

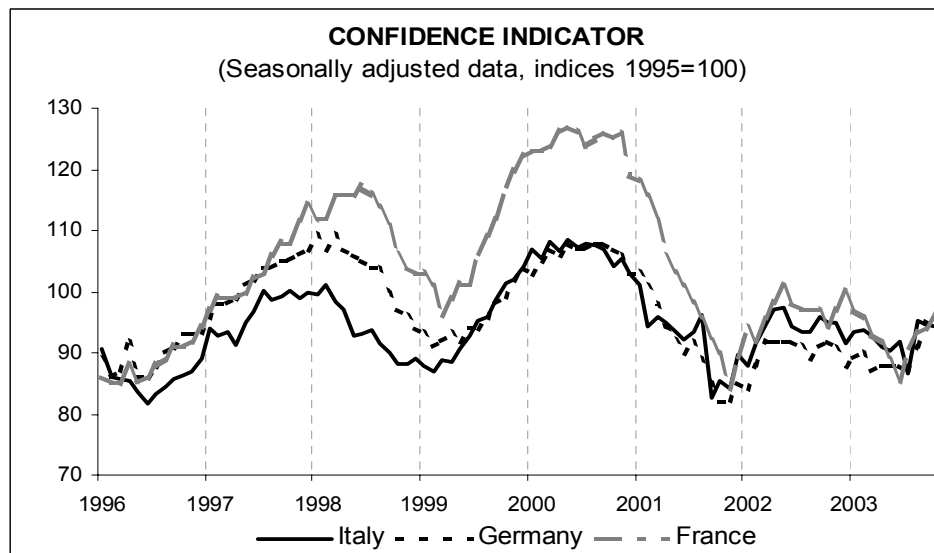


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Date: November 3, 2003
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IN OCTOBER, THE CONFIDENCE CLIMATE OF MANUFACTURING FIRMS IMPROVES IN FRANCE FOR THE FOURTH MONTH IN A ROW, REMAINS UNCHANGED IN GERMANY AND SLIGHTLY FALLS IN ITALY

- The INSEE and IFO indexes, seasonally adjusted by ISAE, equal 96 (from 94 in September) and 95 respectively; in Italy - as already outlined in the data distributed by ISAE on October 28 - the indicator equals 94.3 (from 94.6), though it remains above the average figures of the first nine months
- In France, the entrepreneurs' evaluations on their order-book level become less critical, while short-term expectations on production recover. Indeed, inventories remain unchanged for the third month in a row
- In Germany, assessments on order books improve, while short-term expectations on production slightly diminish. Inventories decrease, though they remain above what are considered as "Normal" levels
- In Italy, assessments on the current order-book level hold and expectations on production slightly improve; conversely, inventories tend to diminish less than before
- Prices are expected to diminish or to remain substantially stable in France and Germany, while in Italy expectations concerning price rises are diminishing



Data referring to November shall be diffused on **December 2, 2003**.

Next ISAE surveys are scheduled as follows:

November 25, 2003: Monthly ISAE Consumer Survey (Reference period: November)

November 26, 2003: Monthly ISAE Business Survey on Manufacturing and Extractive Firms (Reference month: November)

November 27, 2003: Monthly ISAE Business Service Survey (Reference period: November) and Monthly ISAE Trade Survey (Reference month: October)

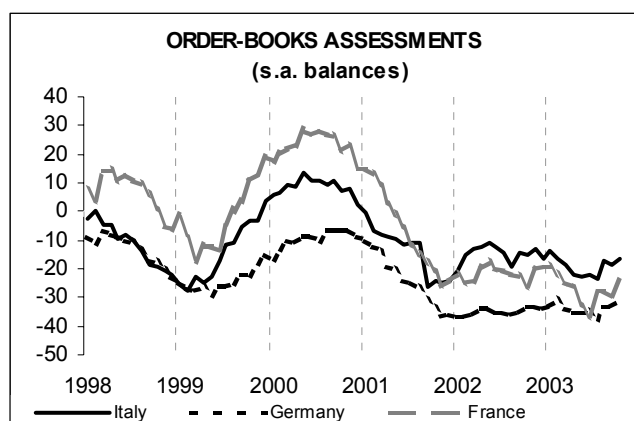
The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see web site www.isae.it)

General results

In October, the confidence climate of manufacturing firms improves in France for the fourth month in a row, remains unchanged in Germany and slightly falls in Italy. The INSEE and IFO indexes, seasonally adjusted by ISAE, equal 96 (from 94 in September) and 95 respectively; in Italy - as already outlined in the data distributed by ISAE on October 28 - the indicator equals 94.3 (from 94.6), though it remains above the average figures of the first nine months.

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IFO and INSEE Surveys for Germany and France

In Germany, assessments on the current order-book level recover: the balance equals -31 in October (-33 in September), which is close to the February 2003 figures, alongside with an improvement in the foreign component as well (from -30 to -28). Inventories diminish (from 15 to 14 in terms of balance), though remaining on high levels, while short-term expectations on production decrease (from 8 to 5). With regard to selling prices, the share of those expecting a contraction grows, as the balance goes from -1 to -3.

In France, favourable indications come from almost all confidence-building components. The seasonally adjusted balance of assessments on the current order-book level grows in October from -30 to -24, alongside with an improvement in the foreign component (from -24 to -21 in terms of balance). Also expectations on production are slightly recovering compared to the previous Survey (from 4 to 5), while finished products inventories remain stable on the August level (12). With reference to prices, forecasts for a further selling price reduction remain substantially stable and the balance remains at -12.

Manufacturing firms' confidence climate (seasonally adjusted data, indices 1995=100)

	Italy	France	Germany
July 2003	86.7	91	87
August 2003	95.2	93	91
September 2003	94.6	94	95
October 2003	94.3	96	95

Sources: ISAE and ISAE elaborations on IFO and INSEE data.