



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, NOVEMBER 2017

In November 2017, the **total business climate indicator**⁴ remains approximately to its level from the previous month (Annex, Figure 1). An improvement of the business conjuncture is registered in industry and retail trade, while in service sector preserves its October level. Only in construction, the indicator is reduced.

Industry. The composite indicator ‘business climate in industry’ increases by 1.2 percentage points (Annex, Figure 2) as a result of the optimistic industrial entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months. At the same time, the present production activity is assessed as slight decreased, while the forecasts about the activity over the next 3 months are more favourable (Annex, Figure 3).

The factor, limiting with the most extent the enterprises continues to be the uncertain economic environment, followed by the shortage of labour (Annex, Figure 4).

Concerning the selling prices in industry, the managers forecast preservation of their level over the next 3 months (Annex, Figure 5).

Construction. In November, the composite indicator ‘business climate in construction’ decreases by 2.7 percentage points (Annex, Figure 6), which is due to the more reserved construction entrepreneurs’ assessments and expectations about the business situation of the enterprises. In their opinion, certain improvement of the present construction activity is observed, but their forecasts over the next 3 months are more unfavourable (Annex, Figure 7).

The uncertain economic environment, competition in the branch and shortage of labour remain the main obstacles for the business development (Annex, Figure 8).

As regards the selling prices in construction, the managers’ expectations are them to remain unchanged over the next 3 months (Annex, Figure 9).

¹ Since July 2010, the NSI has started publishing the business surveys data according to the new Classification of Economic Activities (NACE.BG 2008) (NACE Rev. 2). All of the time series have been recalculated according to the Classification and are comparable throughout time.

² Since May 2002, all business surveys have been co-financed by the NSI and the European Commission according to the agreement signed between these two institutions. NSI has undertaken to conduct the surveys according to the Harmonized EU Programme. Any notice or publication of NSI reflects the author’s view and the Commission is not liable for any use that may be made of the information contained therein.

³ The replies of questions from the inquiries are presented in a three-option ordinal scale of the following type: ‘up’, ‘unchanged’, ‘down’ or ‘above normal’, ‘normal’, ‘below normal’. The balances of assessments are calculated as a difference of the relative shares of extreme variants of answers. **The Business climate indicator** is a geometric mean of balances of assessments of the present business situation and the expected business situation of enterprises in the next 6 months.

⁴ The total Business Climate Indicator is a weighted average of four branch business climate indicators in: industry, construction, and retail trade and service sector. As the last indicator of the business climate in service sector has been included in the total time series since May 2002.



Retail trade. The composite indicator ‘business climate in retail trade’ increases by 1.0 percentage point in comparison with October (Annex, Figure 10) as a result of the improved retailers’ expectations about the business situation of the enterprises over the next 6 months. At the same time their forecasts about the volume of sales over the next 3 months also remain favourable, though more reserved compared to the previous month (Annex, Figure 11).

The factors ‘competition in the branch’, ‘insufficient demand’ and ‘uncertain economic environment’ continue to limiting with most extend the activity of the enterprises (Annex, Figure 12).

The retailers expect the selling prices to remain unchanged over the next 3 months (Annex, Figure 13).

Service sector¹. In November, the composite indicator ‘business climate in service sector’ preserves its October level (Annex, Figure 14). The balance indicator of the present business situation of the enterprises decreases by 1.6 percentage points due to a shifting of the managers’ assessments to the more moderate opinions. However they are optimistic in their forecasts about the business development over the next 6 months (Annex, Figure 15), as their expectations about the demand for services over next 3 months are favourable.

The most serious problems for the activity remain connected with competition in the branch and uncertain economic environment (Annex, Figure 16).

The majority of the managers expect the selling prices in the sector to preserve their level over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

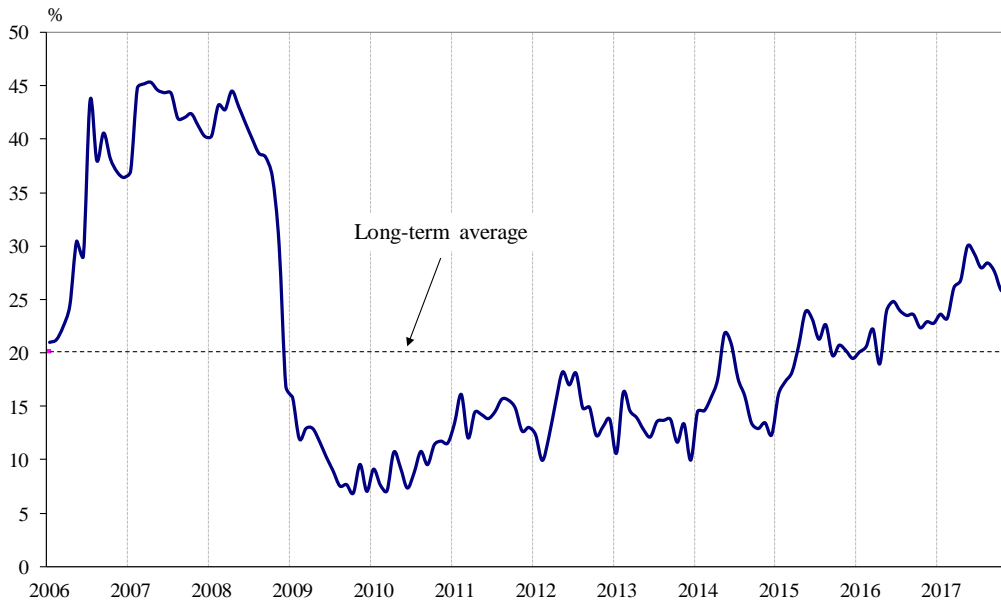


Figure 2. Business climate in industry

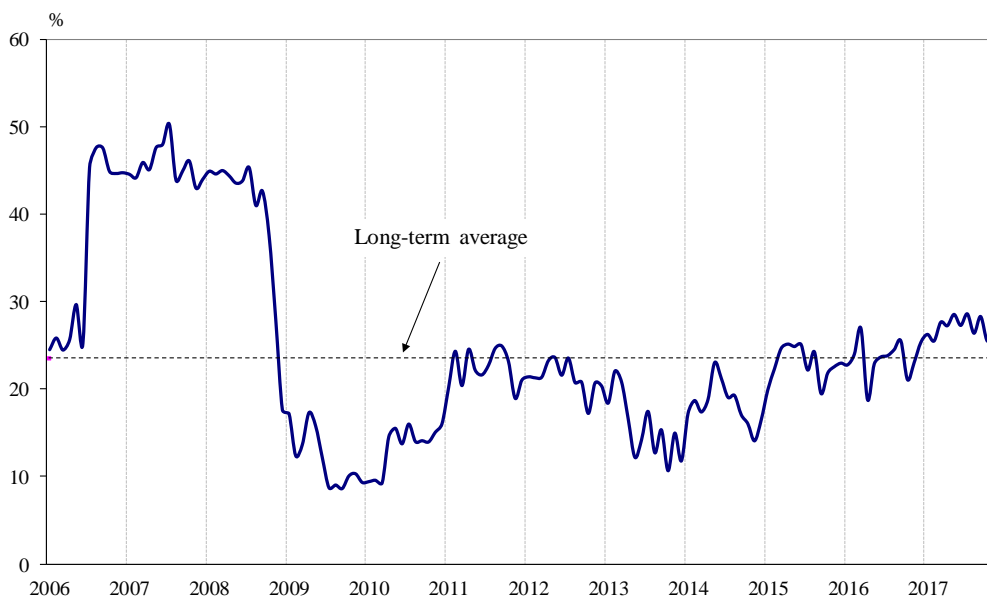




Figure 3. Expected production activity in industry over the next 3 months

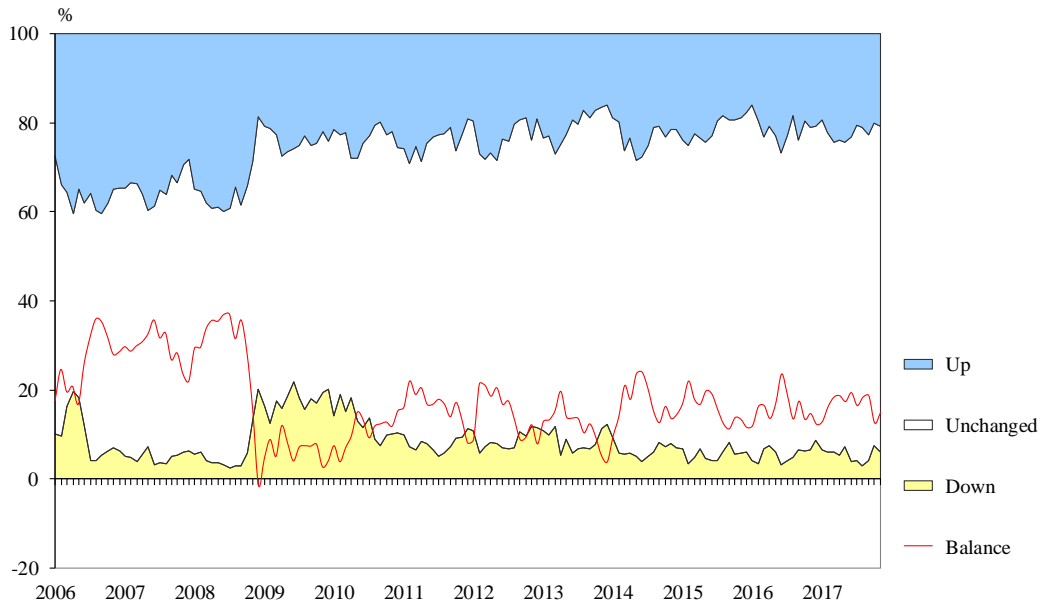


Figure 4. Limits to production in industry (Relative share of enterprises)

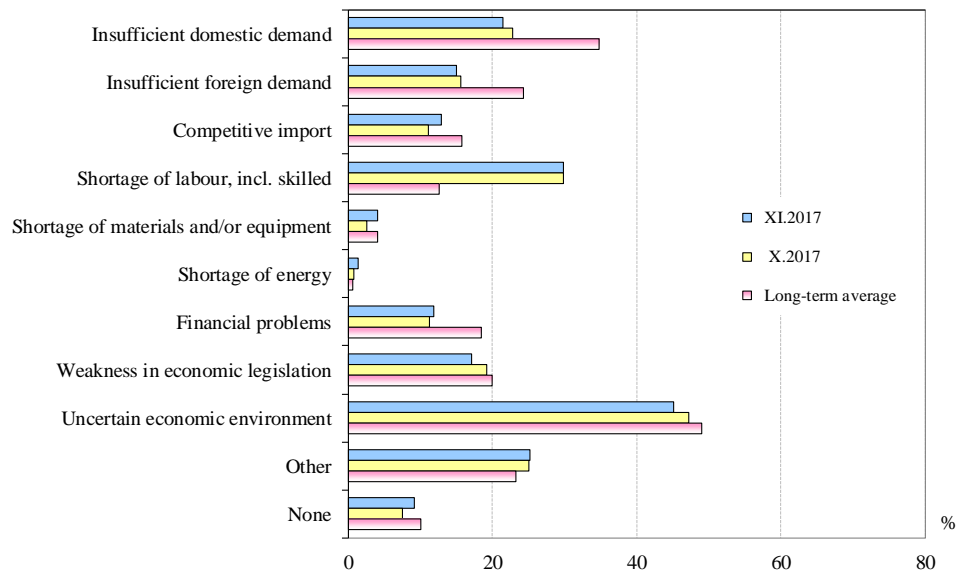




Figure 5. Selling prices expectations in industry over the next 3 months

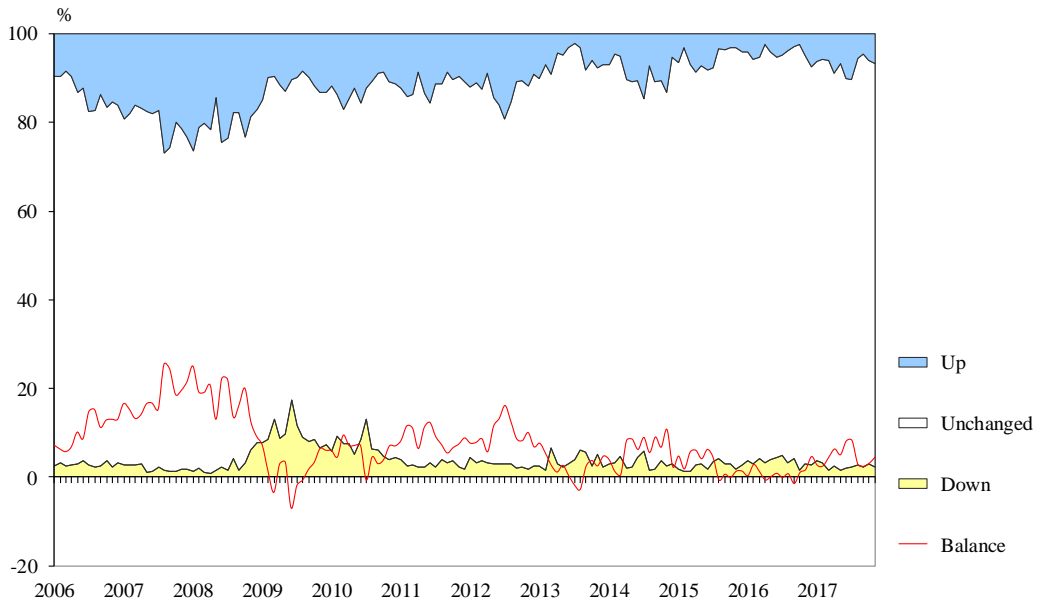


Figure 6. Business climate in construction

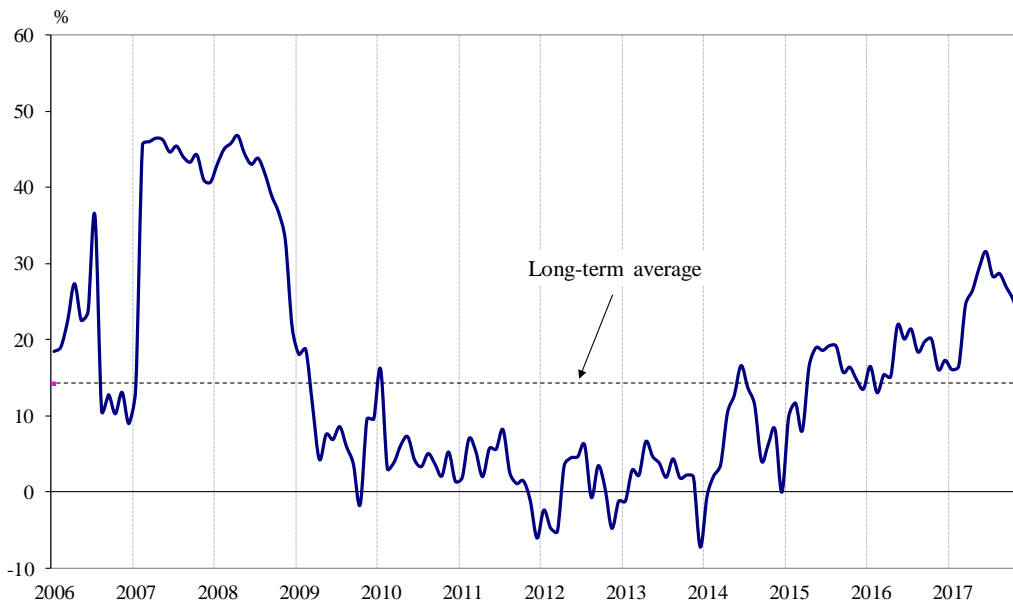




Figure 7. Expected construction activity over the next 3 months

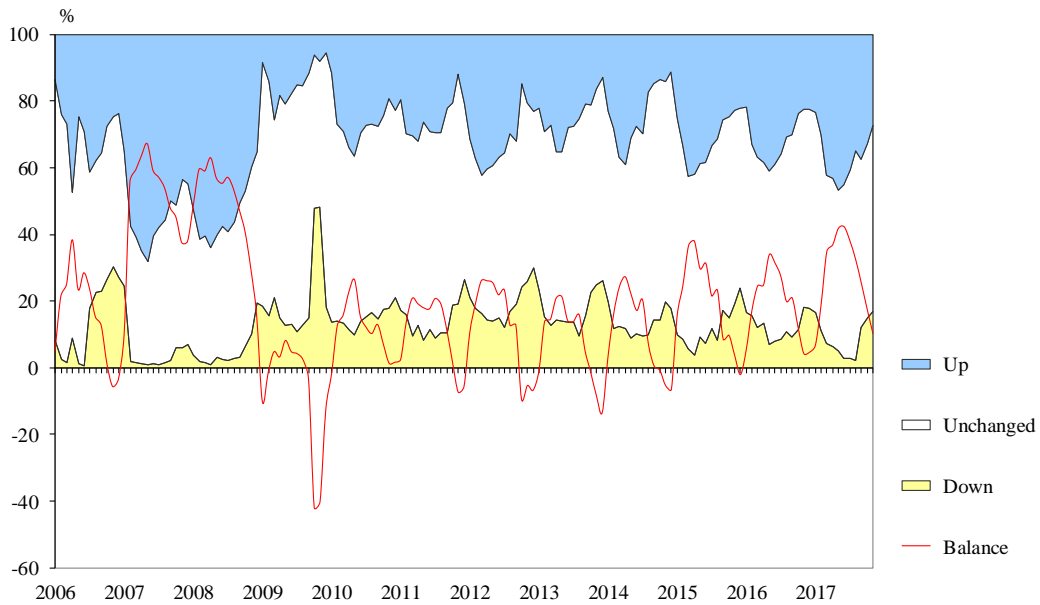


Figure 8. Limits to construction activity (Relative share of enterprises)

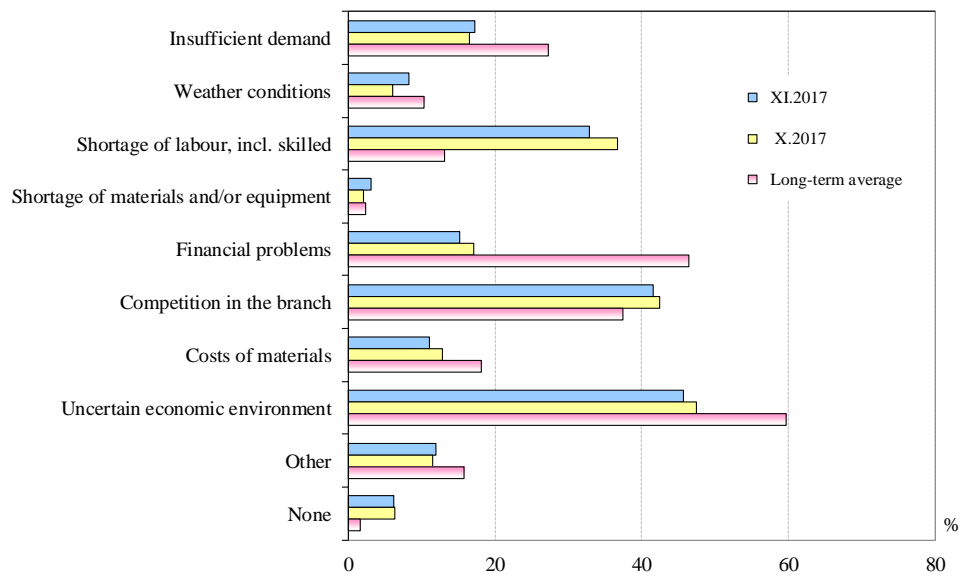




Figure 9. Selling prices expectations in construction over the next 3 months

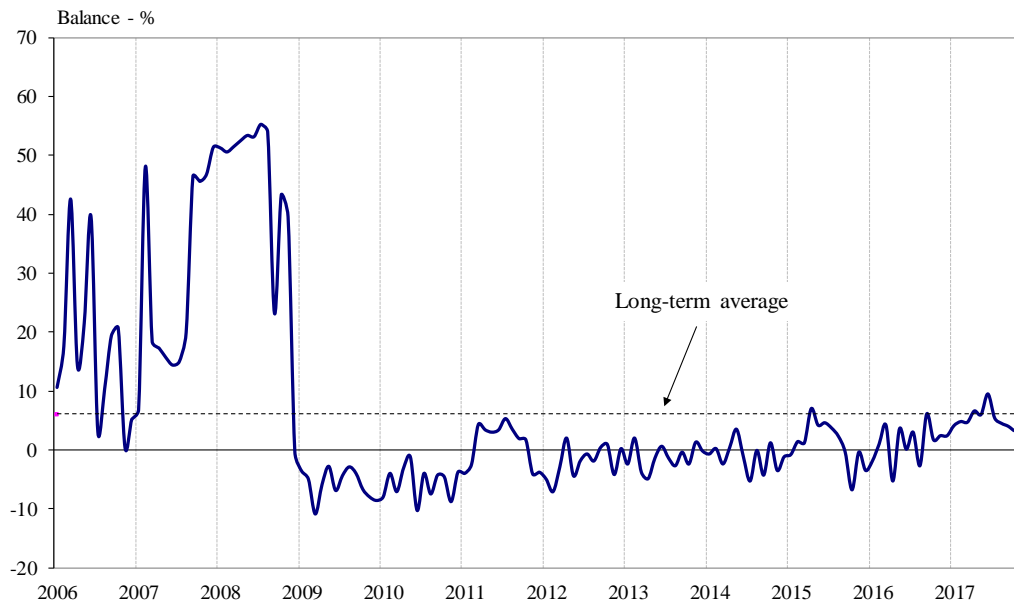


Figure 10. Business climate in retail trade

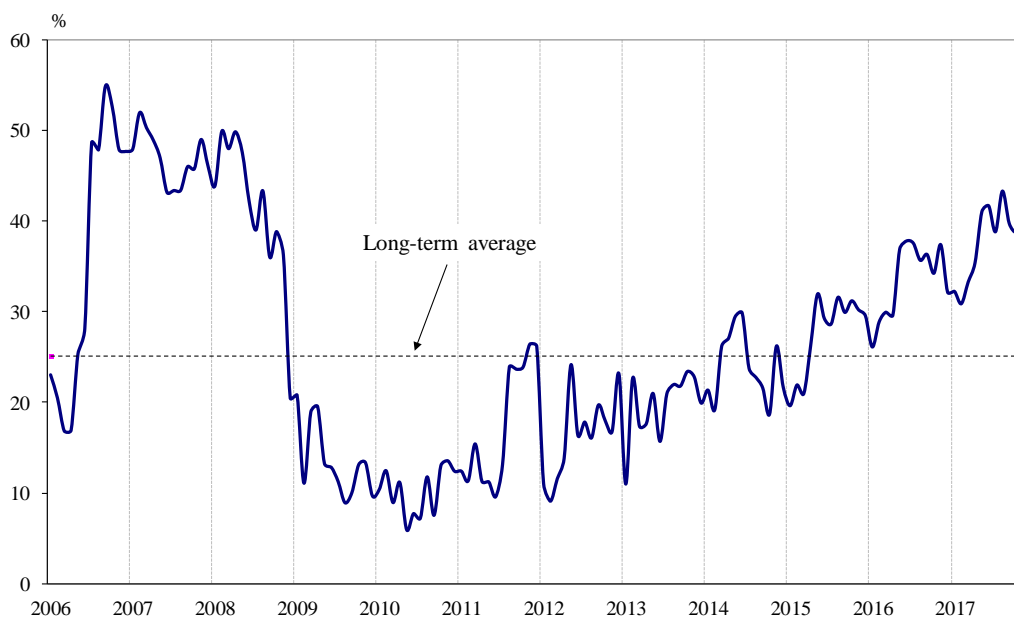




Figure 11. Sales expectations in retail trade over the next 3 months

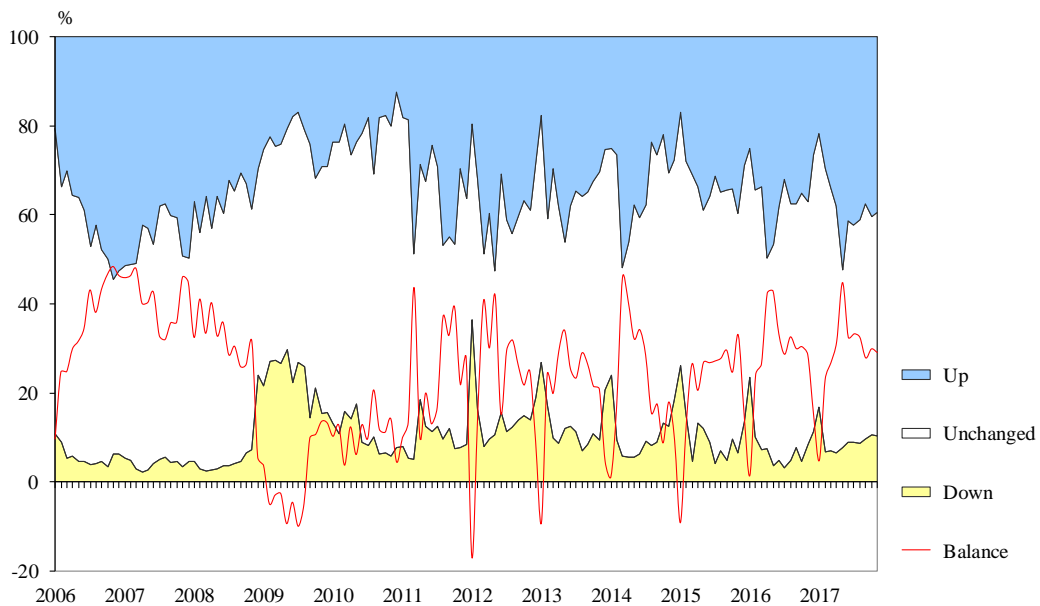


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

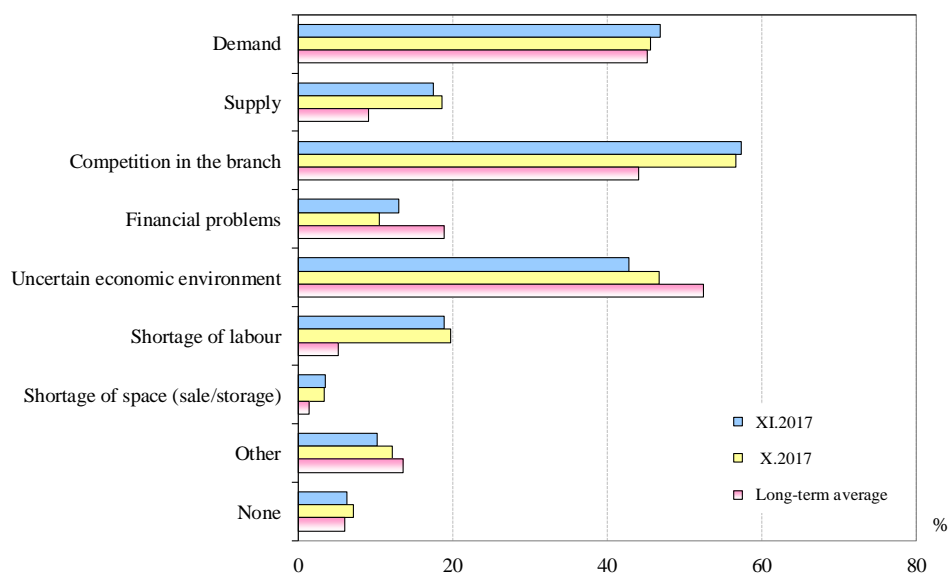




Figure 13. Selling prices expectations in retail trade over the next 3 months

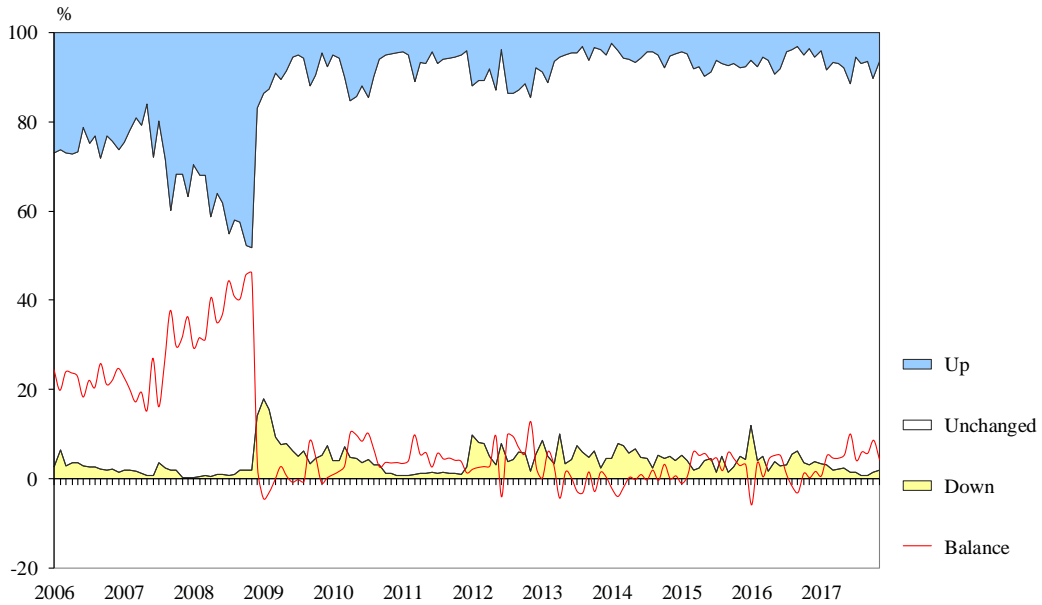


Figure 14. Business climate in service sector

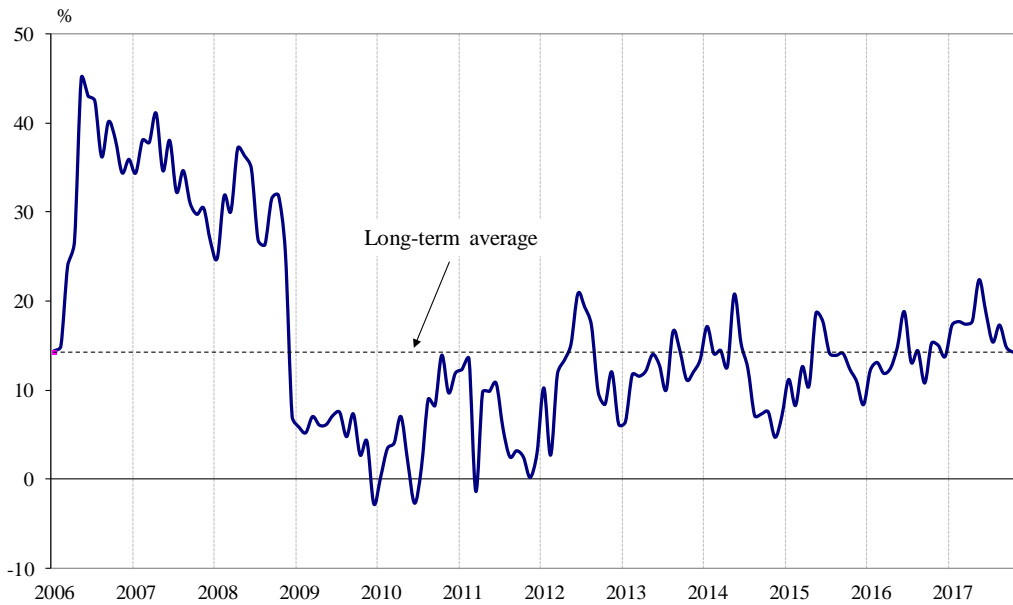




Figure 15. Expected business situation in service sector over the next 6 months

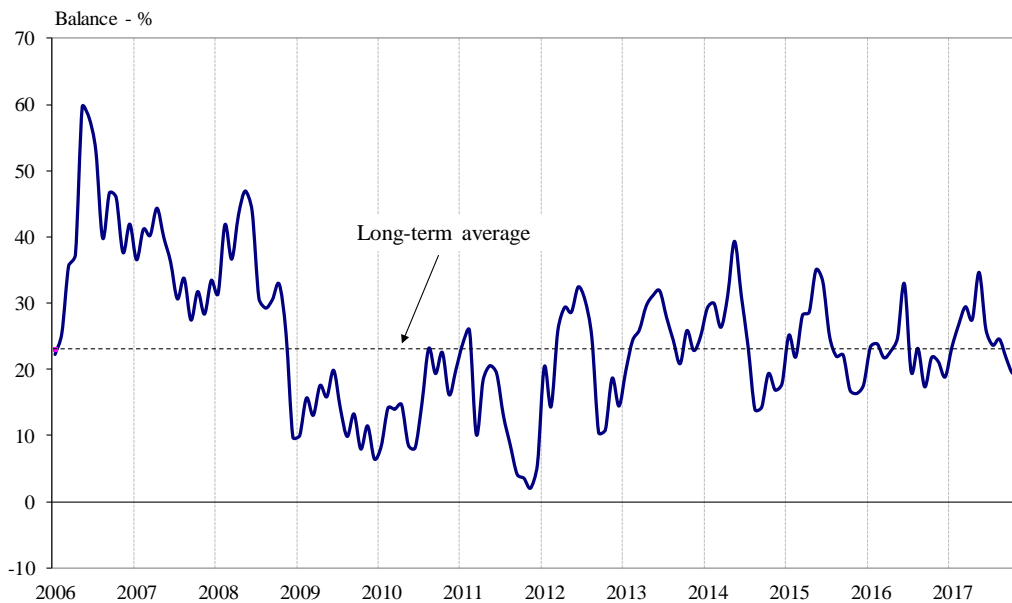


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

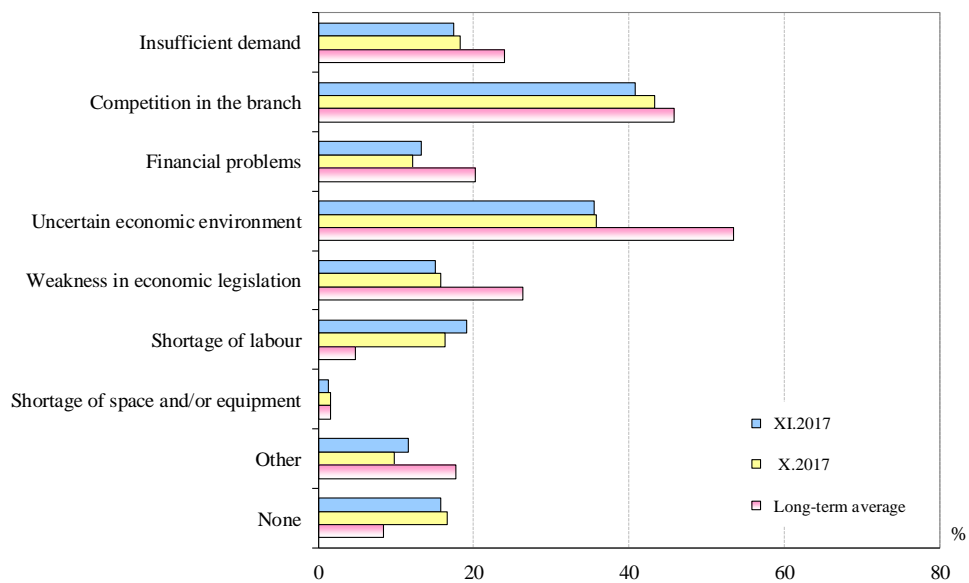




Figure 17. Selling prices expectations in service sector over the next 3 months

