



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

In September 2018, the **total business climate indicator**⁴ decreases by 1.5 percentage points in comparison with August (Annex, Figure 1), which is due to the more unfavourable business climate in construction and service sector.

Industry. The composite indicator ‘business climate in industry’ preserves its level from the previous month (Annex, Figure 2). The industrial entrepreneurs assess the present production activity as favourable. However, according to them the production assurance with orders is decreased, which is accompanied by reduced expectations about the activity of the enterprises over the next 3 months (Annex, Figure 3).

The main factors limiting the business continue to be connected with the uncertain economic environment and shortage of labour (Annex, Figure 4).

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

Construction. In September the composite indicator ‘business climate in construction’ decreases by 5.8 percentage points (Annex, Figure 6) which is due to the shifting of the construction entrepreneurs’ assessments and expectations about the business situation of the enterprises from ‘better’ towards preserving ‘the same’. At the same time their opinions about the construction activity over the last 3 months, as well their expectations over the next 3 months are more unfavourable (Annex, Figure 7).

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

As regards the selling prices in construction, the managers foresee preservation of their level over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator ‘business climate in retail trade’ remains approximately to its August level (Annex, Figure 10). The retailers’ assessments about the volume of sales over the last 3

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.



months are favourable, as in their forecasts over the next 3 months certain improvement is reported (Annex, Figure 11).

The main obstacles for the business development continue to be connected with the competition in the branch, uncertain economic environment and insufficient demand (Annex, Figure 12).

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

Service sector¹. In September the composite indicator ‘business climate in service sector’ decreases by 1.7 percentage points (Annex, Figure 14) mainly due to the shifting of the managers’ assessments about the present business situation of the enterprises from ‘better’ towards preserving ‘the same’. Their opinions about the present demand for services are more reserved, as their expectations over the next 3 months are worsened (Annex, Figure 15).

The most serious difficulties for the activity remain the competition in the branch and uncertain economic environment, as in the last month strengthen of the negative impact of the first factor is reported (Annex, Figure 16).

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

¹ Excl. trade.



Annex

Figure 1. Business climate - total

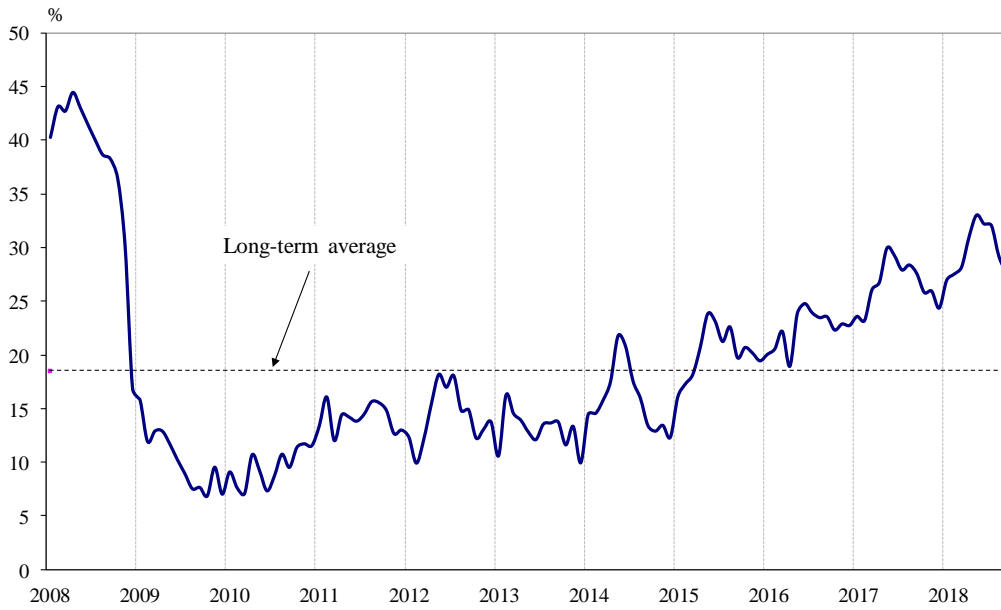


Figure 2. Business climate in industry

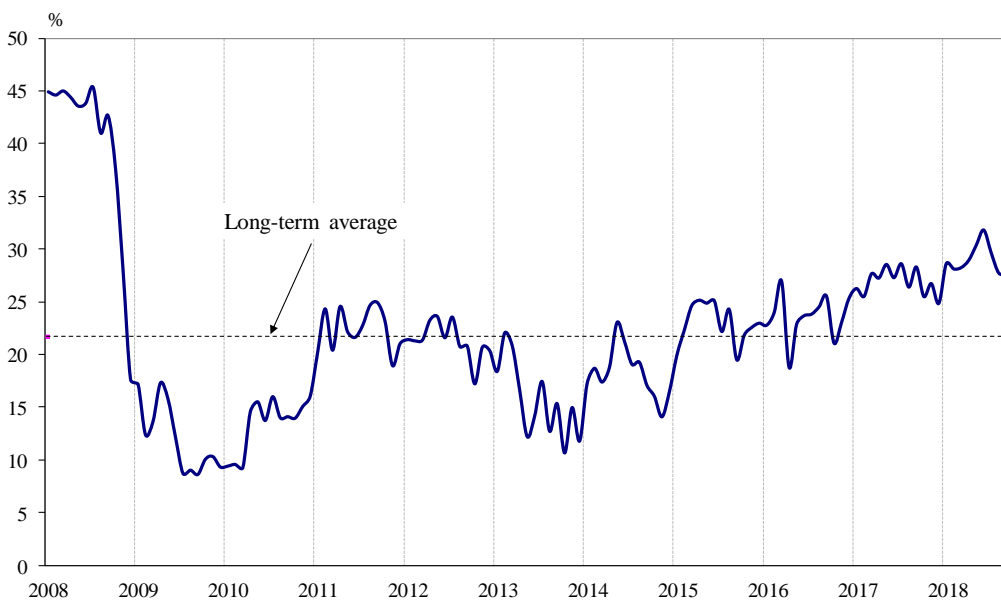




Figure 3. Expected production activity in industry over the next 3 months

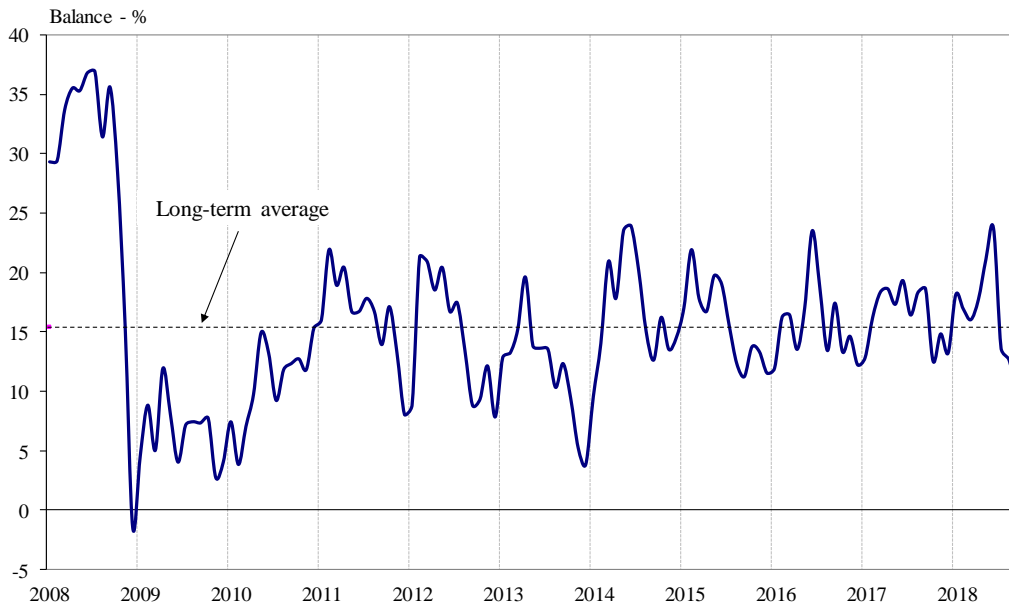


Figure 4. Limits to production in industry (Relative share of enterprises)

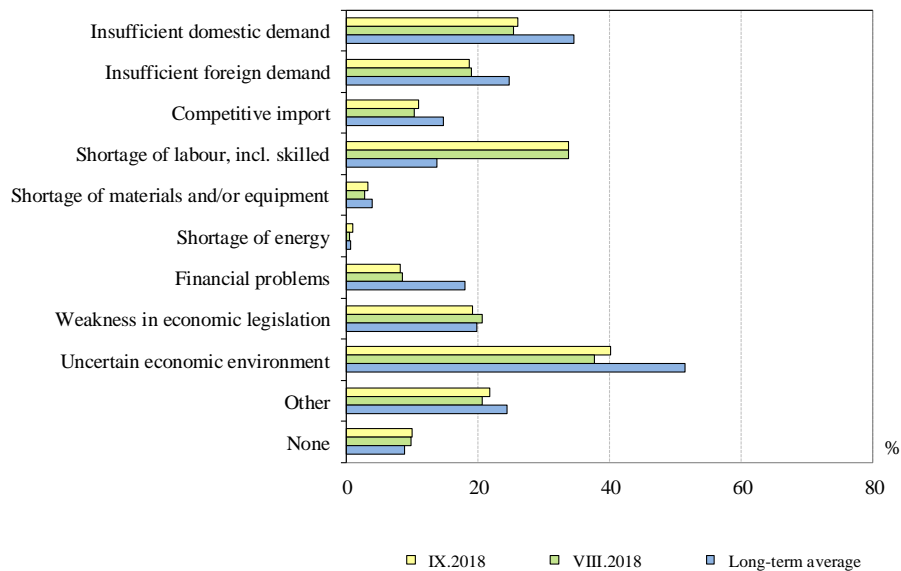




Figure 5. Selling prices expectations in industry over the next 3 months

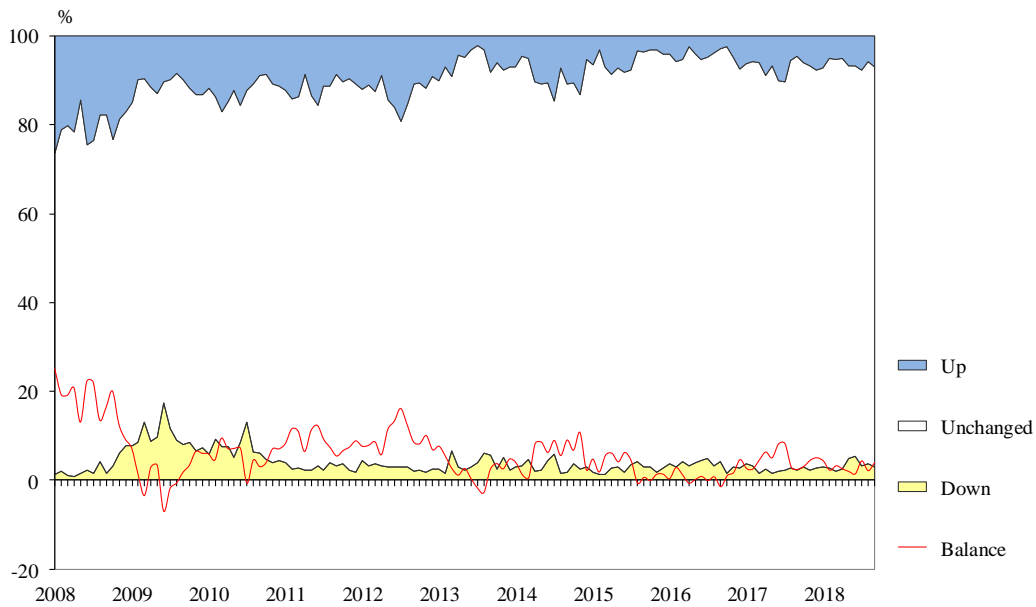


Figure 6. Business climate in construction

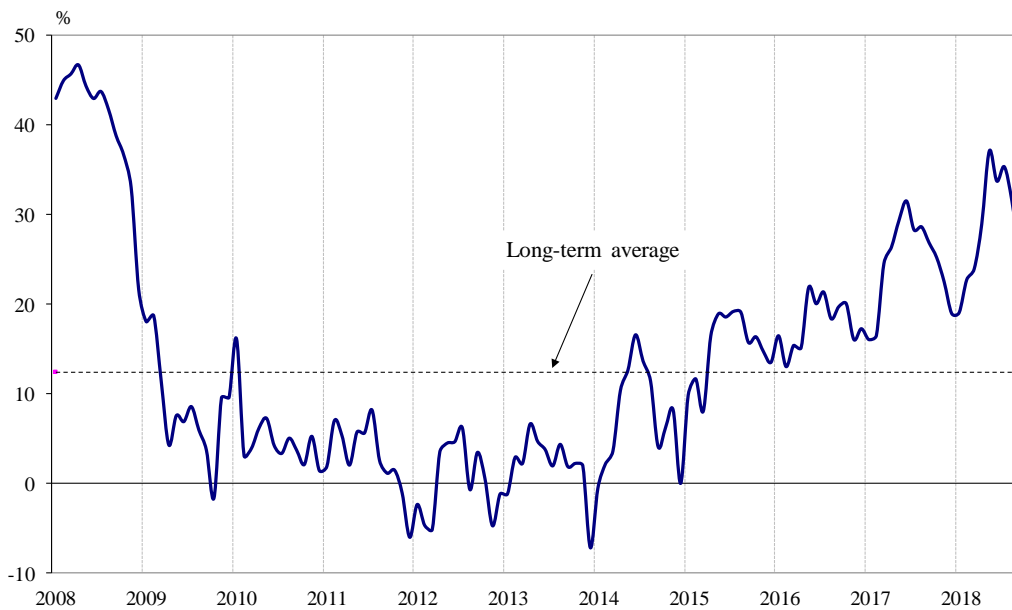




Figure 7. Expected construction activity over the next 3 months

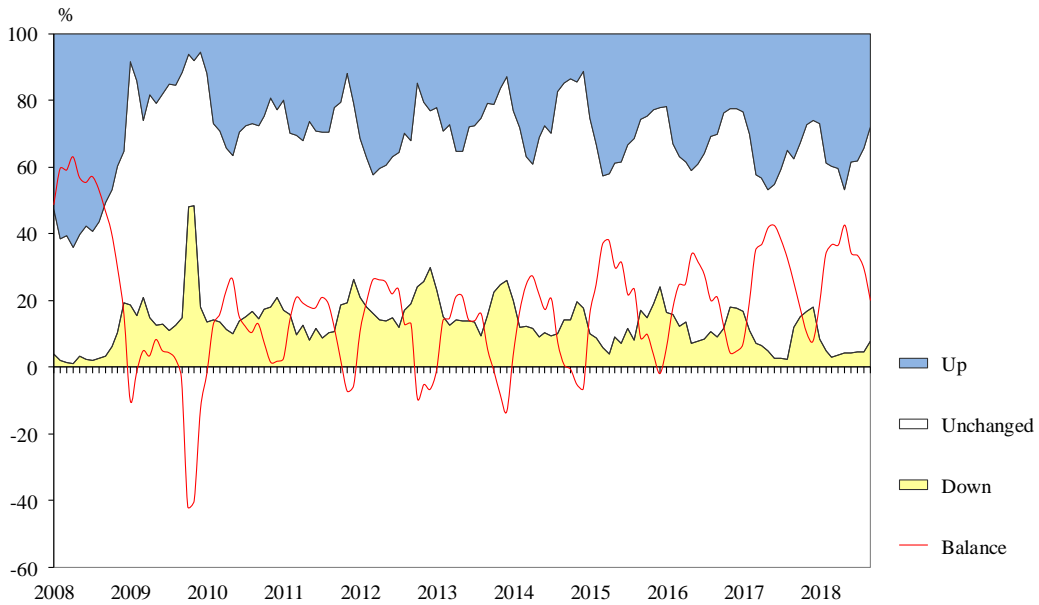


Figure 8. Limits to construction activity (Relative share of enterprises)

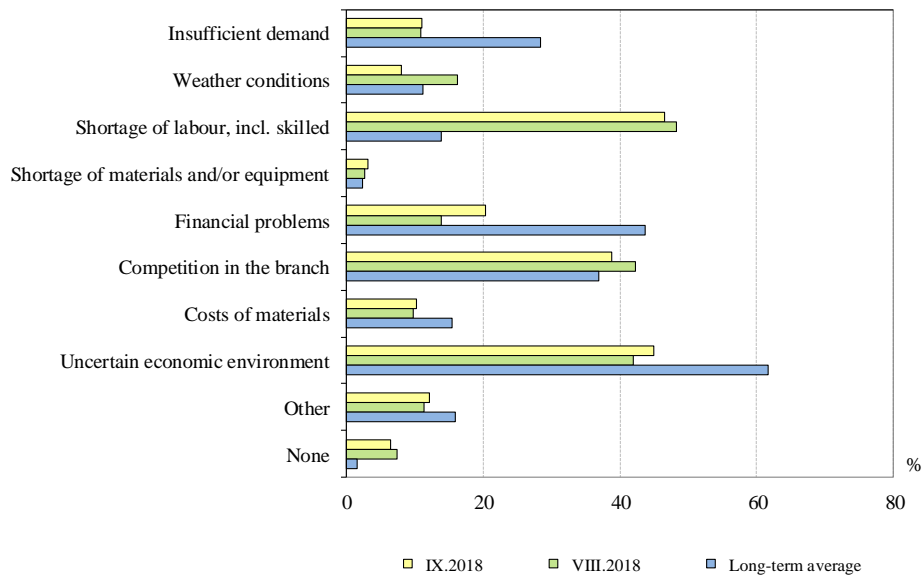




Figure 9. Selling prices expectations in construction over the next 3 months

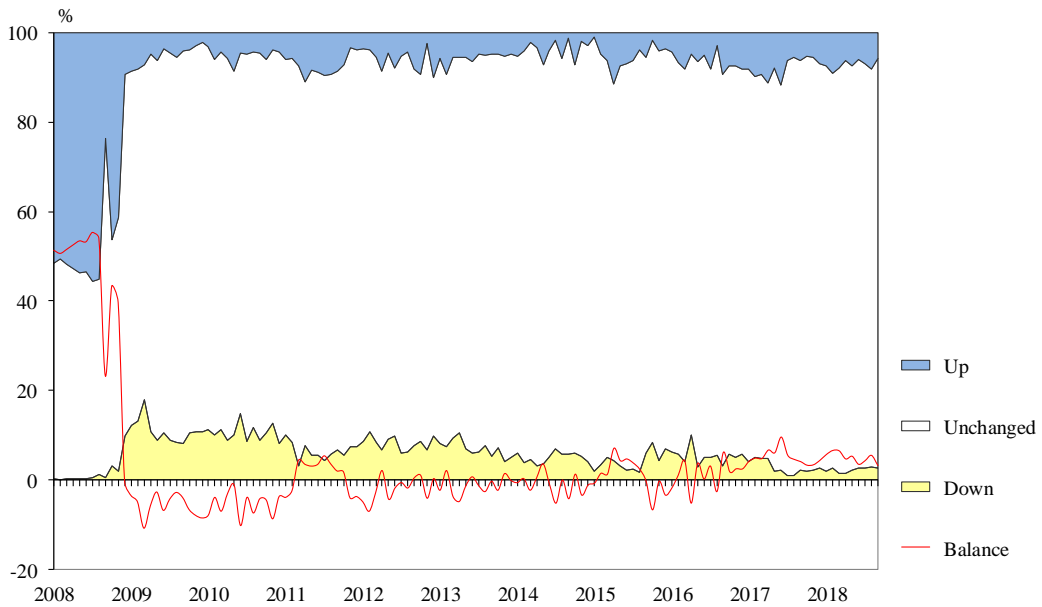


Figure 10. Business climate in retail trade

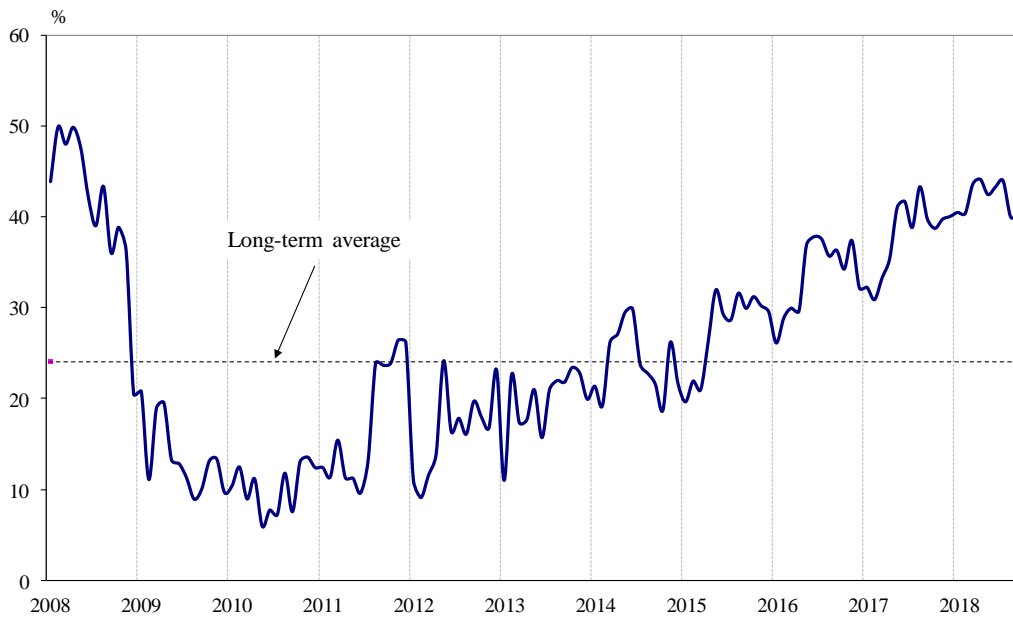




Figure 11. Sales expectations in retail trade over the next 3 months

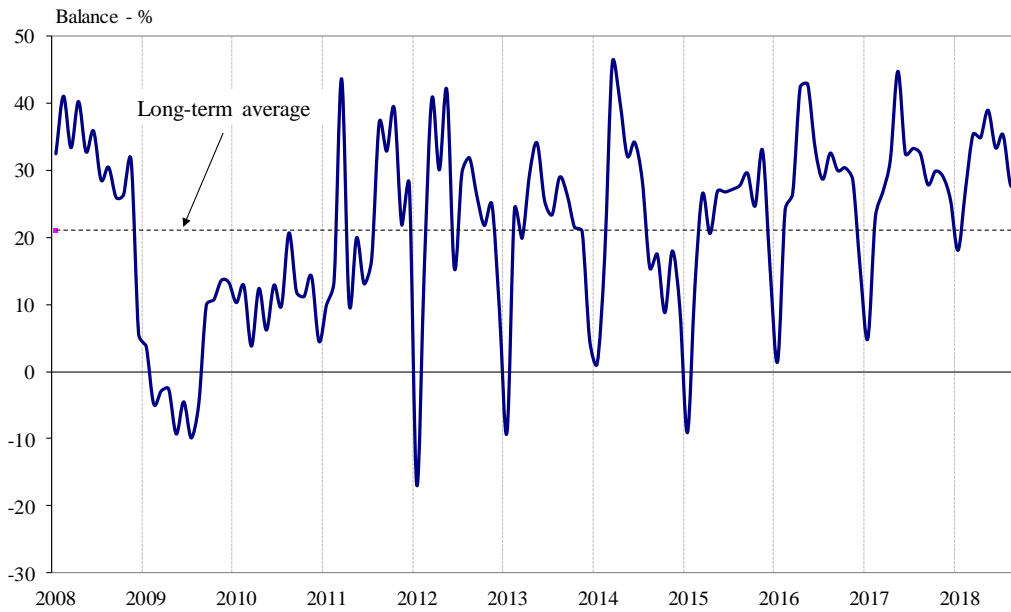


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

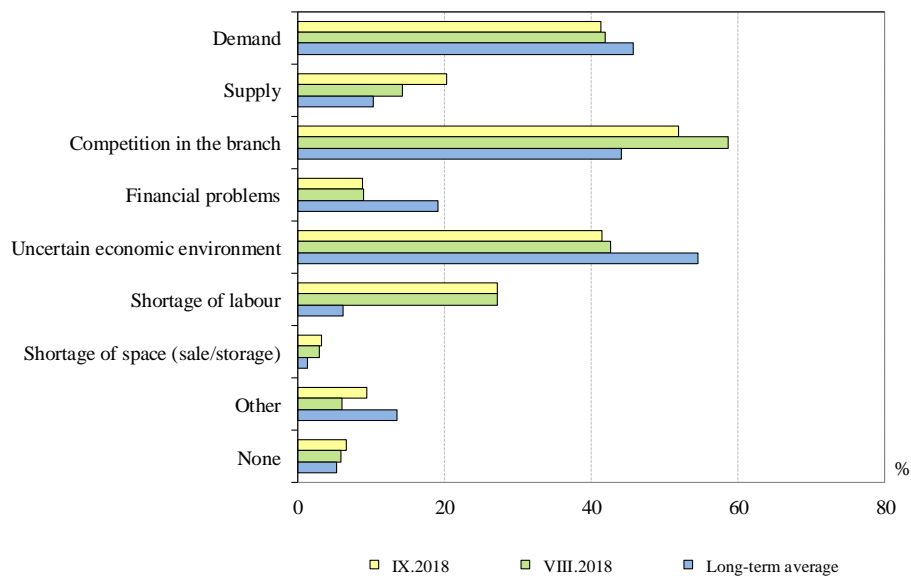




Figure 13. Selling prices expectations in retail trade over the next 3 months

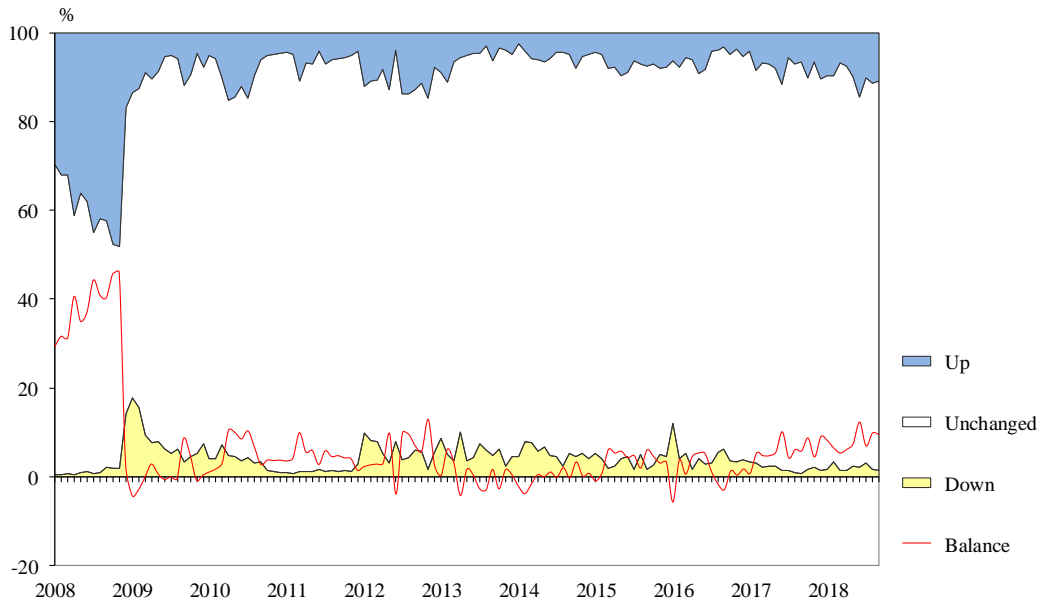


Figure 14. Business climate in service sector

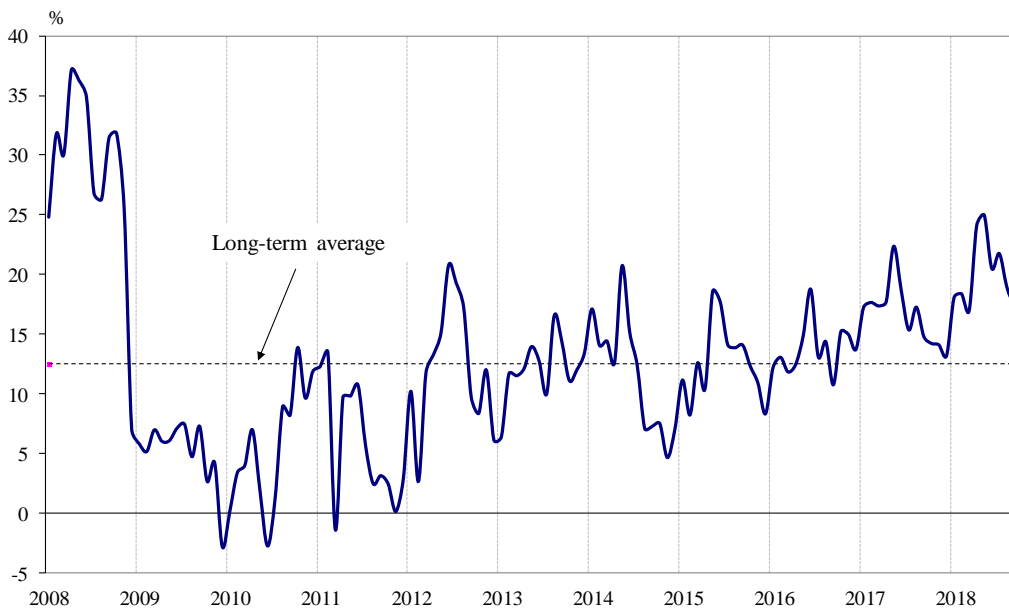




Figure 15. Expected demand in service sector over the next 3 months

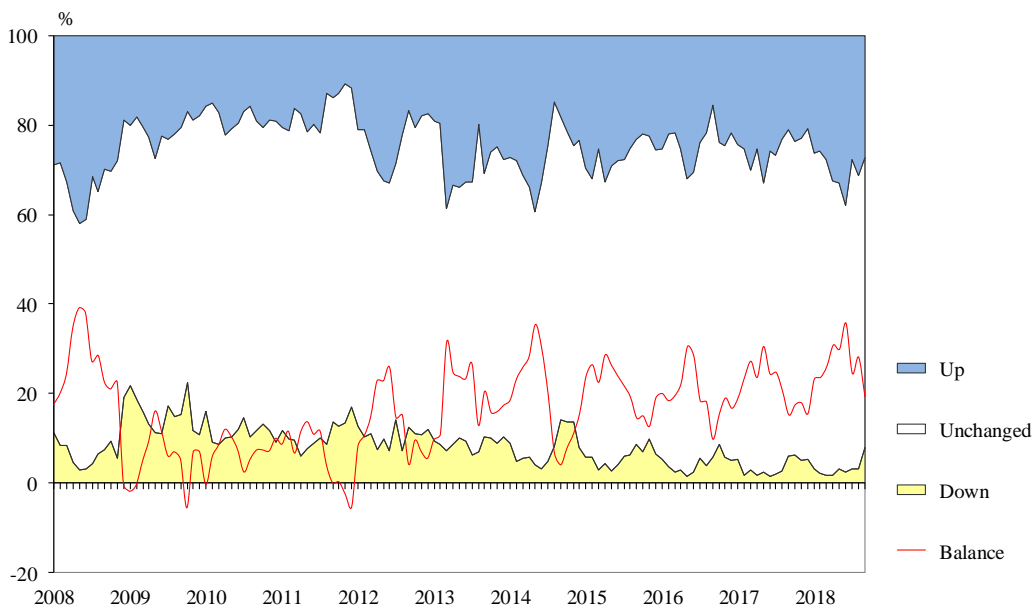


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

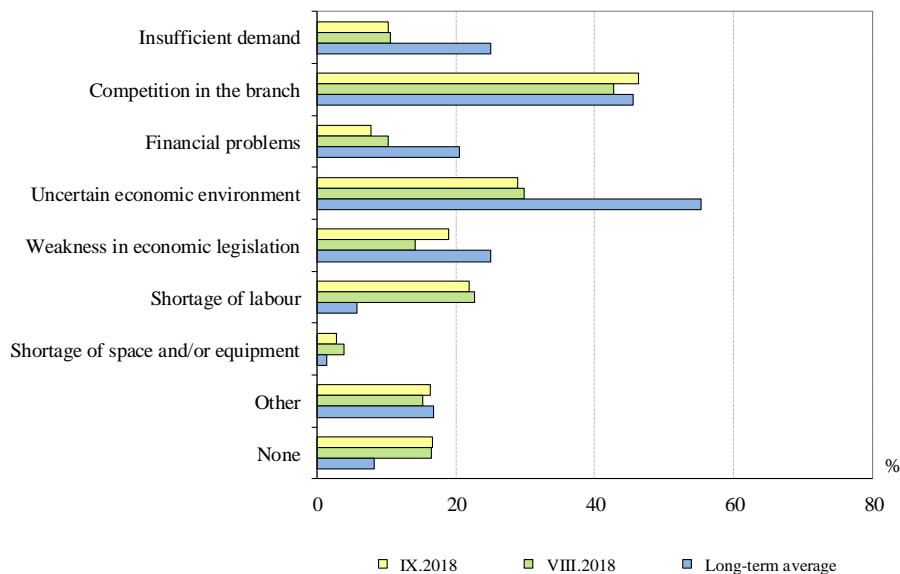




Figure 17. Selling prices expectations in service sector over the next 3 months

