

## BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, SEPTEMBER 2023

In September 2023, **the total business climate indicator** preserves approximately its August level (from 25.1% to 24.7%) (Annex, Figure 1) as an improvement is registered only in retail trade.

**Industry.** The composite indicator ‘business climate in industry’ remains at its level from the previous month (from 25.1% to 25.2%) (Annex, Figure 2). The industrial entrepreneurs assess the present production activity as reduced, while their expectations about the activity over the next 3 months are favourable (Annex, Figure 3).

The uncertain economic environment and shortage of labour are the main factors limiting the enterprises, pointed out respectively by 49.9% and 32.9% of them (Annex, Figure 4).

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

**Construction.** In September, the composite indicator ‘business climate in construction’ preserves its August level (24.7%) (Annex, Figure 6). The inquiry registers a decrease of the new orders inflow at the last month, which is accompanied by worsened expectations about the construction activity over the next 3 months (Annex, Figure 7).

The most serious obstacle for the business development continues to be the uncertain economic environment, pointed out by 62.2% of the enterprises. In the second and third place are the costs of materials and shortage of labour (Annex, Figure 8).

As regards the selling prices in construction, the managers’ forecasts are for a certain increase, although the prevailing part of them 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 1.2 percentage points (from 34.0% to 35.2%) (Annex, Figure 10), which is due to the improved retailers’ expectations about the business situation of the enterprises over the next 6 months. At the same time, their forecasts about the orders placed with suppliers from both domestic and foreign market over the next 3 months remain optimistic (Annex, Figure 11).

The uncertain economic environment, competition in the branch and shortage of labour are the main problems for the activity of the enterprises, as compared to August strengthening of the unfavourable influence of the first and third factors is observed (Annex, Figure 12).

The retailers do not foresee a change in the selling prices over the next 3 months (Annex, Figure 13).

**Service sector<sup>1</sup>.** In September, the composite indicator ‘business climate in service sector’ decreases by 3.3 percentage points (from 16.6% to 13.3%) (Annex, Figure 14) as a result of the reserved managers’ assessments and expectations about the business situation of the enterprises. Concerning the demand for services, the present tendency is assessed as slightly reduced, while the expectations over the next 3 months are favourable (Annex, Figure 15).

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



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The most serious difficulties for the business continue to be the uncertain economic environment and competition in the branch. The last inquiry reports an increase in the negative impact of the factor ‘shortage of labour’ (Annex, Figure 16).

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



## Methodological notes

The business surveys in industry, construction, retail trade and service sector gather information about the entrepreneurs' opinions about the situation and development of their business.

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.

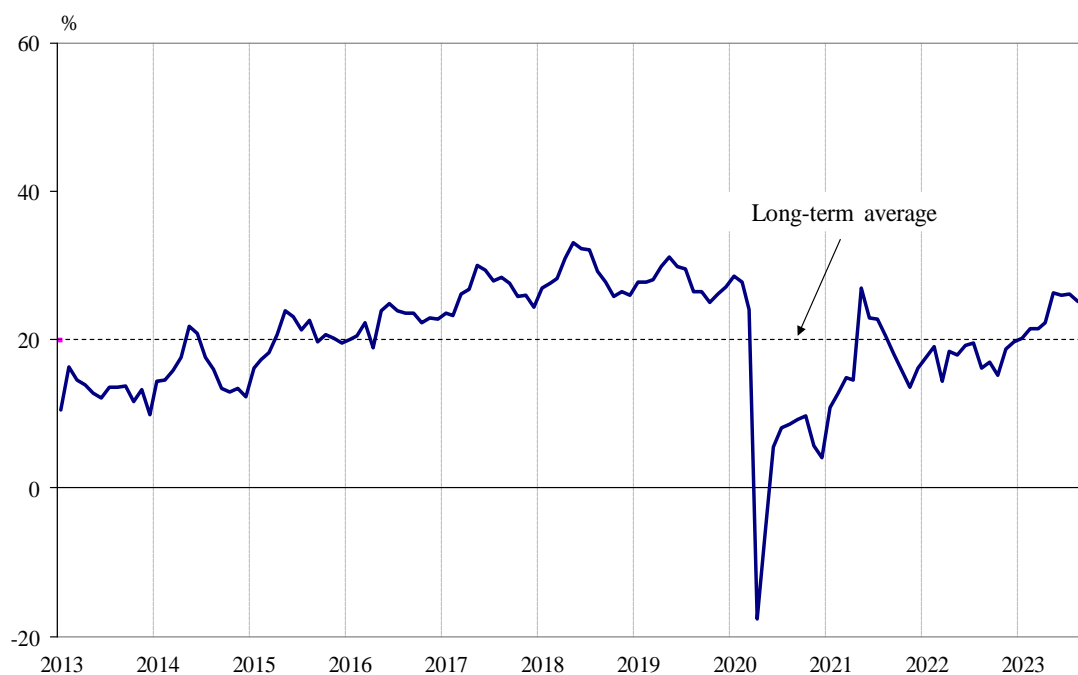
Since July 2010, the NSI has started publishing the business surveys data according to the new Classification of Economic Activities (NACE.BG 2008) (NACE Rev. 2). All of the time series have been recalculated according to the Classification and are comparable throughout time.

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.

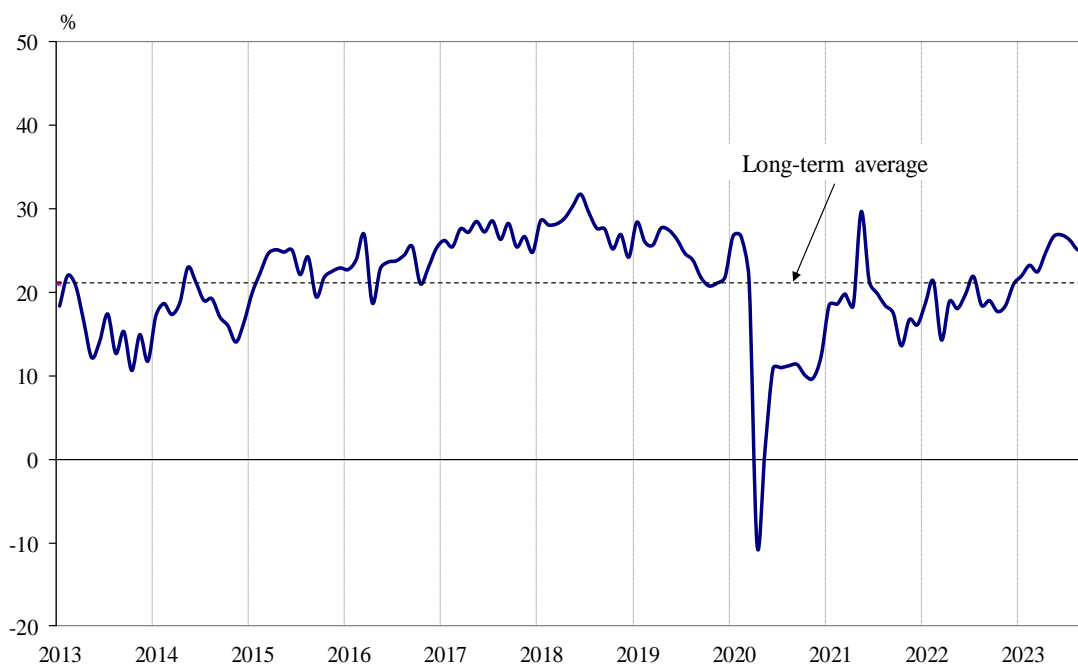
The total business climate indicator is a weighted average of four branch business climate indicators in: industry, construction, retail trade and service sector. The last indicator of the business climate in the service sector has been included in the total time series since May 2002.

## Annex

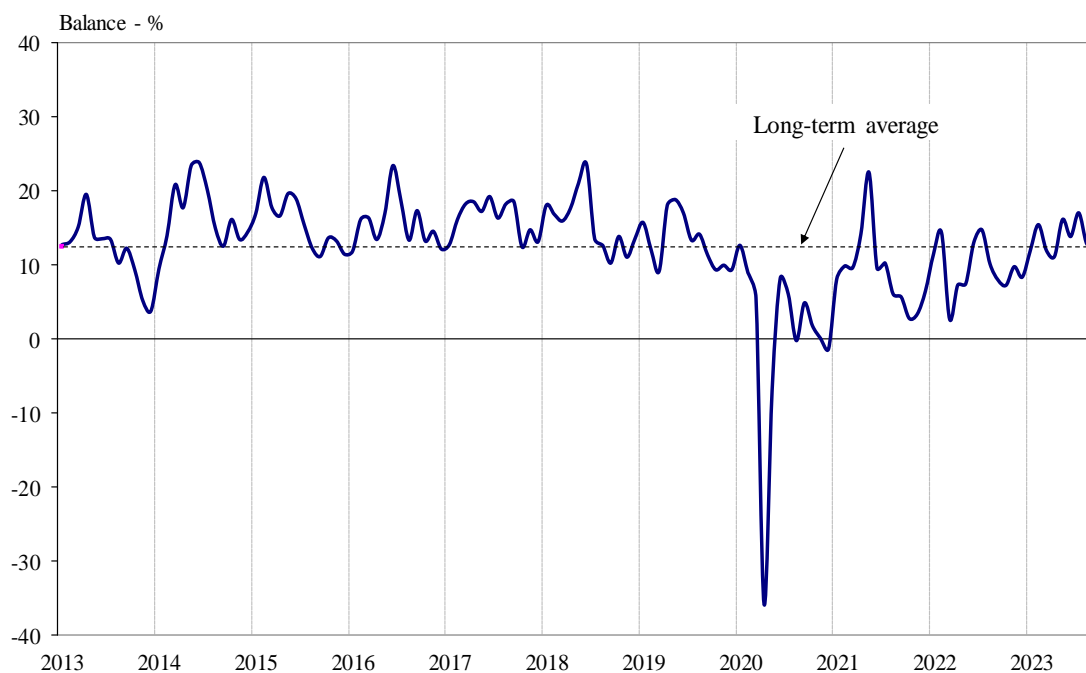
**Figure 1. Business climate - total**



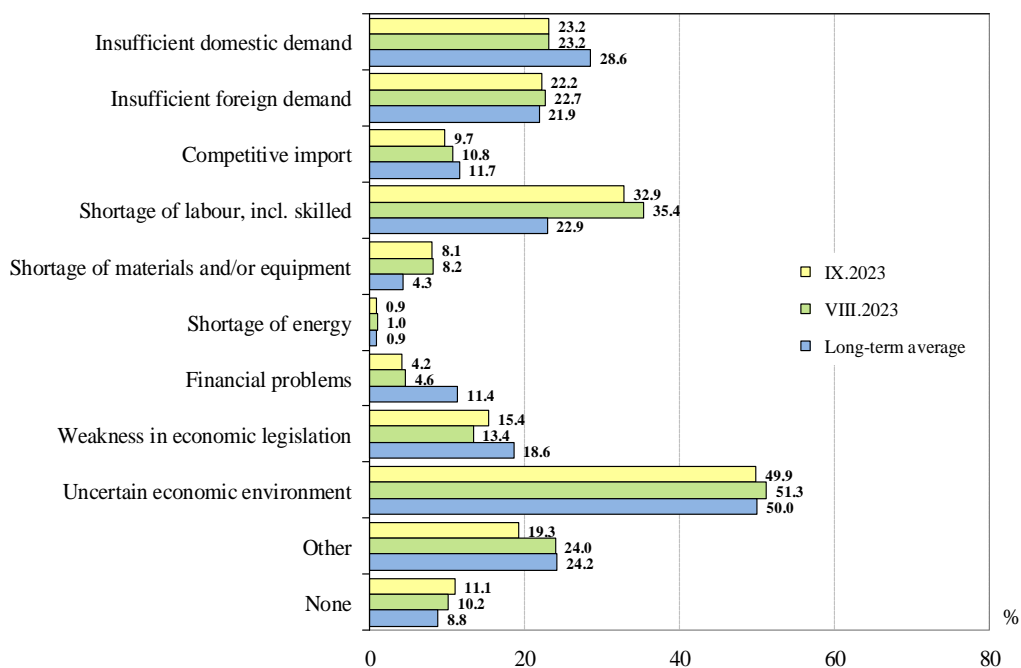
**Figure 2. Business climate in industry**



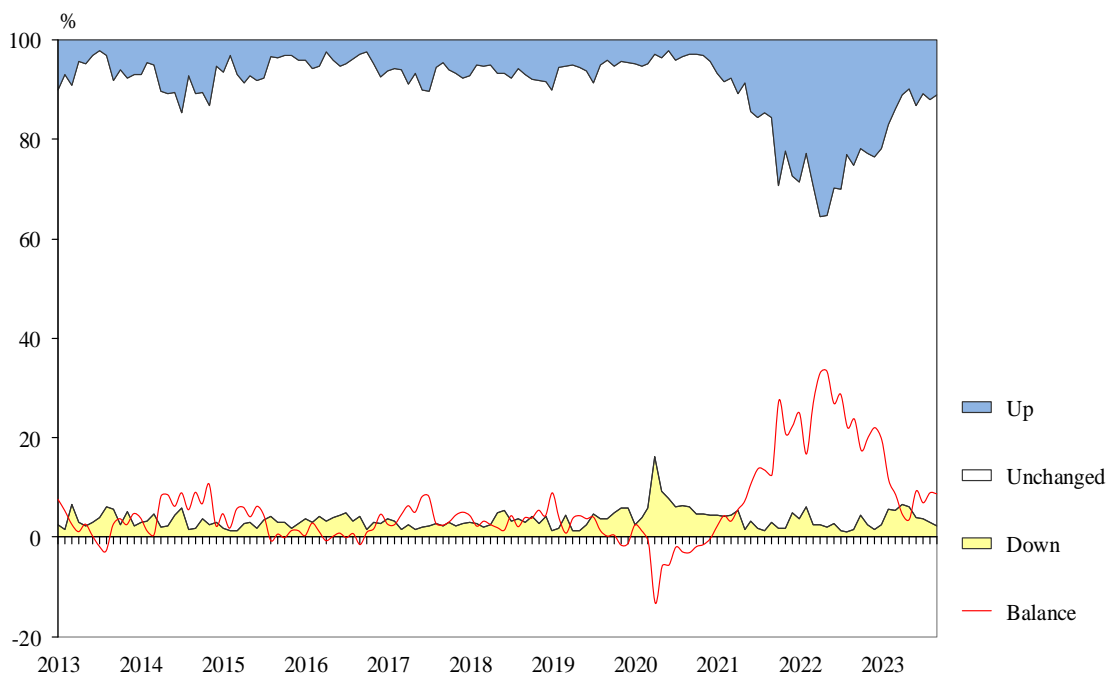
**Figure 3. Expected production activity in industry over the next 3 months**



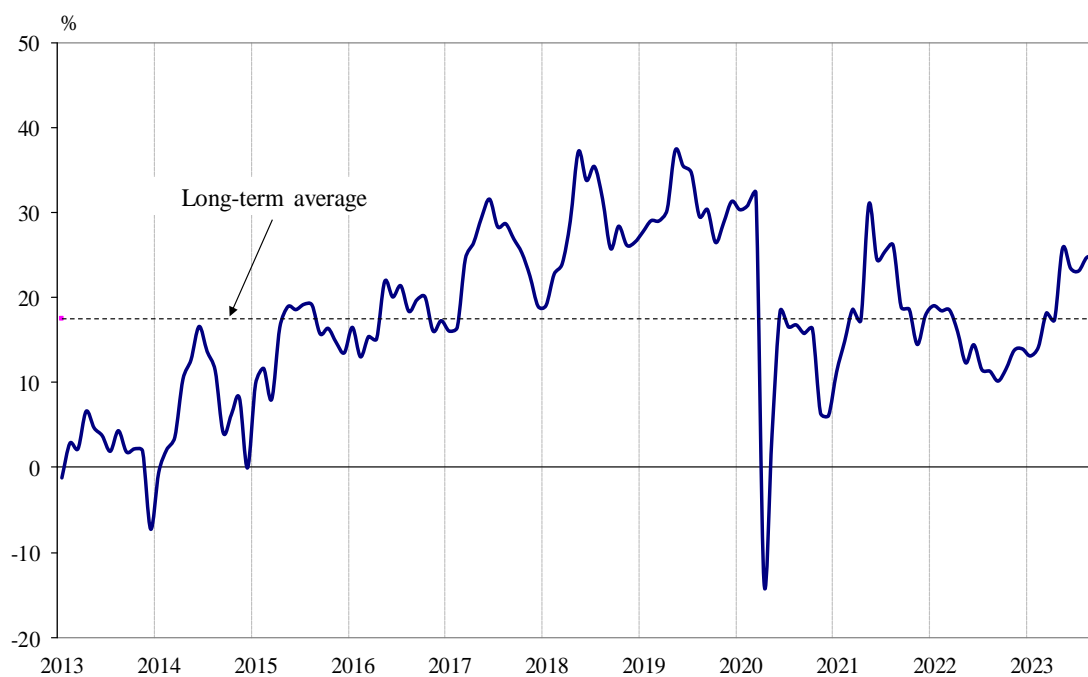
**Figure 4. Limits to production in industry (Relative share of enterprises)**



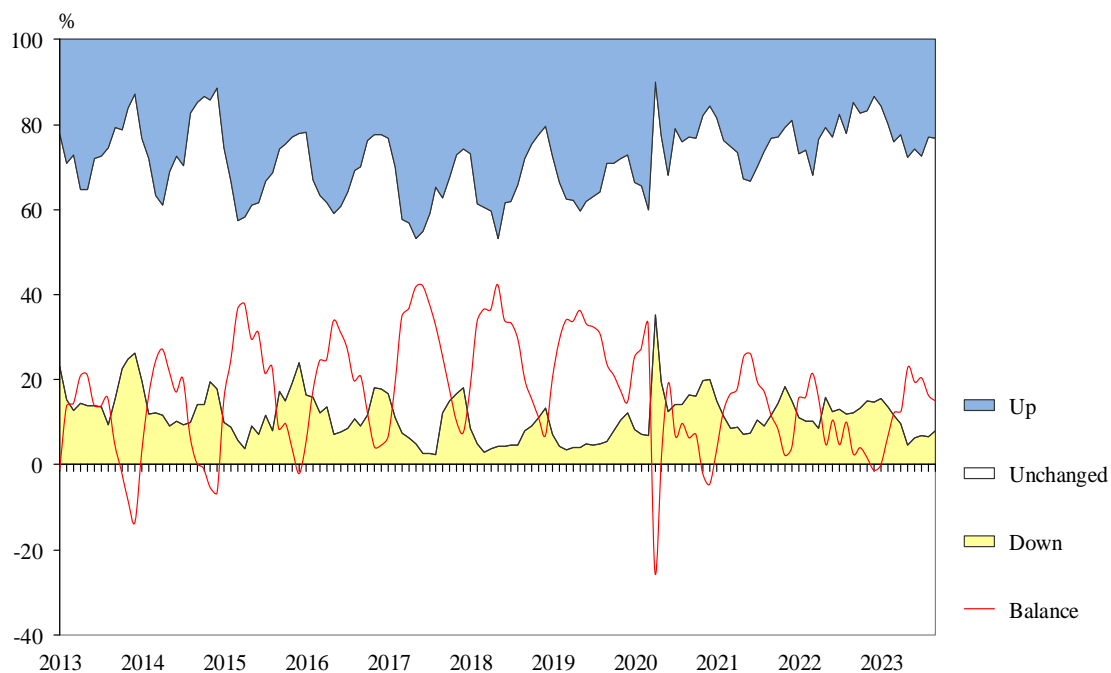
**Figure 5. Selling prices expectations in industry over the next 3 months**



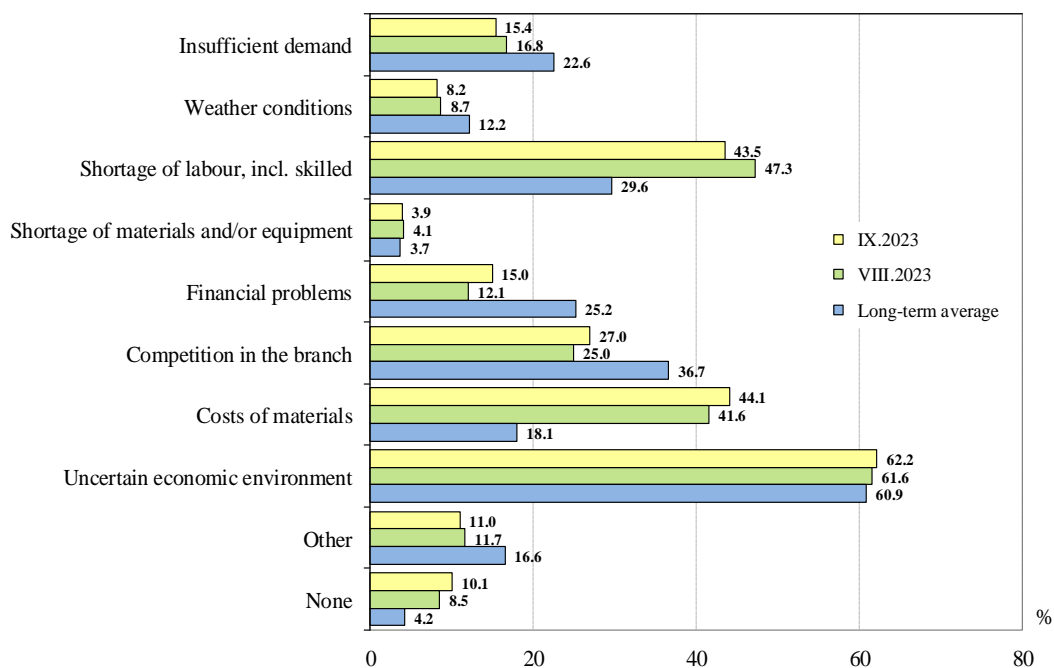
**Figure 6. Business climate in construction**



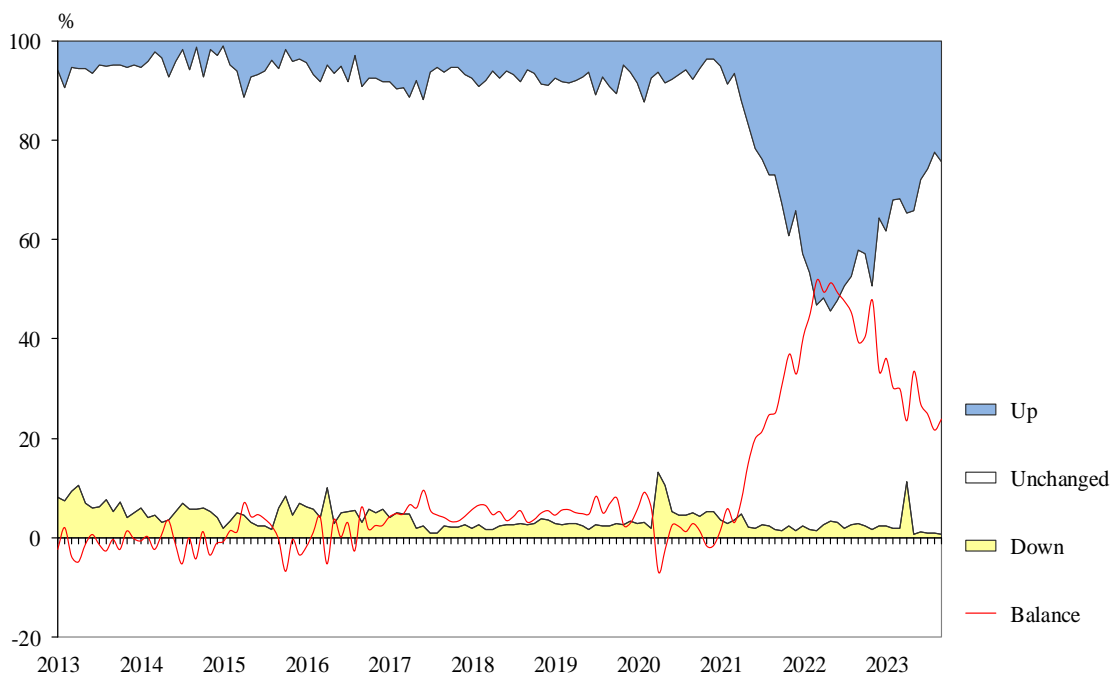
**Figure 7. Expected construction activity over the next 3 months**



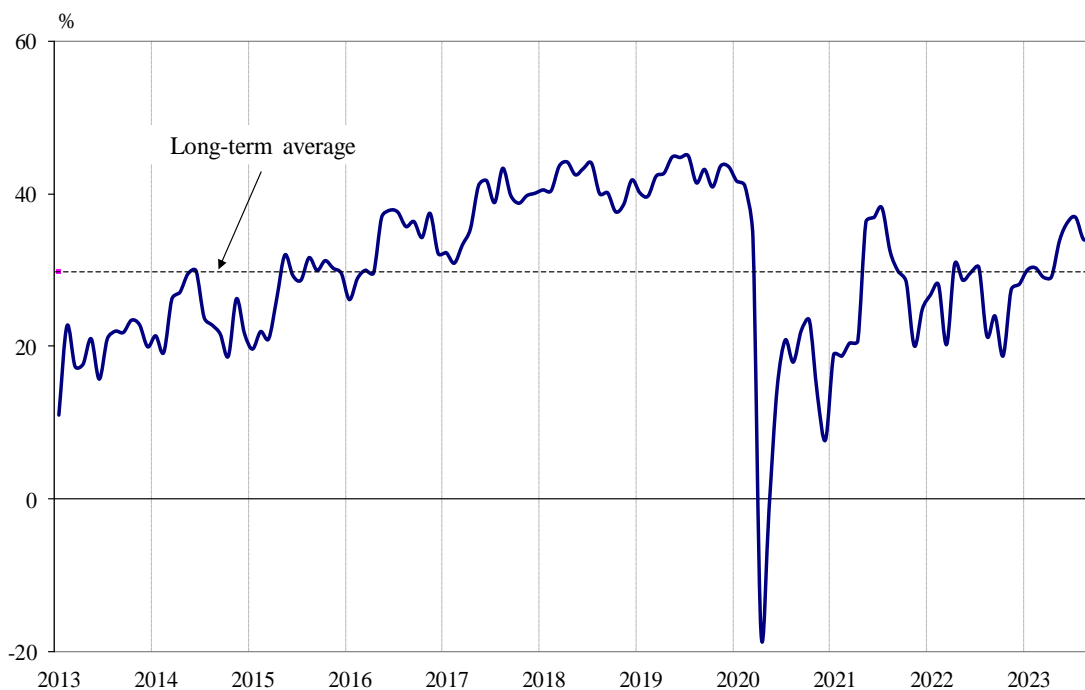
**Figure 8. Limits to construction activity (Relative share of enterprises)**



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

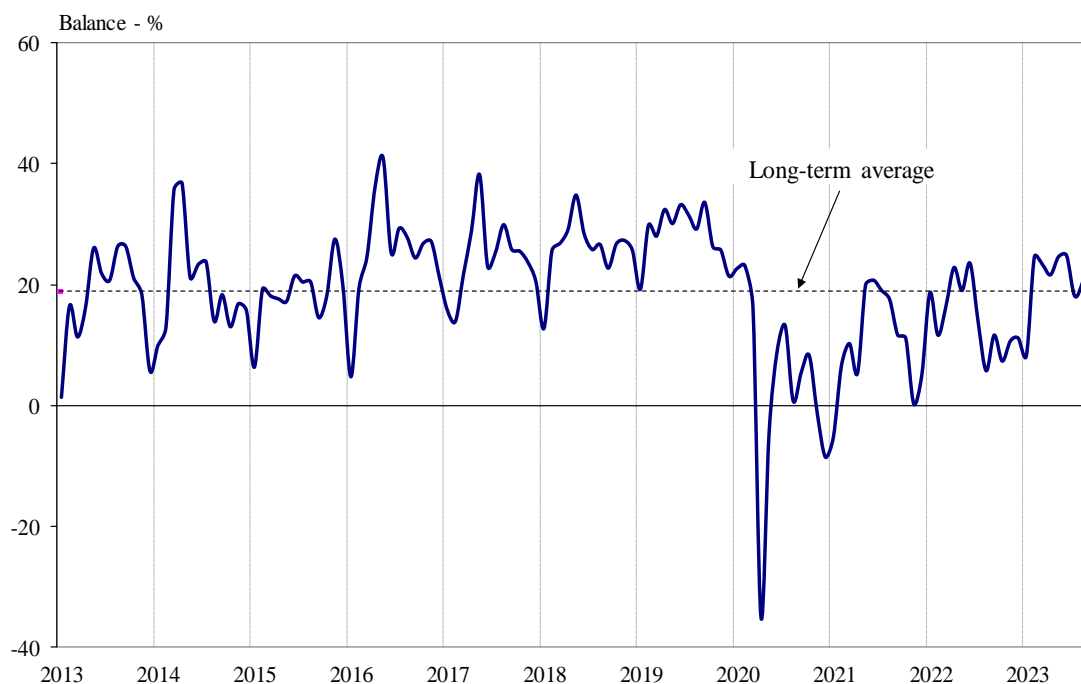


**Figure 10. Business climate in retail trade**

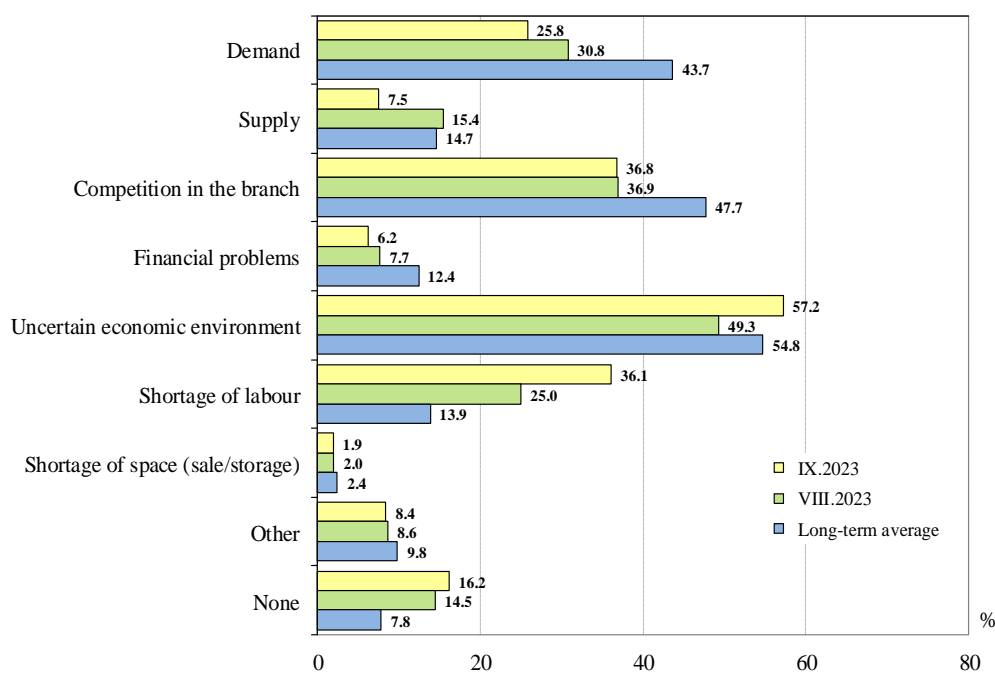




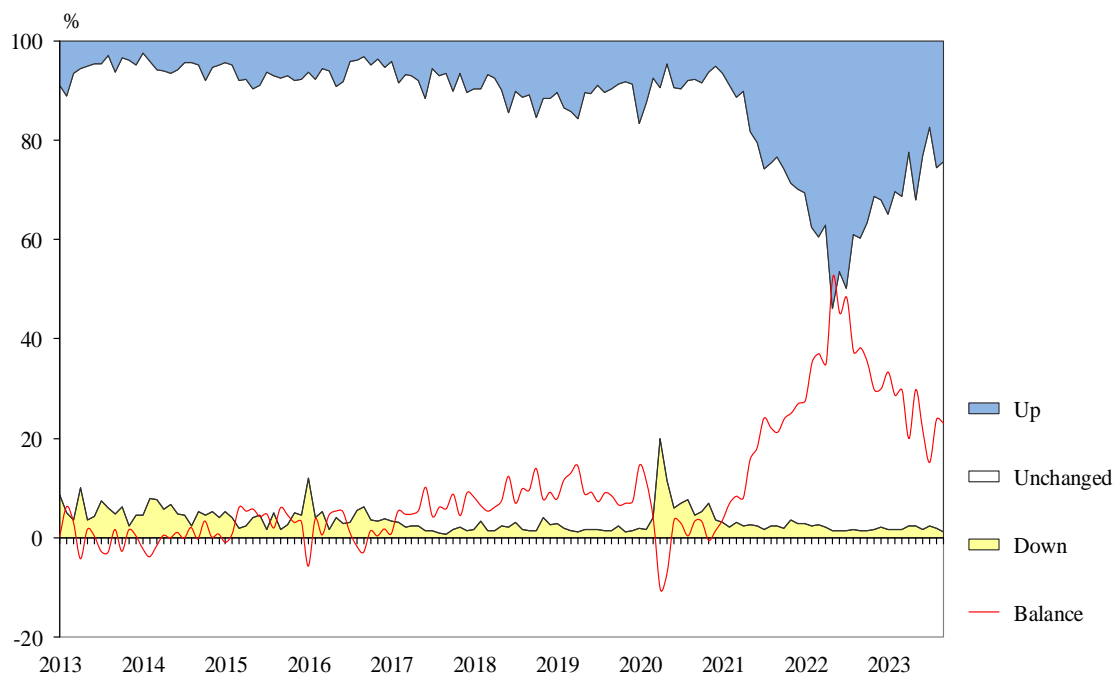
**Figure 11. Expectations about orders placed with suppliers in retail trade over the next 3 months**



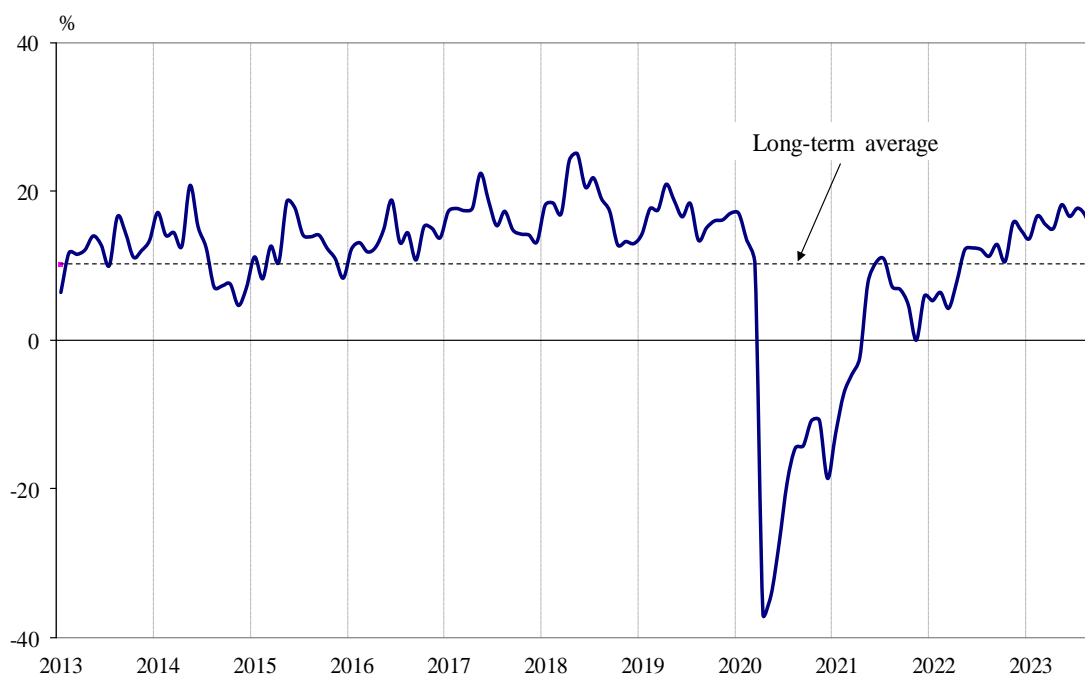
**Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)**



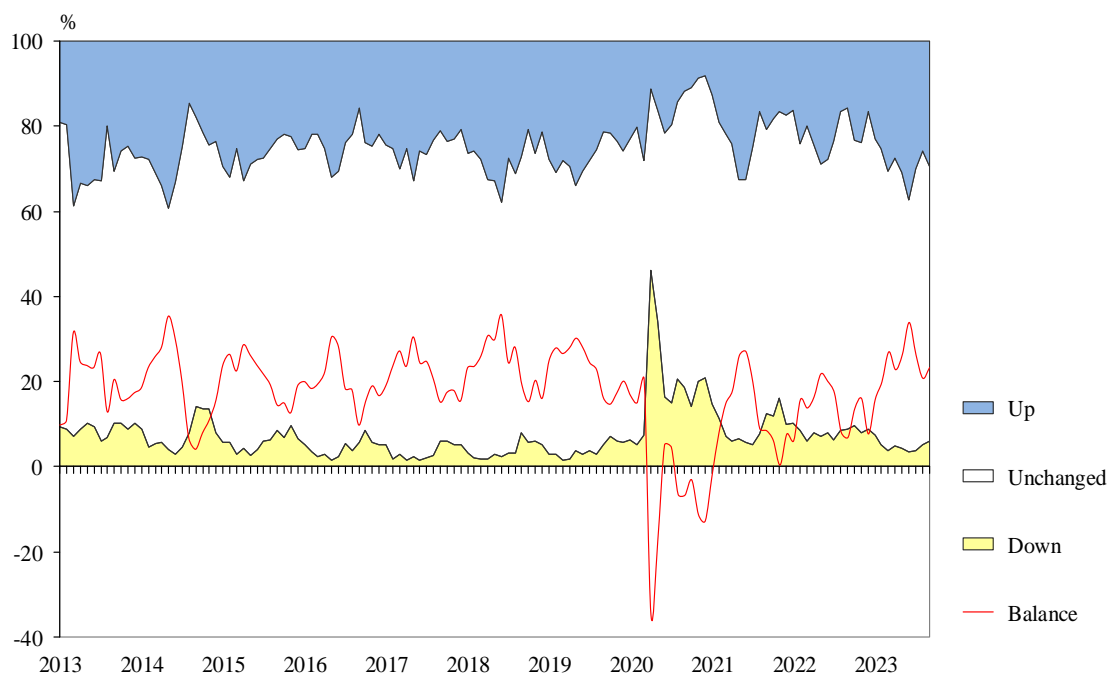
**Figure 13. Selling prices expectations in retail trade over the next 3 months**



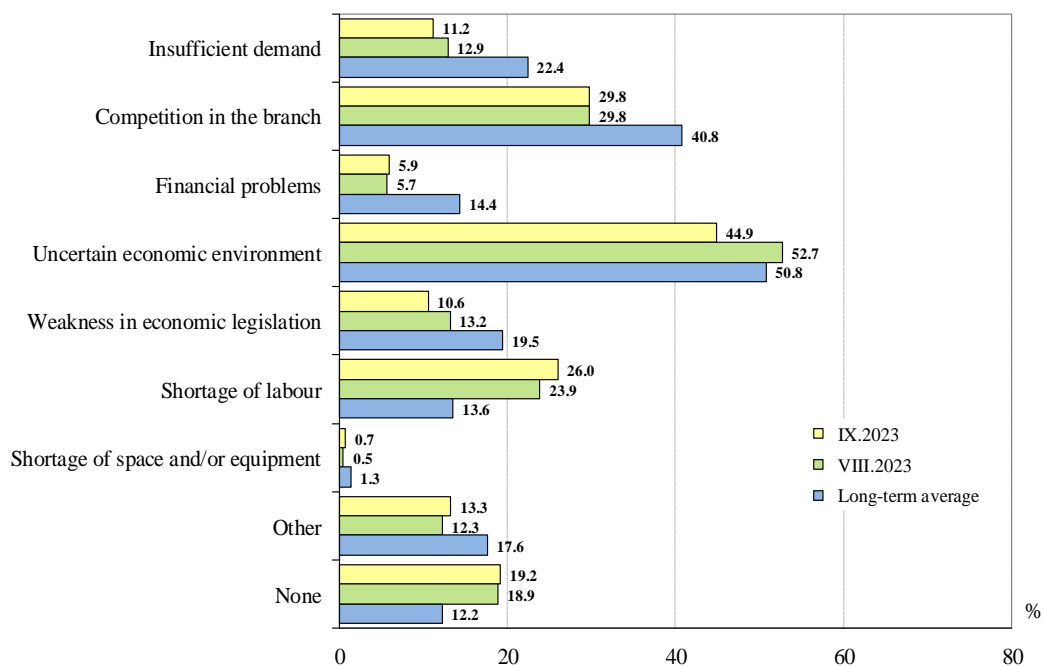
**Figure 14. Business climate in service sector**



**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**

