



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, MARCH 2018

In March 2018, **the total business climate indicator**⁴ increases by 0.7 percentage points compared to February (Annex, Figure 1). An improvement of the business conjuncture is registered in construction and retail trade, while in industry preserves to its level from the previous month. Only in service sector, the indicator is reduced.

Industry. The composite indicator ‘business climate in industry’ remains to its February level (Annex, Figure 2). The industrial entrepreneurs assess the present production activity as reduced, as their expectations about the activity over the next 3 months are also slight worsened (Annex, Figure 3).

The main factor limiting the enterprises continues to be the uncertain economic environment, followed by the shortage of labour as the last inquiry reports strengthen of the unfavourable influence of the second factor (Annex, Figure 4).

Concerning the selling prices in industry, the managers foresee them to remain unchanged over the next 3 months (Annex, Figure 5).

Construction. In March the composite indicator ‘business climate in construction’ increases by 1.2 percentage points (Annex, Figure 6) which is due to the optimistic construction entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months. The inquiry registers an increase of the new orders inflow at the last month, which is accompanied with more favourable expectations about the activity over the next 3 months (Annex, Figure 7).

The main obstacles, limiting the business remain connected with the uncertain economic environment, competition in the branch and shortage of labour, although in the last month a decrease of the negative impact of the first factor is observed (Annex, Figure 8).

As regards the selling prices in construction, the managers’ expect preservation of their level 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 3.2 percentage points compared to February (Annex, Figure 10) as a result of the optimistic retailers’ expectations about the business situation of the enterprises over the next 6 months. At the same time, their forecasts about both the volume of sales (Annex, Figure 11) and orders placed with suppliers from foreign market over the next 3 months are improved.

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

Concerning the selling prices, the retailers do not expect a change over the next 3 months (Annex, Figure 13).

Service sector¹. In March, the composite indicator ‘business climate in service sector’ decreases by 1.4 percentage points (Annex, Figure 14) mainly due to the more reserved managers’ assessments about the present business situation of the enterprises. As regards the demand of services the present tendency is assessed as slight reduced, while the expectation over the next 3 months are improved (Annex, Figure 15).

Competition in the branch and uncertain economic environment remain the main problems for the business development (Annex, Figure 16).

As regards the selling prices in the service sector, the managers forecast preservation of their level over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

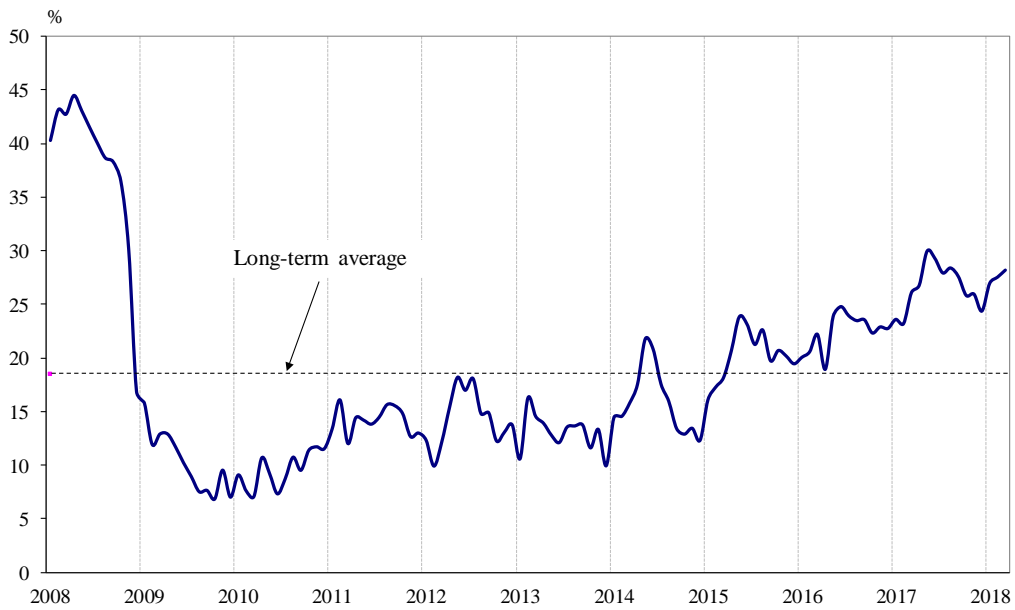


Figure 2. Business climate in industry

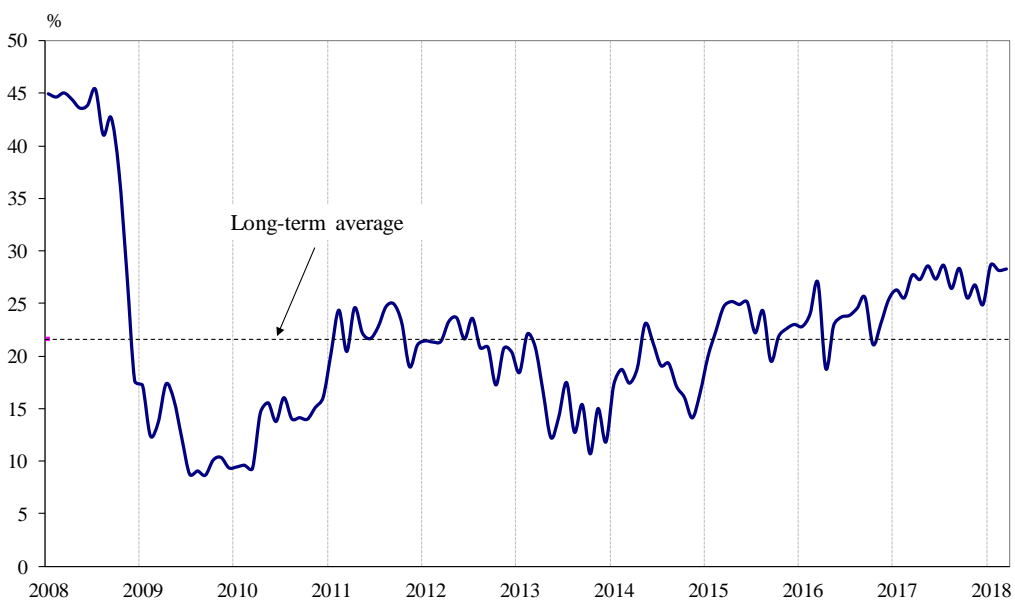




Figure 3. Expected production activity in industry over the next 3 months

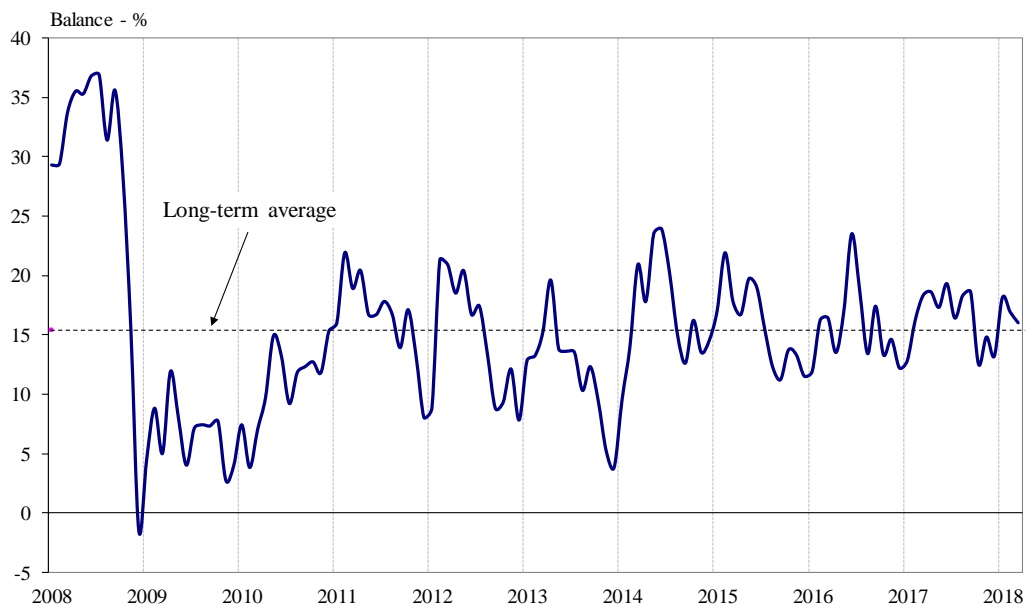


Figure 4. Limits to production in industry (Relative share of enterprises)

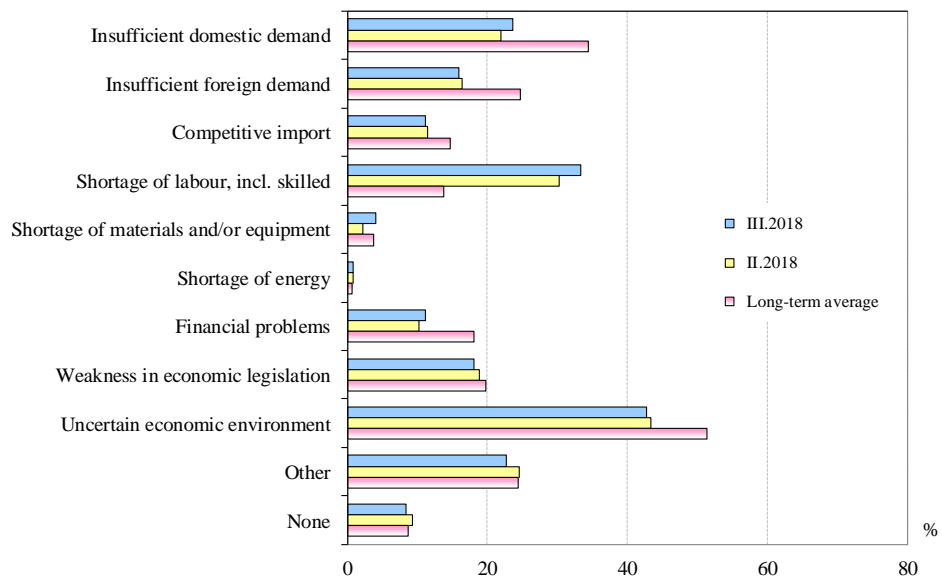




Figure 5. Selling prices expectations in industry over the next 3 months

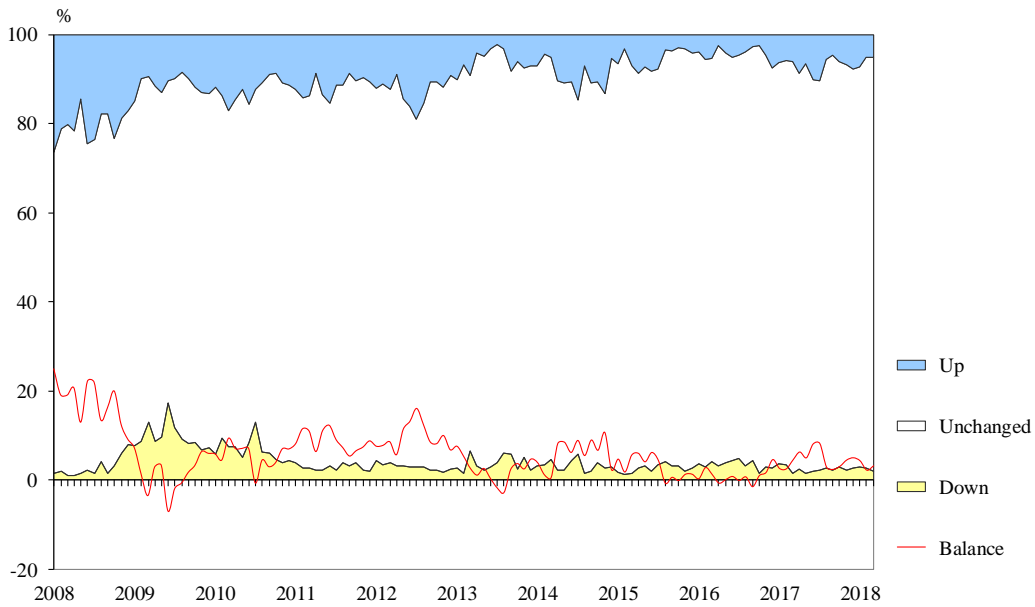


Figure 6. Business climate in construction

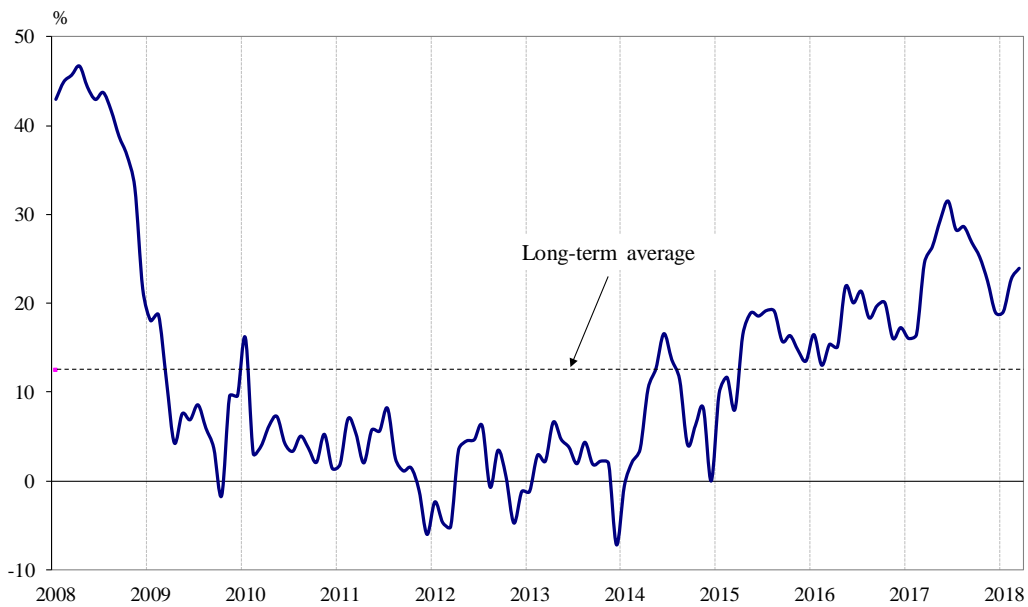




Figure 7. Expected construction activity over the next 3 months

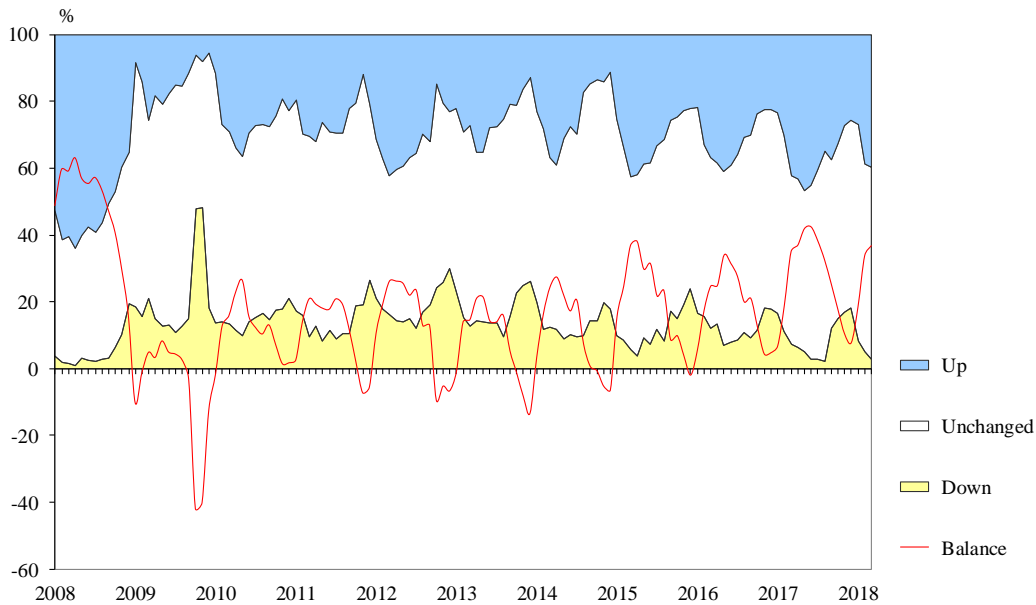


Figure 8. Limits to construction activity (Relative share of enterprises)

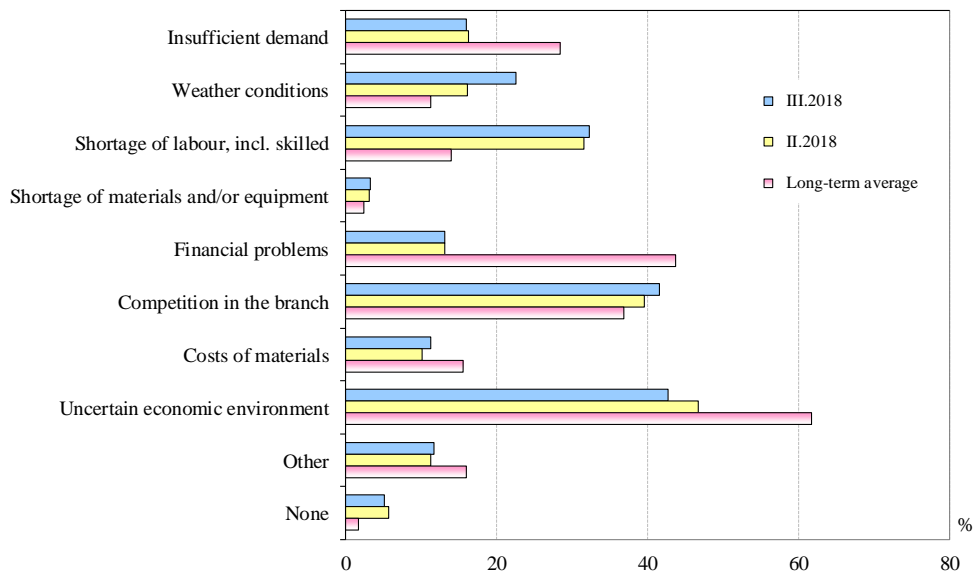




Figure 9. Selling prices expectations in construction over the next 3 months

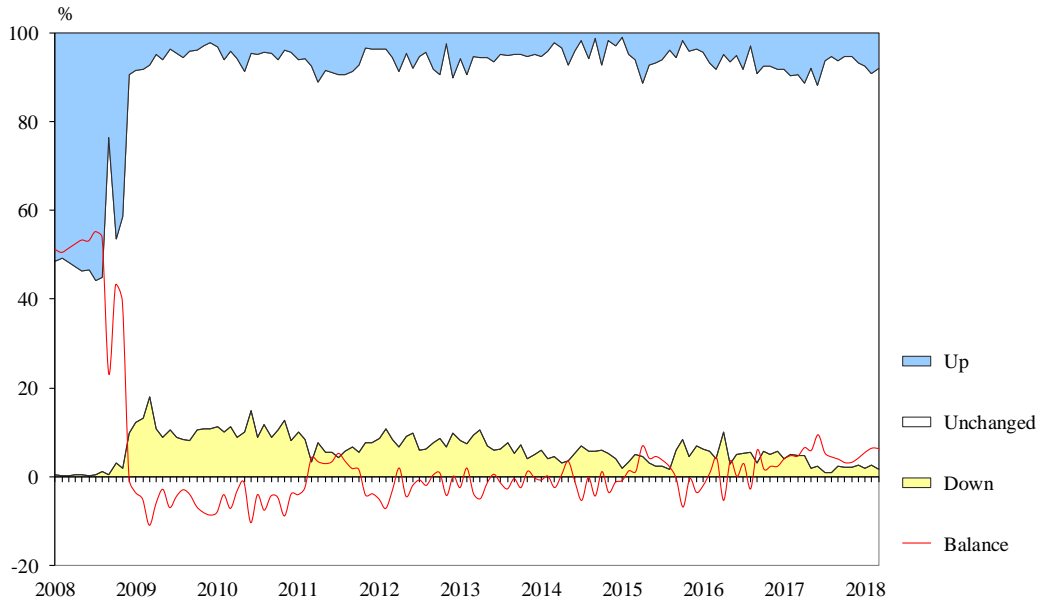


Figure 10. Business climate in retail trade

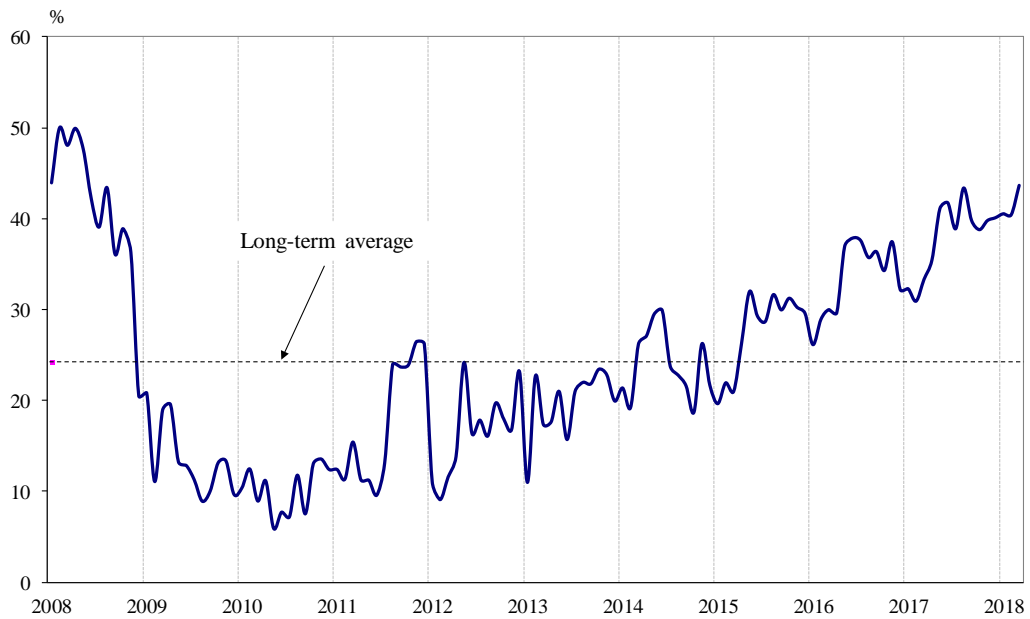




Figure 11. Sales expectations in retail trade over the next 3 months

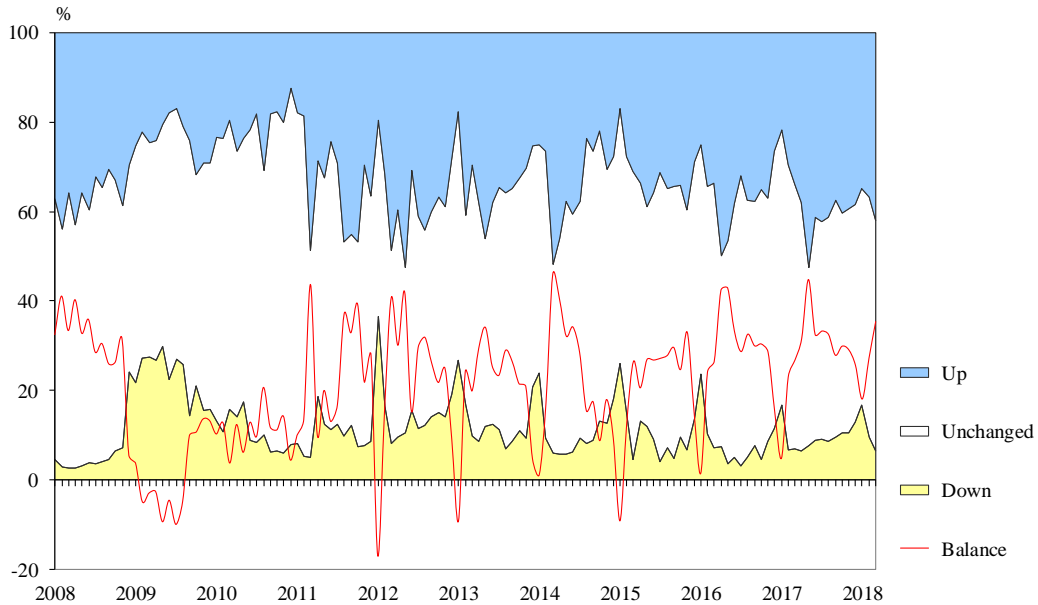


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

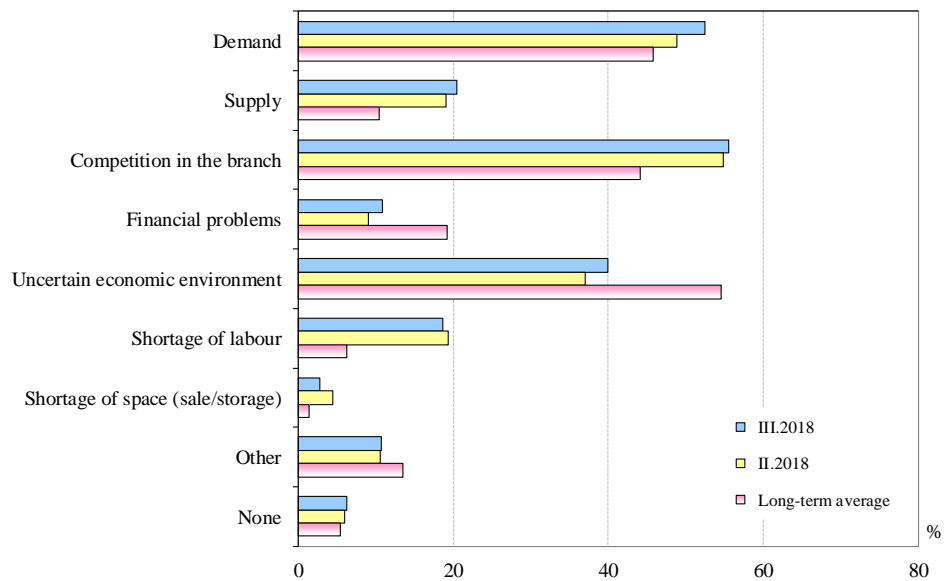




Figure 13. Selling prices expectations in retail trade over the next 3 months

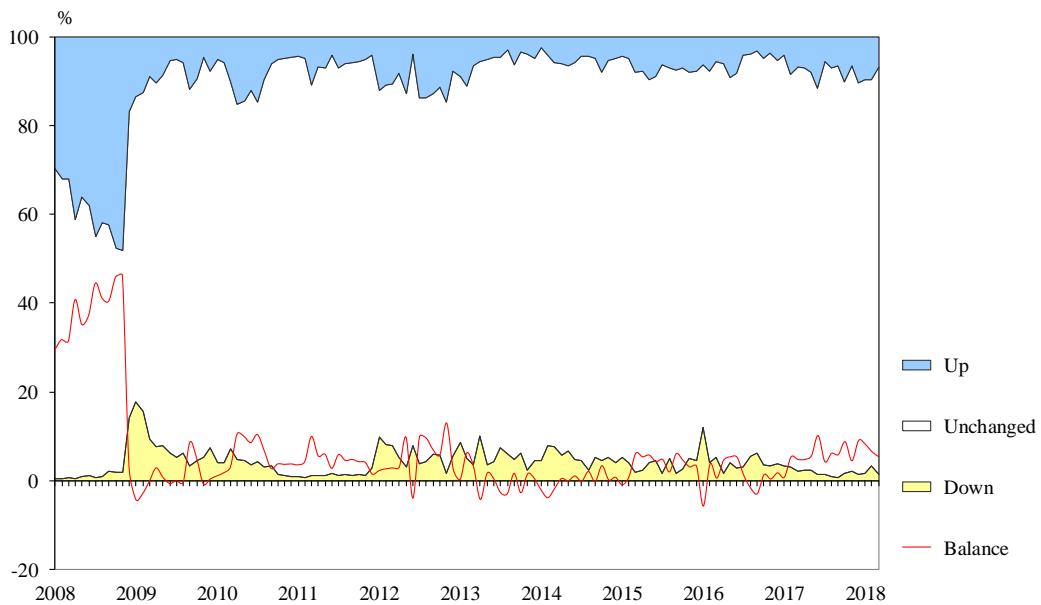


Figure 14. Business climate in service sector

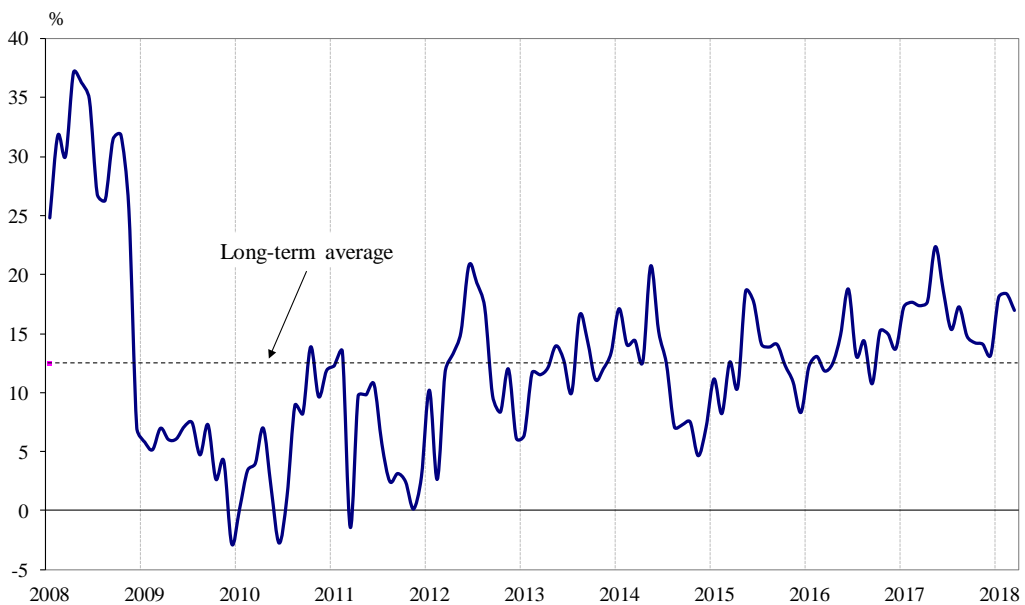




Figure 15. Expected demand in service sector over the next 3 months

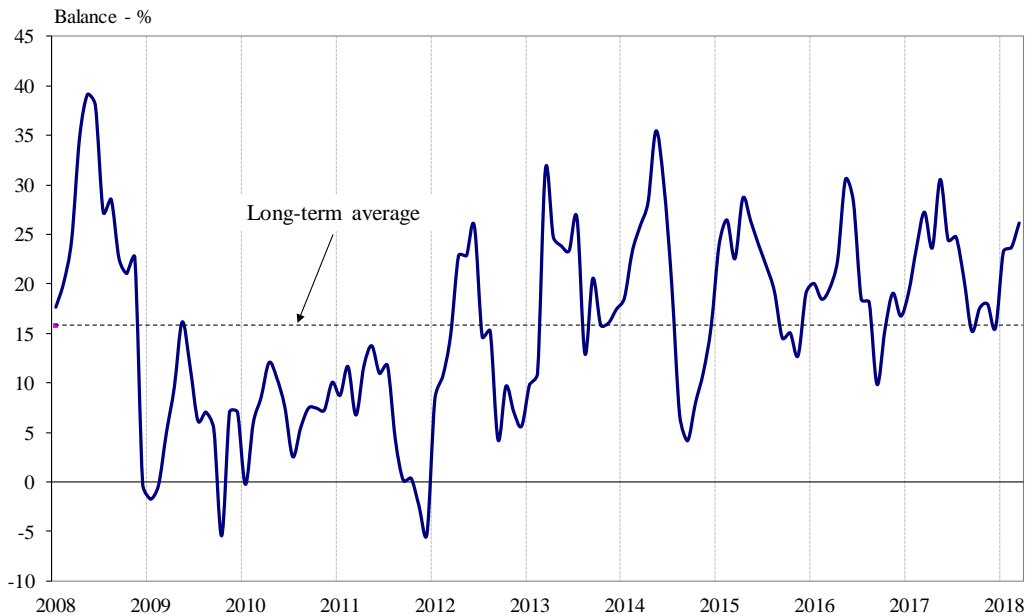


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

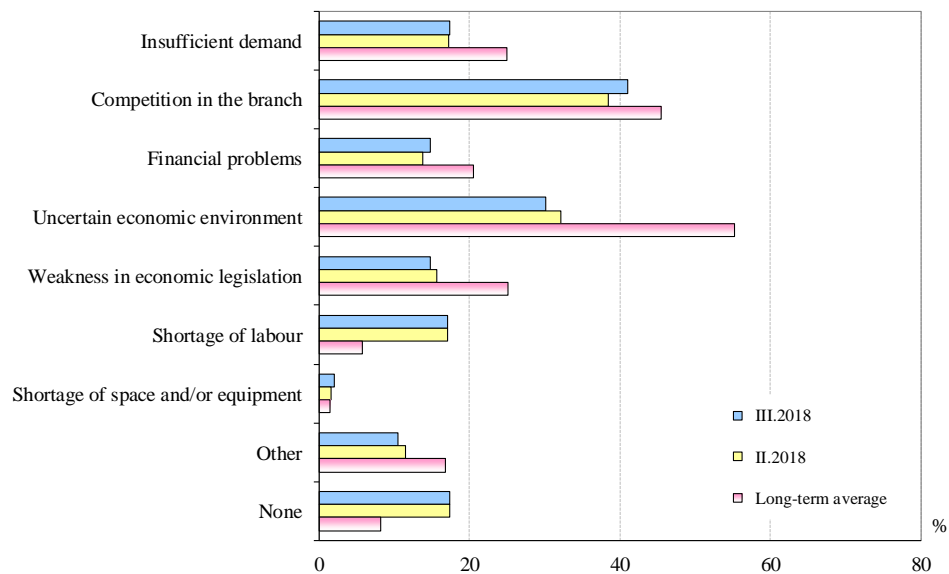




Figure 17. Selling prices expectations in service sector over the next 3 months

