A survey of the financial service sector

- Over time, the coverage of our surveys has been extended to most sectors of the economy.

- The financial services sector has not been included in most of the regular services surveys.

- Given the importance of financial services, it was a natural step to try to include also this sector
  - Approximately 5% of GDP, which is comparable to the construction and retail sectors.
Coverage of the pilot survey

- The objective is to achieve representative results for the euro area and the EU
  - 7 countries had to be covered: DE, ES, FR, LU, IT, NL, and UK
  - In the survey 3 additional countries are covered: PL, HU, and CZ
- The survey covers NACE: 65, 66, and 67
  - Financial intermediation, except insurance and pension funding
  - Insurance and pension funding, except compulsory social security
  - Activities auxiliary to financial intermediation
Survey design and methodology

• The survey is carried out on a monthly basis
• Questionnaires are addressed to senior managers
• The contractor was free to choose the methodology for conducting the survey
  – Panel of respondents (targets: 240 panellists per country, expected response rate of 25%)
  – Online questionnaire
• Results are weighted according to size of company, sector, and country
Monthly questions

Q1 How has your business situation developed over the past 3 months?
Q2 How has demand for your company’s services changed over the past 3 months?
Q3 How do you expect the demand for your company’s services to change over the next 3 months?
Q4 How has your firm’s total employment changed over the past 3 months?
Q5 How do you expect your firm’s total employment to change over the next 3 months?
Quarterly questions I

• How has your operating income developed in the last three months, compared to the preceding three months?

• How do you expect your operating income to developed in the next three months, compared to the preceding three months?

• 3 other variables surveyed in the same manner
  – Operating expenses
  – Profitability
  – Capital expenditure
Quarterly questions II

• How has the competitive position of your company developed over the past 3 months?
  – Total
  – In your country
  – Within the euro area
  – Within the EU
  – Outside the EU

• How do you expect the competitive position of your company to developed over the next 3 months?
  – The same set of geographical coverage
Q3 – Expected Demand EU

Financial Services Q3
Services Q3
CBI expected volume trend
Q4 – Past Employment EU

Financial Services Q4 | Services Q4 | CBI past employment trend
Q5 – Expected Employment EU
Confidence Indicators

European Commission 2007
Stylised results

- There seems to be a visible correlation between the FSS and the other services sectors.
- In terms of numbers, the correlations are low.
- More variability in the FSS than in the overall services sector.
- The balances obtained with Q4 (past employment developments) seems to be the question that differs the most.
Dissemination

• The data are made available in Excel files on our homepage.
  – Seasonal adjustment requires three years of data

• The FSS has received its own section in our press release
Concluding remarks

• It is still early to properly evaluate the survey results.
• Is there a good benchmark?
• We would be happy to hear your views on any issue concerning this survey.