FINANCIAL SERVICES SECTOR SURVEY

Final Report April 2017

Table of Contents

1   Introduction

Since April 2011, GfK Belgium has been commissioned by DG ECFIN to perform an EU-wide monthly business survey in the financial services sector. The survey is carried out on a monthly basis among senior managers of companies active in the NACE subsectors 64, 65 and 66.

The survey is part of the Joint Harmonised EU Programme of Business and Consumer Surveys (BCS) which is managed by DG ECFIN. The programme covers most sectors of the economies of the Member States of the EU and candidate countries, and provides essential information for economic surveillance, short-term forecasting and economic research

The aim of this final report is to describe the survey design and methodology and the work carried out between April 2016 and March 2017.

2   Survey Design and Methodology

2.1   Universe Definition

2.1.1   Target universe definition

The target universe of this study is defined as "senior managers working in companies with more than 10 employees, belonging to subsectors 64, 65, and 66 of the Classification of Economic Activities in the European Community, NACE Rev.2, with the exception of subsector 64.3". This definition was agreed by DG ECFIN in April 2011 and has not changed since then.

The exact definitions of the three subsectors are as follows:

• Subsector 64: Financial service activities, except insurance and pension funding (e.g. monetary intermediation; activities of holding companies; trusts, funds and similar financial entities; financial leasing; other credit granting)
• Subsector 65: Insurance, reinsurance and pension funding, except compulsory social security (e.g. insurance; life insurance; non-life insurance; reinsurance; pension funding)
• Subsector 66: Activities auxiliary to financial services and insurance activities (e.g. administration of financial markets; security and commodity contracts brokerage; activities auxiliary to insurance and pension funding; risk and damage evaluation; activities of insurance agents and brokers; fund management activities)

2.1.2   Target Universe Description

Although the universe definition appears quite straightforward, the number of companies included in the defined universe, as provided by different information sources, differs dramatically. An in-depth analysis was made in the first year GfK Belgium PS was running this survey.

An analysis of different information sources showed that the comparison between different databases and sources covering the NACE subsectors 64, 65, and 66 gives no clear view on the total universe of these three subsectors. It was agreed by DG ECFIN to use the database figures of Dun & Bradstreet as a description of the target universe.

The estimated coverage per market as given by Dun & Bradstreet is about 90% of all companies active in the specific subsectors. This level of coverage should be largely sufficient for the purpose of this survey in terms of representativeness. It can be expected that since these subsectors are largely

populated with (very) small companies, the missing coverage is most likely to be among small companies.

2.1.3 Coverage and Representativeness

As agreed by DG ECFIN, the survey focuses on the following 11 EU countries:

• Austria
• Czech Republic
• Germany
• Spain
• France
• Italy
• Luxembourg
• The Netherlands
• Poland
• Sweden
• UK

These countries represent 88% of Gross Value Added in the financial sector in the EU[1]. This proportion is sufficiently large to give representative results for the EA and the EU as a whole.

Table 1 gives an overview of the target universe of the 11 countries split by subsector and company size.

Table 1: Universe FINA (source D&B2013) - all companies excluding trusts (NACE 64.3)

	10_49	50_250	250+	Total	total %
NACE 64	24404	10985	4600	39989	**73,1%**
NACE 65	2839	1206	819	4864	**8,9%**
NACE 66	7886	1527	454	9867	**18,0%**
Total	35129	13718	5873	54720	**100,0%**
total %	**64,2%**	**25,1%**	**10,7%**	**100,0%**	

2.2 Sample

2.2.1 Sample Design and Size

The target monthly sample size, as defined by DG ECFIN, is 500 completed questionnaires per month.

In line with the recommendations of both the OECD and the User Guide of the BCS programme, a stratified random sample is used in the survey.

Stratification is done at two levels:

• At the level of the type of economic activity, three strata are used, one per NACE2 code (i.e. 64, 65,

---

[1] http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database

66)

- At the level of the company size, three strata are also used: 10-49, 50-249 and 250+ employees.

This means that a 3x3 matrix is compiled for each country, composed of nine strata according to which a random sample is drawn. In order to minimise sampling error, it was decided to draw a disproportionate sample taking into account the relative size (and hence importance) of companies in their respective subsector. The logic behind this reasoning is that by over-sampling strata where the dependent variable of interest exerts a relatively high error variance, one can optimise the sample design and obtain more reliable results.

Disproportionate sampling is performed through an equal distribution of the total sample over the different strata.

A disproportionate stratified sample design is appropriate because:

- The number of large companies is small as a proportion of all companies, but they are very important in terms of their added-value and overall effect on the economy. They may only represent 10% of the total *number* of companies but their share of the total *turnover* or *added-value* of the subsector can be considerably larger.
- In many cases, the proportion of large companies (=the absolute number of large companies of the total defined 'universe') is so small that when drawing a proportional sample, the sample of the large companies would be too small to derive reliable conclusions from a statistical point of view. Oversampling larger companies allows the analysis of results according to size of business, and guarantees a sufficient base for analysis within each stratum.
- Equal sampling by NACE code also allows to conduct analyses by NACE (whereas in a proportionate sampling, the sample base would be too small for at least one NACE code)

However, some issues did arise when defining the sampling plan for this study.

1. Firstly, in some countries the target universe for some strata is limited. In these cases, a regrouping of strata was needed to reach a sufficient level of potential respondents. This regrouping was done in the first instance at company size level.
2. Secondly, following discussions with DG ECFIN in January 2012, it was decided to slightly amend the sample design in April 2012. Given that subsector 64 is the most important subsector in the financial services sector, not only in terms of size but also in the type of business, it was decided to put emphasis on sampling in this subsector. A higher sampling in subsector 64 would be expected to have a positive impact on the representativeness of the results.

As a consequence we can no longer speak of a fully disproportionate sample. The sample still stays disproportionate, given that attention is paid that subsectors 65 and 66 are sufficiently represented in the sample.

Following the discussion with DG ECFIN of January 2013, the sampling plan was adjusted once more, in order to increase a larger group of panel members in the 5 largest countries (UK, France, Germany, Italy and Spain). This seems to be a necessary condition in order to guarantee a sufficient response and consequently number of completes for these countries. This measure was implemented during the new recruitment wave of April 2013 – and further supplemented by all recruitment waves carried out since then – in order to increase the panel size in these five largest countries.

2.2.2 Sample Recruitment

The OECD and the User Guide of the BCS programme advise the use of a fixed panel for business tendency surveys. This recommendation is followed in this survey. Using a fixed panel has evident benefits concerning reduced sample variance and higher accuracy in measuring trends in the market place.

For each country, a panel of (senior) managers of companies in the NACE2 subsectors 64, 65, 66 is set up. Panel members are recruited in two phases. Firstly, potential panel members are contacted through computer assisted telephone interviewing (CATI). Using a short telephone screening questionnaire, their eligibility for the survey is checked and their willingness to participate is confirmed.

If the person contacted fulfils the requirements and is willing to participate, an e-mail is sent in the second 'confirmation' phase. By answering the short questionnaire accessible through a link in the e-mail, the person officially subscribes to the panel.

A dedicated website for this study is set up to provide (potential) panel members with more information on the study. If persons contacted by telephone would first prefer to have additional information before deciding to join, they are sent a link to this website, together with a letter of recommendation from DG ECFIN.

In principle, panel members are senior level managers in their companies. However, during the telephone interviews the appropriate person for the panel in each company is identified. This could be lower level managers, senior managers or even board members. Persons are selected following a screening on the required profile.

Panel members that ask to be unsubscribed, or those who do not answer the survey over a period of 6 months, are replaced in the panel.

2.2.3 Panel Constitution

Table 2 gives an overview of the panel constitution for each month in the period April 2016 - March 2017. The initial recruitment for the panel took place in April 2011. Experience shows that half-yearly recruitment is necessary to replace those panel members that chose to leave the panel or automatically unsubscribed after six months of non-participation. This means that two new recruitment waves were performed in Year 6 – in April 2016 and October 2016. For those new panellists recruited, they were added to the panel at the beginning of November 2016.

Table 2: Overview of the panel constitution

2016-2017	Total	Sector 64	Sector 65	Sector 66
April	871	463	160	248
May	854	453	156	245
June	711	395	121	195
July	689	384	116	189
August	661	368	111	182
September	646	360	108	178
October	633	356	106	171
November	1267	642	281	344
December	1203	624	255	324
January	1179	611	249	319
February	1167	603	248	316
March	1152	593	244	315

Between April 2016 and March 2017, the financial services sector survey counted a total of 1630 panel members that actively participated or at least started once the survey. 29% of those panel members participated only once. 45% participated in at least 6 months, of which 21% participated in all 12 months.

In line with findings of previous analyses of the panel, voluntary cancellation of subscription remains very limited. In the period April 2016 - March 2017, 51 people, or 3% of the total panel, voluntarily left the panel, which means they asked to be unsubscribed from the panel.[2]

Besides this group of people that asked to be unsubscribed, another considerable group of panel members were inactive for longer parts of the period. As a rule, inactive members are replaced after 6 months of inactivity. A total of 316 panel members were unsubscribed from the panel in the period April 2016 – March 2017 following this rule. The majority of these cancellations of subscription were in April/May and October/November 2016, due to new recruits from October 2015 and April 2016 not participating despite their agreement to be part of the panel[3]. **Error! Reference source not found.** gives an overview of the number of active members, voluntary and mandatory cancellations of subscriptions.

---

[2] An overview of the panel constitution per country is given in appendix 1
[3] The exact month of cancellation is in these cases dependent on the exact date the newly recruited panel members were uploaded in our panel management system.

Figure 1: Overview of the panel (N=1630)
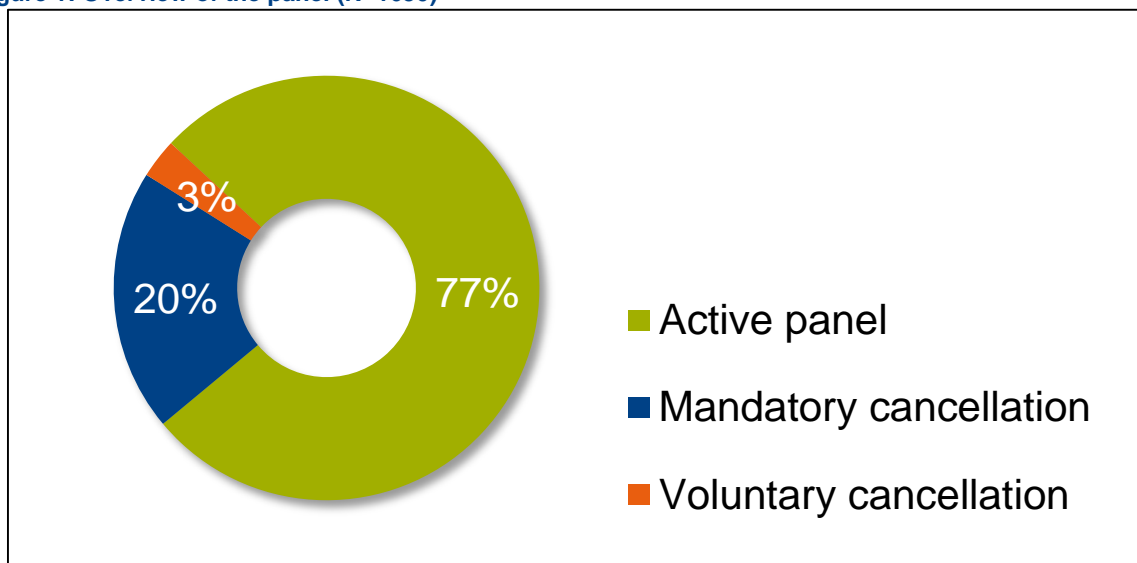
Experience shows that a half-yearly recruitment is necessary to replace panel members that actively left the panel or are dormant (i.e. inactive for a longer period). In April and October 2016, a half-yearly recruitment wave was undertaken. In April/May 2016, 210 new panel members were recruited. In October/November 2016, 438 additional panel members were added. The tables below give an overview of the specific number of new recruits per country and subsector for each of these recruitment waves.

Table 3: Overview of panel recruitment: April/May 2016

	AT	CZ	DE	ES	FR	IT	LU	NL	PL	SE	UK	Total
NACE 64	6	5	2	5	24	3	10	5	10	11	8	89
NACE 65	4	6	3	2	17	8	7	4	5	5	6	67
NACE 66	2	3	3	2	8	4	4	3	7	4	14	54
Total	12	14	8	9	49	15	21	12	22	20	28	210

Table 4: Overview of panel recruitment: October/November 2016

	AT	CZ	DE	ES	FR	IT	LU	NL	PL	SE	UK	Total
NACE 64	14	10	17	16	36	11	14	17	22	14	30	201
NACE 65	7	8	6	7	26	11	3	9	12	8	15	112
NACE 66	1	12	6	7	24	14	10	7	8	11	25	125
Total	22	30	29	30	86	36	27	33	42	33	70	438

As mentioned above in section 2.2.1, some adjustments were made in the sampling plan of year 1, placing more emphasis on NACE subsector 64. The recruitment in April 2012 was the first recruitment wave which implemented this new sampling plan. The October 2012 wave focused mainly on new recruitments in NACE 64 and the largest countries, i.e. France, UK, Germany, and Poland. The April

2013 and October 2013 recruitment waves focused especially on the largest five countries, as described in section 2.2.1.

Although NACE subsector 64 is the largest of the three subsectors included in this study, recruitment was difficult in the majority of countries. During previous recruitment waves, recruitment was easiest in this subsector. By increasing the required sample size, this situation has changed. In those countries where the target for the NACE 64 group could not be reached, extra recruits were made in the other groups.

For current and future recruitment waves, GfK uses Dunn & Bradstreet sample, supplemented by national business registers. The quality of data can vary between the different registers for each country and in some cases more local business registers could provide additional addresses in each subsector. At the start of the study in April 2011 a comparative study between different registers showed that D&B was the most appropriate to use[4]. The option to use additional registers is chosen to complement the address list for those countries where the current recruitment is more difficult.

---

[4] A full description of this analysis was given in the report on universe description delivered by GfK Belgium PS in March 2011.

2.3 Questionnaire

The questionnaire has been unchanged since the start of the survey in April 2011.

The questionnaire is composed of two parts: (1) a set of five monthly recurrent questions; and (2) an additional set of 10 questions asked on a quarterly basis (i.e. asked in January, April, July, and October). The questionnaires are translated into the local languages in order to guarantee a low-level entrance point for potential panel members.

2.3.1 Monthly questionnaire

The monthly questionnaire consists of the following five questions:

1. How has your business situation developed over the past 3 months?
2. How has demand (turnover) for your company's services changed over the past 3 months?
3. How do you expect the demand (turnover) for your company's services to change over the next 3 months?
4. How has your firm's total employment changed over the past 3 months?
5. How do you expect your firm's total employment to change over the next 3 months?

No changes were made to the monthly questionnaire in comparison to the previous waves of the financial services sector survey.

2.3.2 Quarterly questionnaire

The quarterly questionnaire consists of the following 10 questions.
1. How has your operating income developed over the last 3 months?
2. How do you expect your operating income to develop over the next 3 months?
3. How have your operating expenses developed over the last 3 months?
4. How do you expect your operating expenses to develop over the next 3 months?
5. How has the profitability of your company developed over the last 3 months?
6. How do you expect the profitability of your company to develop over the next 3 months?
7. How has your capital expenditure developed over the last 3 months?
8. How do you expect your capital expenditure to develop over the next 3 months?
9. How has the competitive position of your company developed over the past 3 months?
    a) *Total*
    b) *In your country*
    c) *Within the EA*
    d) *Within the EU*
    e) *Outside the EU*
10. How do you expect the competitive position of your company to develop over the next 3 months?
    a) *Total*
    b) *In your country*
    c) *Within the EA*
    d) *Within the EU*
    e) *Outside the EU*

2.4 Response Rates and Reliability of the Results

2.4.1 Analysis of response rates broken down by subsector

Table 5 and Figure 2 give an overview of the monthly response rate per subsector since April 2016.

Response rates vary between 44% and 80% from April 2016 to March 2017, which reflects a very good response rate for a business survey. The response rate has improved slightly in comparison to year 1. This panel study started in April 2011 and the increase in response rate shows that a loyal panel has been built up through this period. The fact that the subscription of panel members that are not active for a period of 6 months is cancelled has a positive impact on the response rate.

The number of completed interviews per subsector is relatively stable over the period April 2016 - October 2016 and largely proportional to the universe figures. However, due to the addition of new panel members in November 2016, the response rate naturally dropped. NACE 65 is in this respect over-represented, but this is as foreseen in the sampling plan in order to guarantee a sufficient number of responses in this subsector.

Table 5: Overview response per subsector

subsector	universe	April 2016 panel	April 2016 completes	May 2016 panel	May 2016 completes	June 2016 panel	June 2016 completes
NACE 64	39989	463	321	453	342	395	328
NACE 65	4864	160	98	156	100	121	86
NACE 66	9867	248	154	245	154	195	136
Total	54720	871	573	854	596	711	550

subsector	universe	July 2016 panel	July 2016 completes	August 2016 panel	August 2016 completes	September 2016 panel	September 2016 completes
NACE 64	39989	384	309	368	305	360	299
NACE 65	4864	116	84	111	91	108	85
NACE 66	9867	189	130	182	136	178	135
Total	54720	689	523	661	532	646	519

subsector	universe	October 2016 panel	October 2016 completes	November 2016 panel	November 2016 completes	December 2016 panel	December 2016 completes
NACE 64	39989	356	296	642	322	624	349
NACE 65	4864	106	85	281	93	255	112
NACE 66	9867	171	128	344	143	324	157
Total	54720	633	509	1267	558	1203	618

subsector	universe	January 2017 panel	January 2017 completes	February 2017 panel	February 2017 completes	March 2017 panel	March 2017 completes
NACE 64	39989	611	345	603	326	593	310
NACE 65	4864	249	117	248	109	244	111
NACE 66	9867	319	158	316	155	315	158
Total	54720	1179	620	1167	590	1152	579

Figure 2: Response rate per subsector
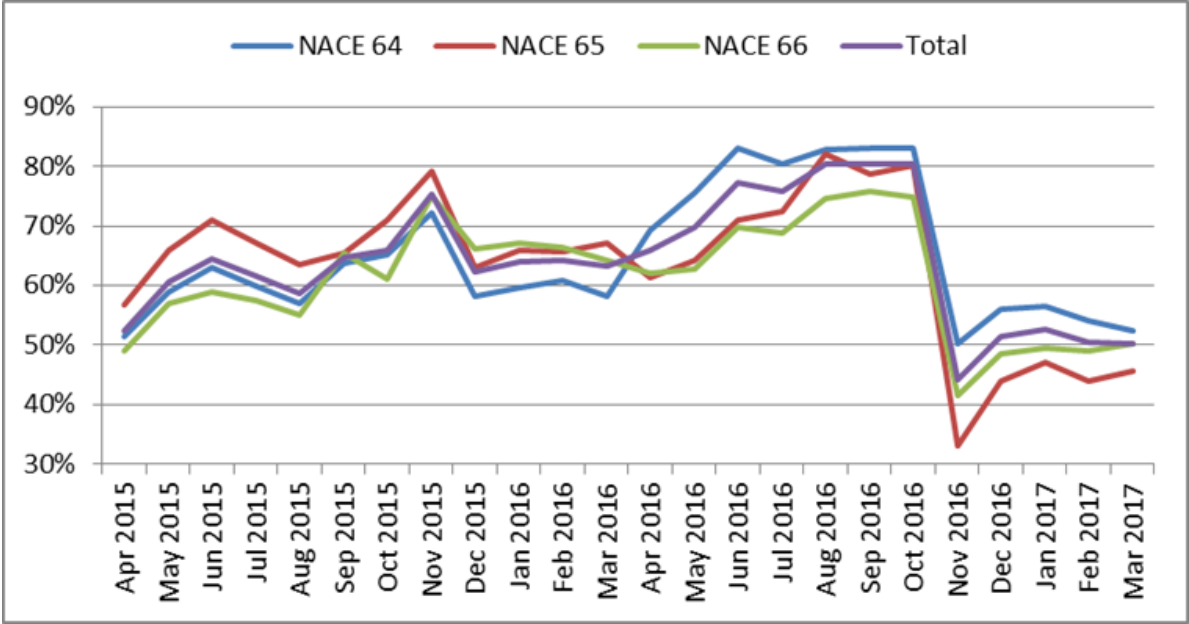
2.4.2 Analysis of response rates broken down by size classes

Table 6 and

Figure 3 give an overview of the monthly response rate per size class since April 2016.

There initially appears to be relatively little difference in response rate according to size class. When looking at this in more detail in

Figure 3, however, it can be seen that there is a slight trend for medium-sized companies to have a higher response rate.

Table 6 : Overview response per size class

size class	universe	April 2016 panel	April 2016 completes	May 2016 panel	May 2016 completes	June 2016 panel	June 2016 completes
Small	35129	301	189	295	189	240	177
Medium	13718	297	205	292	213	249	201
Large	5873	273	179	267	194	222	172
Total	**54720**	**871**	**573**	**854**	**596**	**711**	**550**

size class	universe	July 2016 panel	July 2016 completes	August 2016 panel	August 2016 completes	September 2016 panel	September 2016 completes
Small	35129	231	172	219	173	215	168
Medium	13718	245	185	238	194	232	189
Large	5873	213	166	204	165	199	162
Total	**54720**	**689**	**523**	**661**	**532**	**646**	**519**

size class	universe	October 2016 panel	October 2016 completes	November 2016 panel	November 2016 completes	December 2016 panel	December 2016 completes
Small	35129	212	160	442	185	426	213
Medium	13718	225	185	441	205	415	213
Large	5873	196	164	384	168	362	192
Total	**54720**	**633**	**509**	**1267**	**558**	**1203**	**618**

size class	universe	January 2017 panel	January 2017 completes	February 2017 panel	February 2017 completes	March 2017 panel	March 2017 completes
Small	35129	417	202	413	197	408	199
Medium	13718	408	220	406	216	400	207
Large	5873	354	198	348	177	344	173
Total	**54720**	**1179**	**620**	**1167**	**590**	**1152**	**579**

Figure 3: response rate per size class
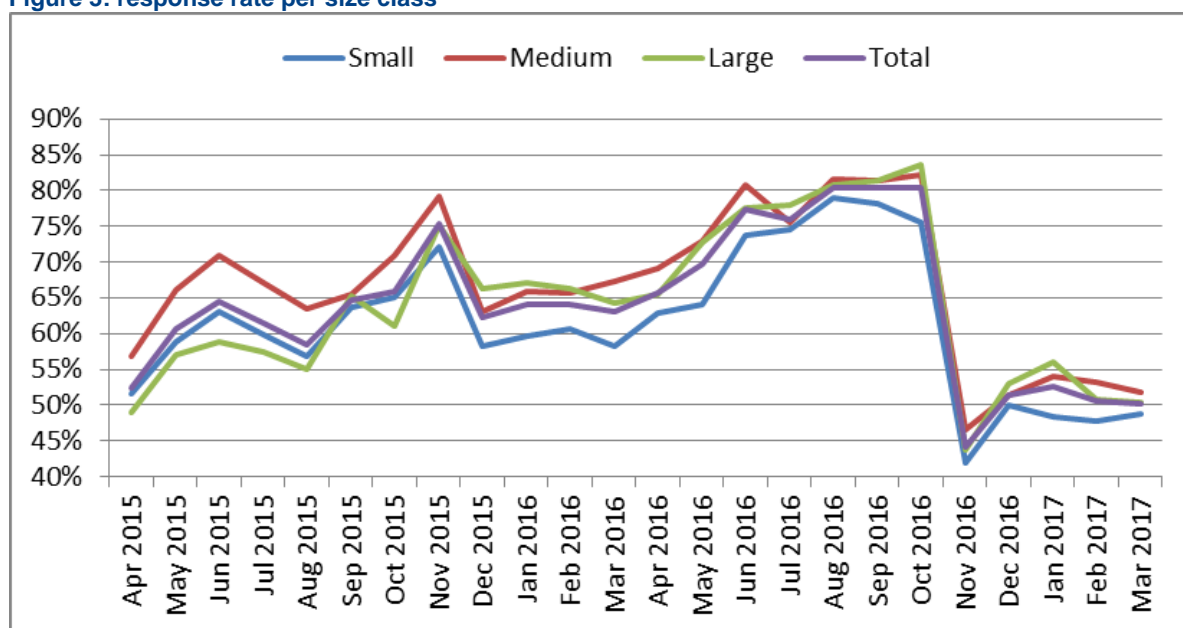
2.5   Weighting and Calculation of Aggregates

2.5.1   Size Weights

Following the recommendations described in the User Guide of the BCS programme, individual respondent results are weighted, reflecting the probability of the selection of units in the different strata. Given the fact that the sample is constructed as a two-level stratified random sample, weighting coefficients are calculated for each firm based on the two strata:

11.   **Sector of Activity**: the number of companies belonging to subsector 64, 65, and 66 of NACE rev.2.
12.   **Size of company**: this is based on the number of employees. Companies are divided into three groups – small size (10-49); medium size (50-250); and large size (250+).

The weighting scheme aims at improving the comparability of the survey responses and reference series rather than focusing on the predisposition larger companies are better at predicting future business tendencies.

2.5.2   Aggregation

In accordance with the instructions of the BCS programme, EU and EA aggregate replies to the questionnaires are calculated as weighted averages for the country-aggregate replies. The Gross Value Added (GVA) in the financial sector is used as the basis for calculating EU and EA aggregates, and is smoothed by calculating a two-year moving average. The size and subsector of companies are taken into account in the calculation of the EU, EA and subsector aggregates.

Up until January 2013, calculations were based on the data of 2004-2005, since these were the most recent data available on Eurostat website for all countries included in the survey. Since January 2013 the data have been updated on the Eurostat website, allowing the use of 2010-1011 data. The data of the GVA in the total financial sector are used and not the data per sector, since these last are not

available for all countries. A reweighting of all data since April 2011 was performed and the new data were provided to DG ECFIN in January 2013.[5]

Table 7 gives an overview of the figures of the GVA in the financial sector, used for the calculation of the weights[6].

Table 7: GVA in the financial sector

	2010-2011 (million €)	EU	EA
EU	539.811,5	100,00%	
EA	375.018,3		100,00%
Czech Republic	4.674,9	0,87%	
Germany	114.492,0	21,21%	30,53%
Spain	44.759,3	8,29%	11,94%
France	72.795,4	13,49%	19,41%
Italy	78.463,7	14,54%	20,92%
Luxembourg	7.947,9	1,47%	2,12%
Netherlands	41.026,5	7,60%	10,94%
Austria	15.533,6	2,88%	4,14%
Poland	11.691,0	2,17%	
Sweden	13.549,7	2,51%	
United Kingdom	134.877,8	24,99%	

---

[5] It must be noted that although we mention size weights and aggregation as two separate weightings, in practice, these are combined. GfK Belgium PS uses quantum software to calculate weighting factors.

[6] Source : http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database

3 Survey results

3.1 Monthly Survey Results

3.1.1 Business situation

The evaluation of the development of the business situation at EU and EA level fluctuated over the course of the year. From April 2016 to November 2016, results remained rather stable around +5. The lowest point (-3) was dated at the EA-level in April 2016. As of December 2016, both EU and EA scores raised to a maximum of +25 in March 2017.

Figure 4

Q1 - How has your business situation developed over the past 3 months?
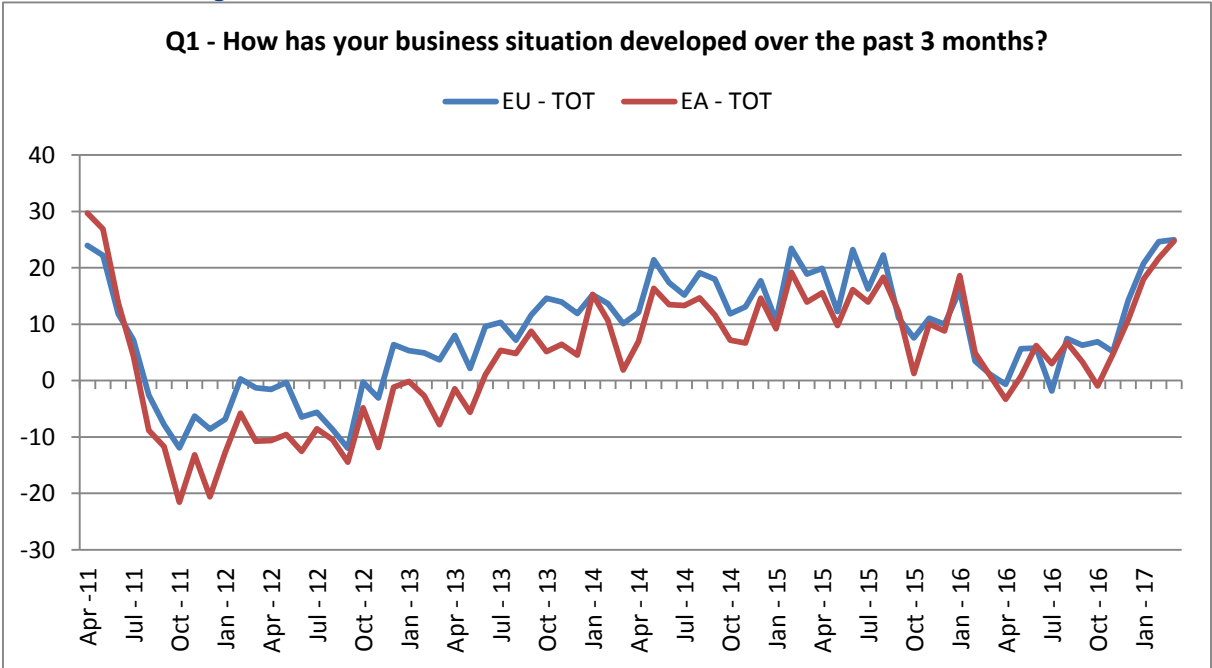
3.1.2 Demand

The survey gauges the demand for the company's services via two questions. One question asks about the evolution in demand over the past 3 months. The second question examines the expectations of change in demand in the upcoming 3 months.

Demand over the past 3 months
At both EU and EA-level, there was a large drop in the results in April 2016 (to 0 for EA and +2 for EU). The results on EA-level show a similar trend across the year compared to the EU-level with the sole exception of a drop in October 2016 (+2) on EA-level. As of November 2016, results started ascending to a maximum of +26. This figure transcends the results for April 2011.
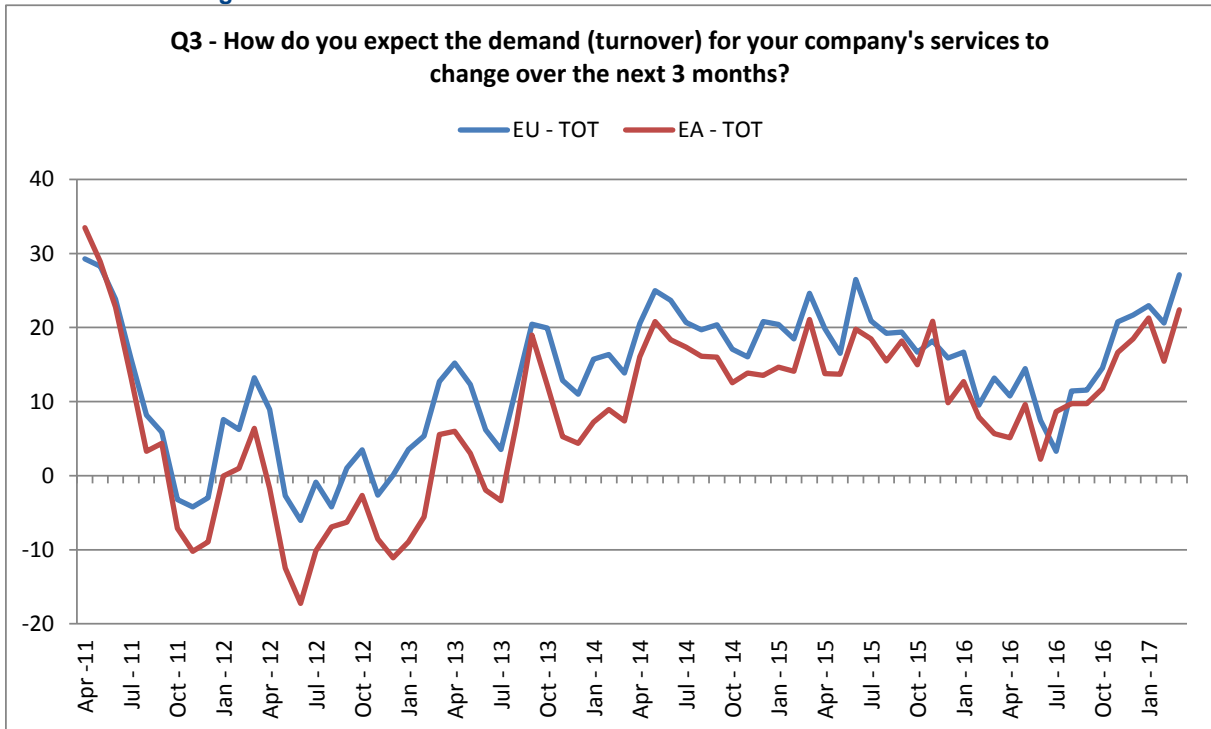
Figure 5

Q2 - How has demand (turnover) for your company's services changed over the past 3 months?
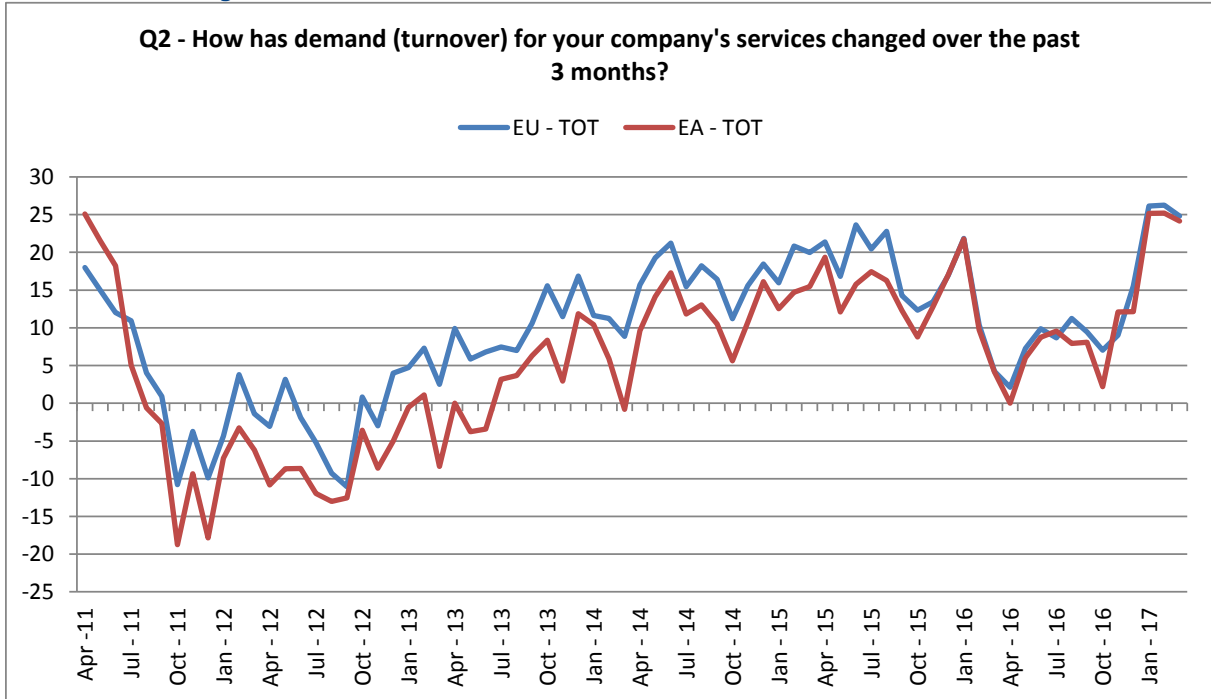
Demand in the next 3 months

Expectation of demand increased from April 2016 (+5 for EA and +11 for EU) to May 2016 (+10 for EA and +14 for EU). After this it slightly dropped to +2 points in June 2016 for EA-level and to +3 in July 2016 for EU-level. These are the lowest scores for the past year. Since then, results are rising to +22 points for EA and +27 points for EU in March 2017, with a small backdrop in February 2017 (+15 for EA and +21 for EU).

Figure 6

Q3 - How do you expect the demand (turnover) for your company's services to change over the next 3 months?

3.1.3 Employment in the financial sector

Employment in the past 3 months

Over the past year, there were great fluctuations both on EU and EA-level. The EU-level scores are overall positive with a peak in January 2017 (+10). This is followed-up by a backdrop, resulting in the lowest score over the past year (-2 in March 2017). The EA-level scores on the contrary are overall negative. There was an increase from -5 in September 2016 to +3 in October 2016. The lowest result was in February 2017 (-10). However, there is a small improvement in March 2017 (-6).

Figure 7

Q4 - How has your firm's total employment changed over the past 3 months?
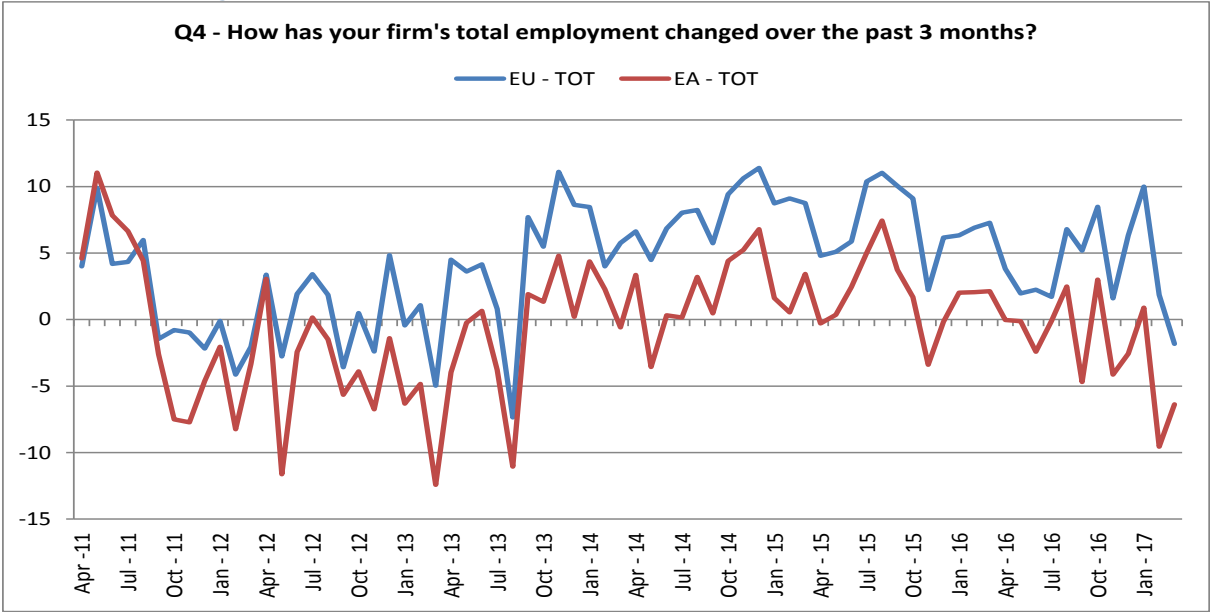
Employment in the next 3 months

As well for expected changes in employment, there are some fluctuations on both EU and EA-level. The highest EU score was in January 2017 (+12) and the lowest in July (0). In the EA-zone, the lowest result was in October 2016 (-5), which is followed by an ascent to +6 points in January 2017. After this increase, both EU and EA-level scores drop significantly for the remainder of the year (+3 for EU and -2 for EA in March 2017).

Figure 8

Q5 - How do you expect your firm's total employment to change over the next 3 months?
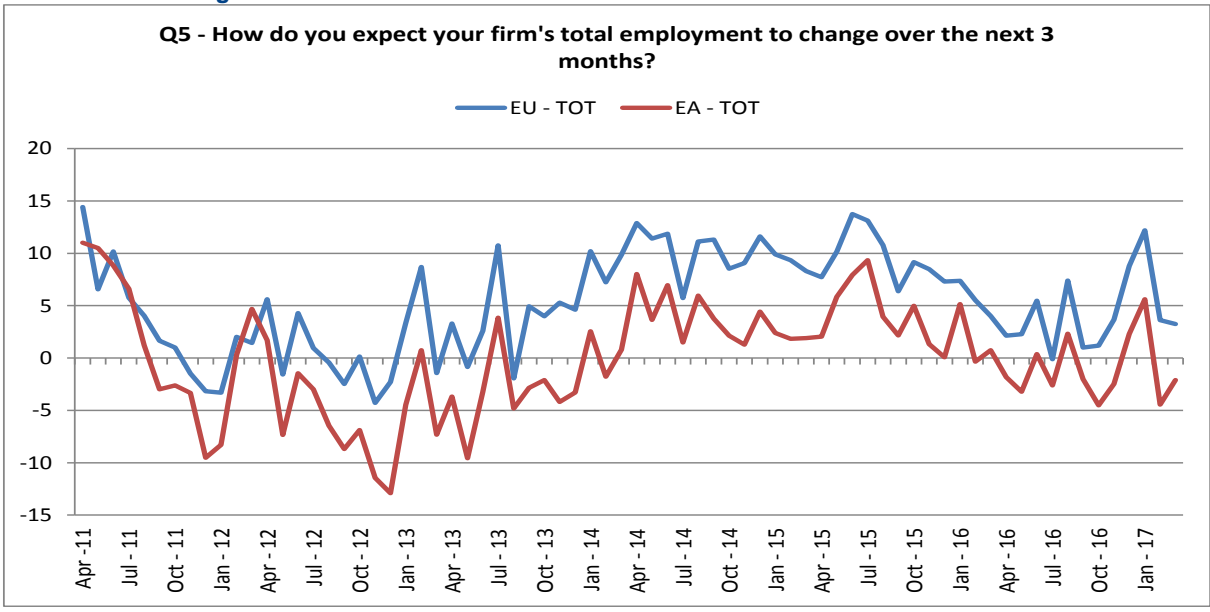
3.2 Quarterly Survey Results

Every three months (January, April, July, October and January), a quarterly set of questions is asked to the panel respondents in addition to the monthly questions. These are questions concerning the operating income, operating expenses, profitability, capital expenditure, and competitive position of their company. A short overview of the results of these quarterly questions follows below.

3.2.1 Operating income

In April 2016, there was a negative development of the operating income both in the EU (-11) and the EA-zone (-16). During the following year, results increased to +20 points on EU-level and +13 points on EA-level in January 2017.

However, when looking at expectations, it is to be noted that the April backdrop (which clearly showed on the level of the development) was less incremental in this case. On both EU and EA-level, a decrease shows in July 2016 (-5 for EU and -9 for EA) with a growth towards January 2017 (+12 for EU and +1 for EA).
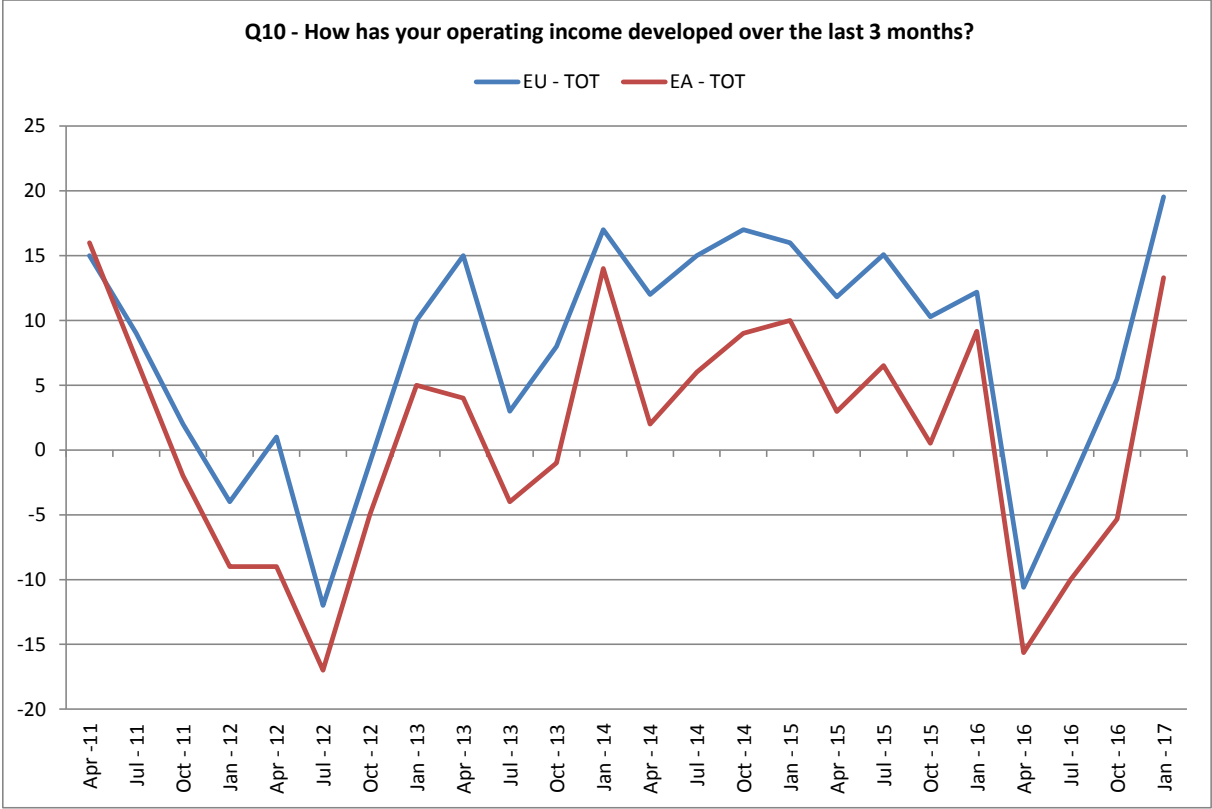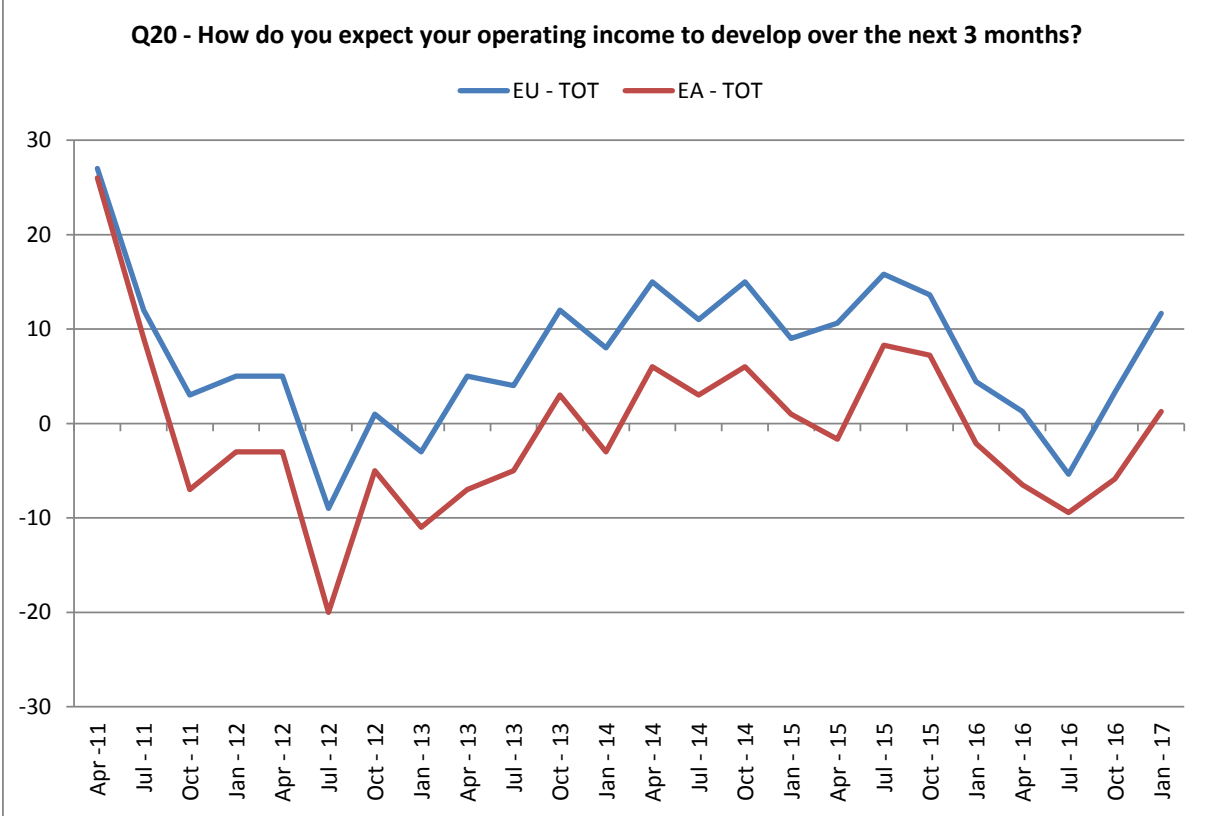
Figure 9

Q10 - How has your operating income developed over the last 3 months?

Figure 10

Q20 - How do you expect your operating income to develop over the next 3 months?

3.2.2 Operating expenses

Developments in operating expenses have increased during the past year from +15 to +25 points (January 2017) on EU-level and from +10 to +18 points (October 2016) on EA-level. For the latter, there was a slight drop to +14 in January 2017.

On EU-level, the expectations are following the trend of the developments in operating expenses. On EA-level however, a smaller growth was expected (+13 in October 2016) and no backdrop in January 2017 can be observed.

Figure 11

Q30 - How have your operating expenses developed over the last 3 months?

Figure 12

Q40- How do you expect your operating expenses to develop over the next 3 months?
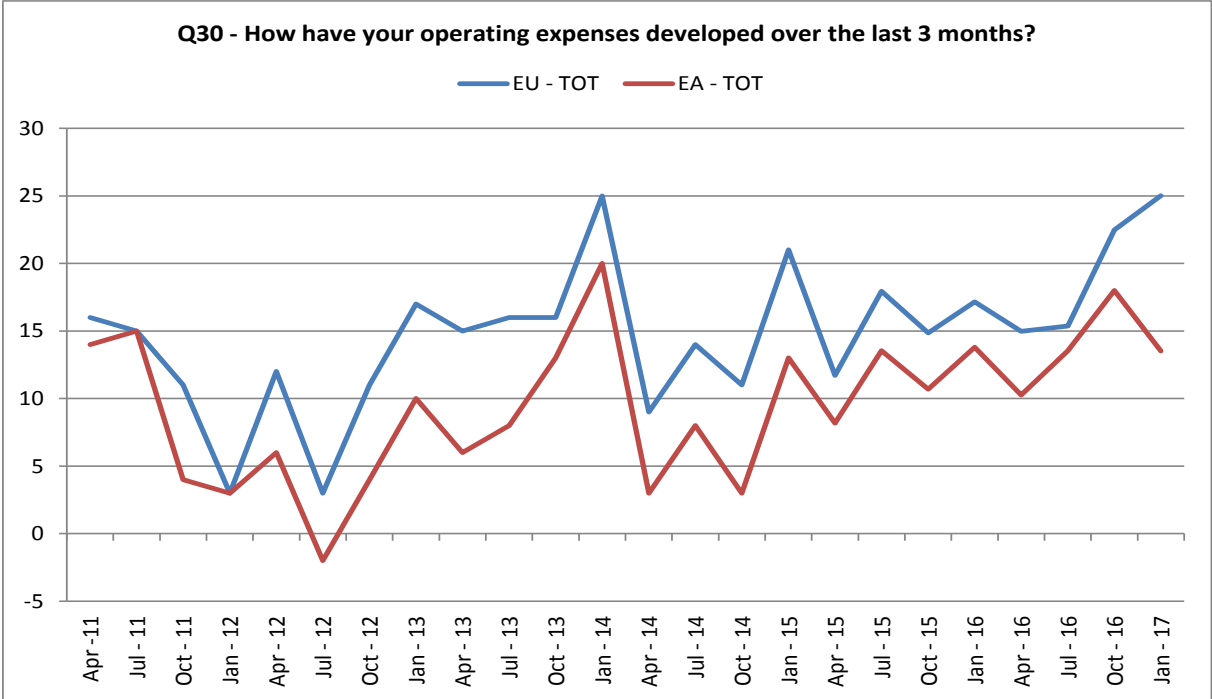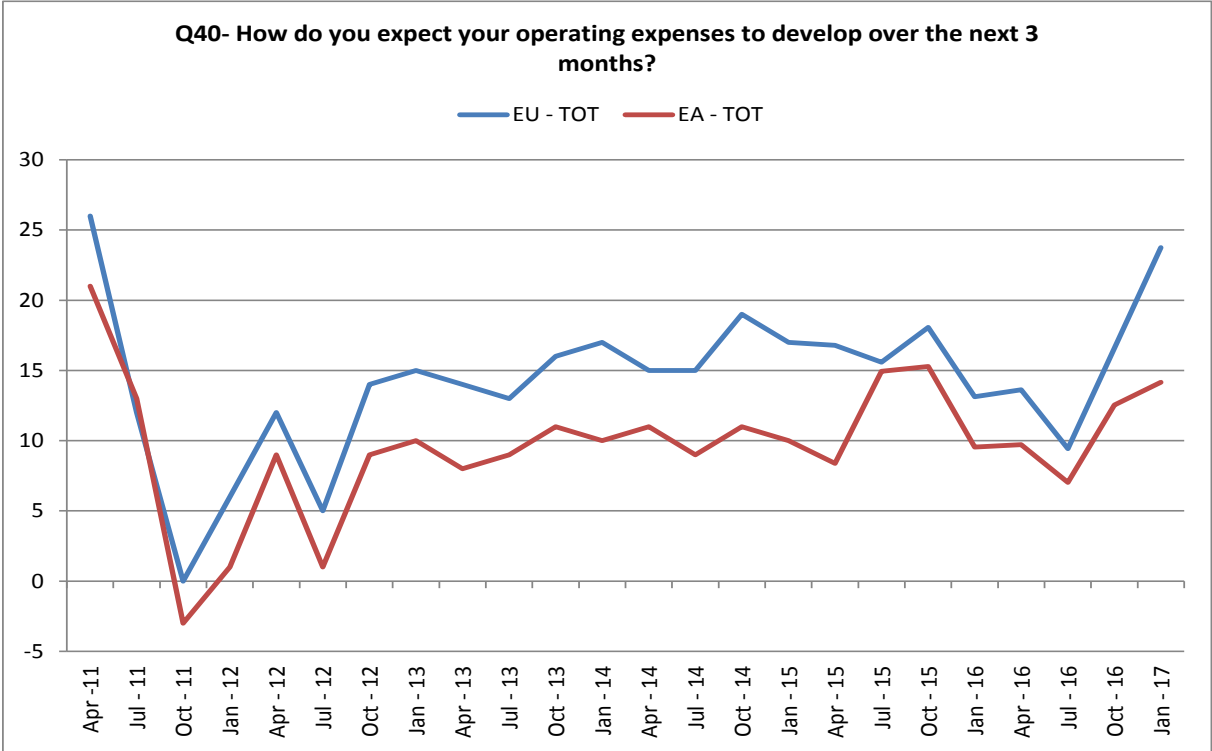
3.2.3 Profitability

In terms of profitability, there was a low score in April 2016 for both EU (-17) and EA-level (-21). This was followed by a steady increase towards January 2017 (+9 for EU and +4 for EA).

The expectations about profitability follow the trend of the above graph. However, a smaller drop can be noticed and it was expected to be in July 2016 (-11 for EU and -13 for EA).
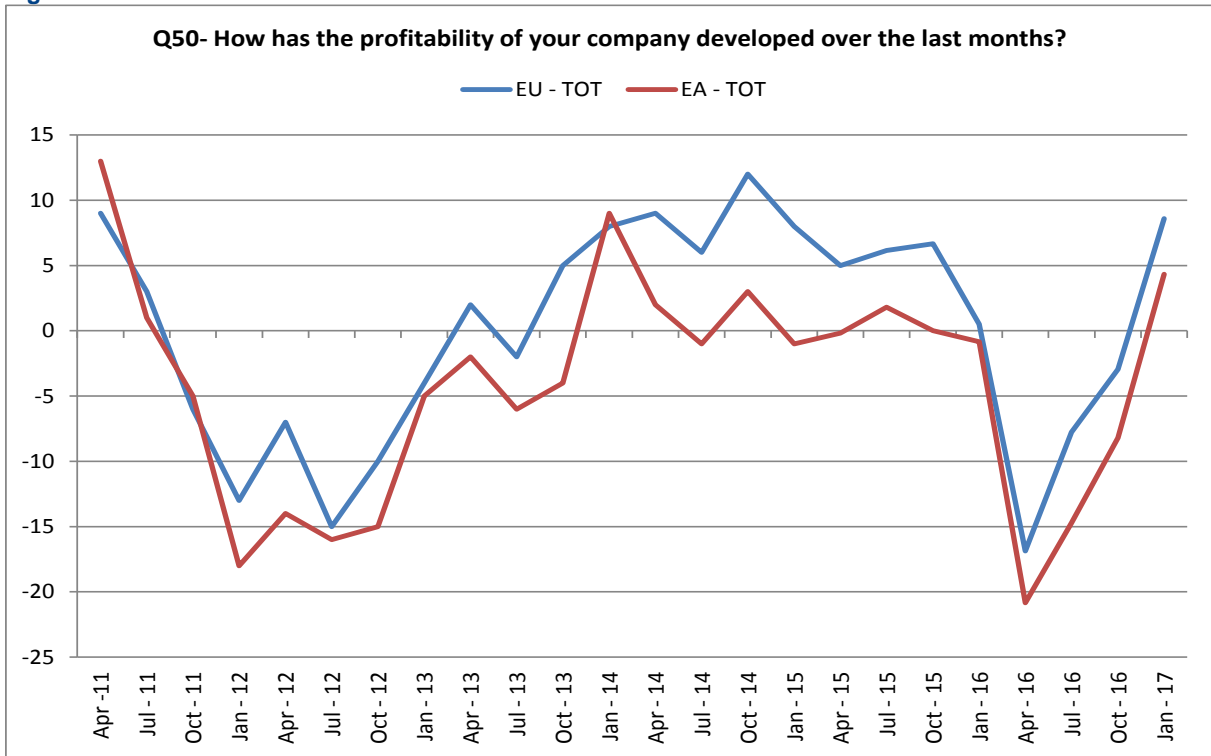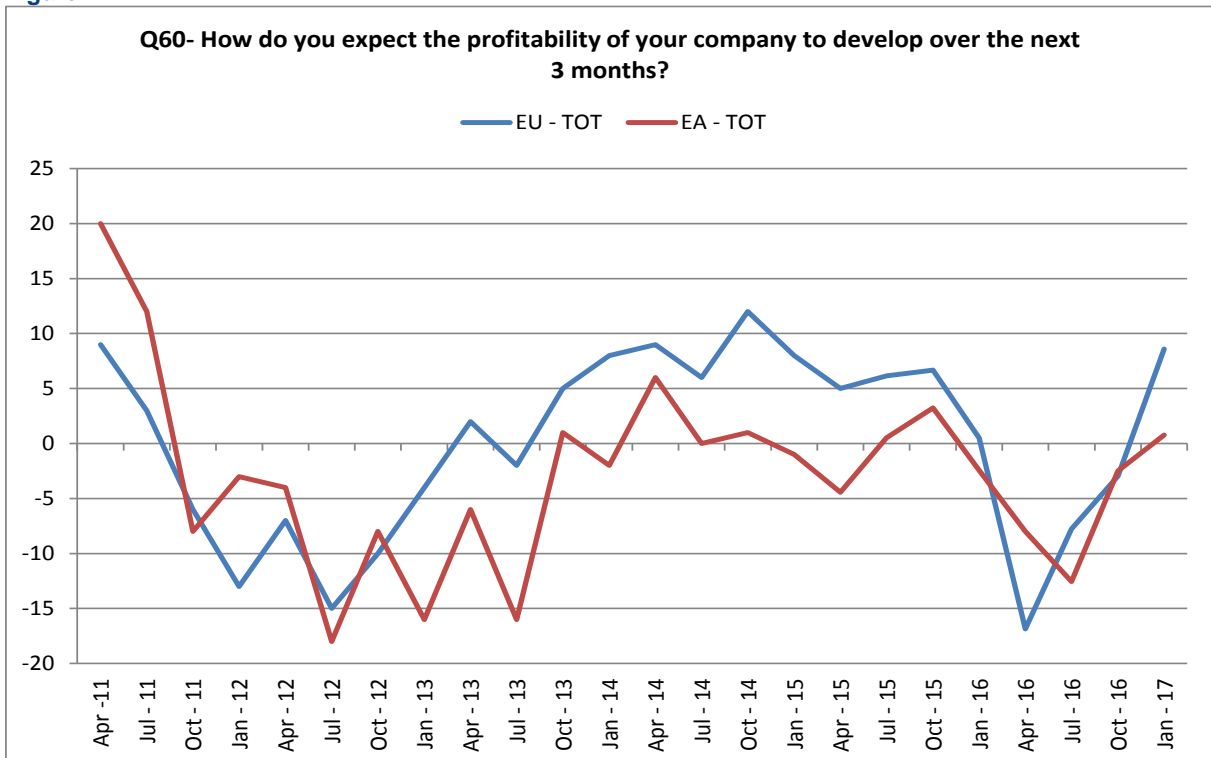
Figure 13

Q50- How has the profitability of your company developed over the last months?

Figure 14

Q60- How do you expect the profitability of your company to develop over the next 3 months?

3.2.4 Capital expenditure

In terms of the balance between positive and negative developments, the scores for the EU and EA increased from respectively +6 and +4 in April 2016 to respectively +16 and +13 in January 2017.

Similar observations can be made regarding the expectations in this field. The balance between positive and negative developments increased in the past year for the EU (from +8 to +15) and the EA (from +8 to +16). Only for July 2016, a larger drop was expected for the EU-zone (0 compared to +4 in reality).
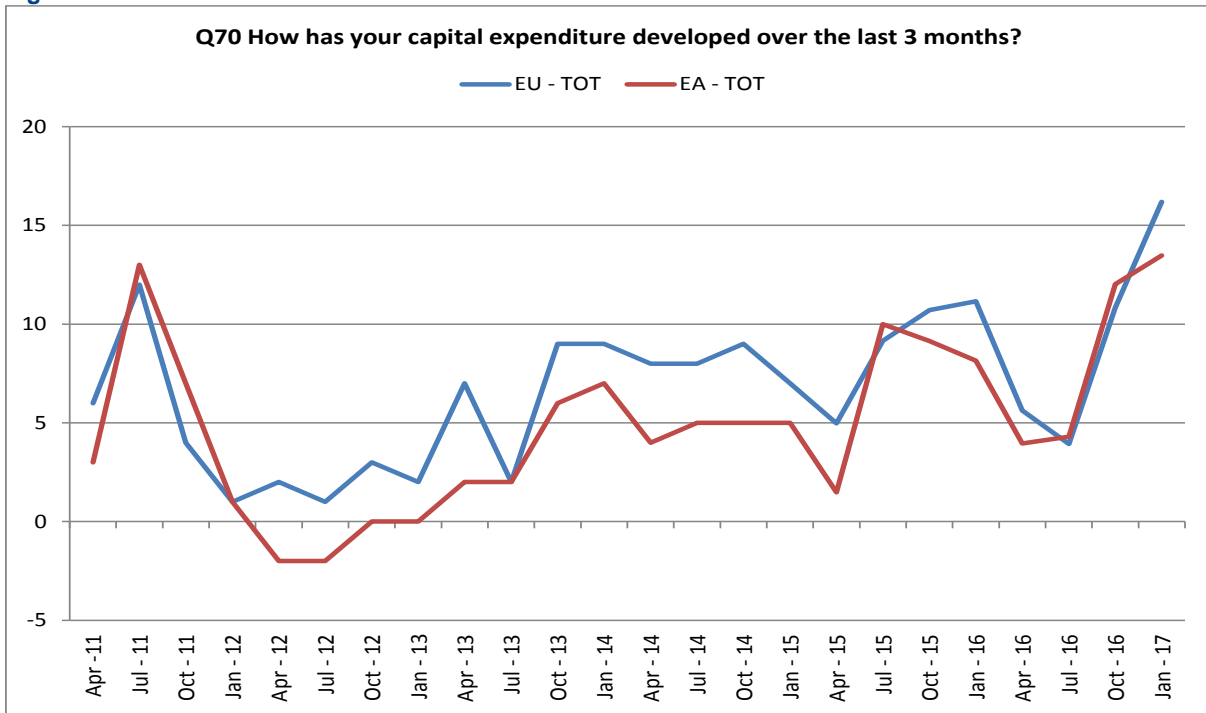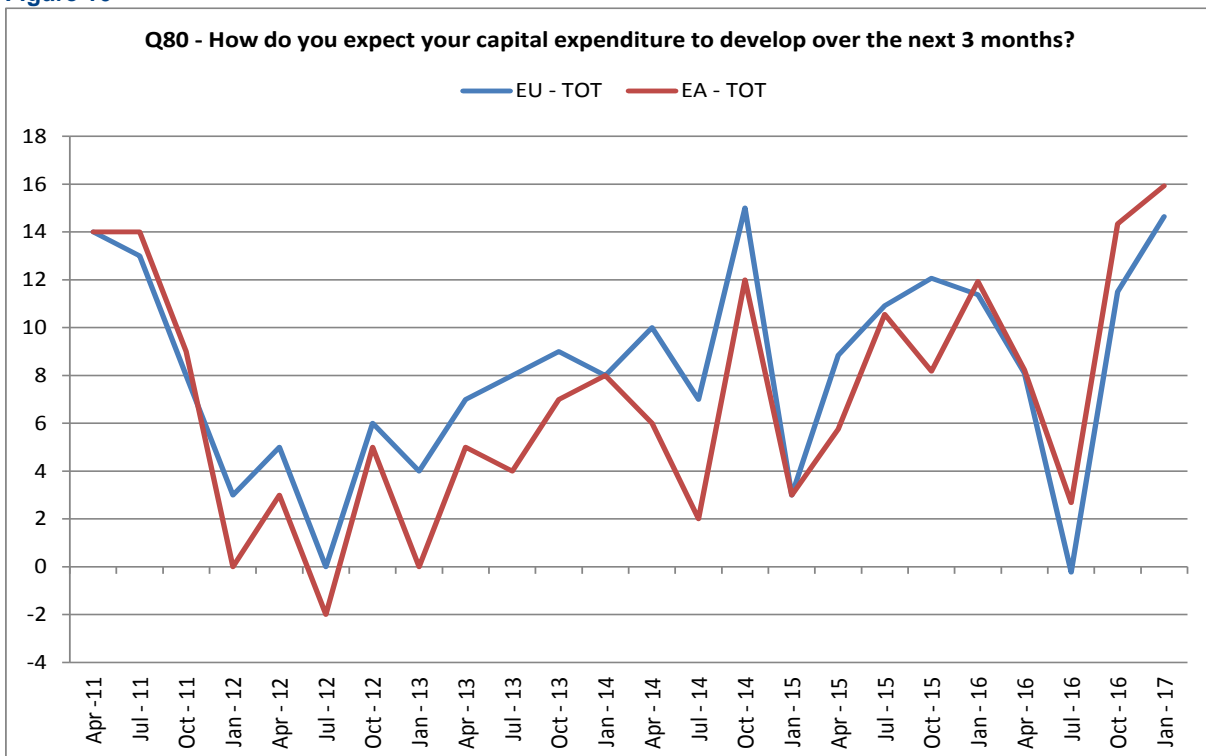
Figure 15

Q70 How has your capital expenditure developed over the last 3 months?

Figure 16

Q80 - How do you expect your capital expenditure to develop over the next 3 months?

3.2.5 Competitive position

Competitive position over the past 3 months

Figures 17 to 21 give an overview of the question on how the competitive position of the respondents' companies has developed over the past 3 months. This question is asked at 5 levels: in total, in the respondents' respective countries, in the EA, in the EU and outside the EU. Considering the fact that not all companies are internationally oriented, the last three levels are not applicable for all respondents. Reported competitive position is relatively stable across the four waves at EU and EA-level.
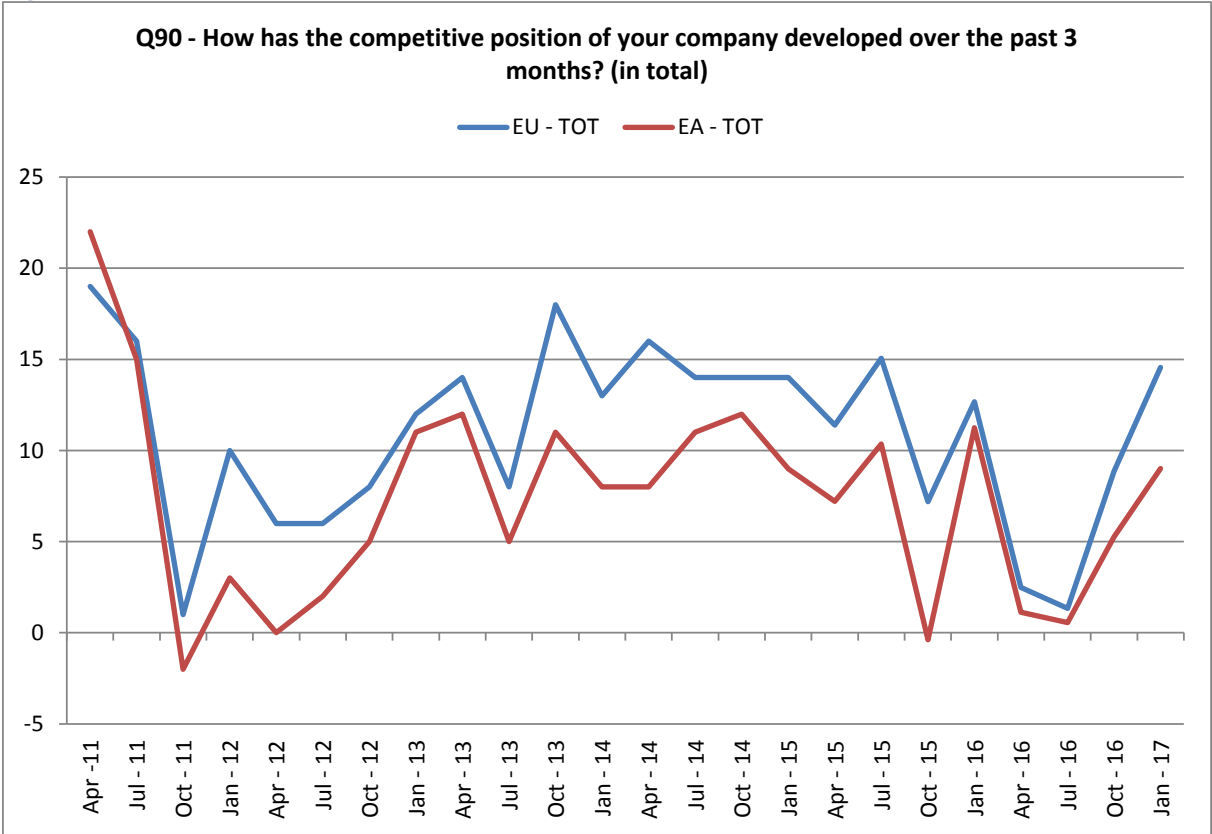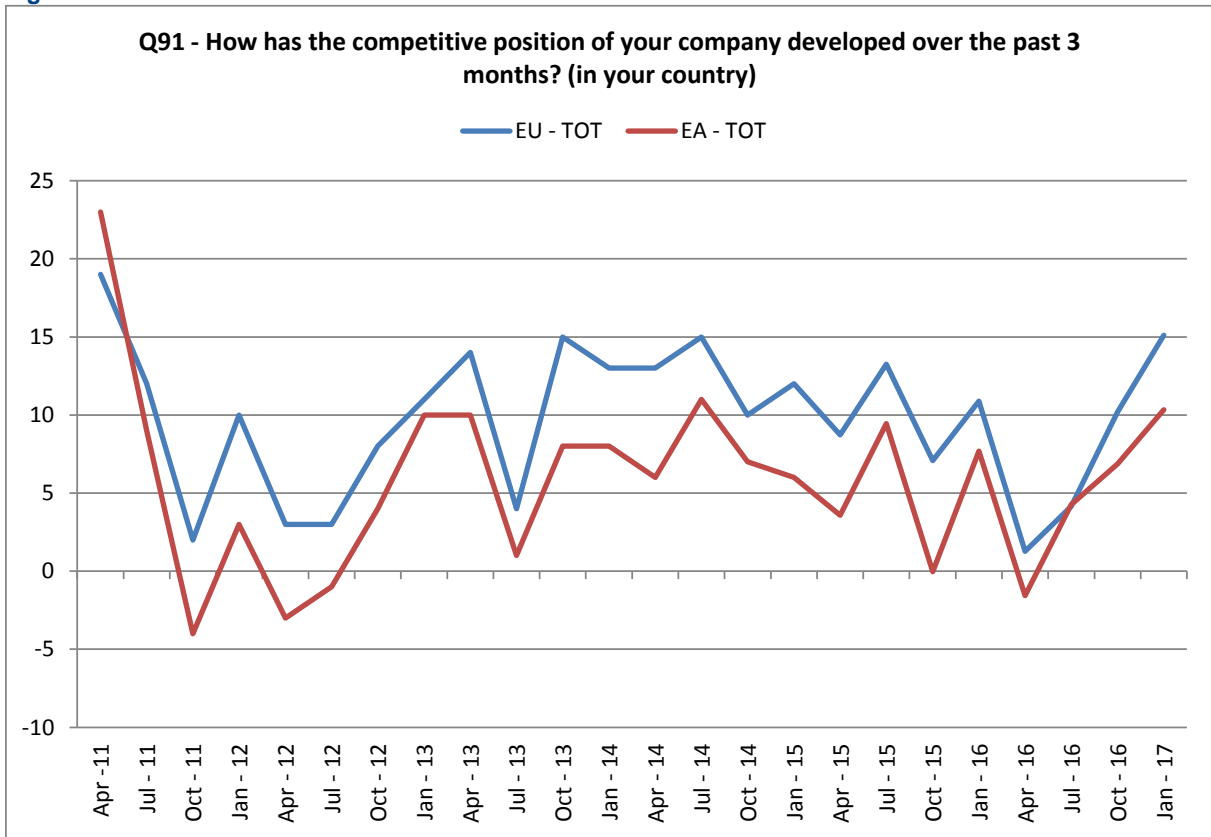
Figure 17

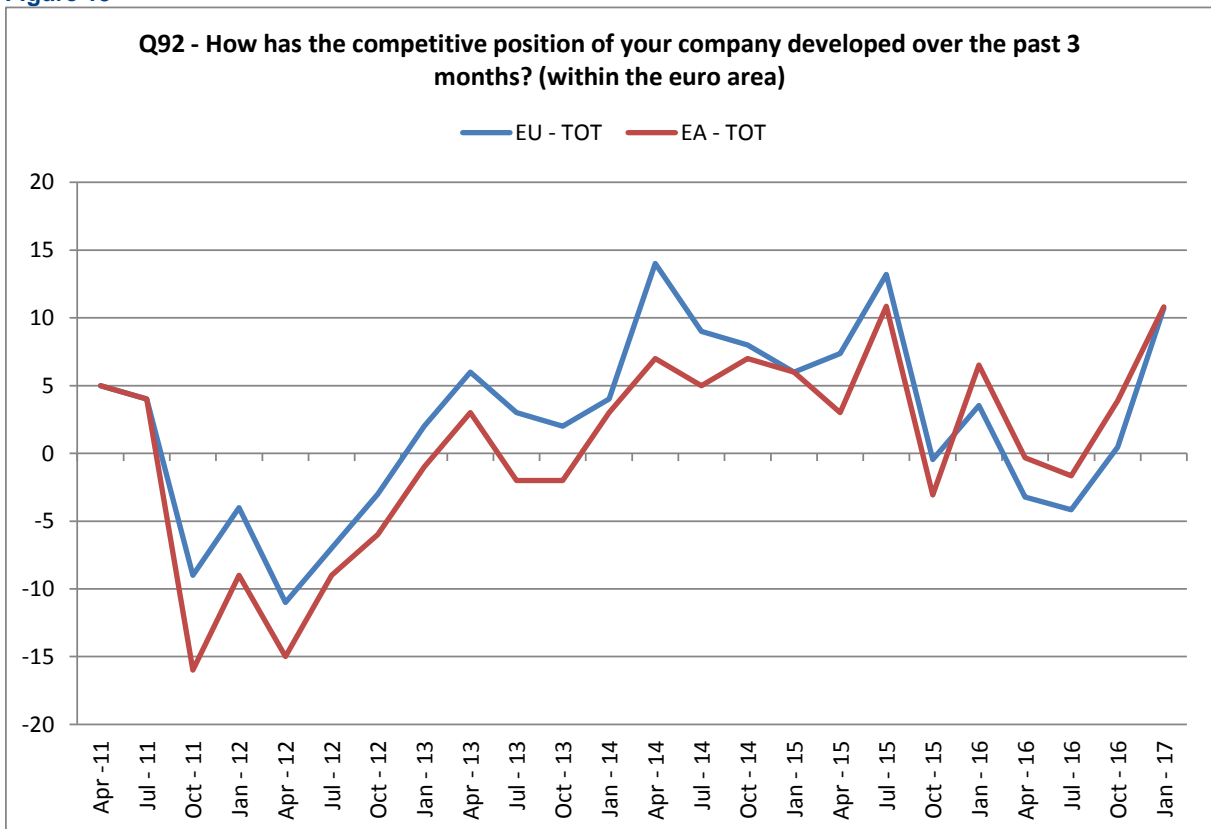Q90 - How has the competitive position of your company developed over the past 3 months? (in total)

Figure 18

Q91 - How has the competitive position of your company developed over the past 3 months? (in your country)

Figure 19

Q92 - How has the competitive position of your company developed over the past 3 months? (within the euro area)

Figure 20

Q93 - How has the competitive position of your company developed over the past 3 months? (within the EU)

Figure 21

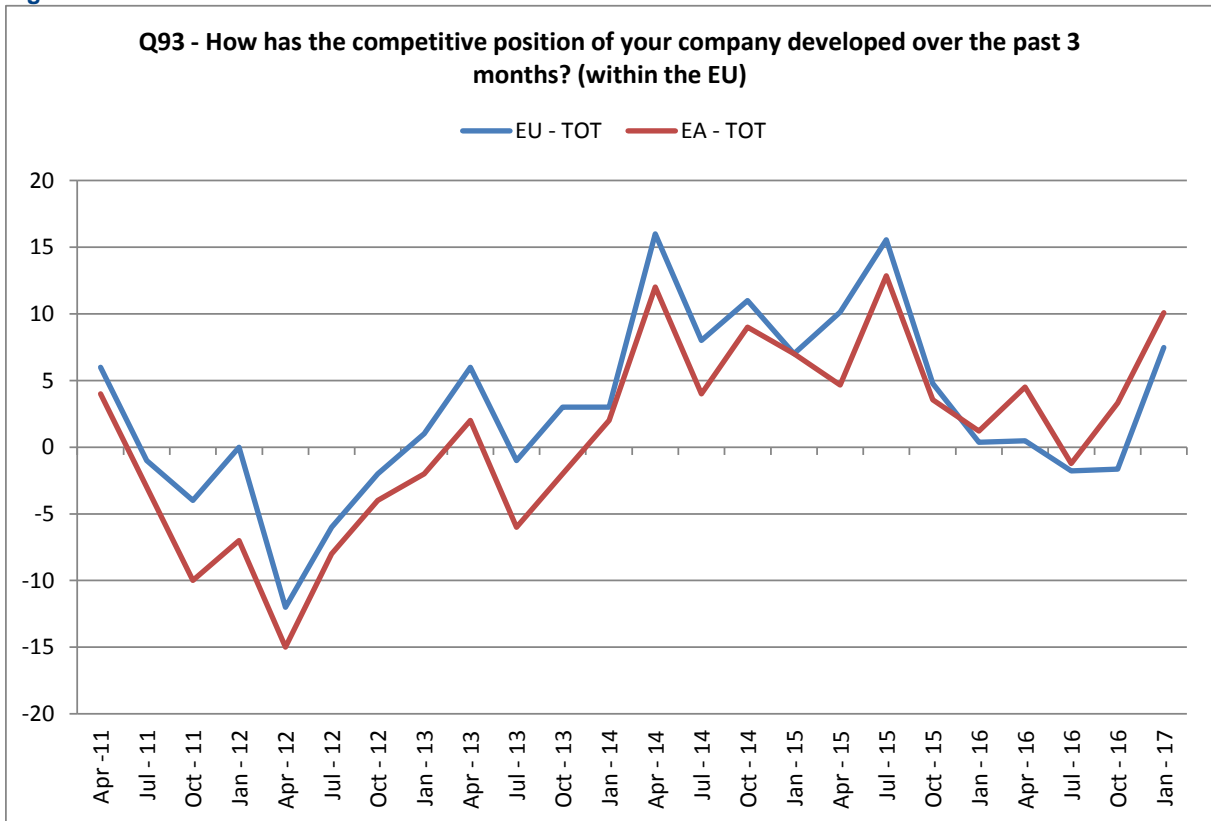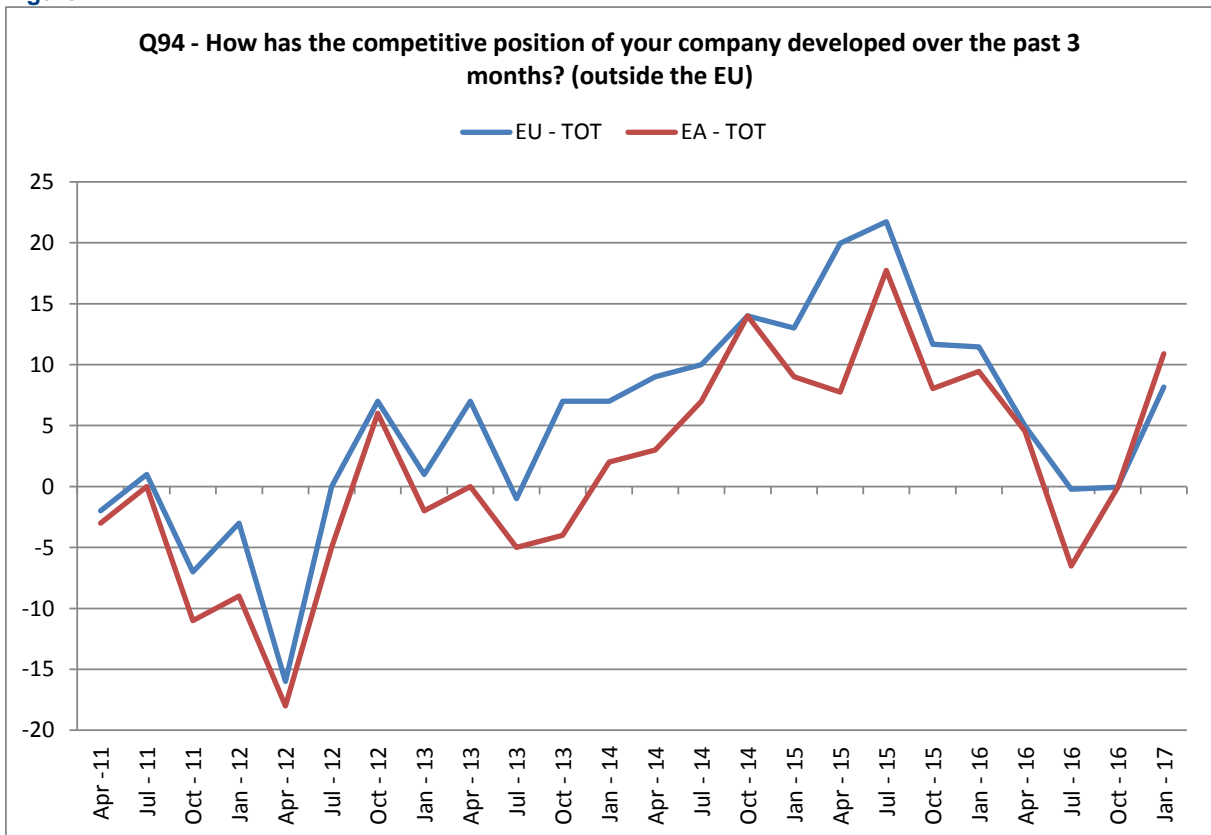Q94 - How has the competitive position of your company developed over the past 3 months? (outside the EU)

Competitive position in the next 3 months

Looking at the expectations respondents have on the competitive position of their companies (Figures 22 to 26), this was higher with EU-level respondents than EA respondents. Again, we see a decline in July 2016 (0 for EU and 0 for EA). As of then, the results increase to respectively +17 (EU) and +13 (EA) in January 2017.

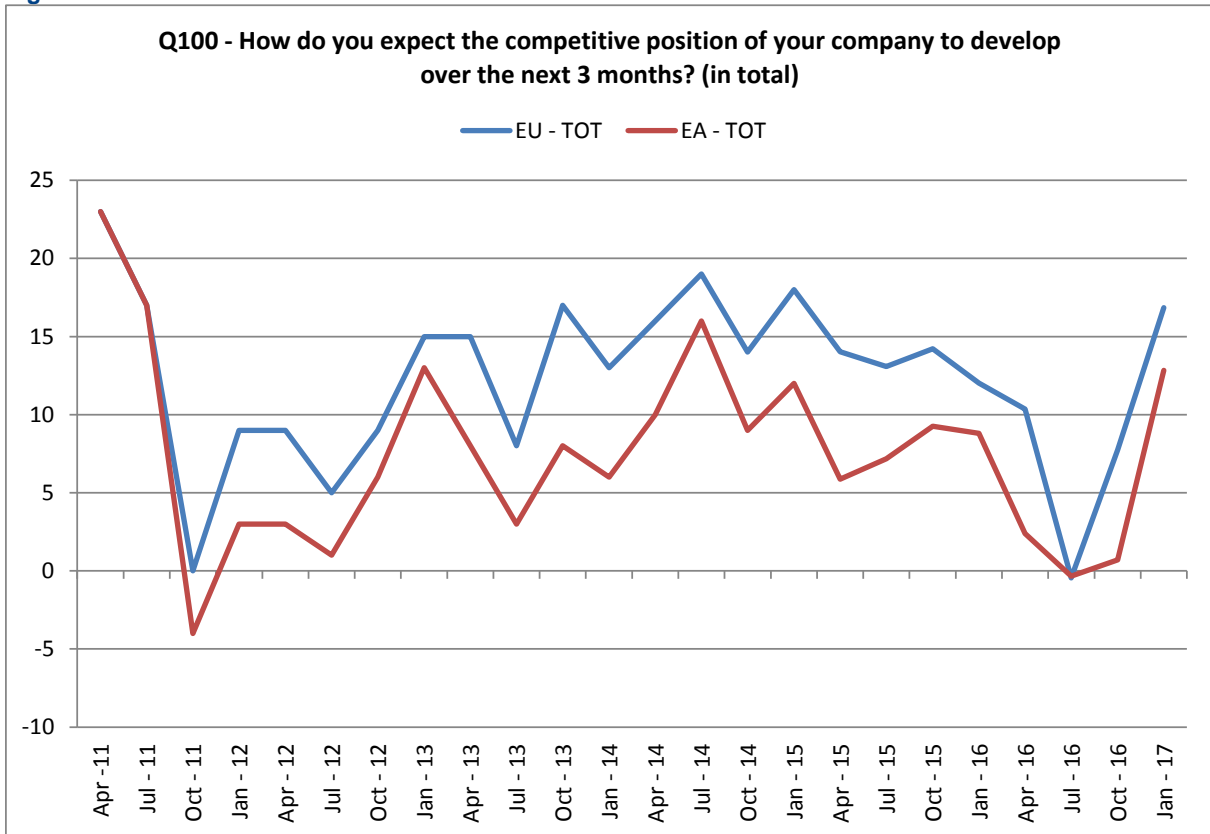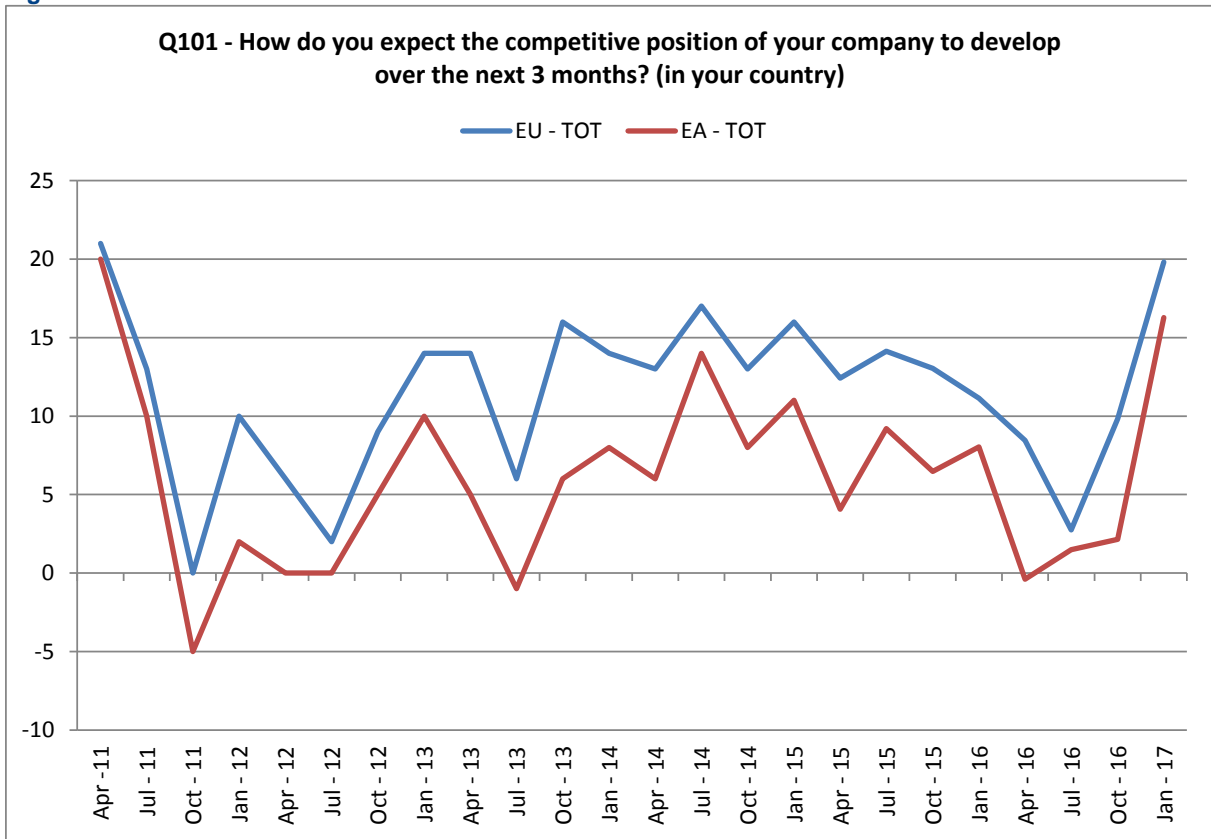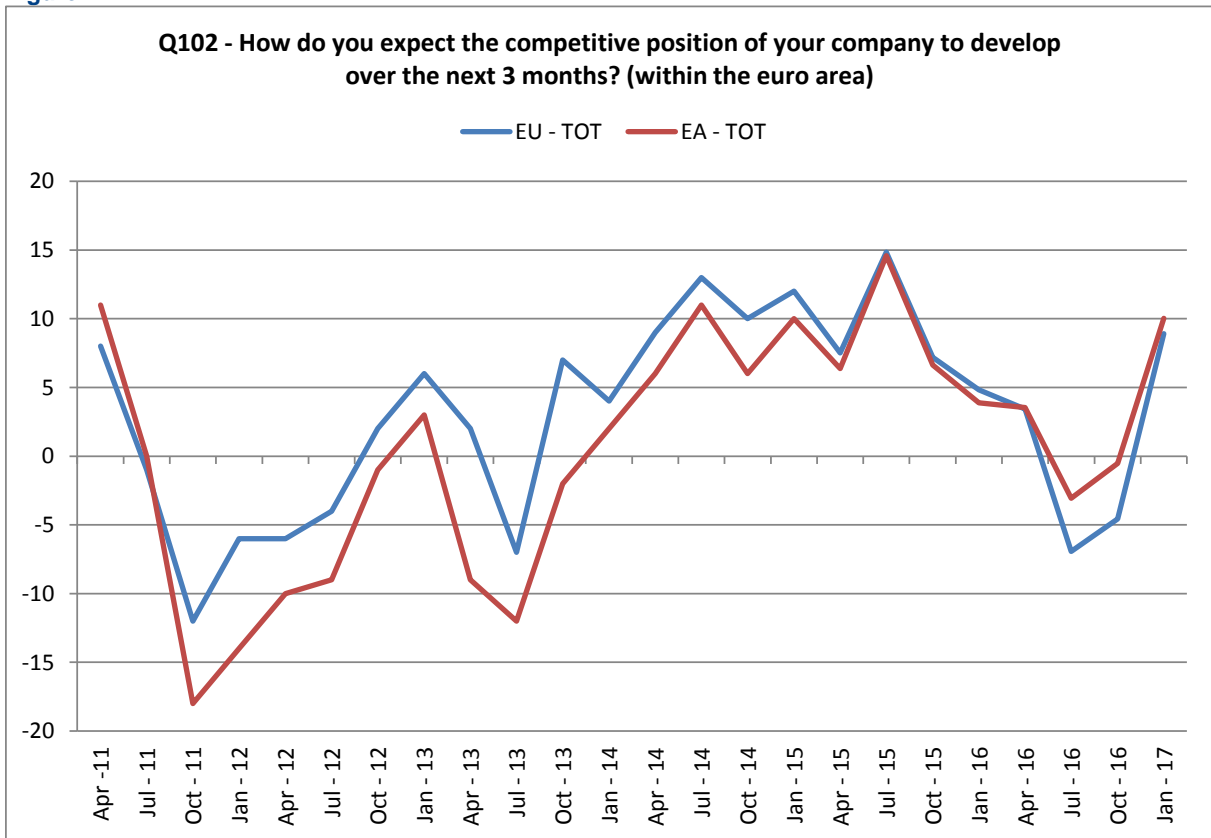**Q100 - How do you expect the competitive position of your company to develop over the next 3 months? (in total)**

— EU - TOT   — EA - TOT

Figure 23

Q101 - How do you expect the competitive position of your company to develop over the next 3 months? (in your country)

EU - TOT   EA - TOT

Figure 24

Q102 - How do you expect the competitive position of your company to develop over the next 3 months? (within the euro area)

EU - TOT   EA - TOT

Figure 25

Q103 - How do you expect the competitive position of your company to develop over the next 3 months? (within the EU)

Figure 26

Q104 - How do you expect the competitive position of your company to develop over the next 3 months? (outside the EU)