

BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, MARCH 2024

In March 2024, **the total business climate indicator** remains approximately to its February level (from 22.6% to 23.0%) (Annex, Figure 1). An increase of the indicator is observed in the retail trade and service sector, while in the industry and construction a reduction is registered.

Industry. The composite indicator ‘business climate in industry’ decreases by 0.5 percentage points (from 24.0% to 23.5%) (Annex, Figure 2), which is due to the unfavourable industrial entrepreneurs’ assessments about the present business situation of the enterprises. According to them, in the last month there is certain increase of the production assurance with orders (Annex, Figure 3), but that is not accompanied by increased expectations about the production activity over the next 3 months.

The most serious difficulties for the activity remain the uncertain economic environment and shortage of labour, pointed out respectively by 45.1% and 36.2% of the enterprises (Annex, Figure 4).

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

Construction. In March, the composite indicator ‘business climate in construction’ drops by 1.7 percentage points (from 27.2% to 25.5%) (Annex, Figure 6) as a result of the reserved construction entrepreneurs’ assessments and expectations about the business situation of the enterprises (Annex, Figure 7). Their opinions about the present and expected construction activity are also more moderate.

The main problems for the business development continue to be connected with the uncertain economic environment, shortage of labour and costs of materials. At the same time, in the last month strengthen of the negative impact of the factor ‘competition in the branch’ is observed (Annex, Figure 8).

Regarding the selling prices in construction, the managers’ expectations are for 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 24.9% to 26.1%) (Annex, Figure 10), which is due to the positive retailers’ assessments and expectations about the business situation of the enterprises. Their forecasts about the volume of sales (Annex, Figure 11) and orders placed with suppliers over the next 3 months are also optimistic.

The uncertain economic environment remains the main obstacle for the activity in the sector, followed by the competition in the branch, shortage of labour and insufficient demand (Annex, Figure 12).

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

Service sector¹. In March, the composite indicator ‘business climate in service sector’ increases by 3.6 percentage points (from 12.9% to 16.5%) (Annex, Figure 14), mainly due to the improved managers’ expectations about the business situation of the enterprises over the next 6 months. Their forecasts about the demand for services over the next 3 months are also positive (Annex, Figure 15).

¹ Excl. trade.




The uncertain economic environment, competition in the branch and shortage of labour continue to be the main factors limiting with the most extent the business development (Annex, Figure 16).

The prevailing part of the managers expect the selling prices in the service sector to preserve 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

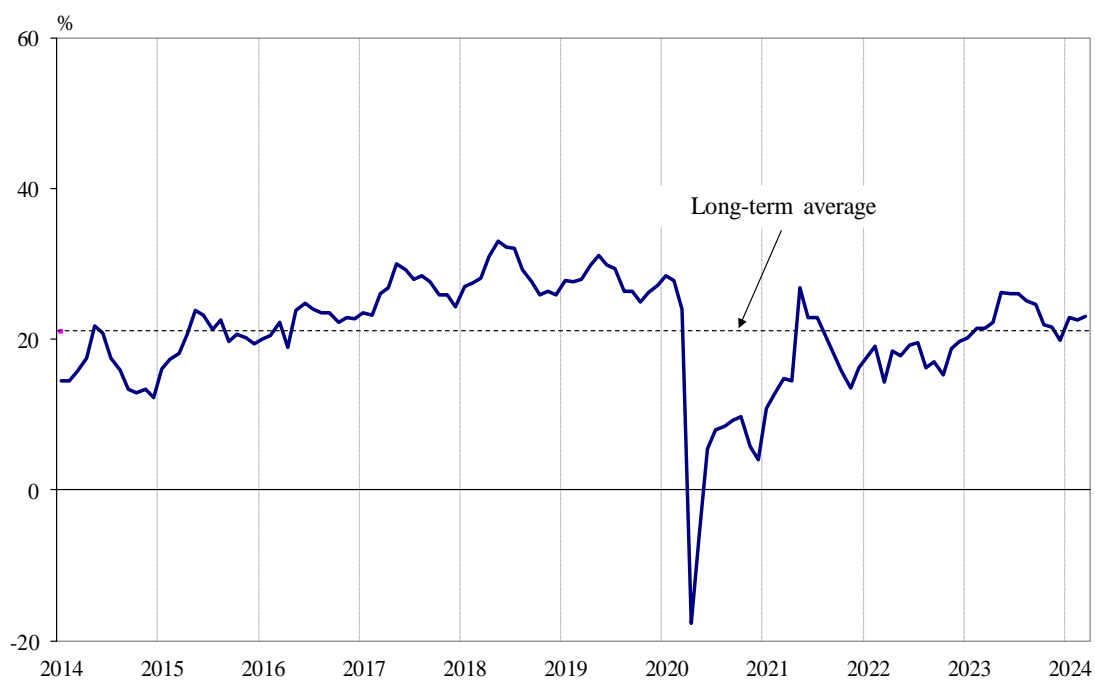


Figure 2. Business climate in industry

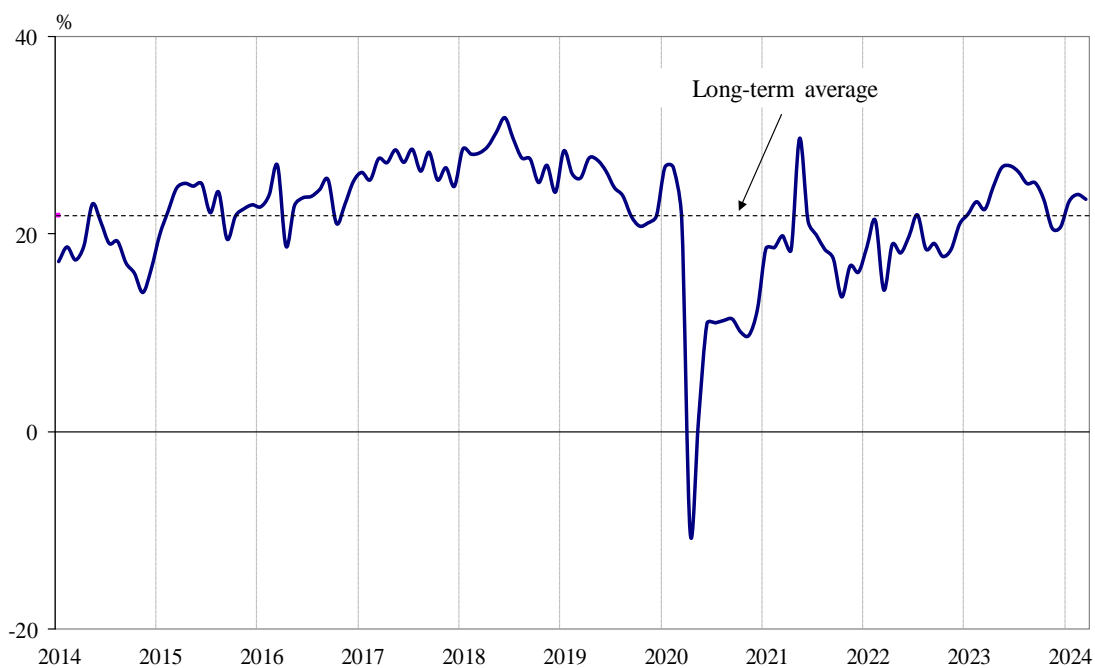


Figure 3. Production assurance with orders in industry

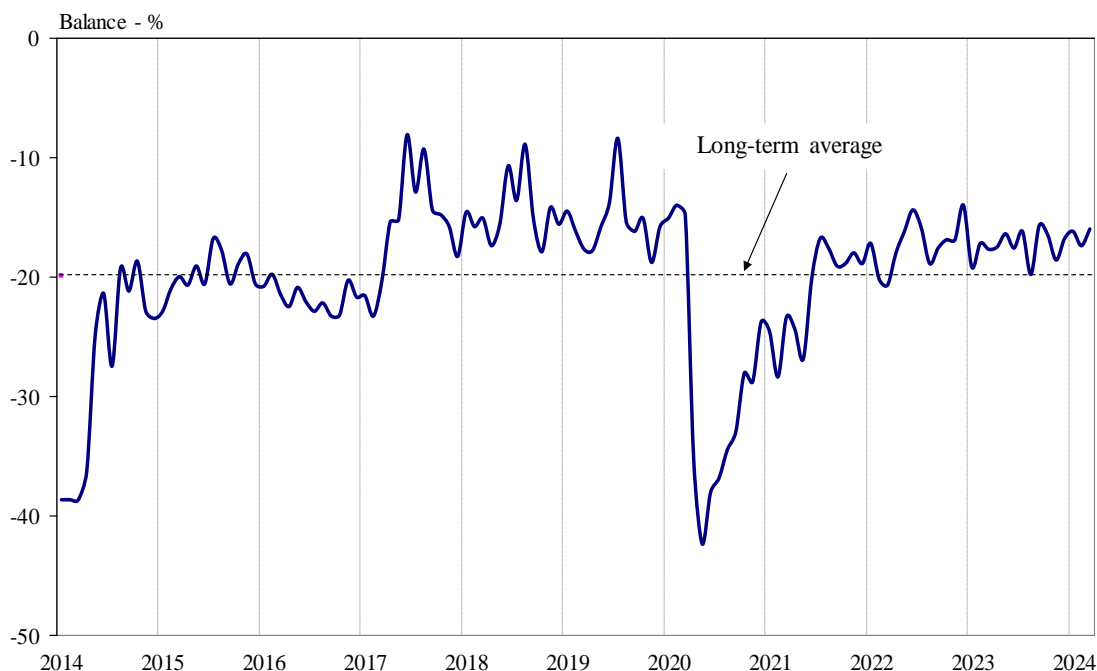


Figure 4. Factors limiting the activity in industry (Relative share of enterprises)

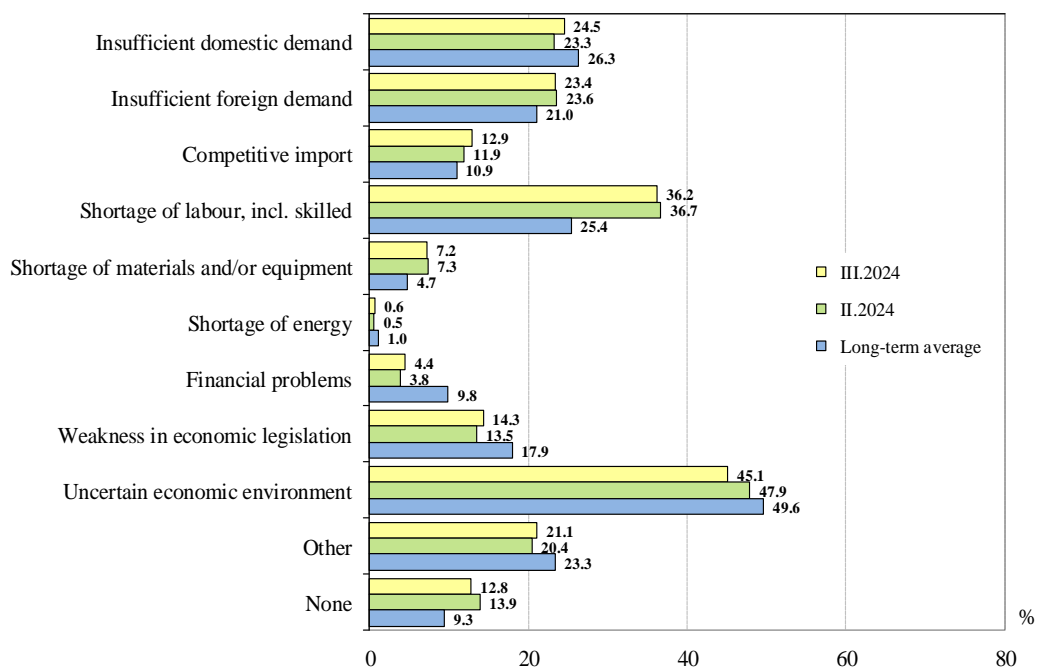


Figure 5. Selling prices expectations in industry over the next 3 months

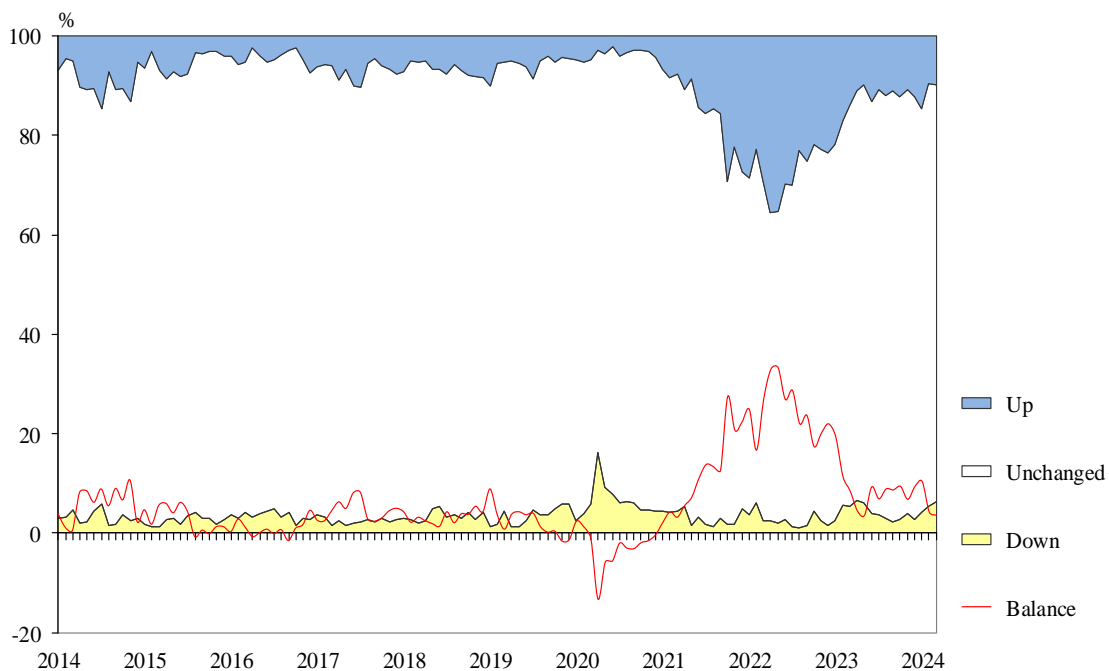


Figure 6. Business climate in construction

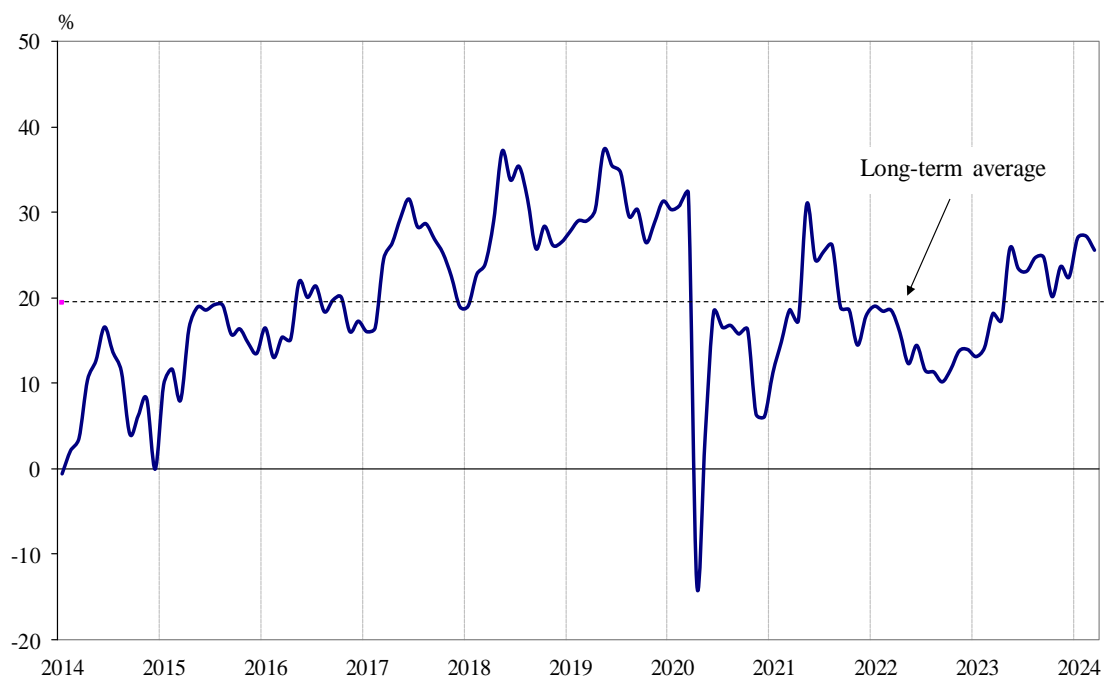


Figure 7. Expected business situation in construction over the next 6 months

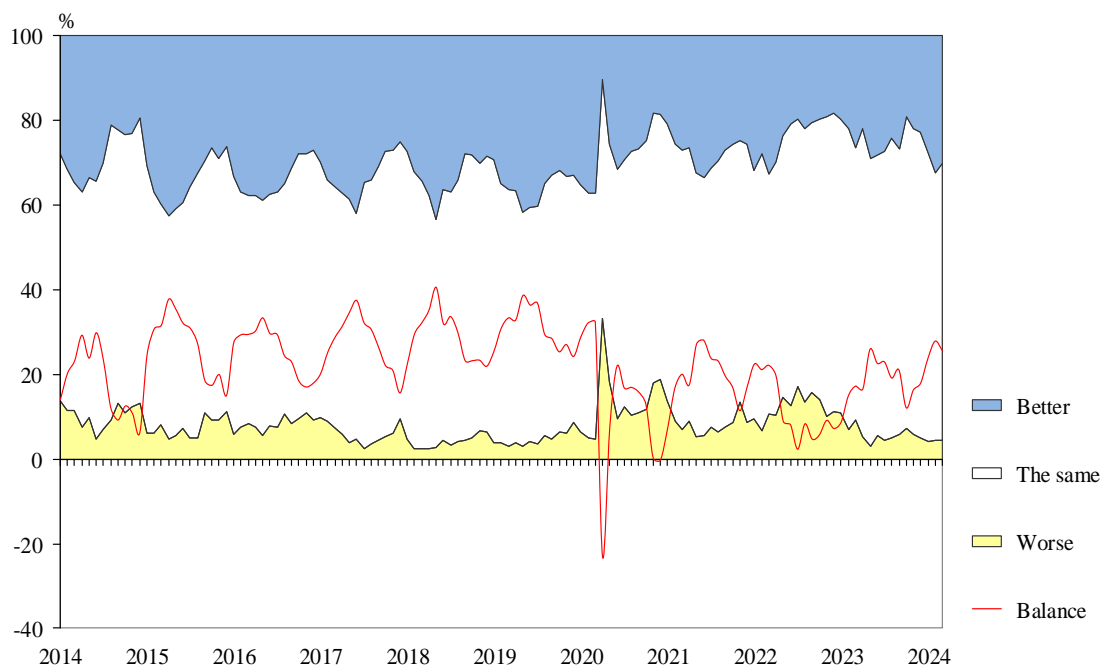


Figure 8. Factors limiting the activity in construction (Relative share of enterprises)

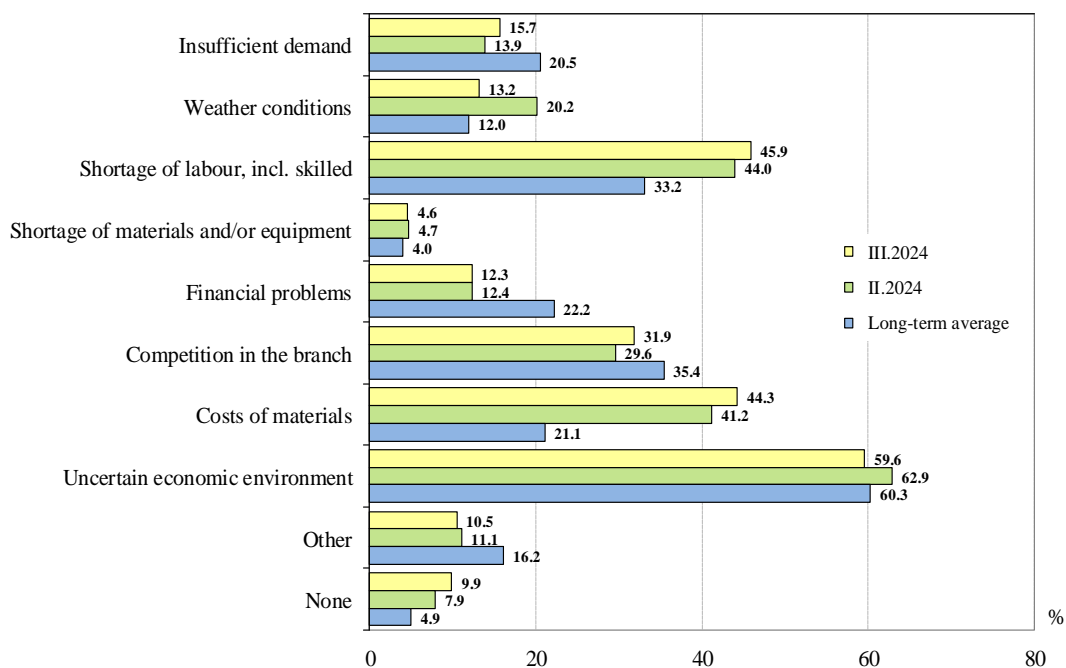


Figure 9. Selling prices expectations in construction over the next 3 months

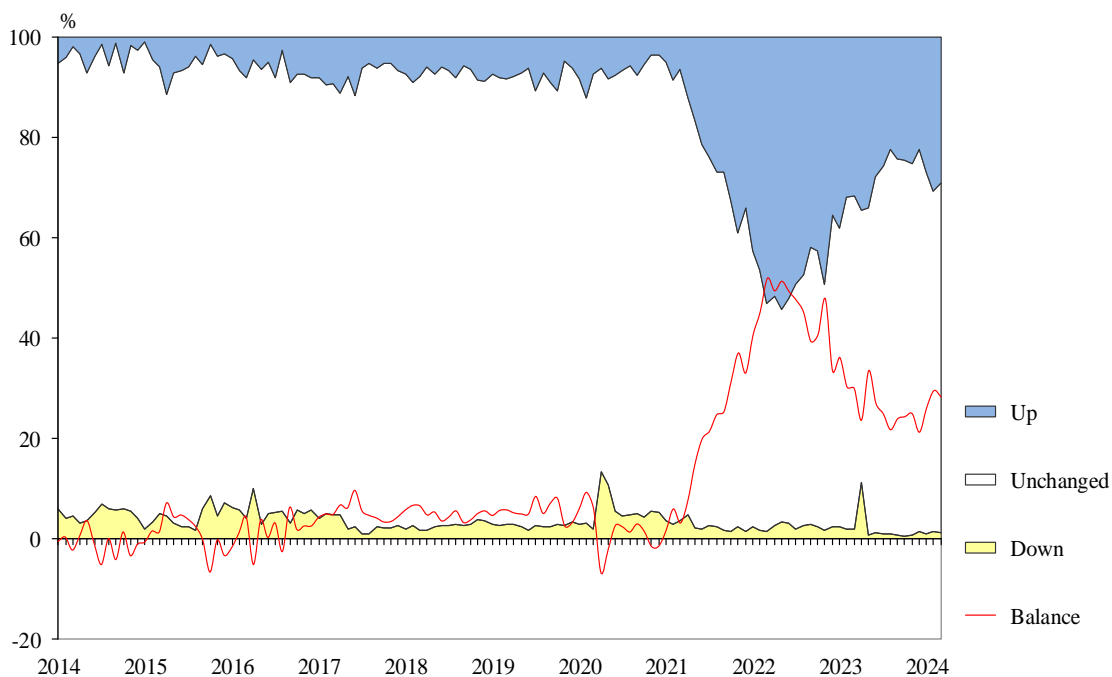


Figure 10. Business climate in retail trade

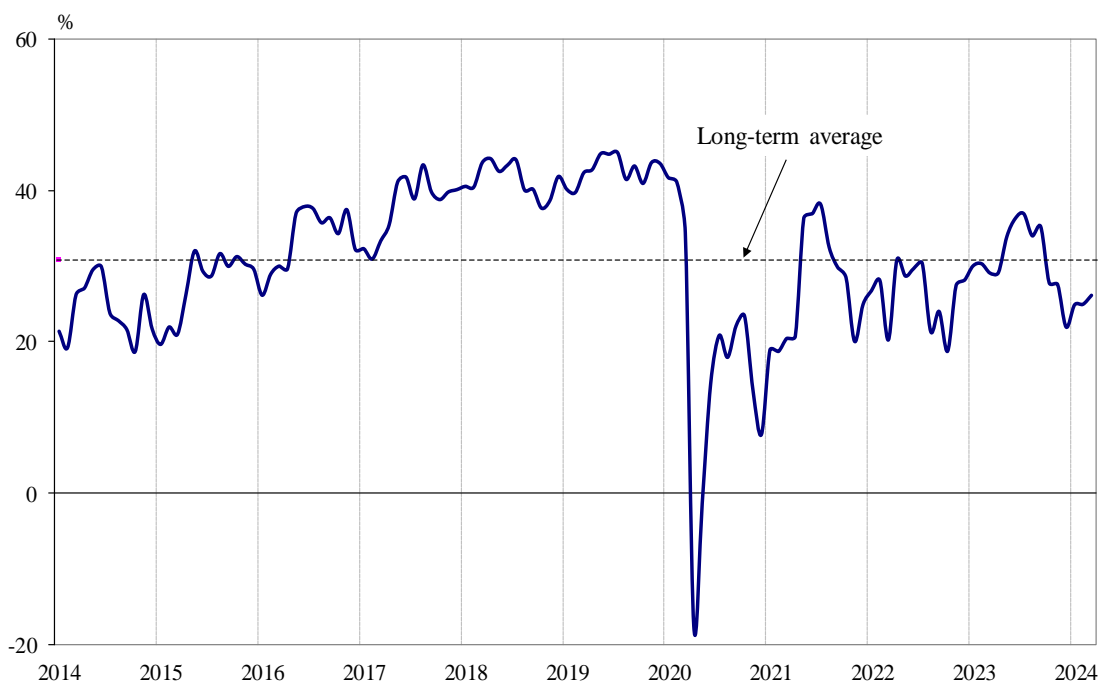


Figure 11. Sales expectations in retail trade over the next 3 months

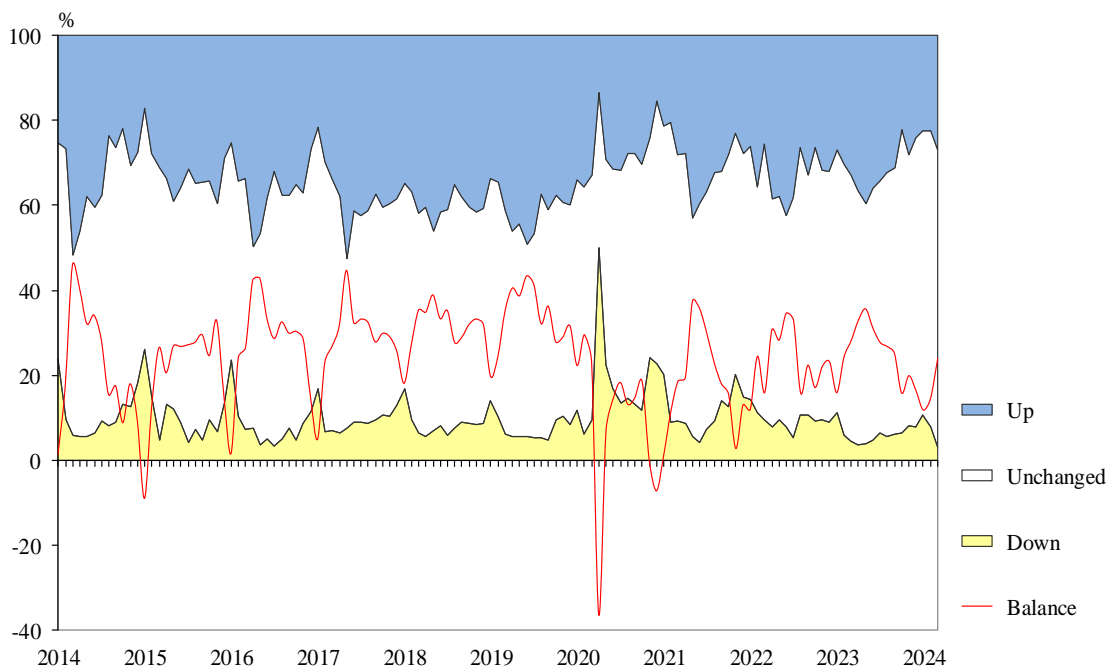


Figure 12. Factors limiting the activity in retail trade (Relative share of enterprises)

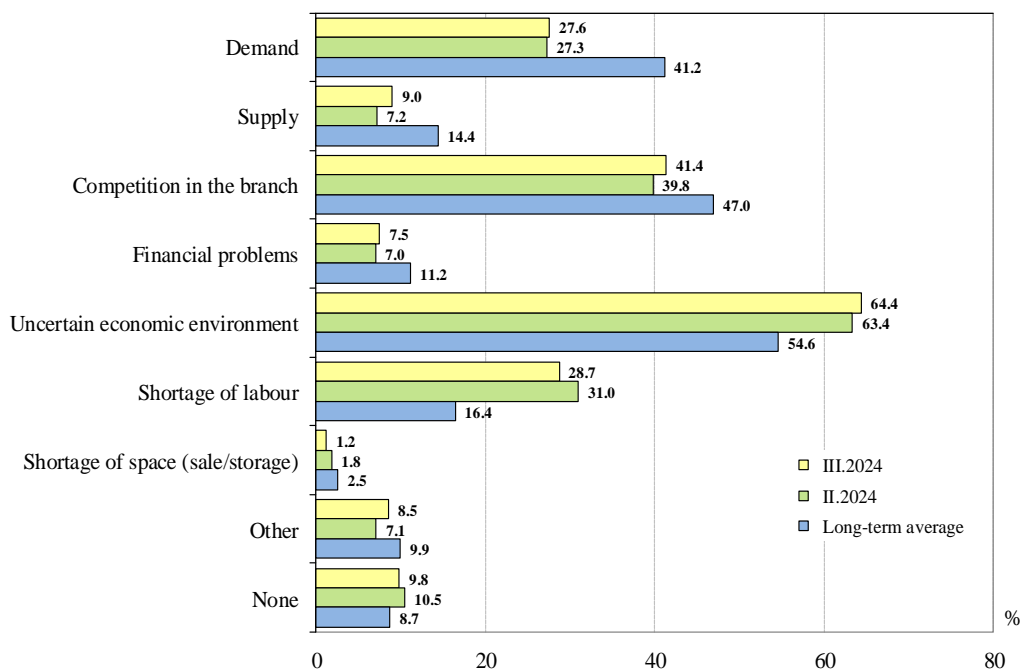


Figure 13. Selling prices expectations in retail trade over the next 3 months

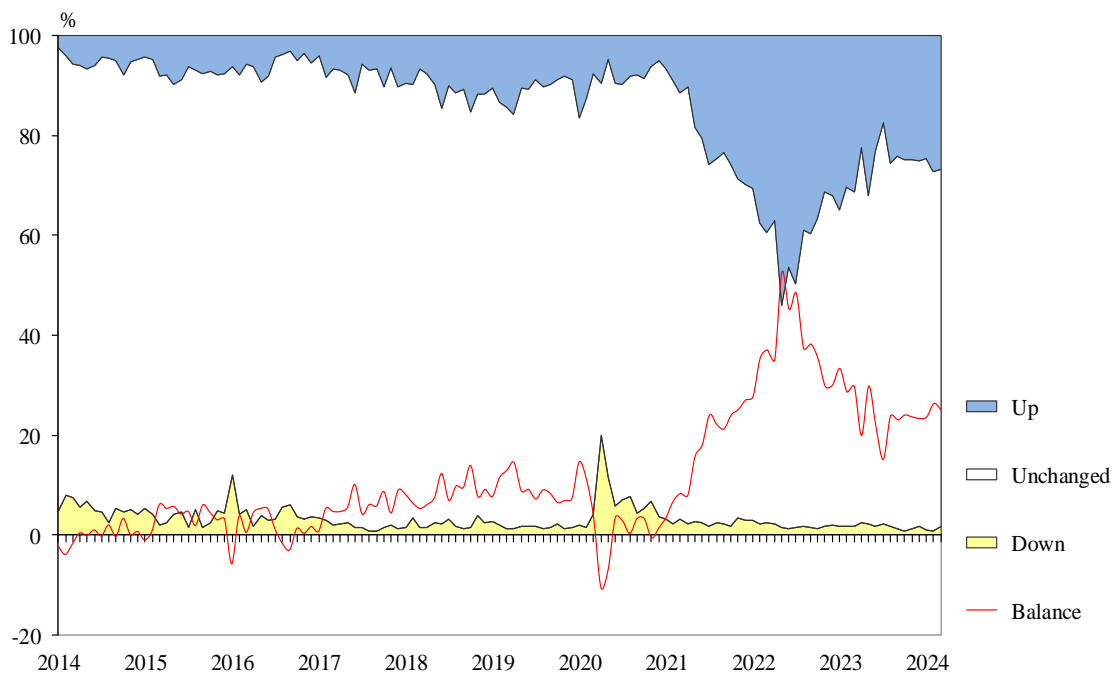


Figure 14. Business climate in service sector

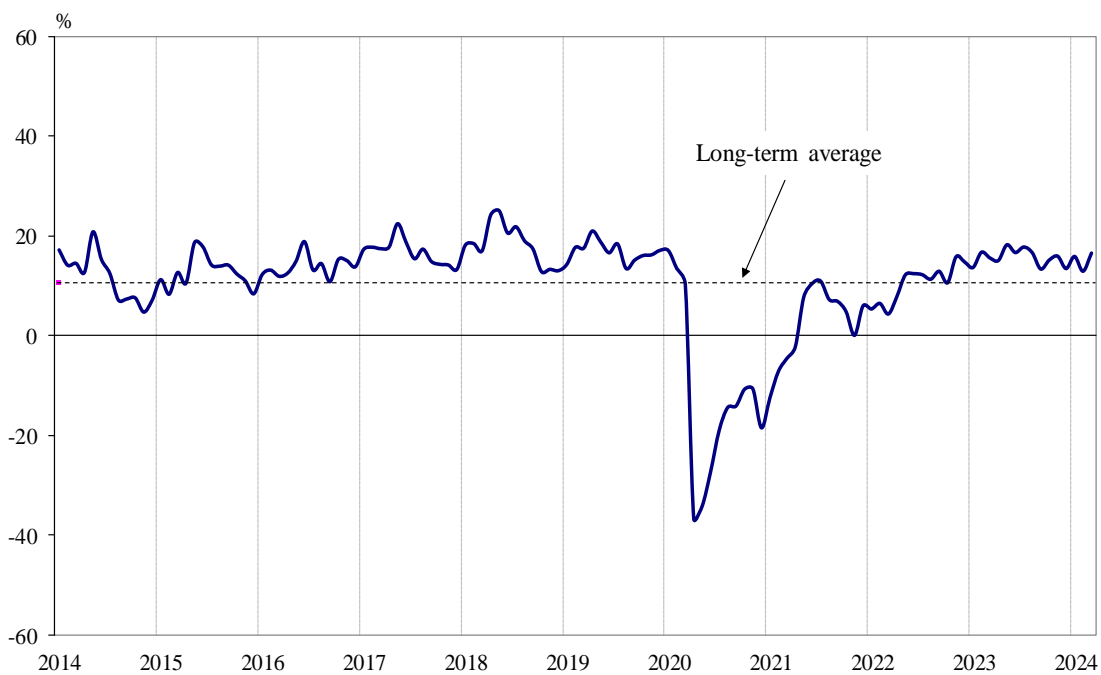


Figure 15. Expected demand in service sector over the next 3 months

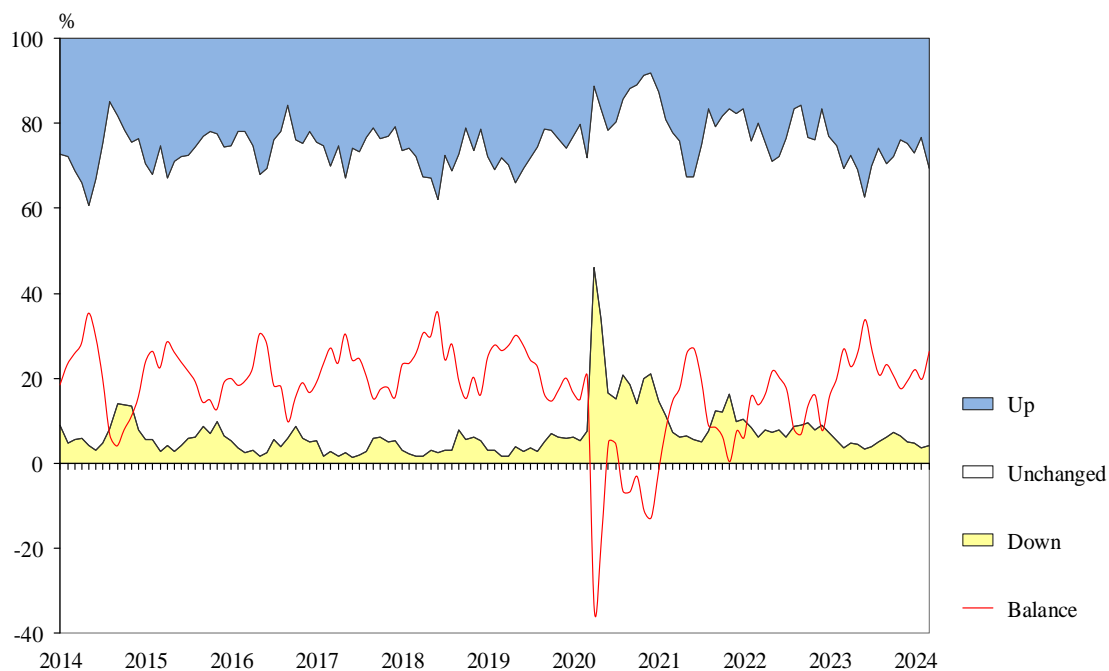


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

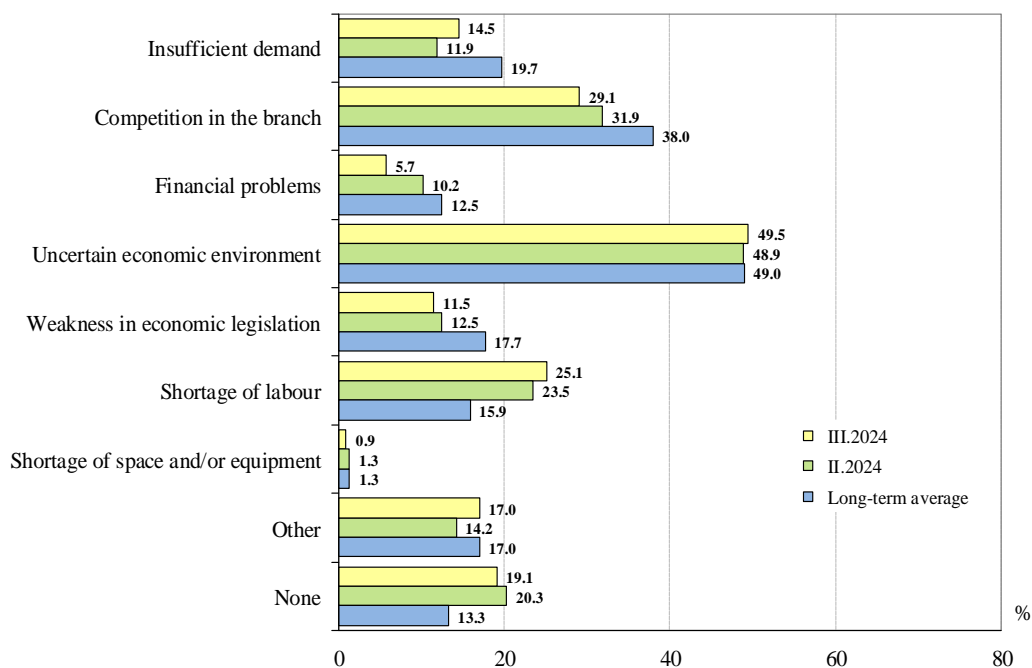


Figure 17. Selling prices expectations in service sector over the next 3 months

