surged from 1 to 13). Lastly, employment prospects (a variable included in the calculation of the confidence climate) reverted to an upward trend: the related balance increased from -11 to -2, reaching its September 2007 level.

#### 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
Jan. 2008	80.1	-22	-10
Feb. 2008	86.9	-13	-5
March 2008	83.7	-14	-11
April 2008	89.9	-10	-2

