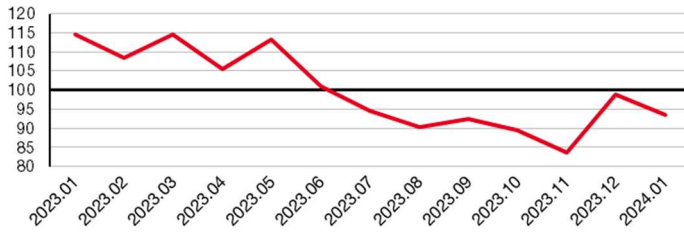


Monthly manufacturing industry survey – January 2024

After a surge in December, business climate in industry falls again in January

1. Business climate composite indicator



Source: Monaco Statistics

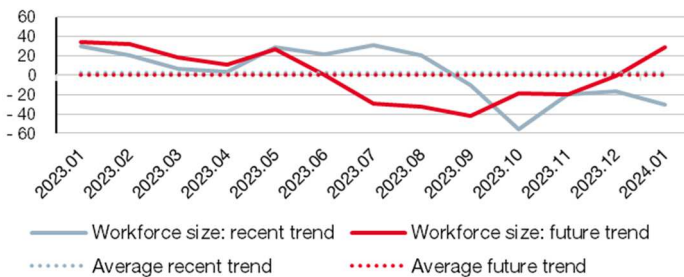
2. Composite indicator and balances of opinion, in %

	Average since Jan. 2023	2023			2024
		Oct	Nov	Dec	Jan
Business climate	100	89	84	99	94
Past production	-11	-43	-72	-19	-49
Expected production	-28	-59	-87	2	-32
Order books	-39	-57	-79	-59	-38
Stocks	0	-33	-14	-15	-28
Past selling prices	-9	-46	-66	-49	-9
Expected selling prices	-14	-32	20	-56	-10
Workforce size: recent trend	2	-56	-19	-17	-30
Workforce size: future trend	1	-19	-20	0	29
Cash position	12	47	47	46	30
Economic uncertainty felt	0	-2	-9	12	0
Recruitment constraints	0	0	0	0	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 8 more than business leaders who answered “up”;
 - in January 2024, business leaders who answered “down” are 49 more than business leaders who answered “up”.

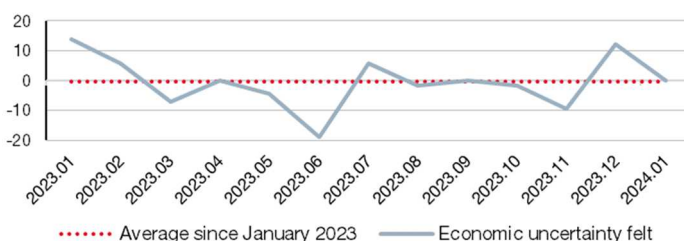
Source: Monaco Statistics

3. Recent and future trend in workforce size



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

4. Economic uncertainty felt



Unit: Balances of opinion
 Source: Monaco Statistics

According to the business leaders surveyed, the business climate in industry fell again in January.

The synthetic indicator fell by 5 points to 94 in January. The significant fall in the balance of opinion on past and expected production and, to a lesser extent, on stocks explains this weakening. By contrast, the level of order books rose.

The balance of opinion on **past production** trends over the last three months is falling and remains below its normal level. The outlook for **expected production** over the next three months is declining and falling below its average.

The balance of opinion associated with the level of the **order book** has risen, and is now above its long-term average.

Stocks of finished products continue to fall, and are below average.

The balance of opinion on **past selling prices** and **expected selling prices** trends has risen sharply.

Recent trend of workforce size in the industry is down, while **future trend of workforce size** is up.

The **cash position** is weakening and remains well above normal.

Finally, the **economic uncertainty** felt by business leaders in industry is increasing, and is now at a neutral level.

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

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

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5. Production constraints

	Jan 2023	April 2023	July 2023	Oct 2023	Jan 2024
Proportion of businesses reporting production constraints linked to :	79%	79%	64%	70%	70%
<i>Insufficient demand</i>	26%	32%	38%	38%	43%
<i>Labour difficulties (shortage, cost, etc.)</i>	23%	23%	24%	19%	29%
<i>Lack of appropriate equipment</i>	0%	0%	10%	0%	0%
<i>Financial difficulties</i>	6%	14%	14%	14%	14%
<i>Difficulties with premises (cost, size, lack of available space)</i>	29%	55%	57%	52%	33%
<i>Logistical difficulties</i>	3%	14%	5%	0%	5%
<i>Supply difficulties (semi-finished products, raw materials, etc.)</i>	32%	36%	10%	10%	14%
<i>Energy-related difficulties (cost, shortage, etc.)</i>	10%	9%	10%	10%	10%
<i>Other</i>	16%	14%	0%	5%	5%

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 is stable compared to October 2023, at 70%. Of these, 43% are experiencing difficulties related to insufficient demand, 33% difficulties related to premises (cost, size, lack of available space) and 29% difficulties related to labour (shortage, cost, etc.).

Financial and supply problems were also cited to a lesser extent by 14% of companies. On the other hand, none of the companies reported problems related to a lack of appropriate equipment.

6. Recruitment constraints

	Jan 2023	April 2023	July 2023	Oct 2023	Jan 2024
Proportion of businesses reporting recruitment constraints linked to :	51%	29%	45%	27%	37%
<i>Uncertain economic situation</i>	10%	0%	7%	13%	18%
<i>Unavailability of labour</i>	90%	100%	93%	75%	82%
<i>Lack of services for employees and their families (housing, childcare, etc.)</i>	10%	25%	7%	38%	27%
<i>Cost of recruitment</i>	10%	0%	0%	13%	18%
<i>Cost of labour</i>	20%	50%	13%	13%	18%
<i>Lack of job flexibility</i>	5%	38%	7%	13%	9%
<i>Procedures associated with recruitment</i>	10%	13%	7%	13%	27%
<i>Size of premises and/or lack of available space</i>	10%	13%	20%	13%	9%
<i>Other</i>	15%	13%	7%	25%	0%

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

Source: Monaco Statistics

The proportion of companies experiencing recruitment difficulties rose in January. In fact, 37% of companies said they were experiencing difficulties, compared with 27% in October 2023. Of these, more than 8 out of 10 are complaining about the unavailability of labour.

More than a quarter (27%) also cite the lack of services for employees and their families, and the procedures associated with recruitment, as obstacles to recruitment. Finally, 9% of companies see the lack of job flexibility and the size of premises and/or lack of available space as constraints.

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

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

