



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

In June 2018, the **total business climate indicator**⁴ decreases by 0.9 percentage points in comparison with the previous month (Annex, Figure 1) as a result of the unfavourable business climate in construction and service sector.

Industry. The composite indicator ‘business climate in industry’ increases by 1.5 percentage points (Annex, Figure 2) which is due to the optimistic industrial entrepreneurs’ assessments and expectations about the business situation of the enterprises. In their opinion, the present production activity is improved, as their forecasts over the next 3 months remain favourable (Annex, Figure 3).

The uncertain economic environment and shortage of labour remain the most serious problems for the business development pointed out respectively by 36.8% and 32.5% of the enterprises (Annex, Figure 4).

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

Construction. In June the composite indicator ‘business climate in construction’ decreases by 3.4 percentage points (Annex, Figure 6) as a result of the more reserved construction entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months (Annex, Figure 7). At the same time, their forecasts about the construction activity over the next 3 months are more unfavourable.

In the last month the inquiry registers strengthen of the negative impact of the factor ‘shortage of labour’, which shifts to the second and third place the difficulties, connected with the uncertain economic environment and competition in the branch (Annex, Figure 8).

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

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 0.8 percentage points (Annex, Figure 10) which is due to the slightly improved retailers’ assessments about the present business

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.



situation of the enterprises (Annex, Figure 11). However, their expectations about the volume of sales and the orders places with suppliers over the next 3 months are more reserved.

The most serious problem limiting the activity of the enterprises remains the competition in the branch, followed by the insufficient demand and uncertain economic environment (Annex, Figure 12).

As regards the selling prices, the retailers expect certain increase over the next 3 months (Annex, Figure 13).

Service sector¹. In June the composite indicator ‘business climate in service sector’ drops by 4.5 percentage points (Annex, Figure 14) mainly due to the more unfavourable managers’ assessments about the present business situation of the enterprises. Concerning the demand for services, the present tendency is assessed as slight reduced, while the expectations over the next 3 months are improved (Annex, Figure 15).

The competition in the branch and uncertain economic environment continue to be the factors limiting with most extend the business (Annex, Figure 16).

The prevailing managers’ expectations about the selling prices in the sector are them to remain unchanged over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

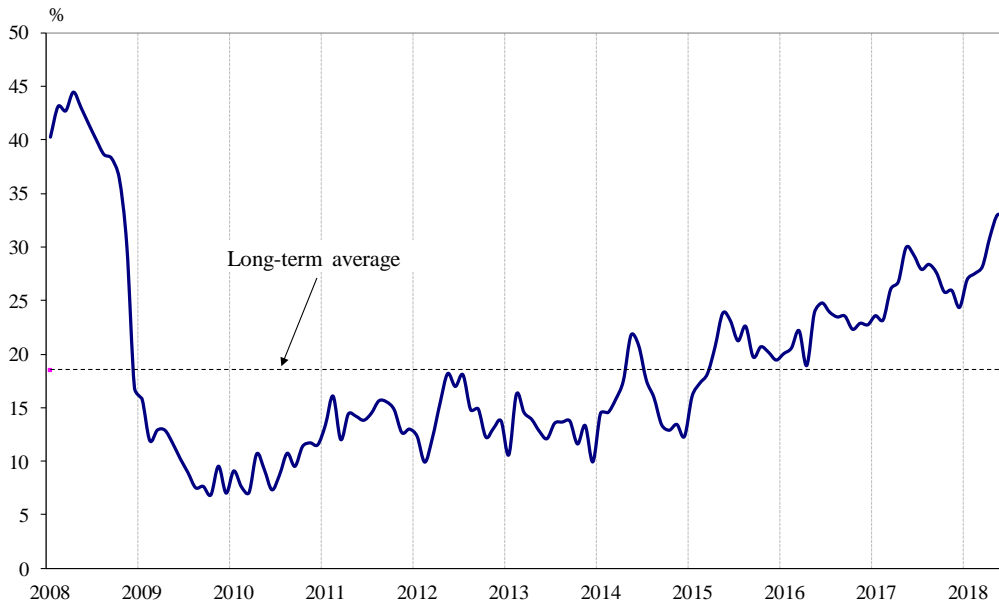


Figure 2. Business climate in industry

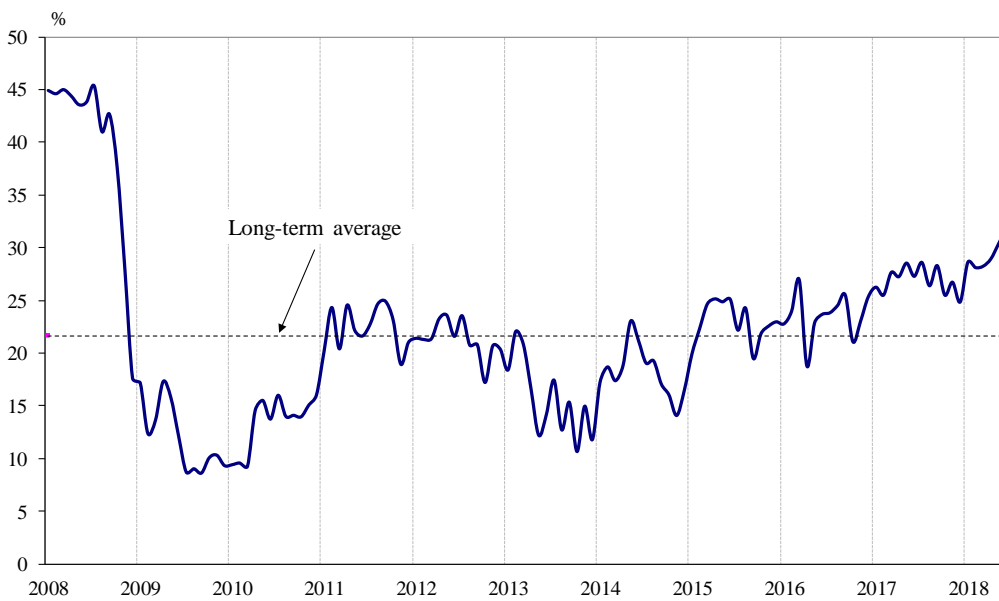




Figure 3. Expected production activity in industry over the next 3 months

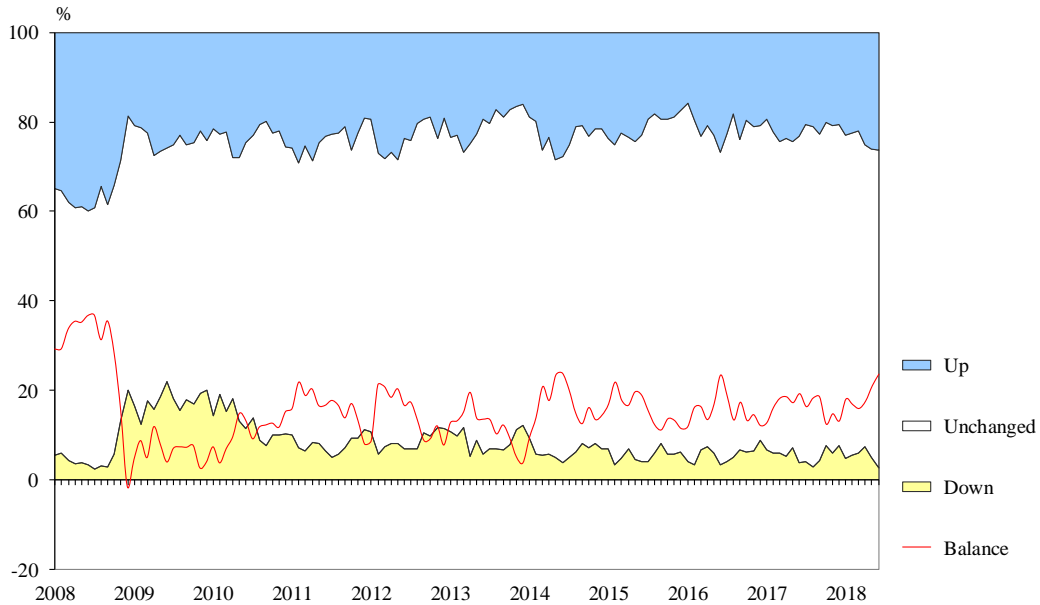


Figure 4. Limits to production in industry (Relative share of enterprises)

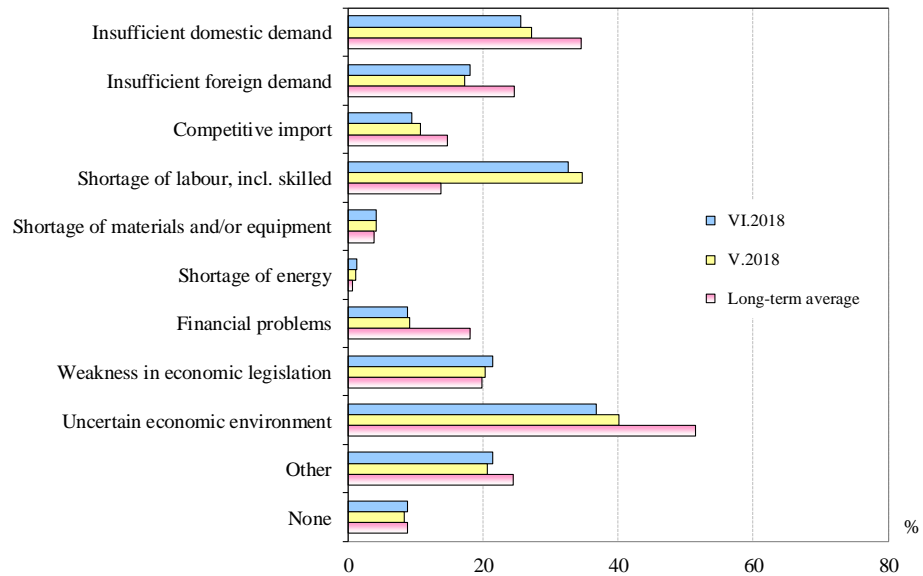




Figure 5. Selling prices expectations in industry over the next 3 months

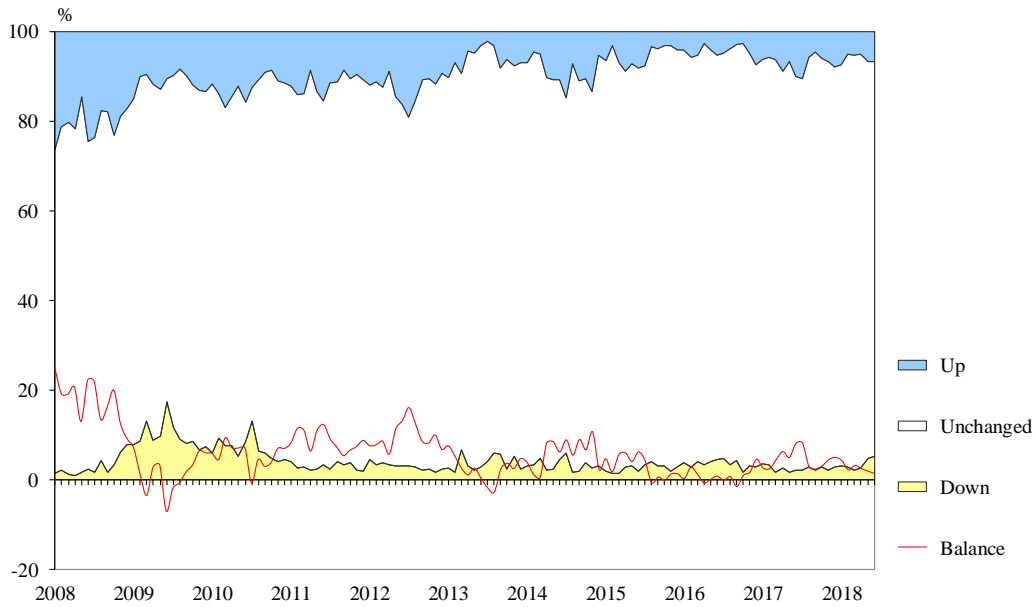


Figure 6. Business climate in construction

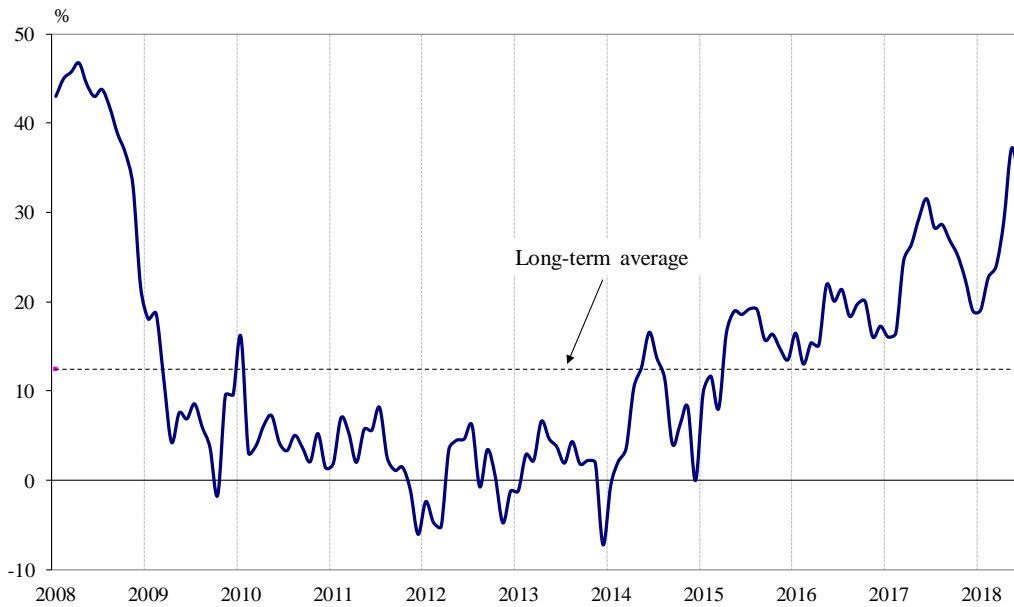




Figure 7. Expected business situation in construction over the next 6 months

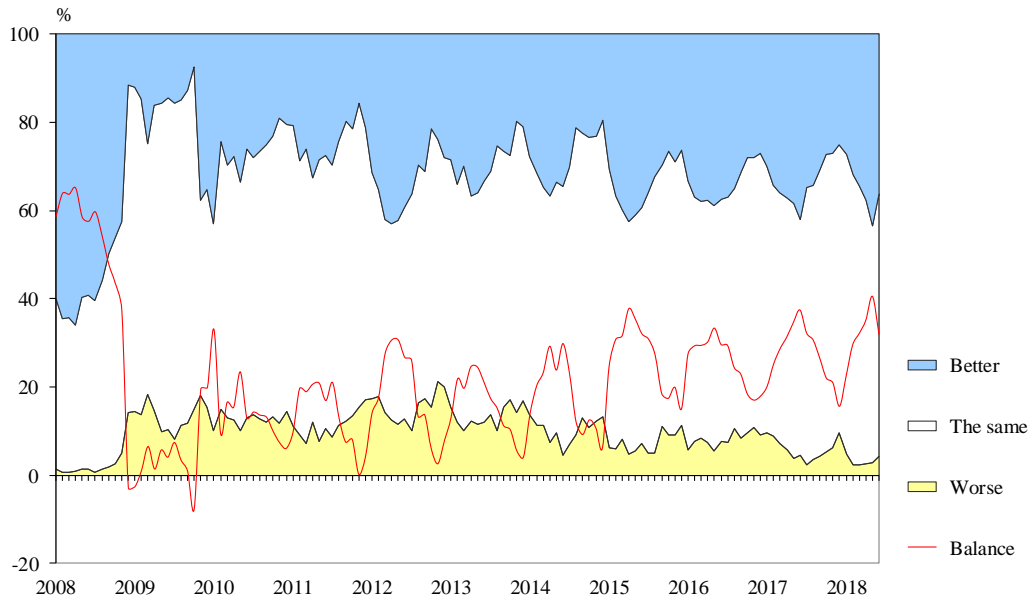


Figure 8. Limits to construction activity (Relative share of enterprises)

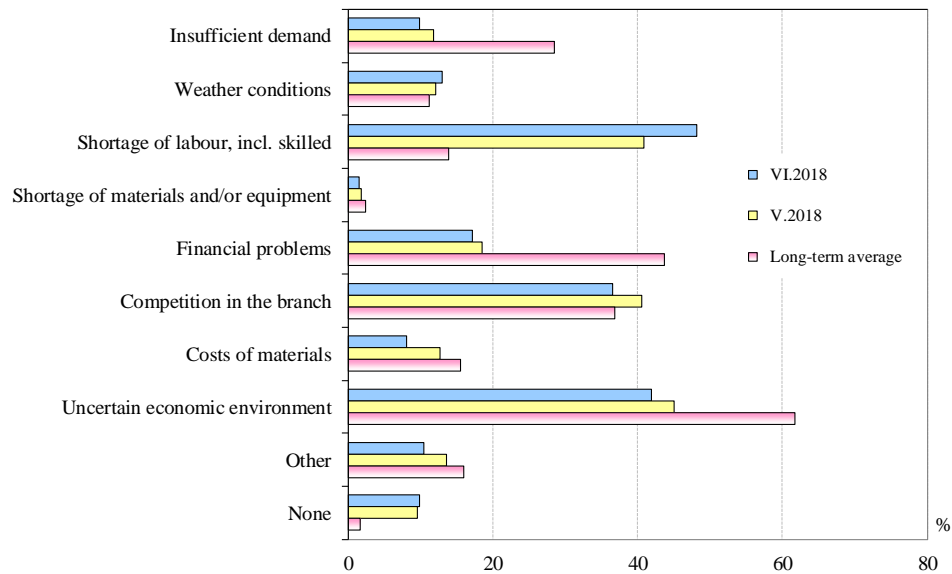




Figure 9. Selling prices expectations in construction over the next 3 months

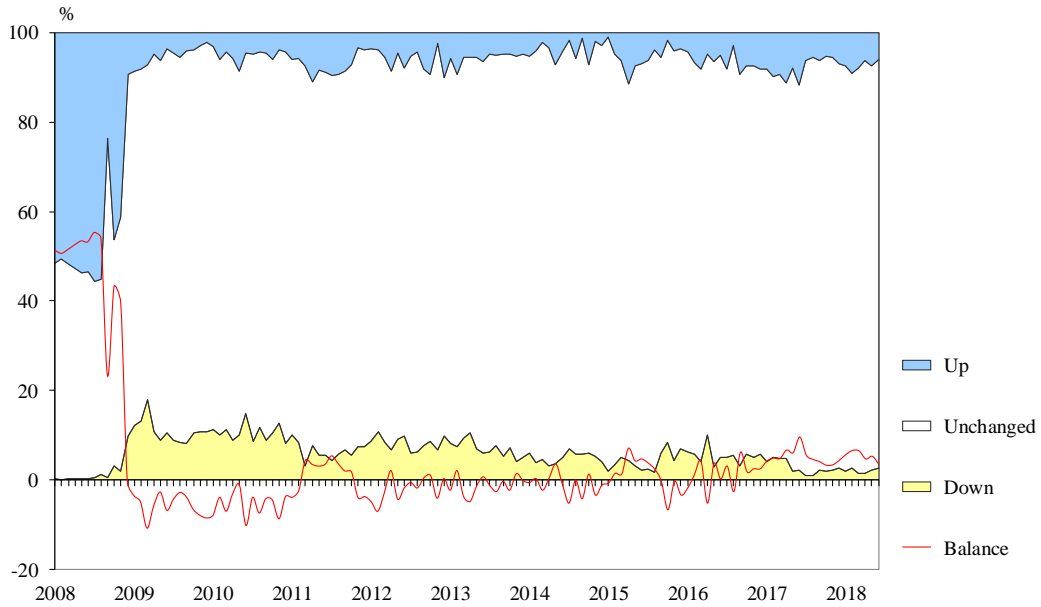


Figure 10. Business climate in retail trade

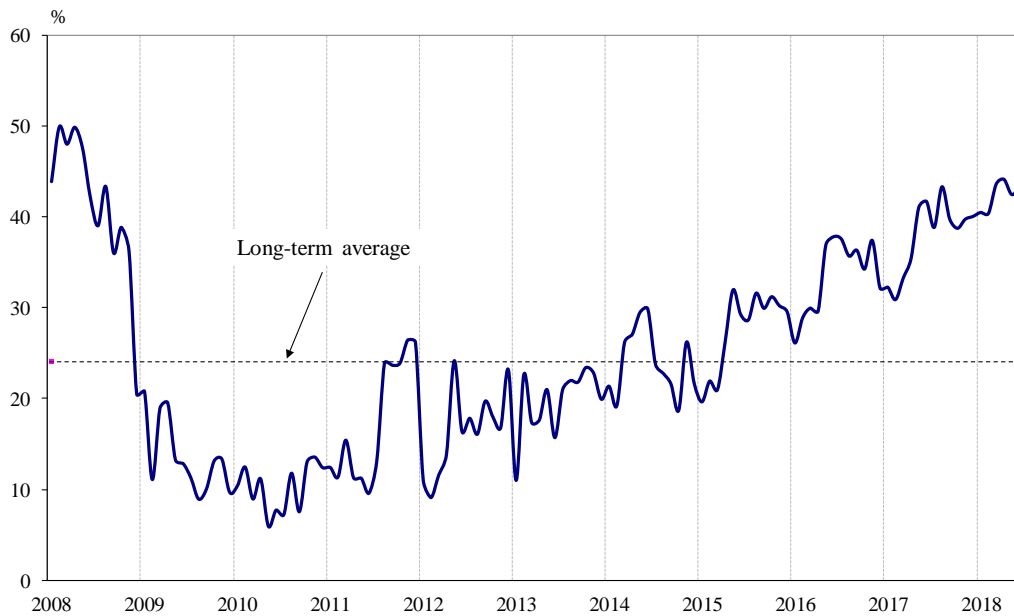




Figure 11. Present business situation in retail trade

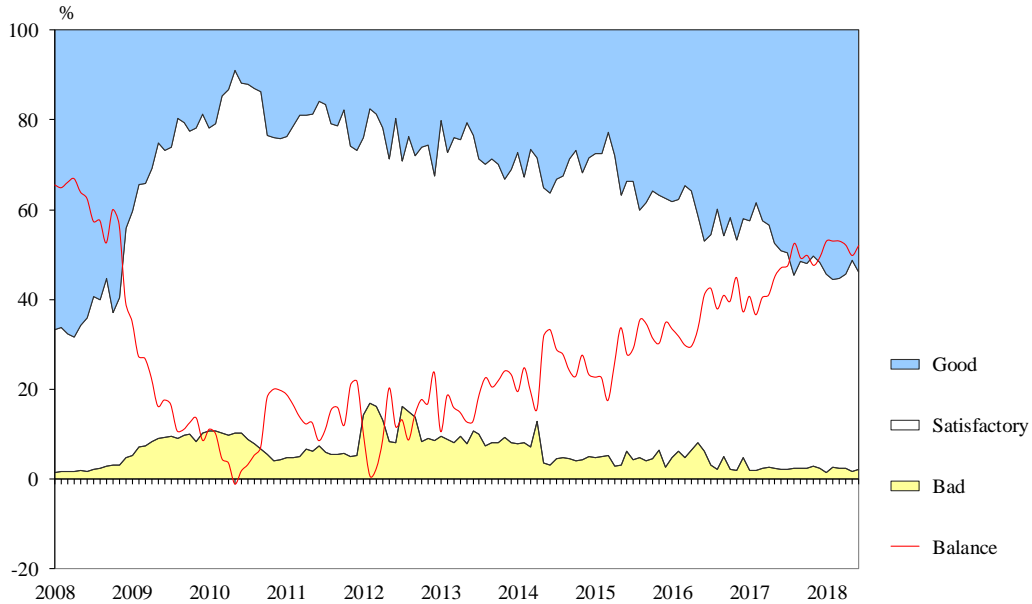


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

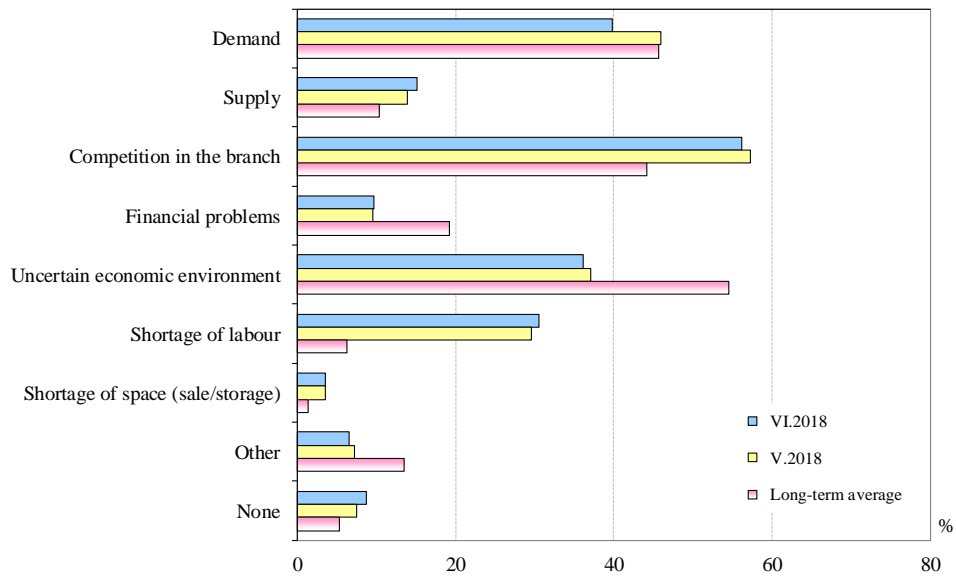




Figure 13. Selling prices expectations in retail trade over the next 3 months

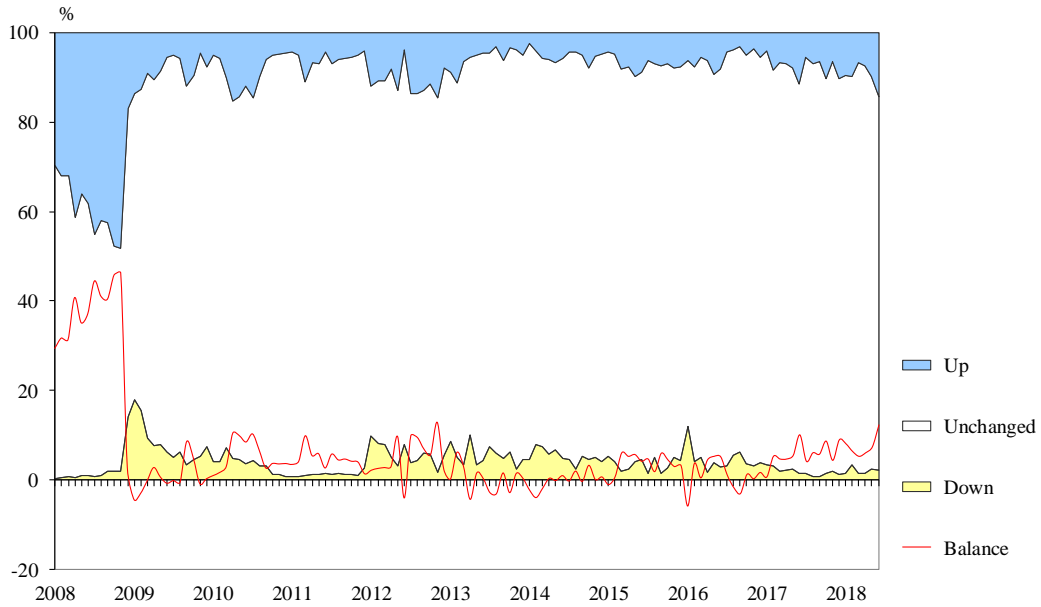


Figure 14. Business climate in service sector

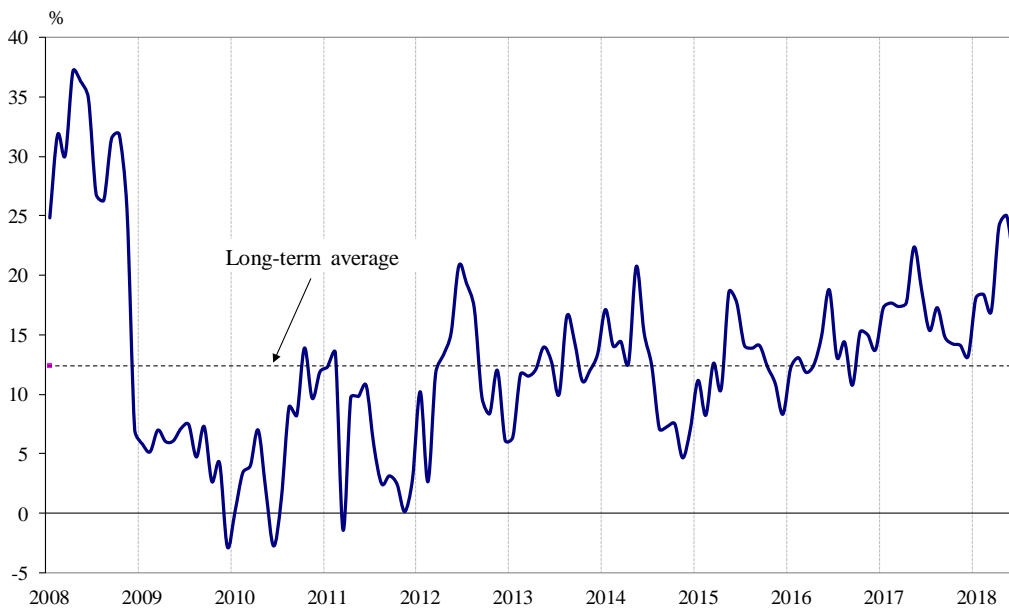




Figure 15. Expected demand in service sector over the next 3 months

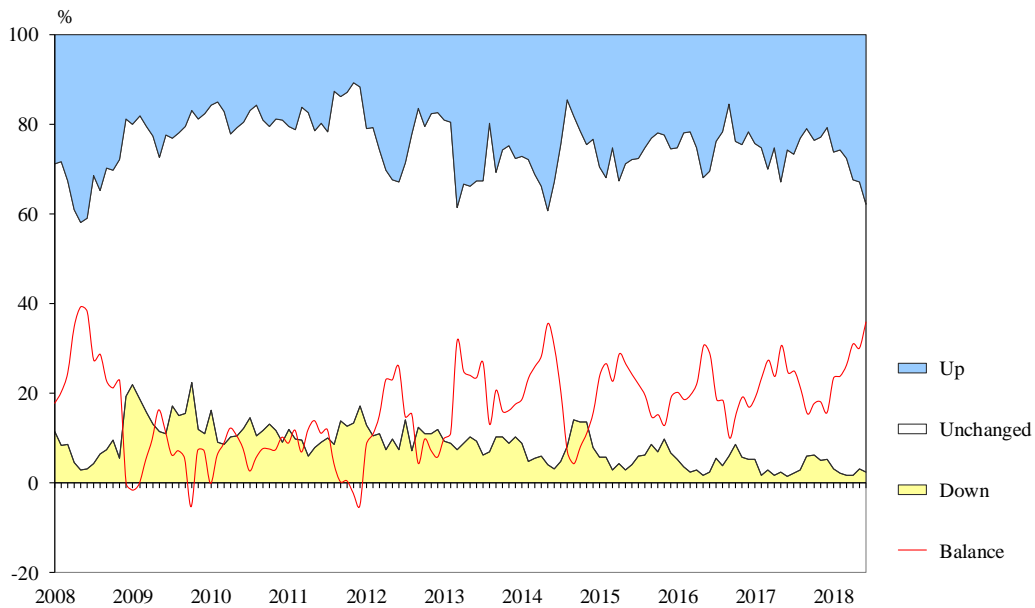


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

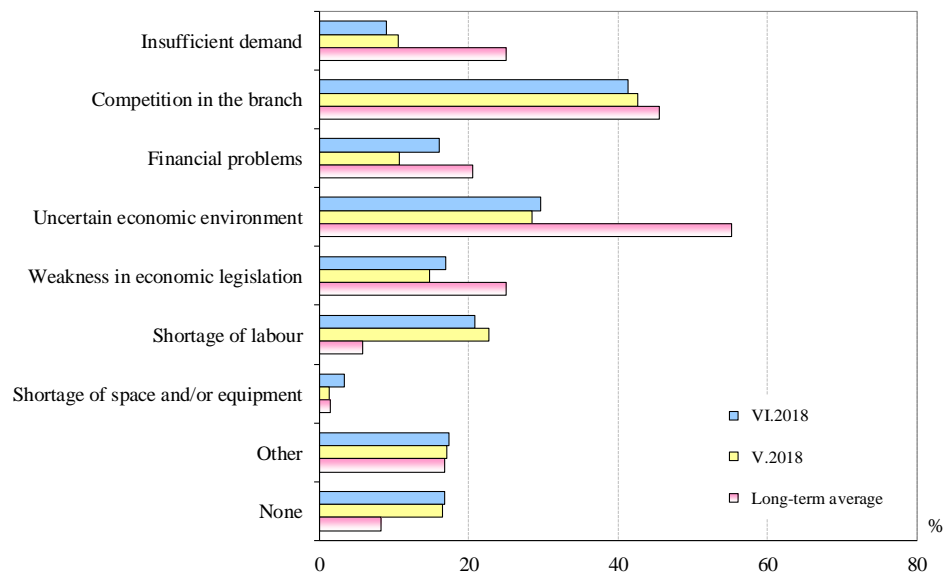




Figure 17. Selling prices expectations in service sector over the next 3 months

