



## BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS<sup>1,2,3</sup>, MARCH 2019

In March 2019, the **total business climate indicator**<sup>4</sup> preserves approximately its February level (Annex, Figure 1) as an improvement is registered only in retail trade.

**Industry.** The composite indicator ‘business climate in industry’ remains approximately to its level from the previous month (Annex, Figure 2). The inquiry registers a decrease of the production assurance with orders (Annex, Figure 3), which is accompanied by more unfavourable expectations about the activity of the enterprises over the next 3 months.

The main factors, limiting the enterprises continue to be connected with the uncertain economic environment and shortage of labour, as in the last month strengthen of their negative impact is observed (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 March, the composite indicator ‘business climate in construction’ preserves its February level (Annex, Figure 6). The construction entrepreneurs’ expectations about both the business situation of the enterprises over the next 6 months (Annex, Figure 7) and the activity over the next 3 months remain optimistic. As regards the employment in the branch the forecasts are also in a direction of increase.

The uncertain economic environment, shortage of labour and competition in the branch remain the most serious obstacles for the business development, as the inquiry reports strengthen of the negative influence of the first factor (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).

**Retail trade.** The composite indicator ‘business climate in retail trade’ increases by 2.6 percentage points (Annex, Figure 10) mainly due to the more optimistic retailers’ expectation about the business situation of

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.



the enterprises over the next 6 months (Annex, Figure 11). At the same time, their forecasts about the volume of sales over the next 3 months are improved.

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

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

**Service sector<sup>1</sup>.** In March, the composite indicator ‘business climate in service sector’ preserves approximately its February level (Annex, Figure 14). The managers’ assessments about the present demand for services are reserved, as their expectations over the next 3 months are also shifting to the more moderate opinions (Annex, Figure 15).

The main obstacles for the business remain related to the competition in the branch and uncertain economic environment (Annex, Figure 16).

As regards the selling prices, the managers foresee certain increase, although the prevailing expectations are for preservation of their level over the next 3 months (Annex, Figure 17).

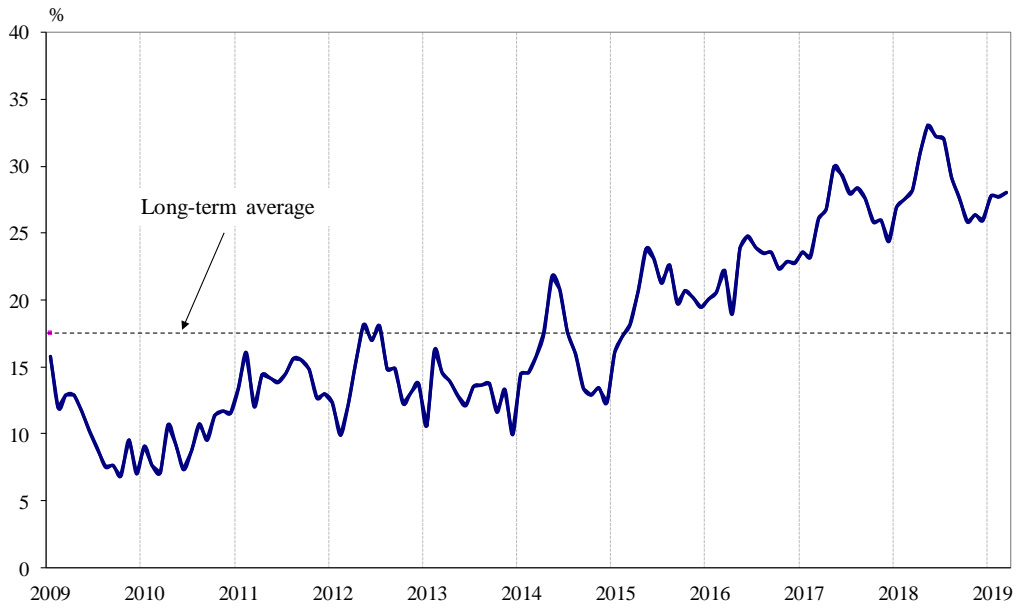
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<sup>1</sup> Excl. trade.

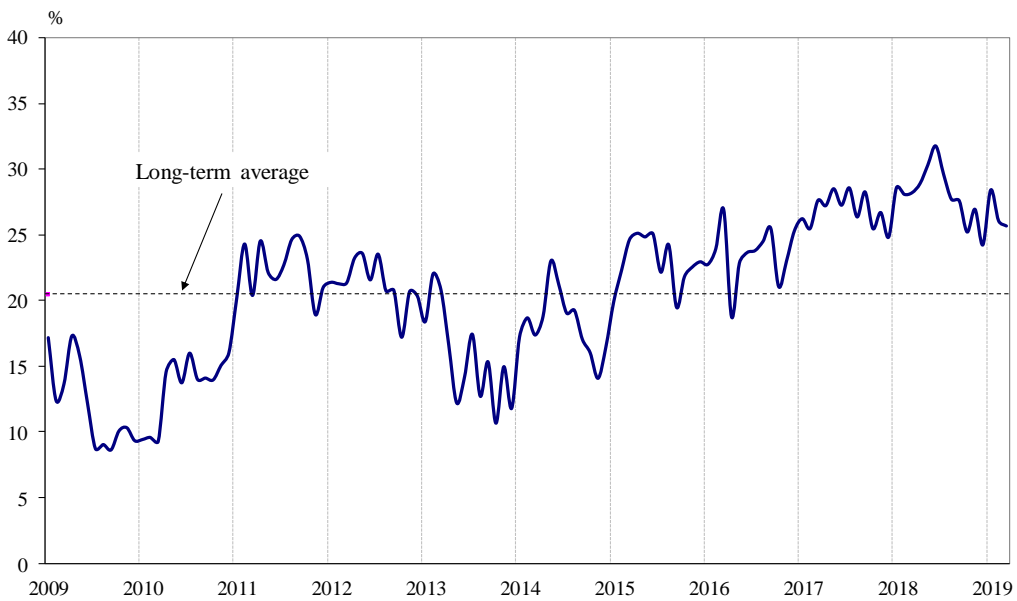


**Annex**

**Figure 1. Business climate - total**

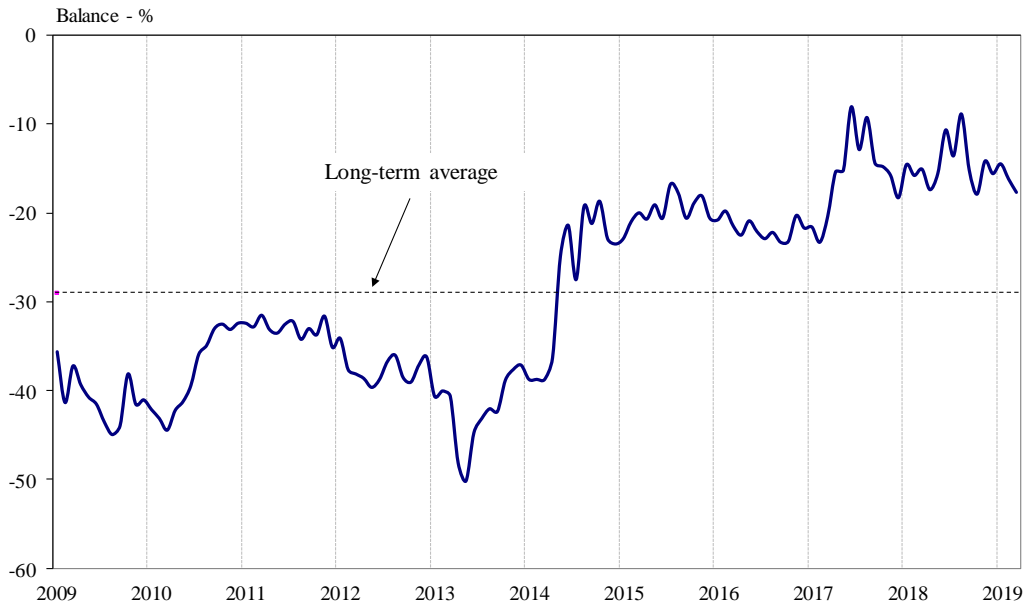


**Figure 2. Business climate in industry**

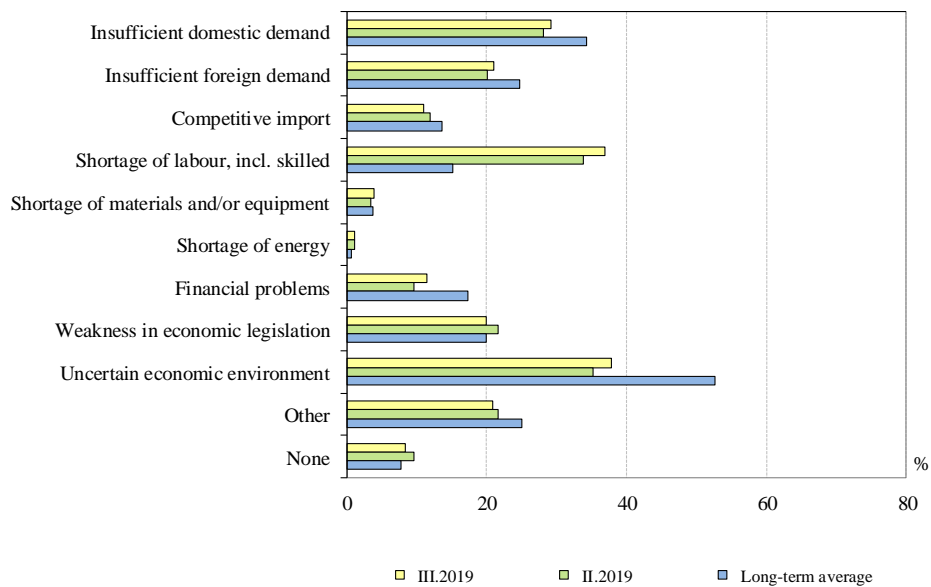




**Figure 3. Production assurance with orders in industry**

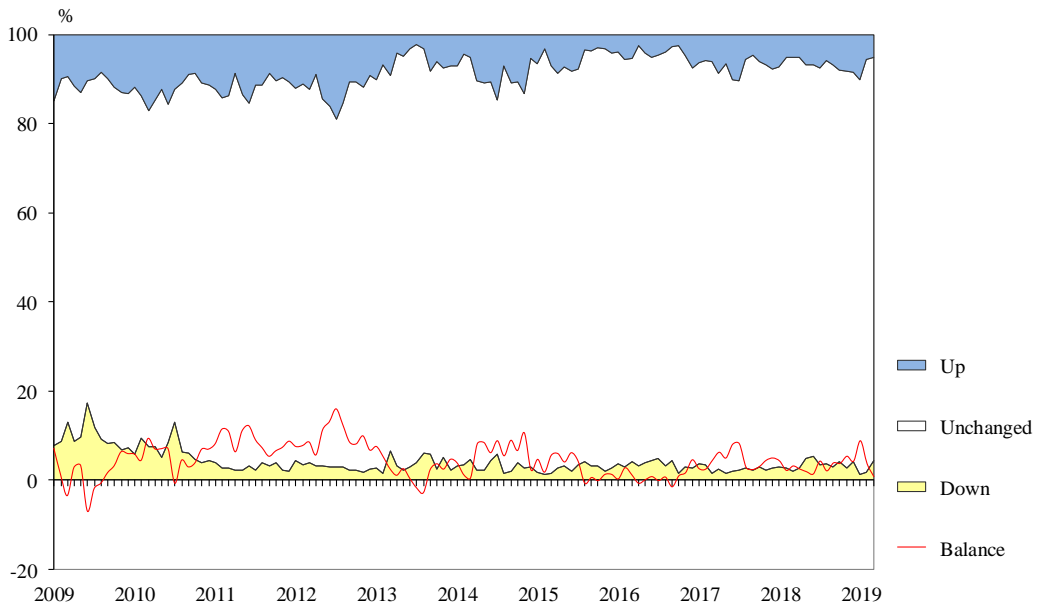


**Figure 4. Limits to production in industry (Relative share of enterprises)**

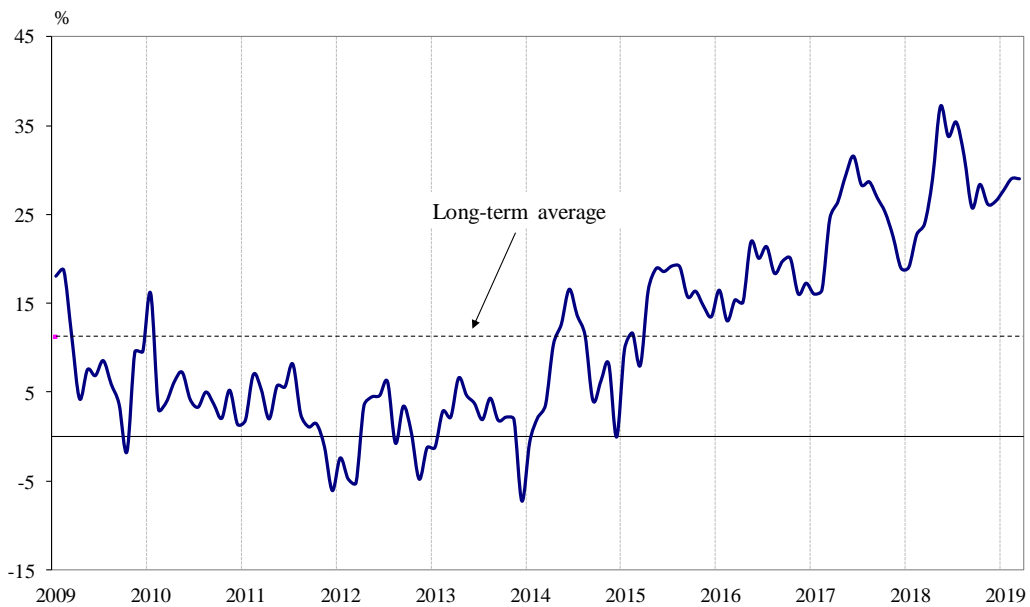




**Figure 5. Selling prices expectations in industry over the next 3 months**

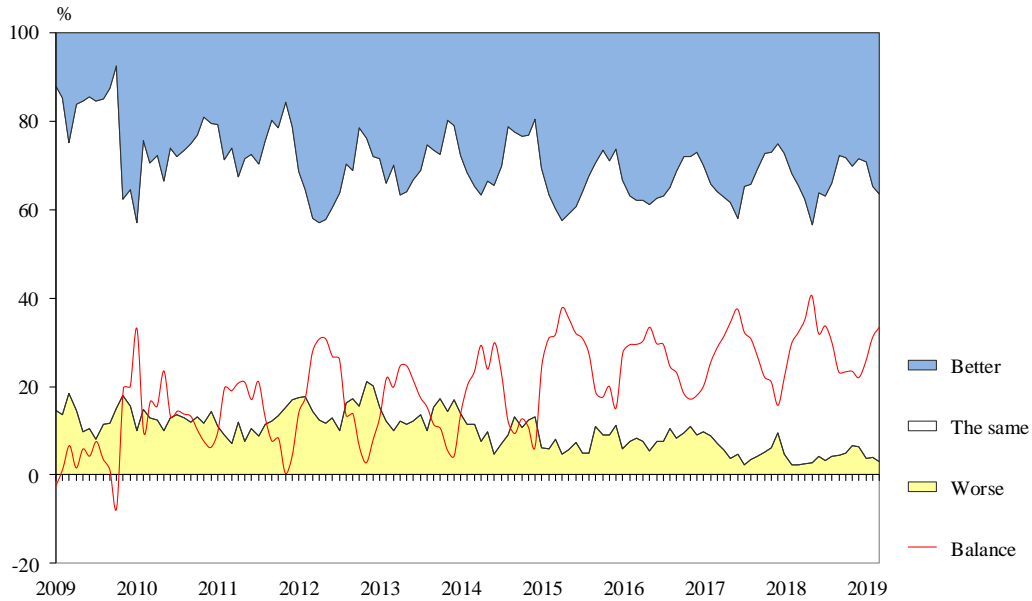


**Figure 6. Business climate in construction**

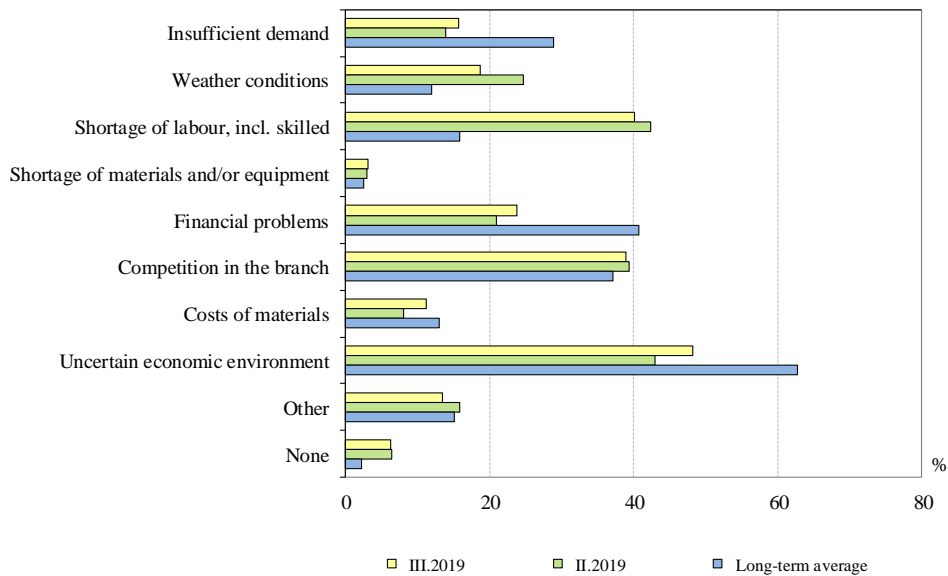




**Figure 7. Expected business situation in construction over the next 6 months**

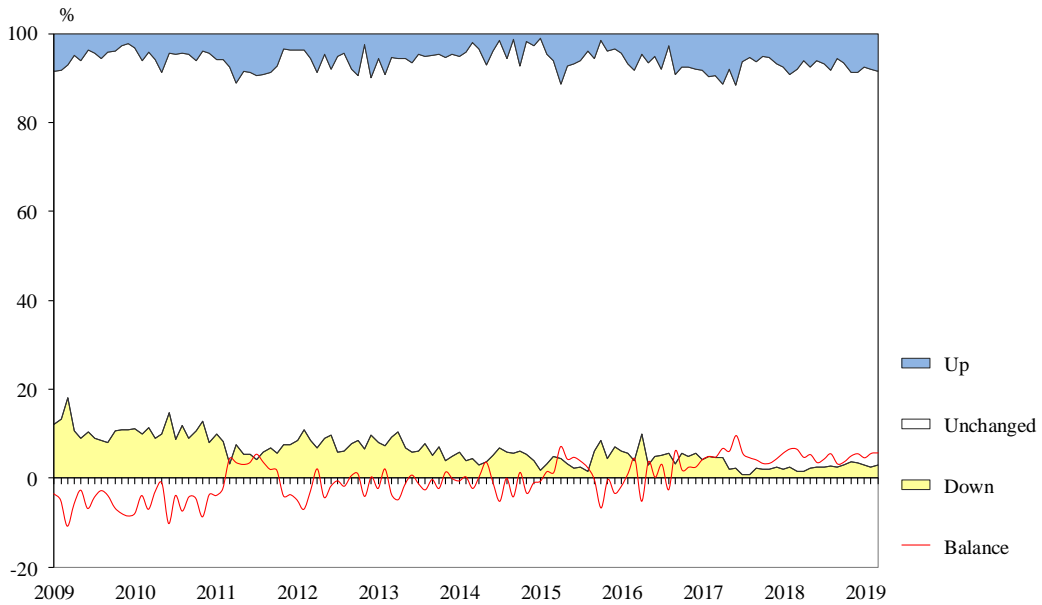


**Figure 8. Limits to construction activity (Relative share of enterprises)**

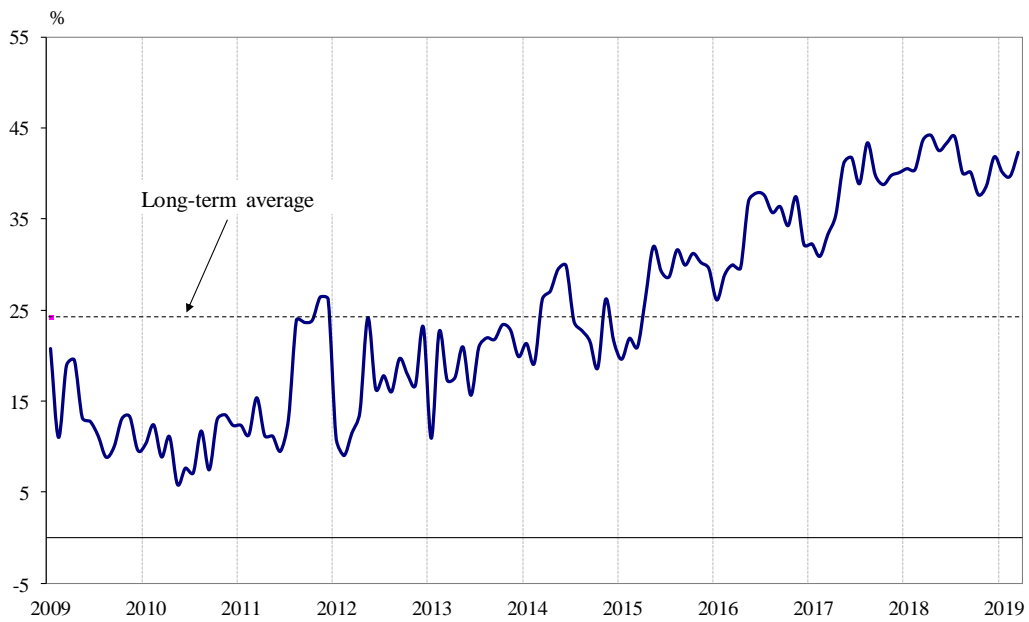




**Figure 9. Selling prices expectations in construction over the next 3 months**

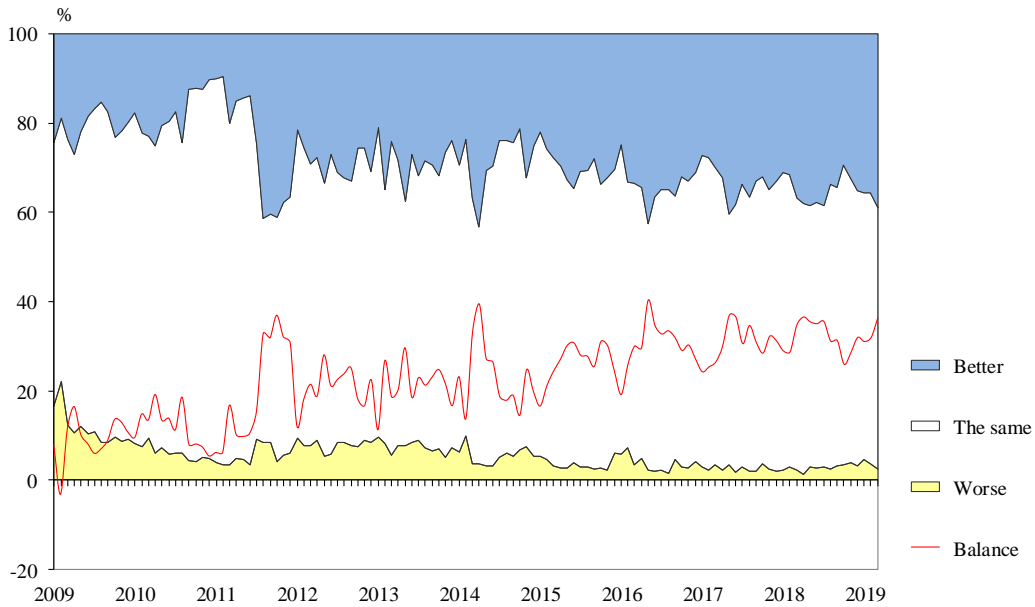


**Figure 10. Business climate in retail trade**

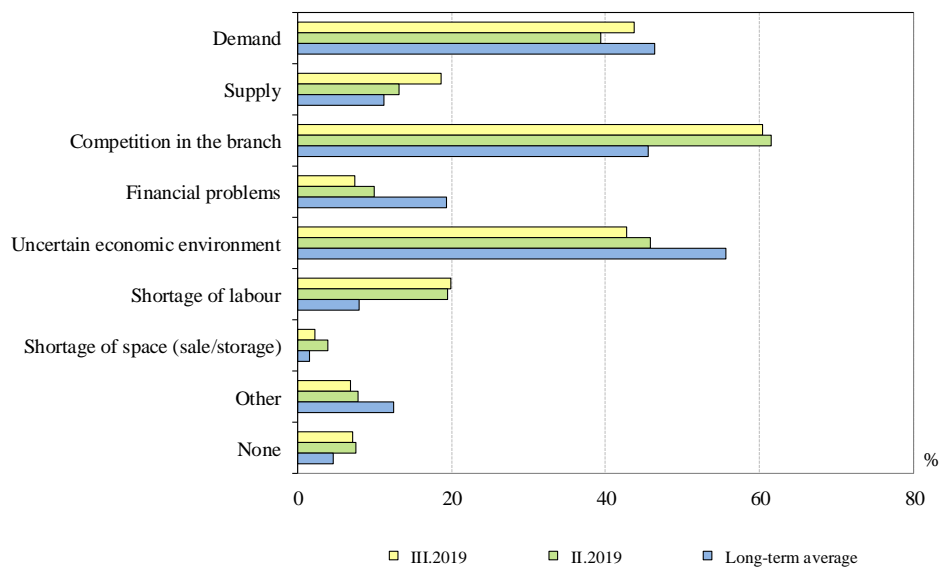




**Figure 11. Expected business situation in retail trade over the next 6 months**



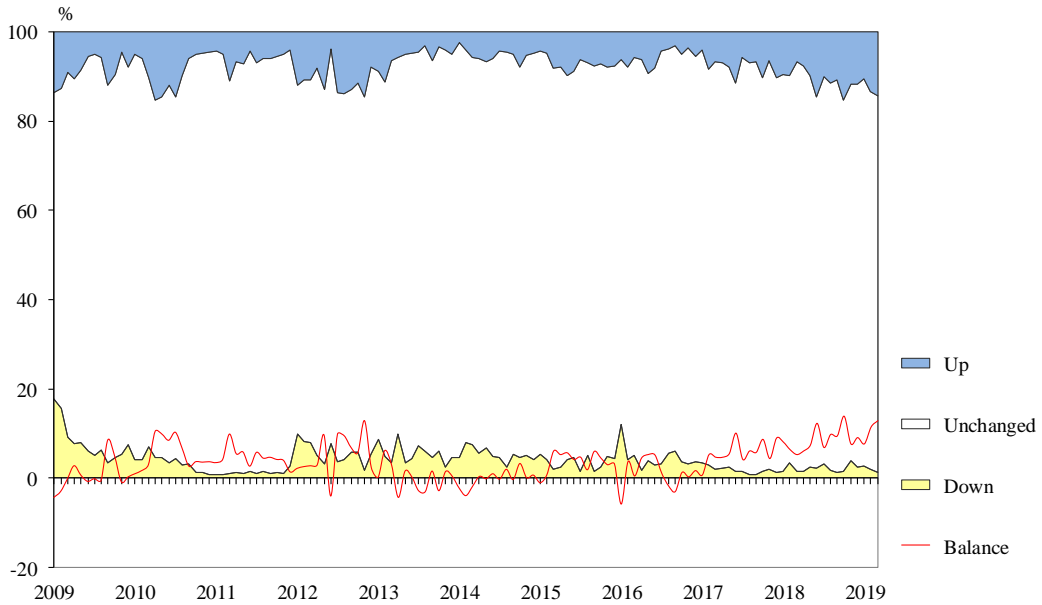
**Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)**



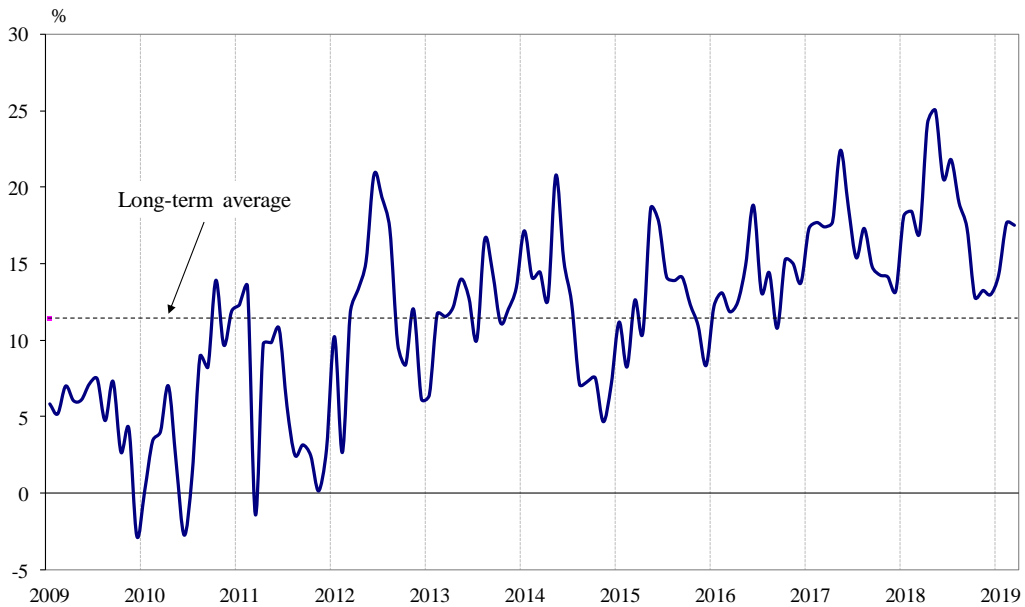




**Figure 13. Selling prices expectations in retail trade over the next 3 months**

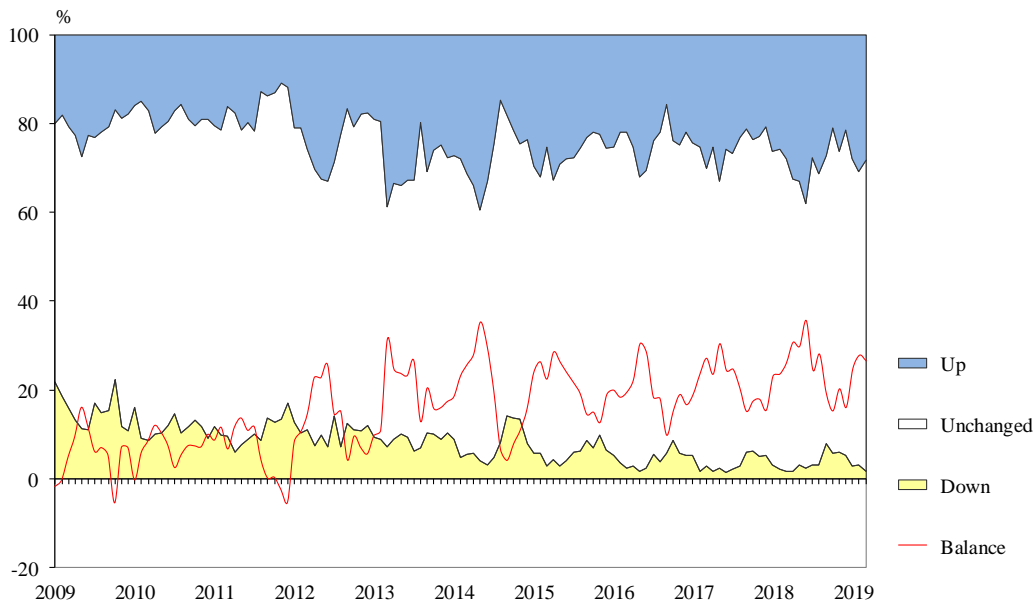


**Figure 14. Business climate in service sector**

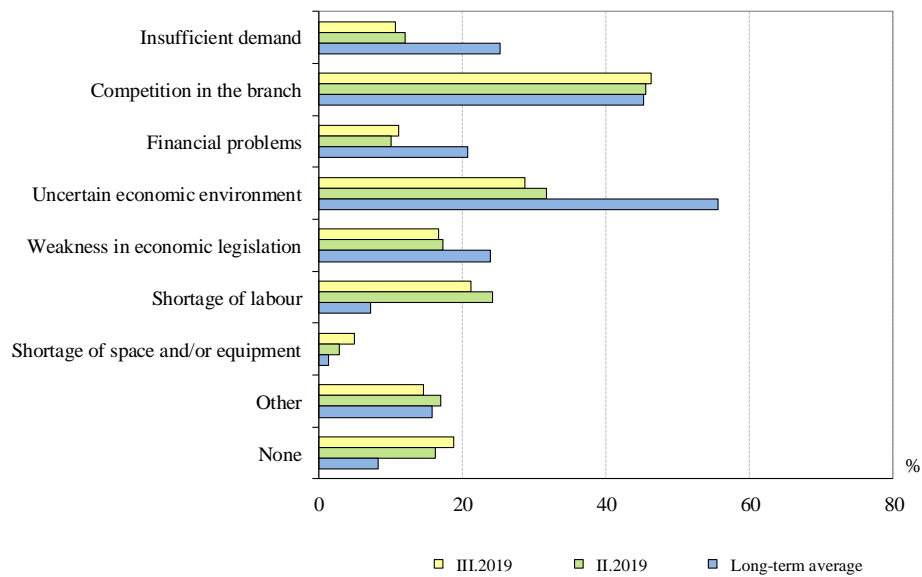




**Figure 15. Expected demand in service sector over the next 3 months**



**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**

