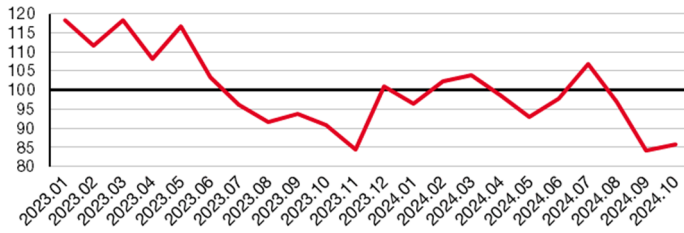


Monthly manufacturing industry survey – October 2024

Business climate improves slightly but remains well below average

1. Business climate composite indicator



Source: Monaco Statistics

2. Composite indicator and balances of opinion, in %

	Average since	2024			
	Jan. 2023	July	Aug	Sept	Oct
Business climate	100	107	97	84	86
Past production	-22	16	-53	-74	-61
Expected production	-30	-22	-23	-74	-74
Order books	-48	-34	-63	-66	-66
Stocks	-1	7	8	-42	-39
Past selling prices	-7	2	3	-65	1
Expected selling prices	-9	8	10	-46	8
Workforce size: recent trend	-7	-2	-34	-53	-47
Workforce size: future trend	-4	-21	-41	-41	-43
Cash position	19	45	-3	44	44
Economic uncertainty felt	4	21	10	11	8

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 22 more than business leaders who answered "up";
 - in October 2024, business leaders who answered "down" are 61 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. Type(s) of investment planned (balance of opinion %)

	2023	2024
Total investment	26	11
Facilities or equipments	15	7
Production capacity	37	-20
Rationalisation of production	15	16
Limitation of pollution	70	61
Safety	1	0
Other	14	59

Note for the reader: Regarding total investment next year, compared with this year, considering a base of 100 respondents, each with a unit weight: :

- in October 2024, 11 more business leaders in industry answered 'up' than those who answered 'down';

Source: Monaco Statistics

According to the business leaders surveyed, the business climate improves slightly but remains well below average in October in industry.

The composite indicator rises by 2 points to 86 in October. The increase in past production is the main reason for this slight improvement. Stocks are also improving, though to a lesser extent. Order books and expected production remain stable.

The balance of opinion on **past production** over the last three months has risen, while the balance of opinion on **expected production** over the next three months remains unchanged. However, both persist well below their normal levels.

The level of **order books** is stable, but remains below its trend.

Stocks of finished products are slowly recovering after collapsing in September. Despite this, it is still well below its historical level.

Past selling prices and **expected selling prices** are both rising sharply. As a result, both are moving above their average.

The **recent trend of workforce size** is up, while the **future trend of workforce size** is down slightly. They are still well below their respective normal.

The **cash position** is the same as in September, and remains above its long-term average.

The **economic uncertainty** felt by business leaders in industry is declining slightly, although it is still above its normal level.

Finally, **planned investments** are down overall, particularly production capacity, which is down sharply on the previous year. By contrast, other investments rose sharply, while investment in rationalisation of production and safety remained stable.

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

The question about **investment next year compared with this year** is only asked once a year, in October.

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

Monthly manufacturing industry survey – October 2024

5. Production constraints

	Oct 2023	Jan 2024	April 2024	July 2024	Oct 2024
Proportion of businesses reporting production constraints linked to :	70%	71%	80%	75%	62%
<i>Insufficient demand</i>	38%	41%	42%	46%	50%
<i>Labour difficulties (shortage, cost, etc.)</i>	19%	27%	17%	21%	22%
<i>Lack of appropriate equipment</i>	0%	0%	0%	8%	6%
<i>Financial difficulties</i>	14%	14%	13%	13%	17%
<i>Difficulties with premises (cost, size, lack of available space)</i>	52%	36%	33%	29%	28%
<i>Logistical difficulties</i>	0%	5%	21%	4%	6%
<i>Supply difficulties (semi-finished products, raw materials, etc.)</i>	10%	14%	13%	4%	0%
<i>Energy-related difficulties (cost, shortage, etc.)</i>	10%	9%	4%	8%	0%
<i>Other</i>	5%	5%	8%	8%	6%

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 facing production constraints has fallen since July 2024, and now stands at 62%. Of these, 50% are experiencing difficulties related to insufficient demand, 28% difficulties related to premises (cost, size, lack of available space) and 22% difficulties related to labour (shortage, cost, etc.).

Other constraints were also mentioned by 6%: lack of appropriate equipment, logistical difficulties and other production constraints. Lastly, none of the companies reported any supply difficulties (for semi-finished products, raw materials, etc.) or energy-related difficulties (cost, shortage, etc.).

6. Recruitment constraints

	Oct 2023	Jan 2024	April 2024	July 2024	Oct 2024
Proportion of businesses reporting recruitment constraints linked to :	27%	35%	40%	34%	31%
<i>Uncertain economic situation</i>	13%	18%	8%	9%	11%
<i>Unavailability of labour</i>	75%	82%	83%	91%	89%
<i>Lack of services for employees and their families (housing, childcare, etc.)</i>	38%	27%	42%	36%	11%
<i>Cost of recruitment</i>	13%	18%	8%	0%	22%
<i>Cost of labour</i>	13%	18%	8%	0%	22%
<i>Lack of job flexibility</i>	13%	9%	17%	0%	11%
<i>Procedures associated with recruitment</i>	13%	27%	17%	9%	22%
<i>Size of premises and/or lack of available space</i>	13%	9%	0%	27%	11%
<i>Other</i>	25%	0%	8%	0%	11%

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

Source: Monaco Statistics

In October, the proportion of companies experiencing difficulties in recruiting fell (31% compared with 34% in July). Of these, 89% cited the unavailability of labour. 22% of companies see the cost of recruitment, the cost of labour and the procedures involved in hiring as constraints.

Lastly, 11% cite the uncertainty of the economic situation, the lack of services on offer for employees and their families (housing, childcare, etc.), the lack of job flexibility, the size of premises, the lack of available floor space and others as recruitment constraints.

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

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

