

Business Tendency Surveys

Klaus Abberger

Outline I

Introduction

- Aims of BTS

- Quantitative data

- Aspects of conducting BTS

Selection of population

Questionnaire

- Questions

- Frequency

- Implementation strategy

Sampling

- Units

- Sample design

- Sample size

Aggregation

Outline II

- Overview

- Composite Indicators

- Presentation of results

- Special Graphical Representations

- Publication Strategy

Business Tendency Surveys: Outline

Introduction

- Aims of BTS

- Quantitative data

- Aspects of conducting BTS

Selection of population

Questionnaire

Sampling

Aggregation

Presentation of results

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- **Change point detection**

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- Change point detection
- Information about assessments of current situation and expectations for the coming months of enterprises, e.g.

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- Change point detection
- Information about assessments of current situation and expectations for the coming months of enterprises, e.g.
 - assessment of stocks

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- Change point detection
- Information about assessments of current situation and expectations for the coming months of enterprises, e.g.
 - assessment of stocks
 - expectations about price changes

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- Change point detection
- Information about assessments of current situation and expectations for the coming months of enterprises, e.g.
 - assessment of stocks
 - expectations about price changes
 - plans about employment

Aims of Business Tendency Surveys

- Base for business cycle relevant indicators
- Receive timely signals about general business cycle course
- Change point detection
- Information about assessments of current situation and expectations for the coming months of enterprises, e.g.
 - assessment of stocks
 - expectations about price changes
 - plans about employment
 - capacity utilization

Aims of Business Tendency Surveys

The information covered by BTS goes beyond topics which are usually captured by conventional quantitative statistics. Examples include

- assessments (e.g. capacities, stocks)
- plans and expectations
- bottlenecks

Quantitative data versus qualitative data

- easier for respondents

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly
- **timely results**

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly
- timely results
- **smaller sample size possible**

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly
- timely results
- smaller sample size possible
- less data editing and consistency checks

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly
- timely results
- smaller sample size possible
- less data editing and consistency checks
- **less seasonal distortion**

Quantitative data versus qualitative data

- easier for respondents
- can be completed quickly
- timely results
- smaller sample size possible
- less data editing and consistency checks
- less seasonal distortion
- reduced influence of outliers

Customers of BTS results

- Respondents

Customers of BTS results

- Respondents
- **Enterprises**

Customers of BTS results

- Respondents
- Enterprises
- Public and Media

Customers of BTS results

- Respondents
- Enterprises
- Public and Media
- **Politics**

Customers of BTS results

- Respondents
- Enterprises
- Public and Media
- Politics
- Central Banks

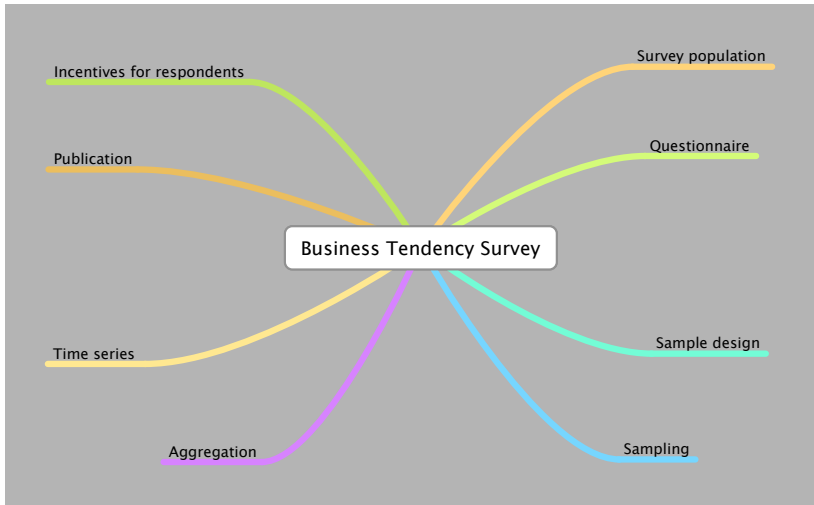
Customers of BTS results

- Respondents
- Enterprises
- Public and Media
- Politics
- Central Banks
- Commercial Banks and financial markets

Customers of BTS results

- Respondents
- Enterprises
- Public and Media
- Politics
- Central Banks
- Commercial Banks and financial markets
- **Associations**

Aspects of conducting BTS



Business Tendency Surveys: Outline

Introduction

Selection of population

Questionnaire

Sampling

Aggregation

Presentation of results

Aspects regarding the selection of the population



Range of KOF Business Tendency Surveys

Sector	Frequency (today)	Introduction
Manufacturing	monthly	1955
Retail Trade	monthly	1973
Wholesale Trade	quarterly	1977
Hotel and Restaurants	quarterly	1988
Construction	monthly	1994
Architects and Engineers	monthly	1996
Banks	monthly	2000
Insurances	monthly	2001
Other Services	quarterly	2006
Investment Survey	biannual	1970

Business Tendency Surveys: Outline

Introduction

Selection of population

Questionnaire

- Questions

- Frequency

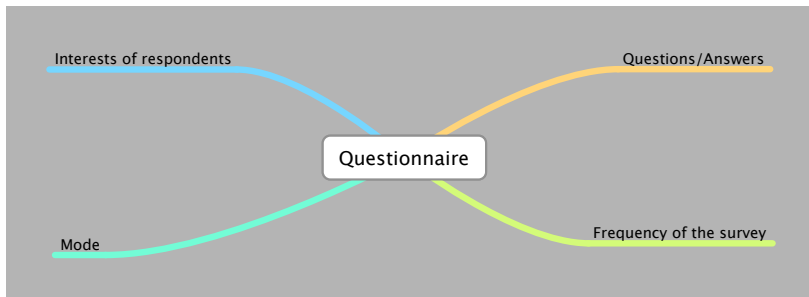
- Implementation strategy

Sampling

Aggregation

Presentation of results

Aspects of the Questionnaire



Questions: General remarks

Questions should consider topics which:

- measure an early stage of production/activity (e.g. new orders, order books, demand);

The variables should not only be relevant from a theoretical point of view but also in the view of managers and enterprises.

Questions: General remarks

Questions should consider topics which:

- measure an early stage of production/activity (e.g. new orders, order books, demand);
- respond rapidly to changes in economic activity (e.g. stocks);

The variables should not only be relevant from a theoretical point of view but also in the view of managers and enterprises.

Questions: General remarks

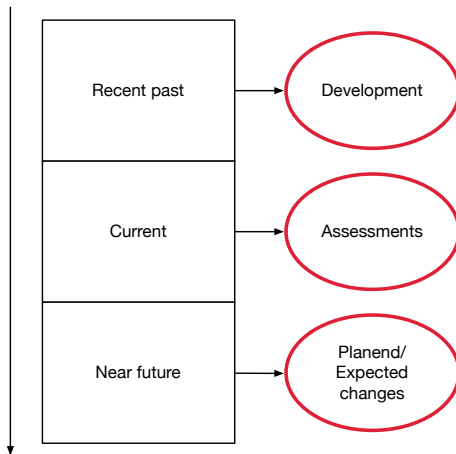
Questions should consider topics which:

- measure an early stage of production/activity (e.g. new orders, order books, demand);
- respond rapidly to changes in economic activity (e.g. stocks);
- **measure expectations or are sensitive to expectations (e.g. production plans, employment plans, business climate).**

The variables should not only be relevant from a theoretical point of view but also in the view of managers and enterprises.

Questions: General remarks

Time Dimension



Questions: General remarks

		Manufacturing	Examples
Soft questions	Recent past	Business activity/situation	How has your business situation developed over the past three months? It has improved/remained unchanged/deteriorated
	Current	Business situation	How do you assess your current business situation? It is good/satisfactory/poor
	Near future	Business activity/situation	How do you expect your business situation to develop over the next 3 (6) months? It will improve/remains unchanged/deteriorate
General questions	Recent past	Firm's employment	How has your firm's total employment changed over the past three months? It has increased/remained
	Current	Firm's employment	How do you currently assess your firm's total employment? It is too large/adequate/too low
	Near future	Firm's employment	How do you expect your firm's total employment to change over the next three months? It will increase/remains unchanged/decrease
Specific questions	Recent past	Production, order books, stock of finished products	How has your firm's stock of finished products changed over the past three months? It has increased/remained unchanged/decreased
	Current	Total order books, export order books, stock of finished products	How do you currently assess your firm's stock of finished products? It is too large/adequate/too low
	Near future	Production, selling prices	How do you expect your production to develop over the next 3 months? It will increase/remains unchanged/decrease

Core variables typically covered in monthly surveys

<i>Industry</i>	<i>Construction</i>	<i>Retail trade</i>
Every month:		
Production, present tendency	Activity, present tendency	Business situation, present
Production, future tendency	Limits to production	Business situation, future tendency
Stocks of finished goods	Order books	Stocks of goods for resale
Domestic order books	Employment, future tendency	Orders placed with suppliers, future tendency
Export order books	Selling prices, future tendency	
Selling prices, future tendency		
Additional questions each quarter:		
Employment, future tendency	Months of assured activity	Employment, future tendency
Constraints on production		
Assessment of current capacity		
Capacity utilisation		
New orders, future tendency		
Exports, future tendency		
Stocks of raw materials		

Source: OECD

Pre-printed answers: Current situation

- | | | | |
|-------|---|-----------------------------------|---|
| (i) | <input type="checkbox"/> above normal | <input type="checkbox"/> normal | <input type="checkbox"/> below normal |
| (ii) | <input type="checkbox"/> too large | <input type="checkbox"/> normal | <input type="checkbox"/> low |
| (iii) | <input type="checkbox"/> more than adequate | <input type="checkbox"/> adequate | <input type="checkbox"/> less than adequate |

Source: OECD

Pre-printed answers: Past or future changes

- | | | | |
|-------|-----------------------------------|---|--------------------------------------|
| (i) | <input type="checkbox"/> up | <input type="checkbox"/> same | <input type="checkbox"/> down |
| (ii) | <input type="checkbox"/> improve | <input type="checkbox"/> remain unchanged | <input type="checkbox"/> deteriorate |
| (iii) | <input type="checkbox"/> increase | <input type="checkbox"/> no change | <input type="checkbox"/> decrease |

Source: OECD

Bottleneck questions

Questions regarding constraints

Demand constraints:

Insufficient domestic demand; insufficient foreign demand

Supply constraints:

Shortage of equipment; insufficient capacity; shortage of labour; shortage of raw materials; shortage of capital

Further topics:

Quality of infrastructure, legal system, political stability, costs of crime and violence, quality of electricity supply, intellectual property protection etc.

Business Climate

Current Situation (CS)

We assess our current business situation for xy as

good

satisfactory

bad



Expectations for the next 6 months (EX)

Our business situation for XY will be – excluding seasonal fluctuations –

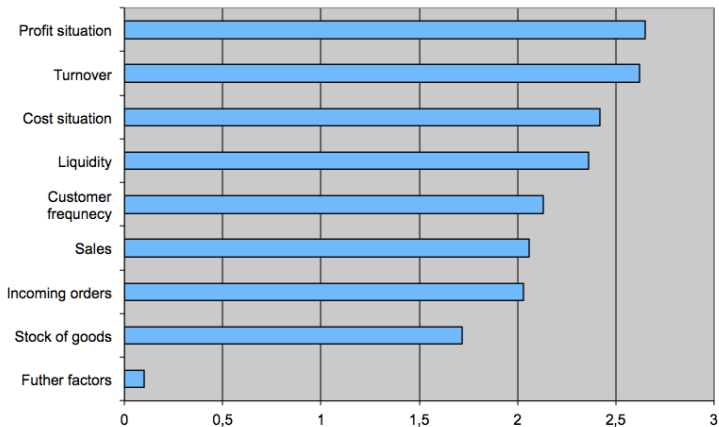
better

about the same

worse



Business Climate: Factors for assessment of current situation (trade)

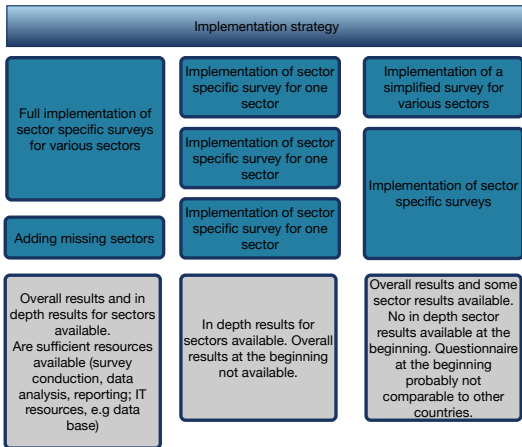


Questionnaire: Frequency of the survey

The frequency is important for the assessment of the results

- at least quarterly to ensure reliable and timely turning point analysis
- at best monthly

Implementation strategy



Business Tendency Surveys: Outline

Introduction

Selection of population

Questionnaire

Sampling

Units

Sample design

Sample size

Aggregation

Presentation of results

Enterprise

Enterprises might be split regarding location and products:

Enterprise	Location 1	Location 2	Location 3
Product 1	Establishment	Establishment	Establishment
Product 2	Establishment	Establishment	Establishment
Product 3	Establishment	Establishment	Establishment

Establishments are the building blocks of BTS.

Sample design

- Judgmental sampling: 'representative' or 'important' units are selected
- Random sample: pure random sample, stratified random sample (branch, size)

BTS are usually panel samples. Often some kind of post-stratification is also used.

Sample size

The required sample size depends usually on the aimed precision regarding branches.

There are no strict rules. One rule of thumb is, that about 30 response units are required for each strata intended to publish.

Often less units are needed because activities are dominated by a few very large enterprises. Then two or three response units are sufficient. To ensure anonymity of respondents sometimes only strata with at least 5 response units are published.

Other rules try to incorporate the size of the strata. E.g. $10 + \sqrt{N_S}$, with N_S number of units in the strata of the population.

Business Tendency Surveys: Outline

Introduction

Selection of population

Questionnaire

Sampling

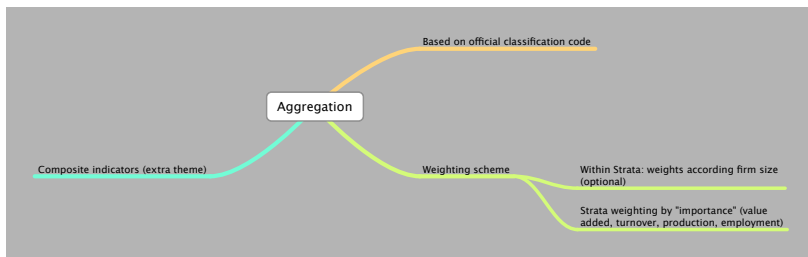
Aggregation

Overview

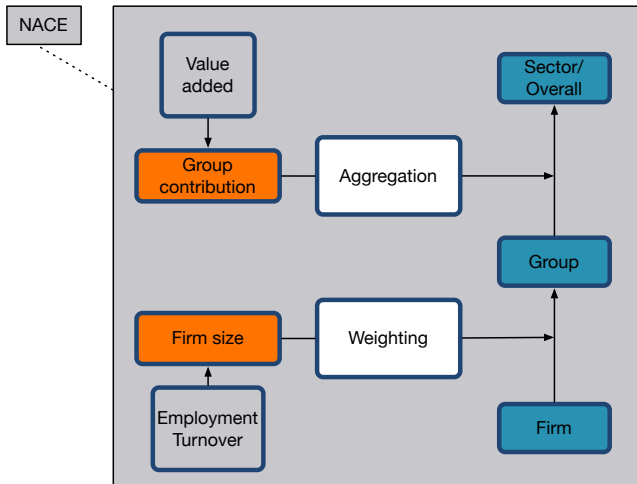
Composite Indicators

Presentation of results

Aggregation: Overview



Aggregation: Overview



Composite Indicators

Economic Tendency Survey data are typically considered in a growth cycle or growth rate cycle framework because of their trend free nature. **The advantage of composite indicators over the individual component series is that they achieve a better trade-off between responsiveness and stability.** Composite indicators can be constructed to have **fewer false alarms and fewer missed turning points** than its individual components; moreover they tend to have **more stable lead-times**. Finally, the composites have the capacity to react to various sources of economic fluctuations and at the same time can be resilient to perturbations affecting only one of the components.

Composite Indicators

- Soft questions vs. hard questions

Composite Indicators

- Soft questions vs. hard questions
- Selection of indicators

Composite Indicators

- Soft questions vs. hard questions
- Selection of indicators
- Aggregation of indicators

Soft questions: Business Climate

Current Situation (CS)

We assess our current business situation for xy as

good

satisfactory

bad



Expectations for the next 6 months (EX)

Our business situation for XY will be – excluding seasonal fluctuations –

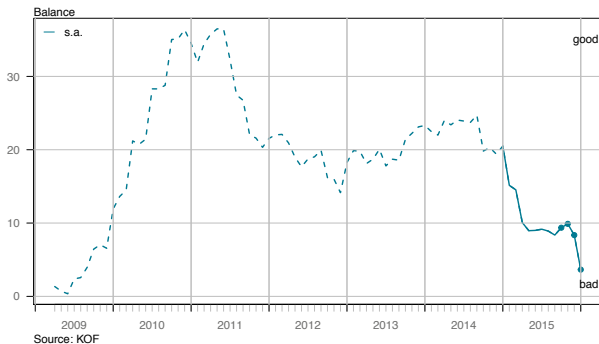
better

about the same

worse



Business Situation



Hard questions: European Union

3.6.1. Industrial confidence indicator

The industrial confidence indicator is the arithmetic average of the balances (in percentage points) of the answers to the questions on production expectations, order books and stocks of finished products (the last with inverted sign). Balances are seasonally adjusted.

Questions (see Annex 2.1.1 for the complete questionnaire):

- Q2** Do you consider your current overall order books to be...?
- + more than sufficient (above normal)
 - = sufficient (normal for the season)
 - not sufficient (below normal)
- Q4** Do you consider your current stock of finished products to be...?
- + too large (above normal)
 - = adequate (normal for the season)
 - too small (below normal)
- Q5** How do you expect your production to develop over the next 3 months? It will...
- + increase
 - = remain unchanged
 - decrease

Source: DG ECFIN

Hard questions: European Union

3.6.2. *Services confidence indicator*

The services confidence indicator is the arithmetic average of the balances (in percentage points) of the answers to the questions on business climate and on recent and expected evolution of demand. Balances are seasonally adjusted.

Questions (see Annex 2.2.1 for the complete questionnaire):

- Q1 How has your business situation developed over the past 3 months? It has ...
- + improved
 - = remained unchanged
 - deteriorated
- Q2 How has demand (turnover) for your company's services changed over the past 3 months? It has...
- + increased
 - = remained unchanged
 - decreased
- Q3 How do you expect the demand (turnover) for your company's services to change over the next 3 months? It will...
- + increase
 - = remain unchanged
 - decrease

Source: DG ECFIN

Hard questions: European Union

3.6.4. Retail trade confidence indicator

The retail trade confidence indicator is the arithmetic average of the balances (in percentage points) of the answers to the questions on the present and future business situation, and on stocks (the last with inverted sign). Balances are seasonally adjusted.

Questions (see Annex 2.4.1 for the complete questionnaire):

Q1 How has (have) your business activity (sales) developed over the past 3 months?

It has (They have) ...

- + improved (increased)
- = remained unchanged
- deteriorated (decreased)

Q2 Do you consider the volume of stock currently hold to be...?

- + too large (above normal)
- = adequate (normal for the season)
- too small (below normal)

Q4 How do you expect your business activity (sales) to change over the next 3 months? It (They) will...

- + improve (increase)
- = remain unchanged
- deteriorate (decrease)

Source: DG ECFIN

Hard questions: European Union

3.6.5. Construction confidence indicator

The construction confidence indicator is the arithmetic average of the balances (in percentage points) of the answers to the questions on order book and employment expectations. Balances are seasonally adjusted.

Questions (see Annex 2.5.1 for the complete questionnaire):

- Q3 Do you consider your current overall order books to be...?
- + more than sufficient (above normal)
 - = sufficient (normal for the season)
 - not sufficient (below normal)
- Q4 How do you expect your firm's total employment to change over the next 3 months? It will...
- + increase
 - = remain unchanged
 - decrease

Source: DG ECFIN

Aggregation

Question:

How can we condense information contained in various indicators into one (or at least in a view) indicator(s)?

- Classical (NBER)
- Factor analysis

Business Tendency Surveys: Outline

Introduction

Selection of population

Questionnaire

Sampling

Aggregation

Presentation of results

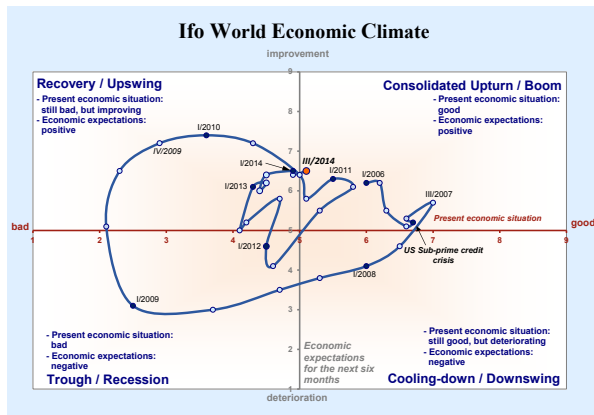
- Special Graphical Representations

- Publication Strategy

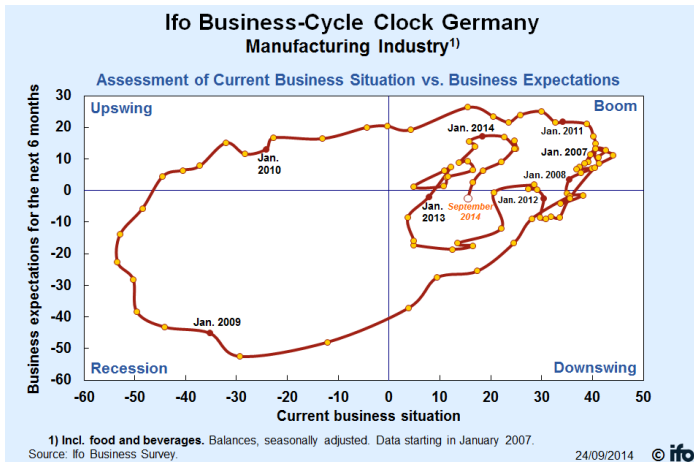
Presentation of results

Report/users	Focus of information	Content
Press release	Main features/results	Text, main figures main graphs
Analysts	Overview, main features by sector	Text, tables, graphs
Respondents	main results, branch results	Text, tables, graphs

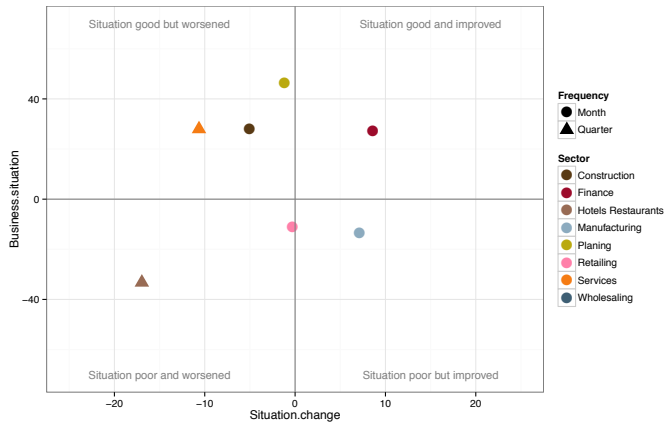
Ifo Business Cycle Clock



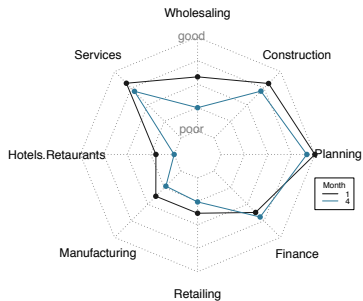
Ifo Business Cycle Clock



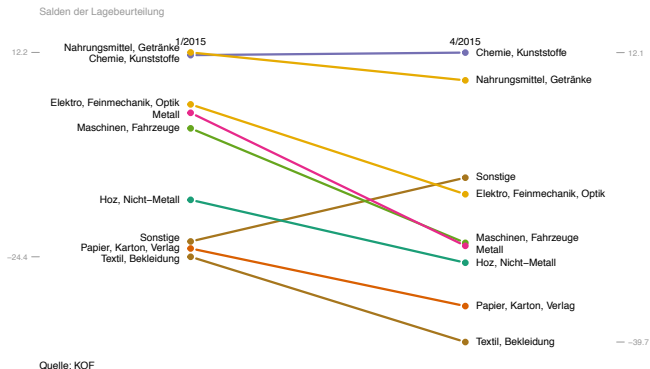
KOF Business Situation Matrix



KOF Business Situation Radar



KOF Business Situation Altimeter for Industries

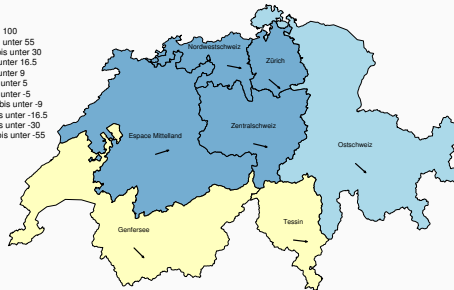


KOF Business Situation Map

KOF Geschäftslage der Unternehmen der Privatwirtschaft

Salden

- 55 bis 100
- 30 bis unter 55
- 16.5 bis unter 30
- 9 bis unter 16.5
- 5 bis unter 9
- -5 bis unter 5
- -9 bis unter -5
- -16.5 bis unter -9
- -30 bis unter -16.5
- -55 bis unter -30
- -100 bis unter -55



Die Winkel der Pfeile spiegeln die Veränderung der Geschäftslage im Vergleich zum Vormonat wider

Quelle: KOF

Targeted audience

Usually various user groups are targeted. One has to decide for each user group how to address them in the best way. Typical audiences targeted are

- The general public. The public can be reached directly (e.g. via the internet) or with the help of the media by using journalists as a kind of conduit.
- The media
- Expert users (analysts, scientists, well informed public)
- The survey respondents

DG ECFIN Publication schedule

European
Commission

BUSINESS AND CONSUMER SURVEYS

Publication dates 2015

Flash Consumer Confidence Indicator

Month	Publication		
	Day	Date	Time
January	Thursday	22 January 2015	16h00
February	Thursday	19 February 2015	16h00
March	Monday	23 March 2015	16h00
April	Wednesday	22 April 2015	16h00
May	Thursday	21 May 2015	16h00
June	Monday	22 June 2015	16h00
July	Thursday	23 July 2015	16h00
August	Friday	21 August 2015	16h00
September	Tuesday	22 September 2015	16h00
October	Thursday	22 October 2015	16h00
November	Friday	20 November 2015	16h00
December	Monday	21 December 2015	16h00

Economic Sentiment Indicator & Business Climate Indicator

Month	Publication		
	Day	Date	Time
January ¹⁾	Thursday	29 January 2015	11h00
February	Thursday	26 February 2015	11h00
March	Monday	30 March 2015	11h00
April ^{1) 2)}	Wednesday	29 April 2015	11h00
May	Thursday	28 May 2015	11h00
June	Monday	29 June 2015	11h00
July ¹⁾	Thursday	30 July 2015	11h00
August	Friday	28 August 2015	11h00
September	Tuesday	29 September 2015	11h00
October ¹⁾	Thursday	29 October 2015	11h00
November ²⁾	Friday	27 November 2015	11h00
December	Thursday	07 January 2016	11h00

¹⁾ includes quarterly surveys of manufacturing industry, services and consumers²⁾ includes investment survey

Ifo Press release



Ifo Business Climate Germany Results of the Ifo Business Survey for March 2015

Ifo Business Climate Index Rises

The Ifo Business Climate Index for German trade and industry rose to 107.9 points in March from 106.8 points last month. The index reached its highest level since July 2014. Companies were more satisfied with their current business situation. They also expressed far greater optimism about future business developments. The German economy continues to expand.

In manufacturing the climate indicator rose once again. Manufacturers were more satisfied with their current business situation. They were also clearly more optimistic about future business developments. Production plans reached their highest level since May 2014.

In wholesaling the business climate also improved. Assessments of the current business situation were far more favourable, while wholesalers scaled back their slightly optimistic business expectations. In retailing the business climate also continued to brighten. After falling in February, the business situation indicator rose again. Retailers expressed greater confidence in future business developments.

In construction, by contrast, the business climate indicator continued to fall, but remains at a high level. Contractors assessed both their current business situation and their business outlook less favourably than last month. There is still a boom in construction, but it is weakening.

Hans-Werner Sinn
President of the Ifo Institute



Germany (Index, 2005 = 100, seasonally adjusted)

Month/year	03/14	04/14	05/14	06/14	07/14	08/14	09/14	10/14	11/14	12/14	01/15	02/15	03/15
Climate	110.7	110.3	110.1	109.4	108.0	106.5	105.5	103.4	104.6	105.5	106.7	106.8	107.9
Situation	115.2	115.3	114.8	114.7	113.2	111.8	110.7	108.7	109.2	109.6	111.7	111.3	112.2
Expectations	106.4	106.6	106.5	104.5	103.9	102.3	100.4	98.5	100.1	101.5	102.2	102.3	103.5

Source: Ifo Business Survey

For long time-series in Excel format consult www.ifo-bayern.de/germany/ifo

KOF Press release

ETH

 Eidgenössische Technische Hochschule Zürich
 Swiss Federal Institute of Technology Zürich

KOF Konjunkturforschungsinstitut

KOF Swiss Economic Institute

ETH Zürich

LEE G 116

Leonhardstrasse 21

8092 Zürich

Tel.: +41 44 632 40 61

kofco@kof.ethz.ch

KOF

Press Release

Zurich, 3 March 2015, 9 a.m.

Results of the KOF Business Tendency Surveys of February 2015

Consequences of the Decision by the SNB Become Apparent

According to the most recent KOF Business Tendency Surveys, the economic outlook of Swiss businesses cooled significantly in February. The current results provide the first comprehensive indications regarding the new currency situation, since in January almost 94% of participants filled in the questionnaire before the exchange rate floor on the franc was removed. In all areas of the economy covered by the survey – manufacturing, retail trade, finance, construction and the architectural and engineering sector – the economic outlook deteriorated. The position worsened particularly for manufacturers.

Breakdown according to sector

All economic sectors questioned by the KOF considered their economic outlook to be less favourable in February than in January. The fall was significant for the construction industry and the architectural and engineering sector, although did not occur on an extraordinary scale. The economic outlook indicator had improved significantly in the architectural and engineering sector in January, which means that the fall in February only partially reverses this rise. The direct consequences of the increase in the value of the franc should be limited in the construction industry.



Press Release: KOF Business Tendency Surveys - 3 March 2015

GfK Press release



Press release

The next GfK Consumer Climate report will be published on
Thursday, April 23, 2015, 8.00 a.m.
press embargo: March 26, 2015, 8.00 a.m.

March 26, 2015

Prof. Dr. Dr.
T +49 911 385 3388

Ulrich Pischke
Corporate Communications
T +49 911 385 2755

Bright prospects for German consumer climate

Findings of the GfK Consumer Climate study for Germany for March 2015

Nuremberg, March 26, 2015 – German consumers are becoming ever more optimistic. Following a value of 9.7 points in March 2015, the overall indicator is forecasting 10.0 points for April. Increases were once again recorded in both economic and income expectations as well as willingness to buy.

The tug of war in Europe over the future of Greece is currently having no impact whatsoever on the consumer mood of Germans. Consumers consider the German economy to be on clear upward trend based on a weak euro, which is boosting exports, and lower energy costs. In the wake of an improving economic outlook, income expectations and willingness to buy also rose further to again surpass the record value of the previous month.

Economic expectations: upswing is stabilizing

In March, the upward movement in economic expectations continued unabated. The indicator rose by 9.6 points to 36.8 points. This is the fourth consecutive increase for the indicator. A higher value of 45.9 points was last recorded in July 2014. The indicator's upward trend has therefore clearly stabilized.

The low interest rate policy of the European Central Bank (ECB) has placed the euro under great pressure of devaluation. This has therefore significantly improved the competitiveness of German exports outside the eurozone. In addition, the effect of exceedingly low energy costs for households and companies is similar to a mini economic stimulus program.

Consequently, economic experts now regard the original growth forecast of 1.5 percent for gross domestic product (GDP) this year as too conservative. They are now forecasting an increase of almost 2 percent.

Companies also clearly consider the German economy to be on an upward trend, as is reflected in the fifty successive increase in the Ifo Business Climate Index in March.

GfK AG
Marketing 121
90199 Nuremberg
Germany

T +49 911 385 0

Management Board
Matthias Weinmann (CEO)
Christian Decker (CFO)
Dr. Barbara Heineckel
Detlev A. Piesent

Chairman of the
Supervisory Board
Dr. Arno Matthei

Commercial register
Nuremberg HRB 23014

GfK Press release



Income expectations: upward trend continues

Given the significant improvement in the economic outlook, income expectations have also risen. After rising by 2.5 points, the indicator is now at 53.1 points. This is the third consecutive increase on an already extremely high level.

The combination of rising employment, good collective wage agreements and very low inflation have caused consumers' income optimism to rise further. And not without reason: the first collective wage agreements in the metal and electronics industries amounted to 3.4 percent. This will certainly give an indication to employees in other industries. They can expect significant increases in real income this year. As pensions are closely linked to the development of salaries and wages, pensioners can also be hopeful of considerable real income rises. According to information provided by the government, pensions look set to increase by 2.1 percent in western Germany and 2.5 percent in the new eastern federal states with effect from July 1, 2015.

Willingness to buy: sixth consecutive rise

After a sixth consecutive rise, willingness to buy has once again surpassed its eight-year high. Following an increase of 3.9 points, the indicator is now at 63 points. The propensity to consume is therefore 1.4 points below its highest ever value of 64.4 points in October 2008, shortly before the VAT increase.

The reasons for the excellent development of willingness to buy are obvious: rising employment and income prospects coupled with low energy prices are giving consumers planning security and the financial means for making major purchases with renewed vigor.

In addition, the ECB's monetary policy which aims to push interest rates to rock bottom is also boosting the spending mood, because the alternative of saving is currently not very appealing. The propensity to save remains extremely low, although a slight increase was recorded in March.

Consumer climate: highest value in 13 years

Following a value of 9.7 points in March 2015, the overall indicator is forecasting 10.0 points for April. This is its highest value since October 2001, when the indicator was at 11.0 points. The consumer climate in Germany is therefore continuing its upward trend.

GfK confirms its forecast issued at the start of the year that private spending in Germany will increase by around 1.5 percent in real terms in 2015. It will therefore be a key pillar of the German economy.

Despite the positive outlook, there are still some risks. Although Germans are currently not affected, the current battle on the future of Greece could

GfK Press release



cause uncertainty in Germany in the coming months as well as the risks are difficult to assess. If a Grexit, where Greece renounces the euro and subsequently leaves the eurozone, were in fact to materialize, the German economy could suffer a severe setback as a result.

PLEASE NOTE: publication date for April has changed:
Thursday, April 23, 2015, 8 a.m.

Provisional publication dates for 2015

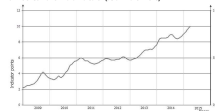
Thursday, March 26, 2015, 8 a.m.	Thursday, April 23, 2015, 8 a.m.
Wednesday, May 27, 2015, 8 a.m.	Thursday, June 25, 2015, 8 a.m.
Wednesday, July 29, 2015, 8 a.m.	Friday, August 21, 2015, 8 a.m.
Thursday, September 24, 2015, 8 a.m.	Wednesday, October 28, 2015, 8 a.m.
Thursday, November 26, 2015, 1 p.m.	Monday, December 22, 2015, 8 a.m.

The following table shows the development of the individual indicators in March in comparison with the previous month and prior year:

	March 2015	February 2015	March 2014
Economic expectations	36.8	27.2	33.2
Income expectations	53.1	50.6	45.6
Willingness to buy	63.0	59.1	55.5
Consumer climate	9.7	9.3	8.3

The following graph shows the development of the consumer climate indicator over the past few years:

GfK Consumer Climate indicator (as at: March 2015)



GfK Press release



About the study

These findings are extracts from the "GfK Consumer Climate MAXX survey", which is based on around 2,000 consumer interviews conducted each month on behalf of the European Commission. The report contains charts, forecasts and a detailed commentary regarding the indicators. In addition, the report includes information on proposed consumer spending in 20 different areas of the consumer goods and services markets. The GfK Consumer Climate survey has been conducted since 1980.

The consumer climate explicitly refers to all private consumer spending. However, depending on the definition, only 30 percent of private consumer spending is accounted for retail. The remainder is attributable to services, travel, rent, health services and the entire personal care segment.

GfK is predicting a rise in private consumption of 1.5 percent for 2015. Again, this does not relate to just retail sales, but to all consumer spending. Last year, GfK also forecast that private spending would increase by 1.5 percent. According to figures from the Federal Statistical Office, private spending grew by 1.2 percent in 2014.

Willingness to buy is a mood indicator, as are all the other indicators. It examines whether consumers think it is advisable to make major purchases at present. Even if they answer "yes", two further requirements need to be fulfilled for a purchase to be made: consumers must have the money that is required for such a major purchase and also regard this acquisition to be necessary. In addition, it only relates to consumer durables, which require a greater budget.

The findings of the consumer climate survey based on around 2,000 interviews conducted each month on a representative sample of the German population. This survey tool is subject to continuous quality controls, especially in relation to the representativeness. The fact that the results are used and recognized in the field of empirical legal research (for example, the likelihood of confusion between products) is a testament to the exceptionally high quality of this survey. This means that the results are quality approved by experts and must stand up in court.

Further information: Rolf Birkel, Tel. +49 911 395-3056,
konsumentima@gfk.com

GfK Press release



The table below provides an overview of the following indicators:

Economic expectations	This index is based on the following question to consumers: "How do you think the general economic situation will develop in the next 12 months?" (improve – stagnate – deteriorate)
Income expectations	This index is based on the following question to consumers: "How do you think the financial situation of your household will develop in the next 12 months?" (improve – stagnate – deteriorate)
Consumption and buying willingness	This index is based on the following question to consumers: "Do you think it is advisable to make major purchases at the moment?" (good time – neither good nor bad time – bad time)
Consumer climate	This index is used to describe private consumption. Key factors are income expectations, buying willingness and savings trends. The economic outlook has a more indirect effect on the consumer climate, generally as a result of income expectations.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

For more information, please visit www.gfk.com, or follow GfK on Twitter: [www.twitter.com/gfkan](https://twitter.com/gfkan)

Responsible under press legislation:
GfK SE, Corporate Communications
Jan Saeger
Nordseering 101
90419 Nürnberg
Germany
T +49 911 385 4087

OECD Press release



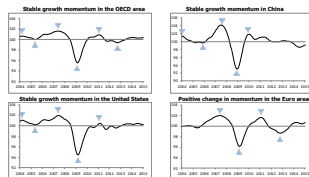
Paris, 9 March 2015
 OECD Composite Leading Indicators
 News Release

Composite leading indicators point to positive change in growth momentum in the euro area

Composite leading indicators (CLIs), designed to anticipate turning points in economic activity relative to trend, point to positive change in growth momentum in the **euro area**, and stable growth momentum in most other major economies and the **OECD area** as a whole.

In **Germany**, the CLI confirms the positive change in momentum that was tentatively flagged in last month's assessment. The outlook for **Italy** and **France** has also improved, with the CLIs now showing tentative signs of a positive change in momentum.

Stable growth momentum is anticipated amongst most other major economies, including the **United States**, the **United Kingdom**, **Canada**, **Japan**, **China** and **Brazil**. In **India**, the CLI continues to indicate firming growth, while in **Russia** the CLI still points to a loss in growth momentum.



The above graphs show country specific composite leading indicators (CLIs). Turning points of CLIs tend to precede turning points in economic activity relative to trend by approximately six months. The horizontal line at 100 represents the trend of economic activity. Shaded triangles mark confirmed turning-points of the CLI. Blank triangles mark provisional turning-points that may be reversed.

Methodological Notes:

The CLI methodological notes are available at: www.oecd.org/dataoecd/47/26/44726410.pdf

Watch our video explaining the CLIs: <http://www.oecd.org/dataoecd/47/26/44726410.pdf>

Access date: <http://www.oecd.org/dataoecd/47/26/44726410.pdf>

Contacts:

For further information journalists are invited to contact the OECD's Media Relations Division on

(33) 1 45 24 97 00 or e-mail media@oecd.org

For technical questions contact cli@oecd.org

Next release: 9 April 2015