

BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, SEPTEMBER 2022

In September 2022, **the total business climate indicator**⁴ increases by 0.8 percentage points in comparison with the previous month (Annex, Figure 1) as an increase of the indicator is observed in the industry, retail trade and service sector.

Industry. The composite indicator ‘business climate in industry’ increases by 0.5 percentage points (Annex, Figure 2) mainly due to the favourable industrial entrepreneurs’ assessments about the present business situation of the enterprises. However, the present production activity is assessed as reserved, as the forecasts about the activity over the next 3 months are worsened (Annex, Figure 3).

The uncertain economic environment and shortage of labour remain the main factors, limiting the activity of enterprises, as the last month strengthening of their negative impact is reported (Annex, Figure 4).

The managers’ expectations about the selling prices in the industry over the next 3 months are in a direction of an increase.


Construction. In September, the composite indicator ‘business climate in construction’ decreases by 1.1 percentage points (Annex, Figure 5) as a result of the pessimistic construction entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months. Their forecasts about the construction activity over the next 3 months are more moderate (Annex, Figure 6), as the inquiry also reports an increase in the number of clients with delay in payments.

The most serious problems for the business development in the sector continue to be connected with the uncertain economic environment, costs of materials and shortage of labour (Annex, Figure 7).

As regards the selling prices in construction, 42.0% of the managers foresee them to increase over the next 3 months.

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 2.6 percentage points (Annex, Figure 8), which is due both to the improved assessments and more favourable expectations of the

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 to questions from the inquiries are presented in a three-option ordinal scale of the following type: ‘up’, ‘unchanged’, ‘down’ or ‘above normal’, ‘normal’, and ‘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, retail trade and service sector. The last indicator of the business climate in the service sector has been included in the total time series since May 2002.



retailers about the business situation of the enterprises. Their opinions about the volume of sales (Annex, Figure 9) and the orders placed with suppliers over the next 3 months are also more positive.

The uncertain economic environment, competition in the branch and insufficient demand remain the main obstacles to the activity of the enterprises, as in comparison with August a decrease of their negative influence is observed (Annex, Figure 10).

Concerning the selling prices, 39.6% of the retailers forecast them to increase over the next 3 months.

Service sector¹. In September, the composite indicator ‘business climate in service sector’ increases by 1.6 percentage points (Annex, Figure 11) as a result of the optimistic managers’ assessments about the present business situation of the enterprises. As regards the demand for services, the present tendency is assessed as favourable, while the expectations over the next 3 months remain reserved (Annex, Figure 12).

The most serious difficulties for the business development continue to be connected with the uncertain economic environment, competition in the branch and shortage of labour (Annex, Figure 13).

According to the inquiry, the managers’ share who expect the selling prices in the service sector to increase over the next 3 months is 20.9%.

¹ Excl. trade.

Annex

Figure 1. Business climate - total

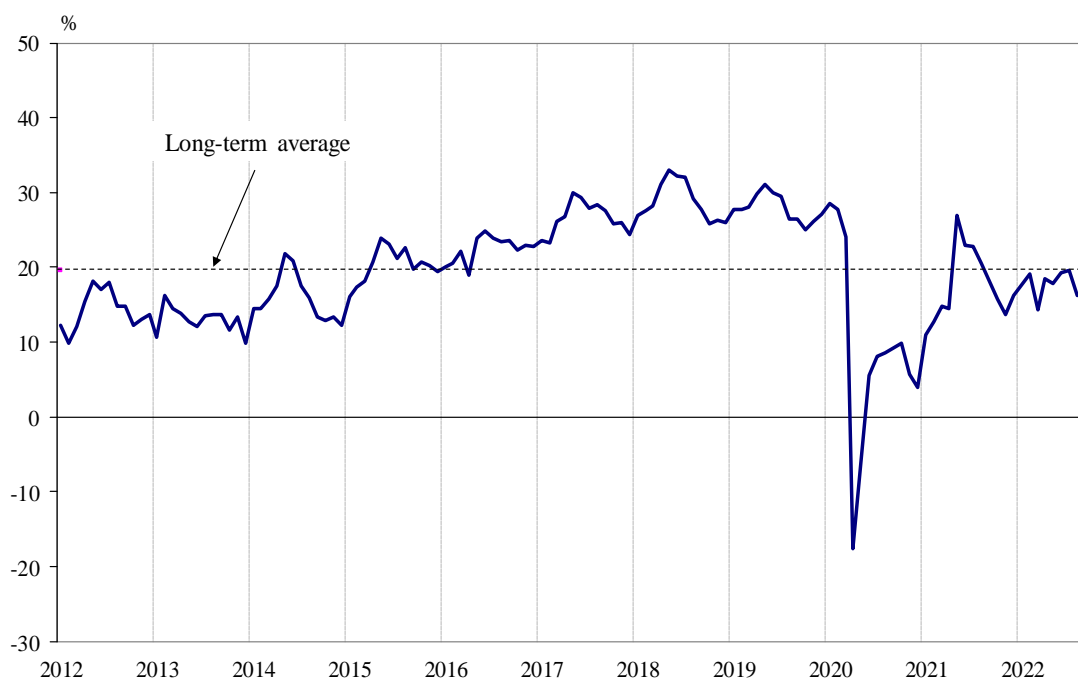


Figure 2. Business climate in industry

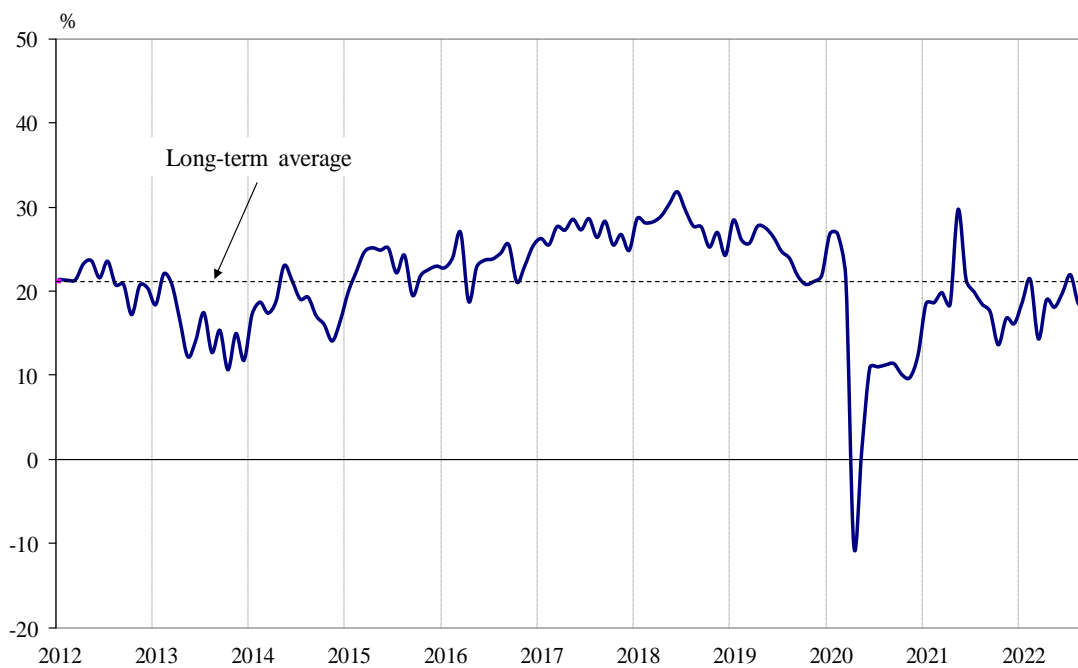


Figure 3. Expected production activity in industry over the next 3 months

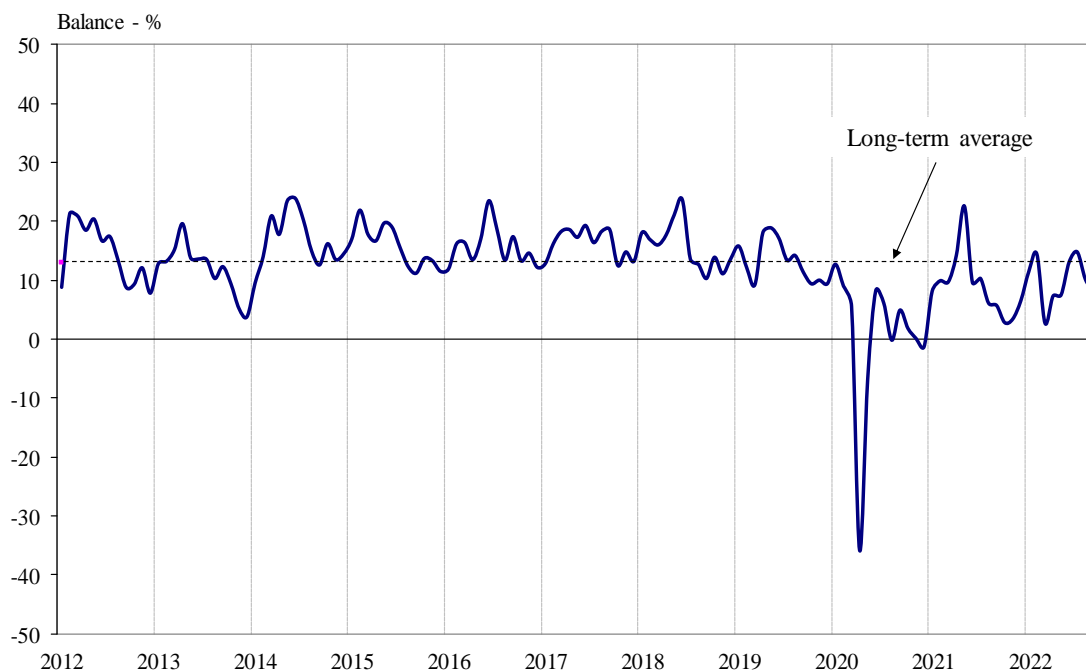


Figure 4. Limits to production in industry (Relative share of enterprises)

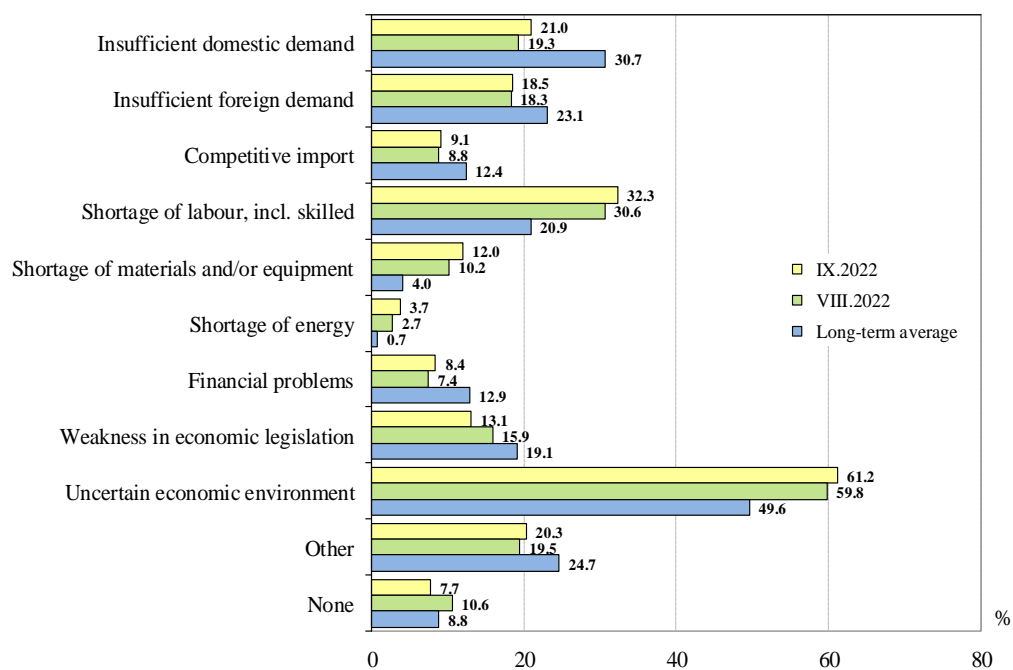


Figure 5. Business climate in construction

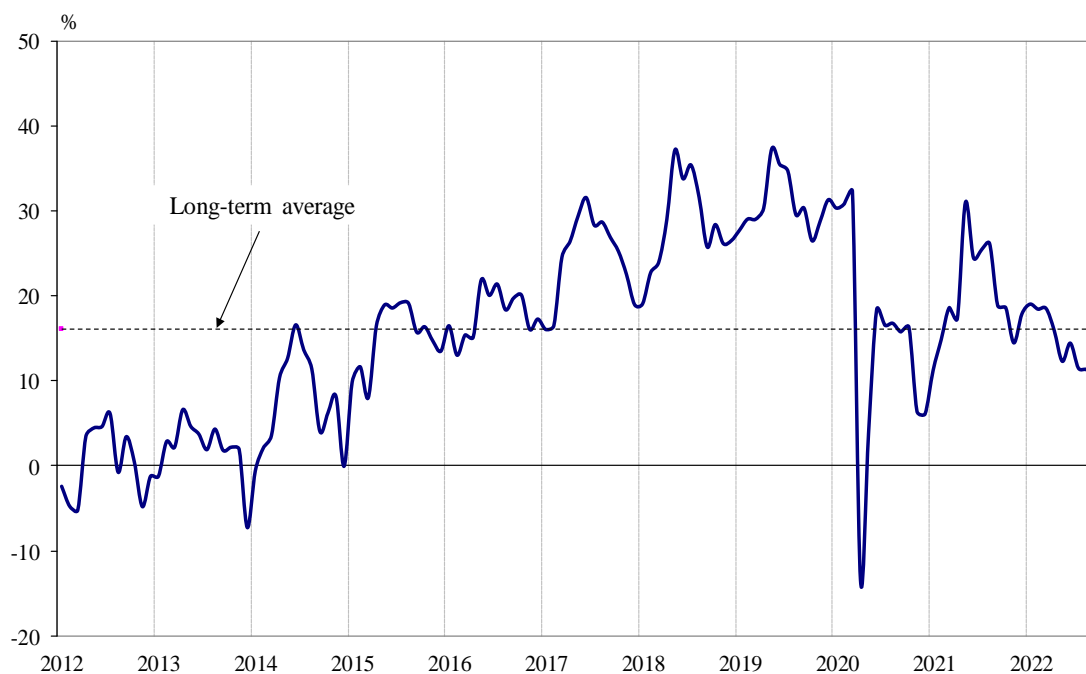
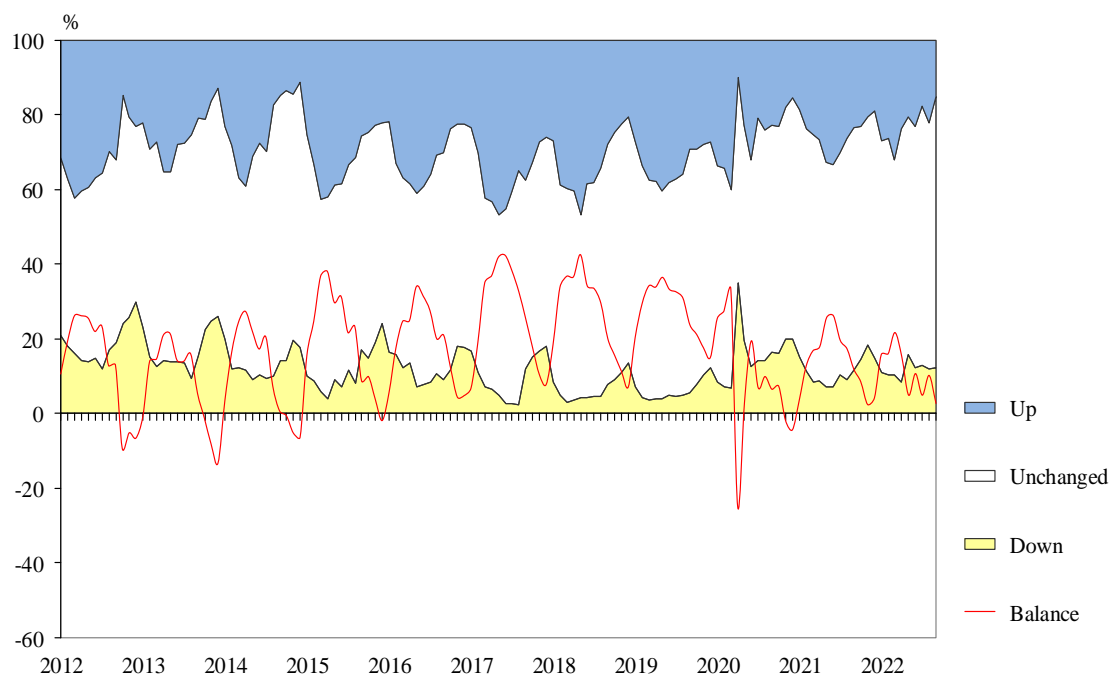


Figure 6. Expected construction activity over the next 3 months



**Figure 7. Limits to construction activity
(Relative share of enterprises)**

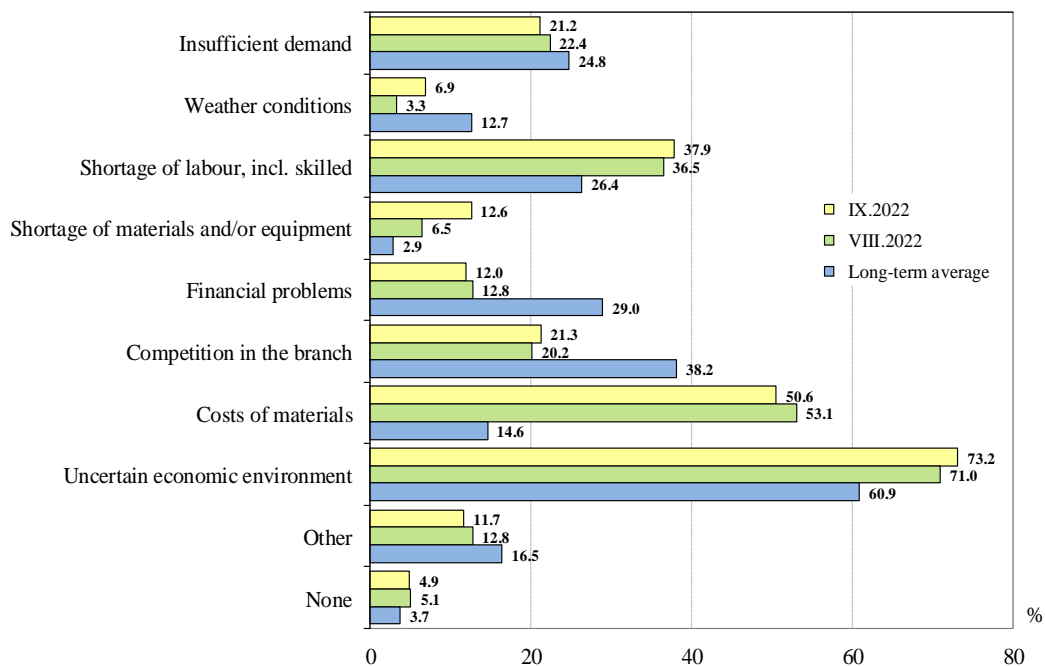


Figure 8. Business climate in retail trade

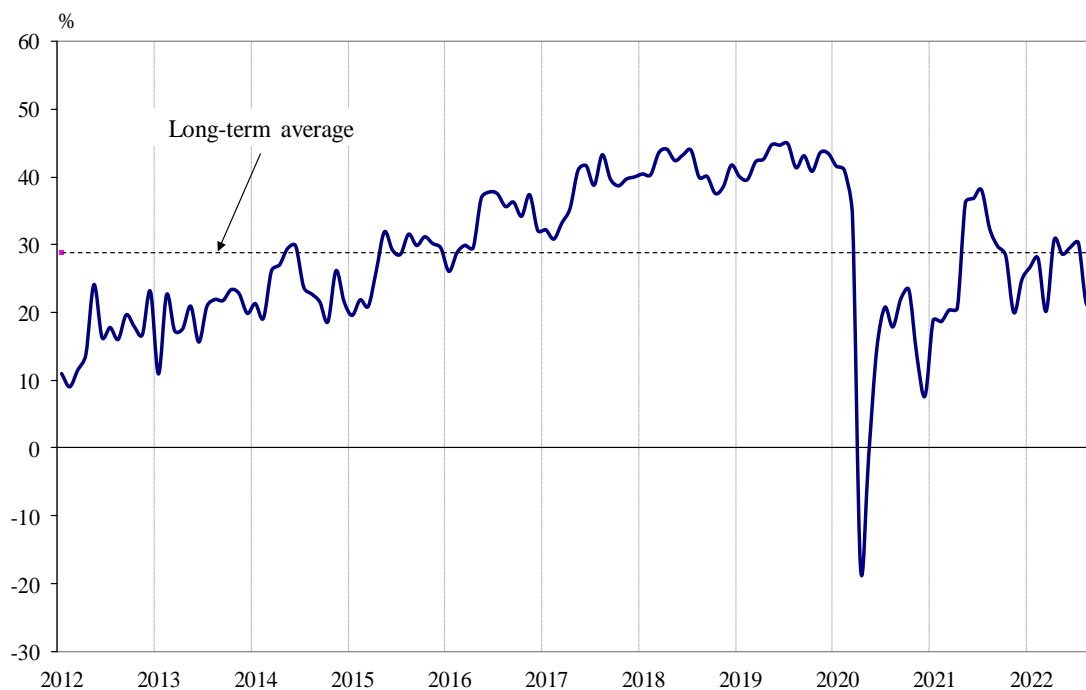


Figure 9. Sales expectations in retail trade over the next 3 months

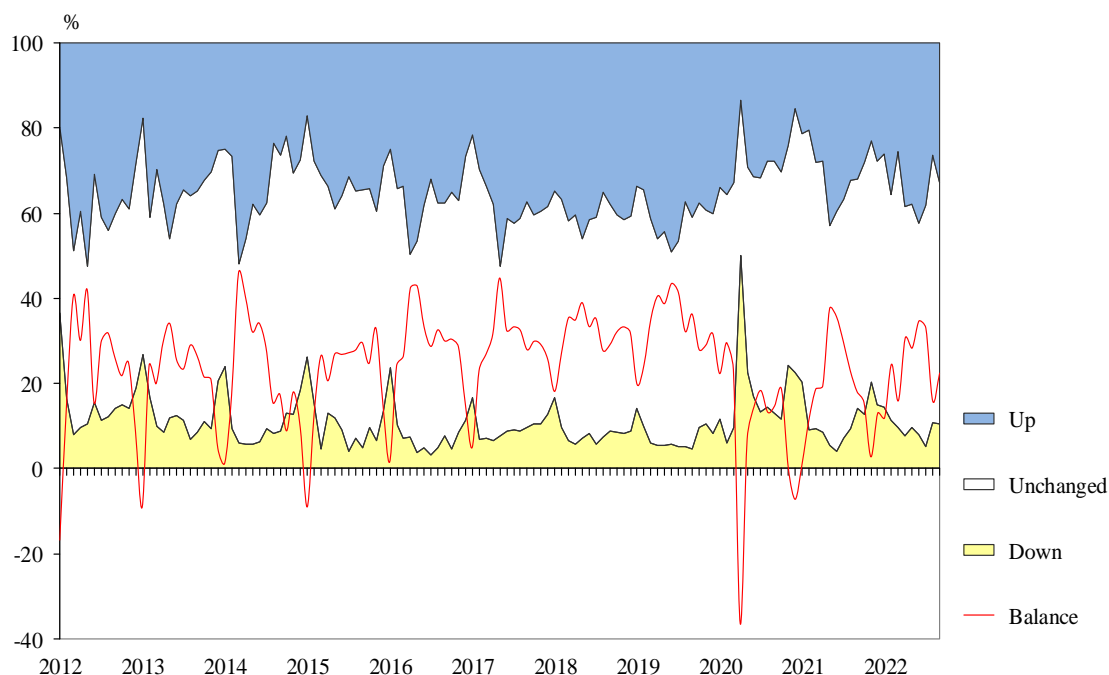


Figure 10. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

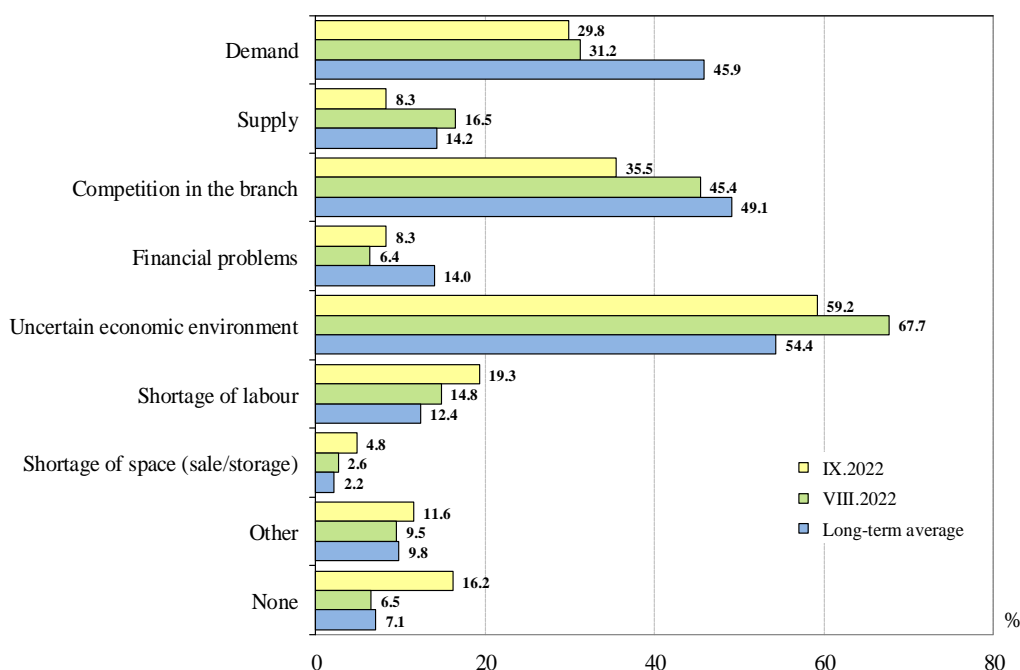


Figure 11. Business climate in service sector

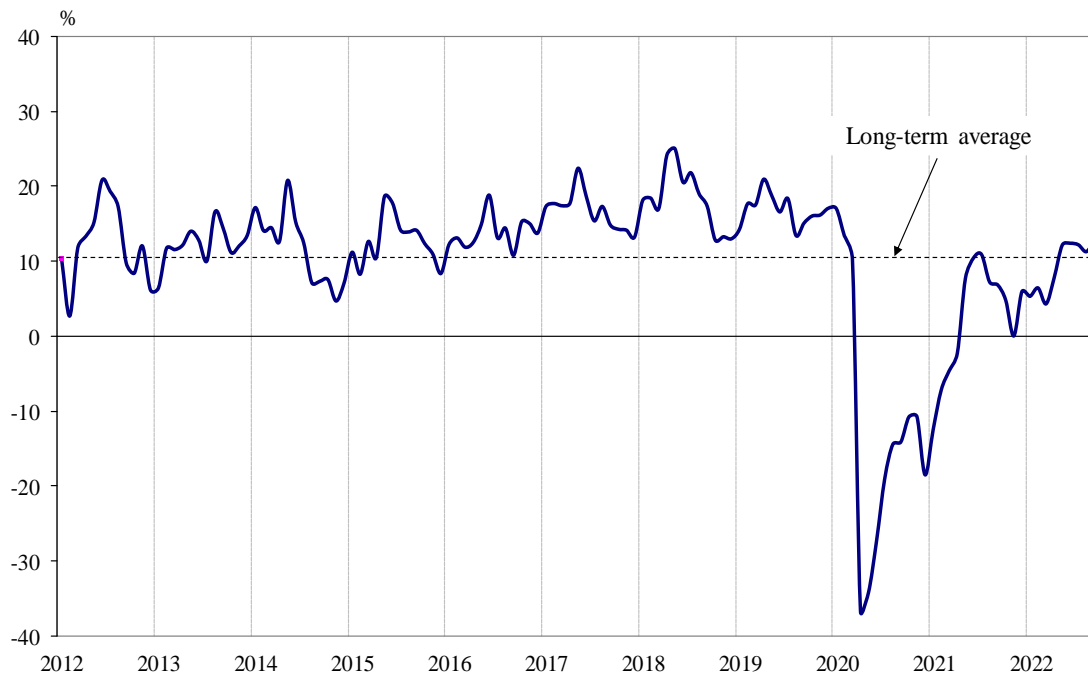
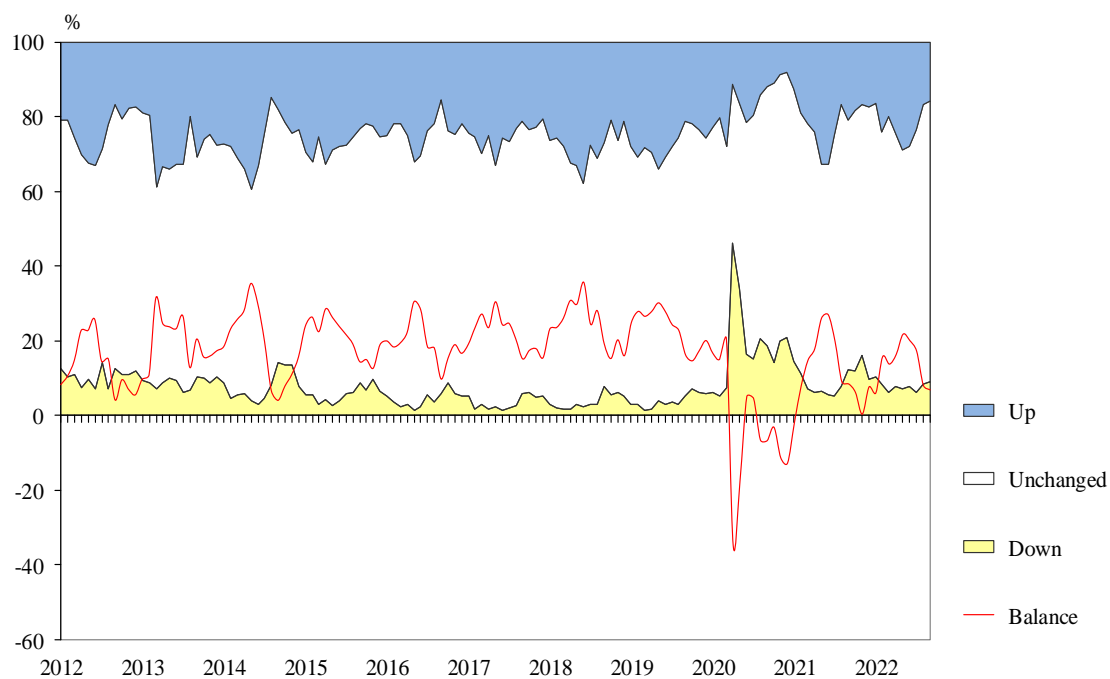


Figure 12. Expected demand in service sector over the next 3 months



**Figure 13. Factors limiting the activity in service sector
(Relative share of enterprises)**

