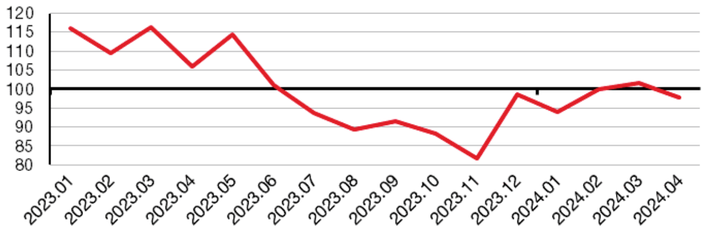
Monthly manufacturing industry survey — April 2024

Business climate is back below average

1. Business climate composite indicator



Source: Monaco Statistics

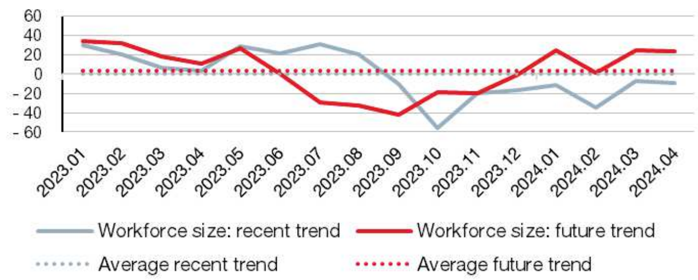
2. Composite indicator and balances of opinion, in %

	Average since Jan. 2023	2024			
		Jan	Feb	March	April
Business climate	**100**	**94**	**100**	**102**	**98**
Past production	**-17**	-41	-54	-47	**-32**
Expected production	**-19**	-31	20	20	**29**
Order books	**-42**	-35	-61	-53	**-58**
Stocks	**0**	-28	17	18	**-36**
Past selling prices	**-6**	-3	5	1	**4**
Expected selling prices	**-11**	-10	1	3	**2**
Workforce size: recent trend	**0**	-12	-35	-7	**-9**
Workforce size: future trend	**3**	25	2	25	**24**
Cash position	**16**	34	43	47	**2**
Economic uncertainty felt	**0**	-8	9	10	**0**

Note for the reader: Regarding the evolution of past production over the last three months, considering a base of 100 respondents, each with a unit weight:
- on average since January 2023, business leaders who answered “down” are 17 more than business leaders who answered “up”;
- in April 2024, business leaders who answered “down” are 32 more than business leaders who answered “up”.

Source: Monaco Statistics

3. Recent and future trend in workforce size



Note: Averages are calculated since January 2023.
Unit: Balances of opinion

Source: Monaco Statistics

4. Investments (balance of opinion %)

	2023	2024
Total investments	11	**-31**
Machinery and equipment	12	**-34**
Buildings, premises and infrastructure	6	**4**
Intangible assets (R&D, software, etc.)	88	**22**

Note for the reader: concerning total investments during this year, compared with last year, considering a base of 100 respondents, each with a weighting proportional to its turnover:
- in April 2024, 31 more business leaders in industry who answered ‘decreasing’ than those who answered ‘increasing’;

Source: Monaco Statistics

According to the business leaders surveyed, the business climate is back below average in April.

The synthetic indicator fell by 4 points to 98 in April. The very sharp decline in stocks, and to a lesser extent in order books, explains this fall. Conversely, both past and expected production rose.

The balance of opinion on **past production** over the last three months has increased again. Nevertheless, it remains below its normal level. The **expected production** for the next three months is on the rise, and remains well above their average.

The balance of opinion regarding the level of **order books** is down. It is still below trend.

Stocks fell sharply to below normal levels.

The balance of opinion on **past selling prices** is up, while the **expected selling prices** is stable. Both are above their averages.

The **recent trend in workforce** and the **future trend of workforce size** in the industrial sector is falling slightly.

The **cash position** weakened considerably in April.

The **economic uncertainty** felt by business leaders in industry is receding.

Lastly, **investments** are all down on last year, particularly those relating to intangible assets (R&D, software, etc.), machinery and equipment and total investments.

Balances of opinion: difference between the weighted percentage of 'increasing' and 'decreasing' responses.

The question about **investments this year compared with last year** is only asked once a year, in April.

Methodology of the monthly manufacturing industry survey: available on monacostatistics.mc

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5. Production constraints

	April 2023	July 2023	Oct 2023	Jan 2024	April 2024
Proportion of businesses reporting production constraints linked to :	79%	64%	70%	71%	**80%**
Insufficient demand	*32%*	*38%*	*38%*	*41%*	***42%***
Labour difficulties (shortage, cost, etc.)	*23%*	*24%*	*19%*	*27%*	***17%***
Lack of appropriate equipment	*0%*	*10%*	*0%*	*0%*	***0%***
Financial difficulties	*14%*	*14%*	*14%*	*14%*	***13%***
Difficulties with premises (cost, size, lack of available space)	*55%*	*57%*	*52%*	*36%*	***33%***
Logistical difficulties	*14%*	*5%*	*0%*	*5%*	***21%***
Supply difficulties (semi-finished products, raw materials, etc.)	*36%*	*10%*	*10%*	*14%*	***13%***
Energy-related difficulties (cost, shortage, etc.)	*9%*	*10%*	*10%*	*9%*	***4%***
Other	*14%*	*0%*	*5%*	*5%*	***8%***

Note: As the question on production constraints is a multiple choice question, the total is greater than 100%.
Source: Monaco Statistics

The proportion of companies experiencing production constraints has increased since January 2024, and now stands at 80%. Of these, 42% are experiencing difficulties related to insufficient demand, 33% difficulties related to premises (cost, size, lack of available space) and 21% logistical difficulties.

To a lesser extent, difficulties linked to labour (shortage, cost) were reported by 17% of companies, and financial and supply difficulties by 13%. Conversely, no company reported problems related to a lack of appropriate equipment.

6. Recruitment constraints

	April 2023	July 2023	Oct 2023	Jan 2024	April 2024
Proportion of businesses reporting recruitment constraints linked to :	29%	45%	27%	35%	**40%**
Uncertain economic situation	*0%*	*7%*	*13%*	*18%*	***8%***
Unavailability of labour	*100%*	*93%*	*75%*	*82%*	***83%***
Lack of services for employees and their families (housing, childcare, etc.)	*25%*	*7%*	*38%*	*27%*	***42%***
Cost of recruitment	*0%*	*0%*	*13%*	*18%*	***8%***
Cost of labour	*50%*	*13%*	*13%*	*18%*	***8%***
Lack of job flexibility	*38%*	*7%*	*13%*	*9%*	***17%***
Procedures associated with recruitment	*13%*	*7%*	*13%*	*27%*	***17%***
Size of premises and/or lack of available space	*13%*	*20%*	*13%*	*9%*	***0%***
Other	*13%*	*7%*	*25%*	*0%*	***8%***

Note: As the question on recruitment constraints is a multiple choice question, the total is greater than 100%.
Source: Monaco Statistics

The proportion of businesses experiencing recruitment difficulties continued to rise in April. In fact, 40% of businesses said they were experiencing difficulties, compared with 35% in January 2024 and 27% in October 2023. Of these, more than 8 out of 10 are complaining about the unavailability of labour.

42% of companies also cite the lack of services on offer for employees and their families, and the procedures involved in recruitment, as obstacles to recruitment. Finally, 17% of companies see the lack of job flexibility and the procedures involved in recruitment as a constraint to recruitment.

Questions on **recruitment** and **production constraints** are asked quarterly.

Methodology of the monthly business survey in industy : available on monacostatistics.mc

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