



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1, 2, 3}, MARCH 2013

In March 2013 **the total business climate indicator**⁴ marks a decrease by 1.8 percentage points compared to its level from the previous month (Annex, Figure 1) due to the more unfavourable business climate in industry, construction and retail trade.

Industry. The composite indicator “business climate in industry” decreases by 1.2 percentage points in comparison with February (Annex, Figure 2) which is due to the worsening of the managers’ assessments about the present business situation of the enterprises. However their expectations as regards the business situation (Annex, Figure 3) and production activity over the next months are improved.

The main obstacles for the business development in the branch remain the uncertain economic environment and insufficient domestic demand as in the last month an increase of their unfavorable impact is observed (Annex, Figure 4).

The majority of the managers do not expect a change in the level of the selling prices over the next 3 months (Annex, Figure 5).

Construction. In March the composite indicator “business climate in construction” decreases by 0.7 percentage points (Annex, Figure 6) due to the shifting of the construction entrepreneurs’ opinions about the expected business situation of the enterprises over the next 6 months from “better” towards preserving “the same” (Annex, Figure 7). Their expectations about construction activity over the next 3 months are also more reserved.

The uncertain economic environment continues to be the most serious factor limiting the activity in the branch, followed by financial problems and insufficient demand (Annex, Figure 8).

As regards the selling prices in construction the prevailing 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” decreases by 5.3 percentage points compared to February (Annex, Figure 10) due to the more reserved retailers’ assessments and expectations about the business situation of the enterprises (Annex, Figure 11). Concerning volume of sales and orders placed with suppliers (Annex, Figure 12) over the next 3 months their expectations are also more moderate.

¹ In 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, 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.



In March the inquiry reports strengthen the negative impact of the factor “insufficient demand” (by 16.4 percentage points) that shifts the difficulties of the enterprises related to the uncertain economic environment and competition in the branch (Annex, Figure 13).

Concerning the selling prices the retailers do not expect an increase over the next 3 months (Annex, Figure 14).

Service sector¹. In March the composite indicator “business climate in service sector” preserves approximately its level from the previous month (Annex, Figure 15). The managers’ forecasts as regards the business development in the sector over the next 6 months is more favourable as well their expectations about the demand for services over the next months are improved (Annex, Figure 16).

The uncertain economic environment, competition in the branch and insufficient demand continue to be the most serious factors limiting the activity of the enterprises. In the last month strengthen the negative impact of the factors “weakness in economic legislation” and “financial problems” is reported (Annex, Figure 17).

As regards the selling prices in the service sector most of the managers forecast preservation of their level over the next 3 months (Annex, Figure 18).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

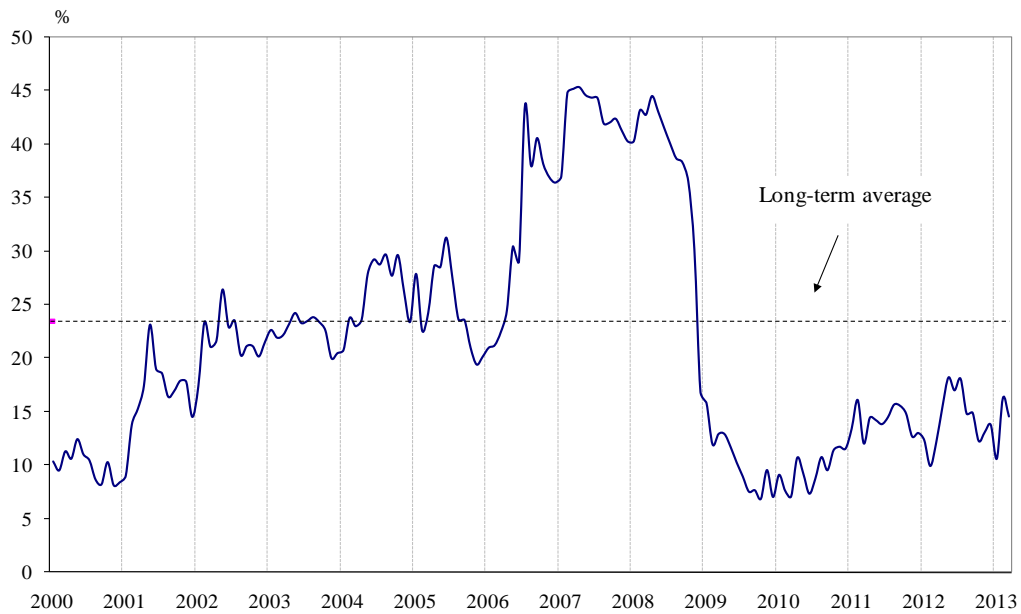


Figure 2. Business climate in industry

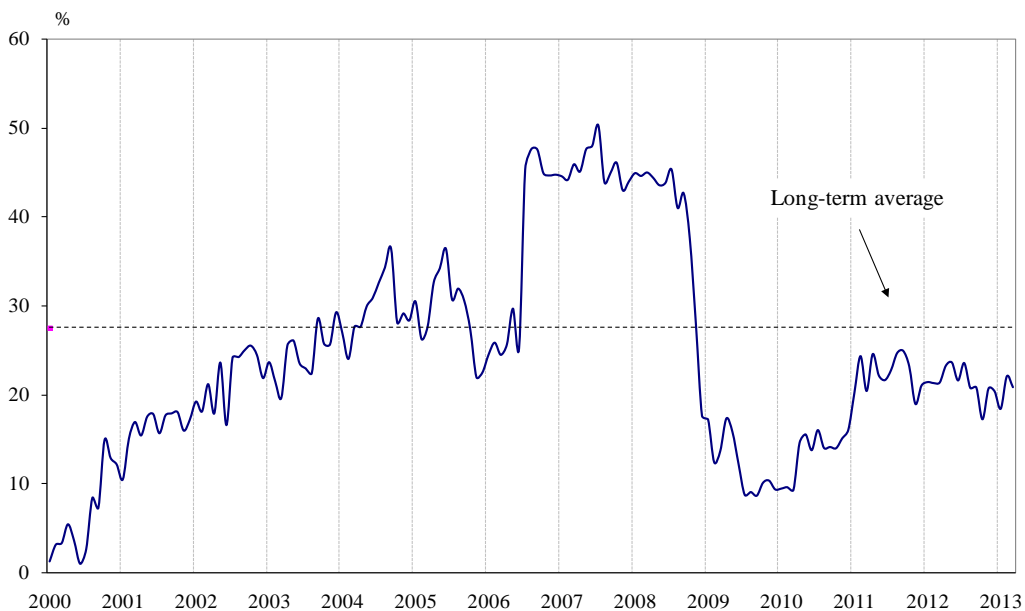




Figure 3. Expected business situation in industry over the next 6 months

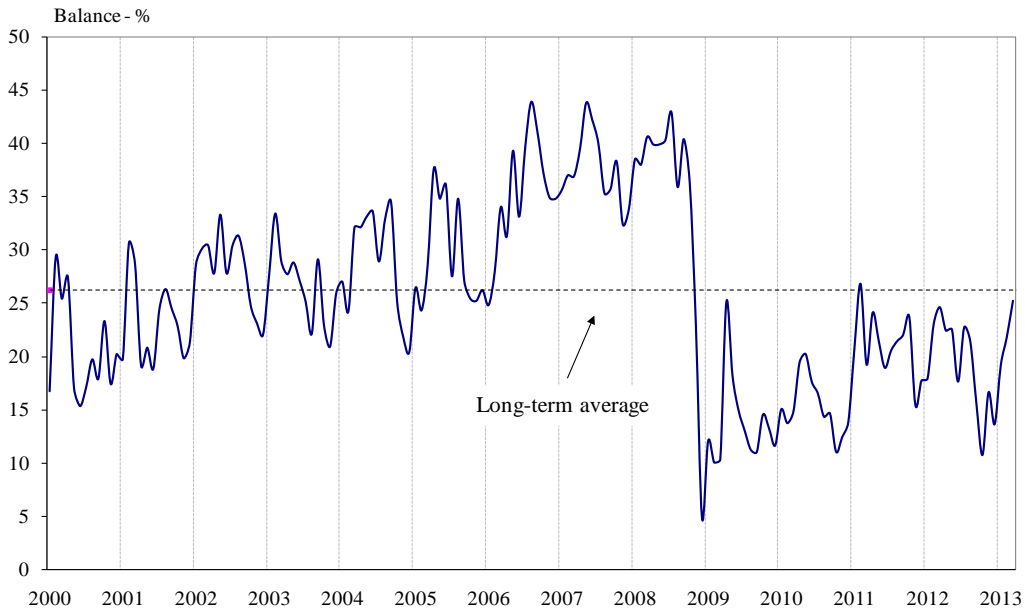


Figure 4. Limits to production in industry (Relative share of enterprises)

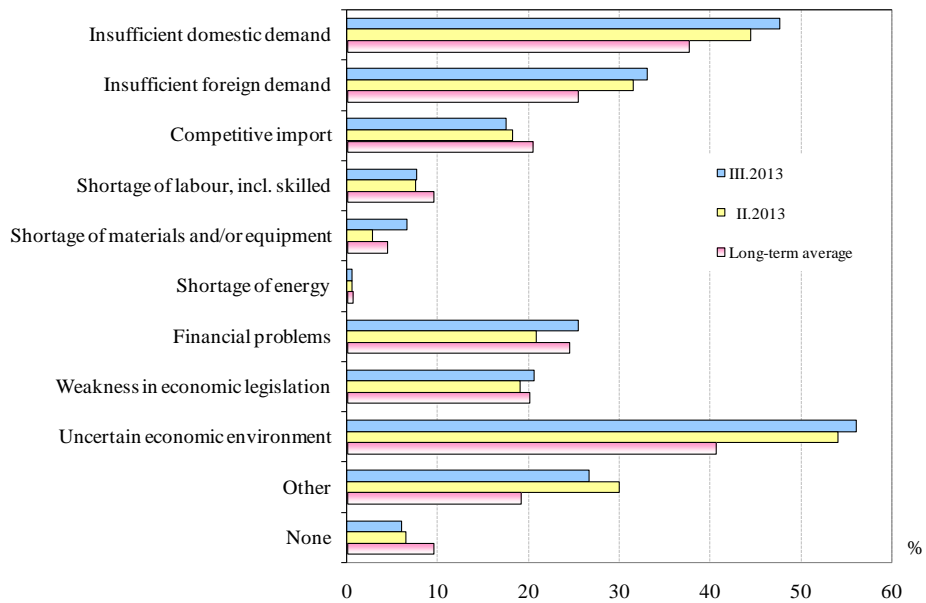




Figure 5. Selling prices expectations in industry over the next 3 months

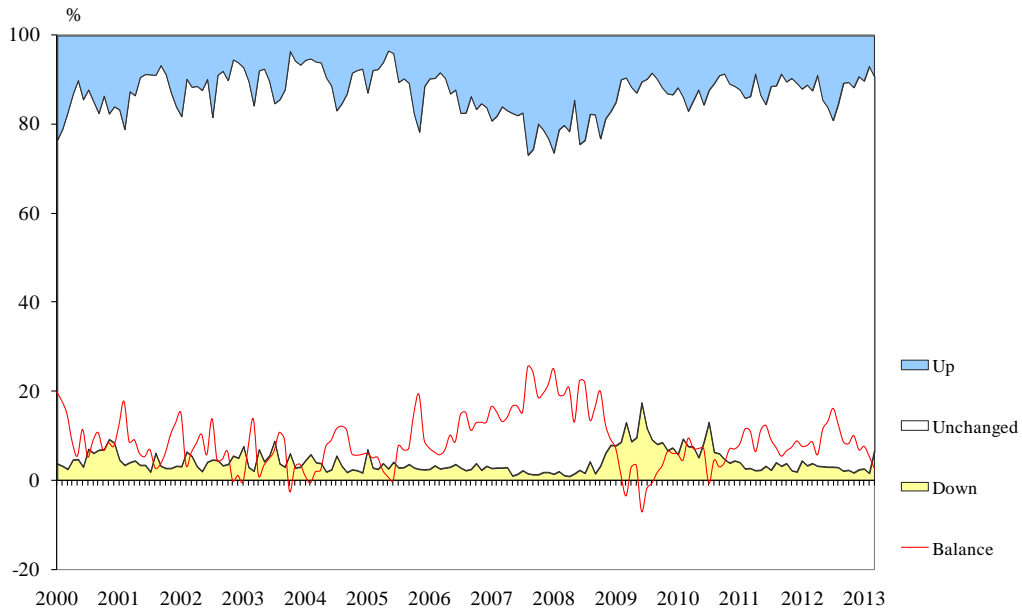


Figure 6. Business climate in construction

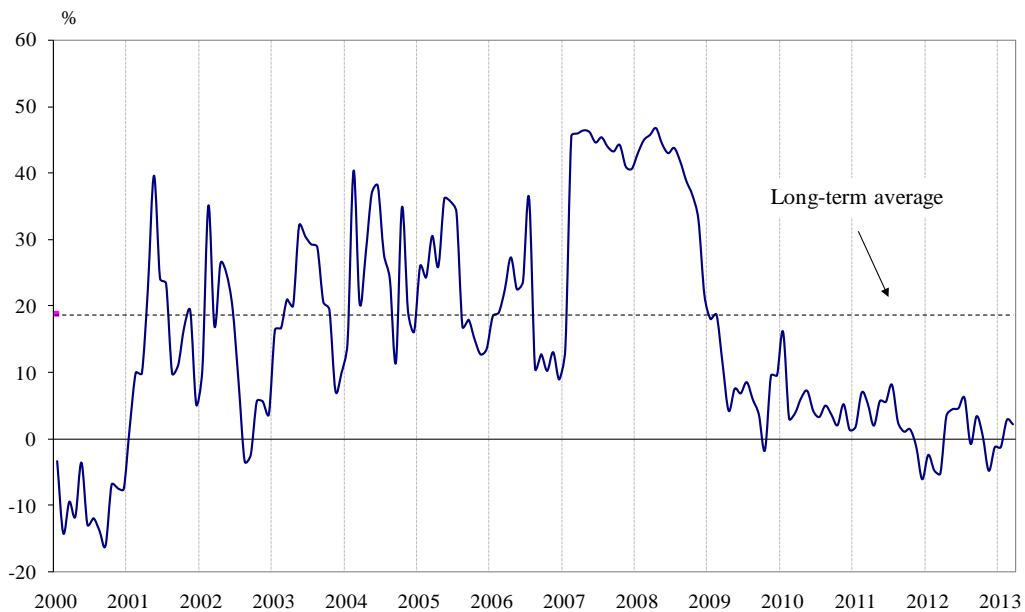




Figure 7. Expected business situation in construction over the next 6 months

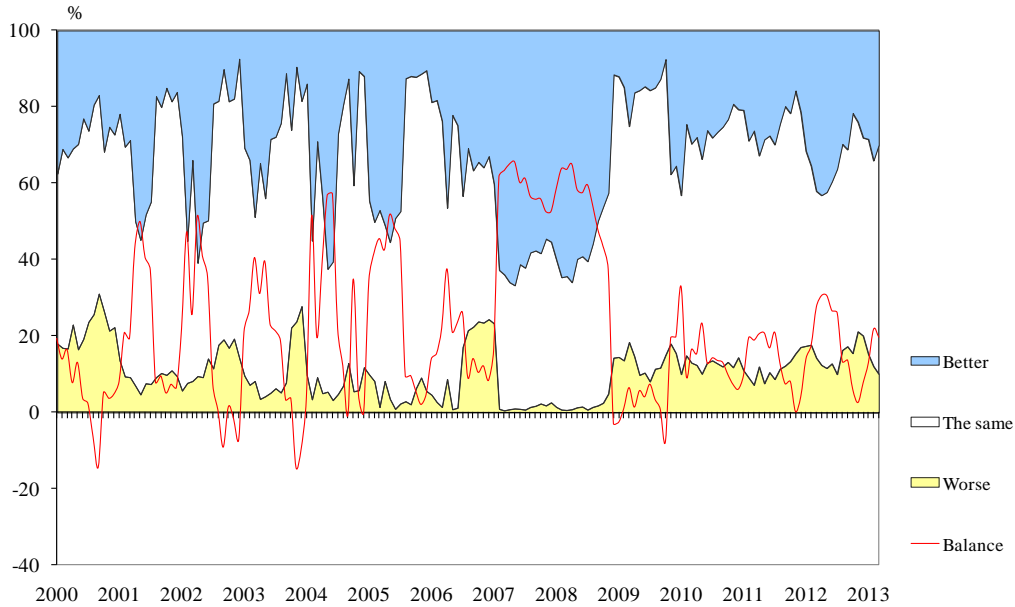


Figure 8. Limits to construction activity (Relative share of enterprises)

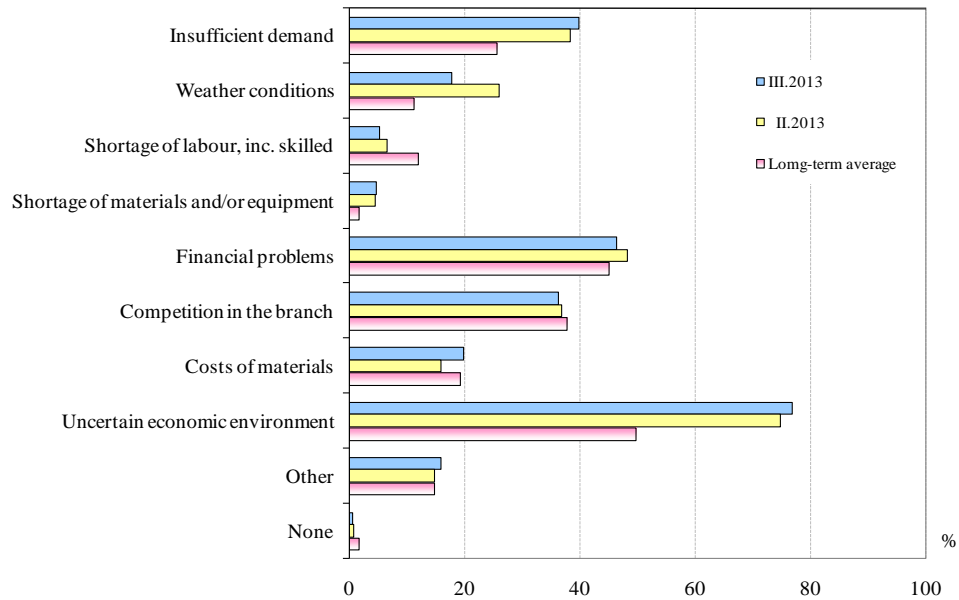




Figure 9. Selling prices expectations in construction over the next 3 months

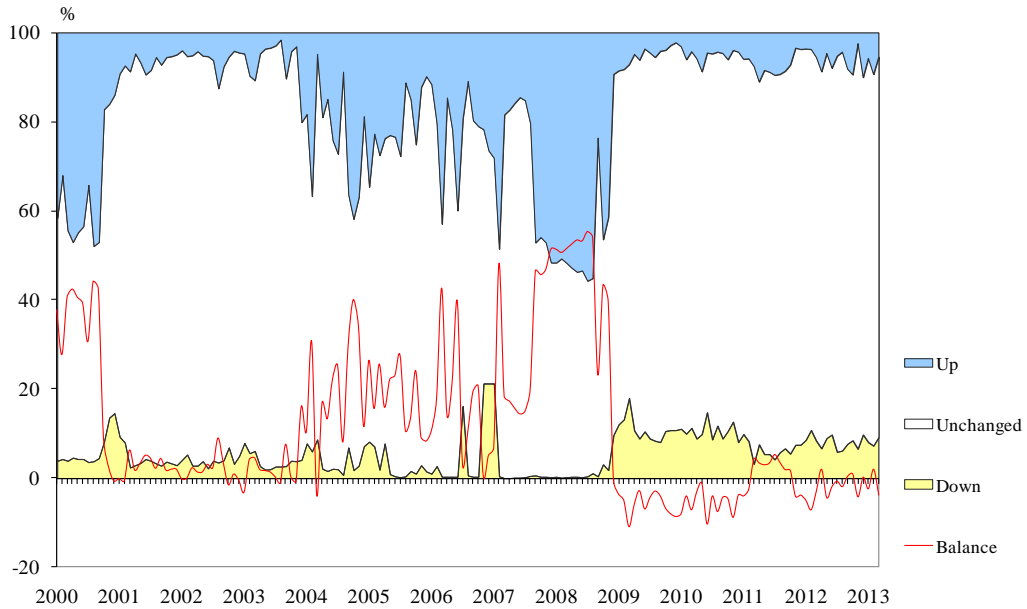


Figure 10. Business climate in retail trade

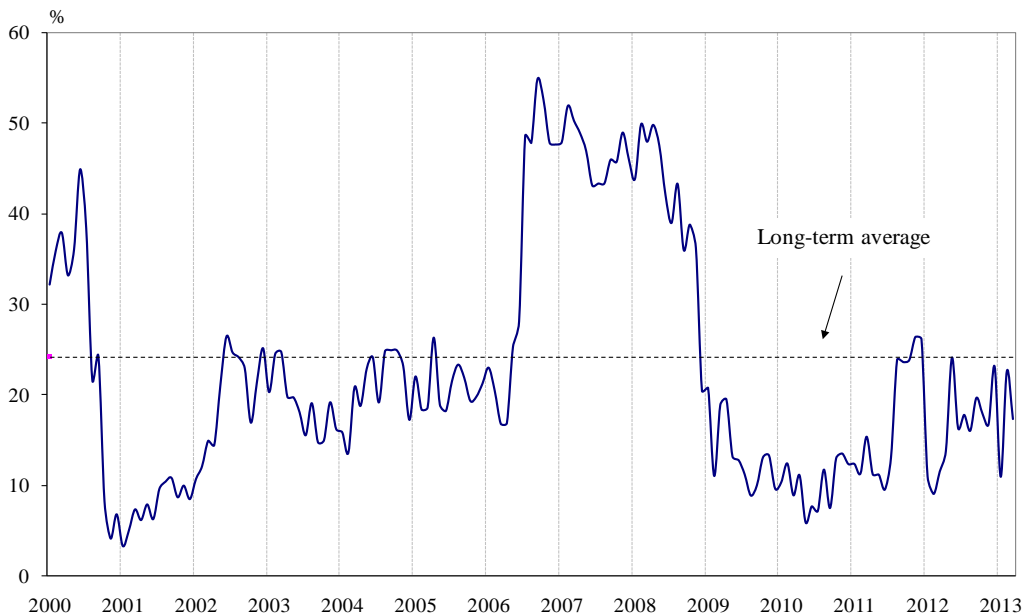




Figure 11. Expected business situation in retail trade over the next 6 months

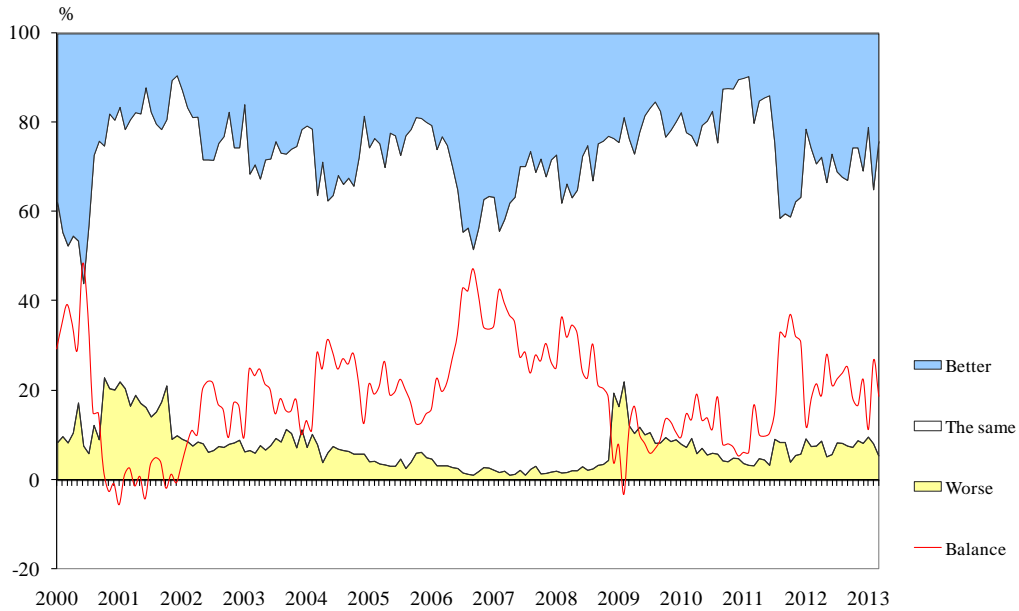


Figure 12. Expectations about orders placed with suppliers in retail trade over the next 3 months

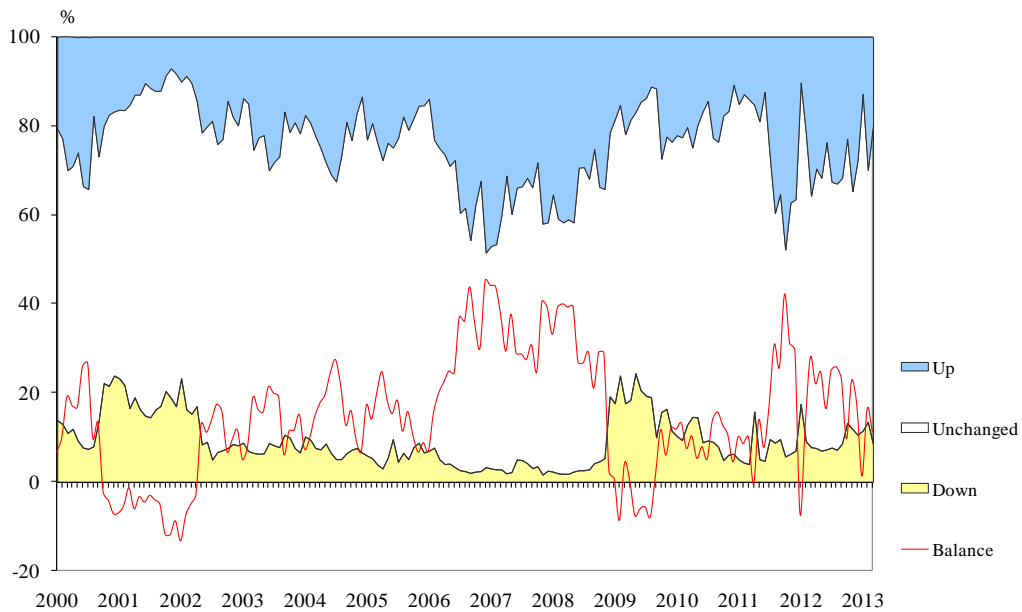




Figure 13. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

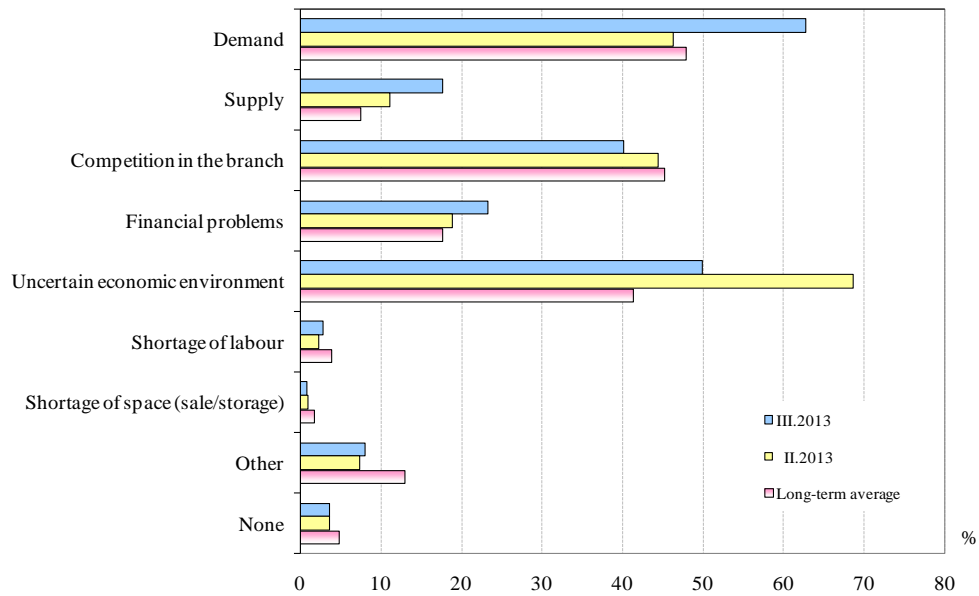


Figure 14. Selling prices expectations in retail trade over the next 3 months

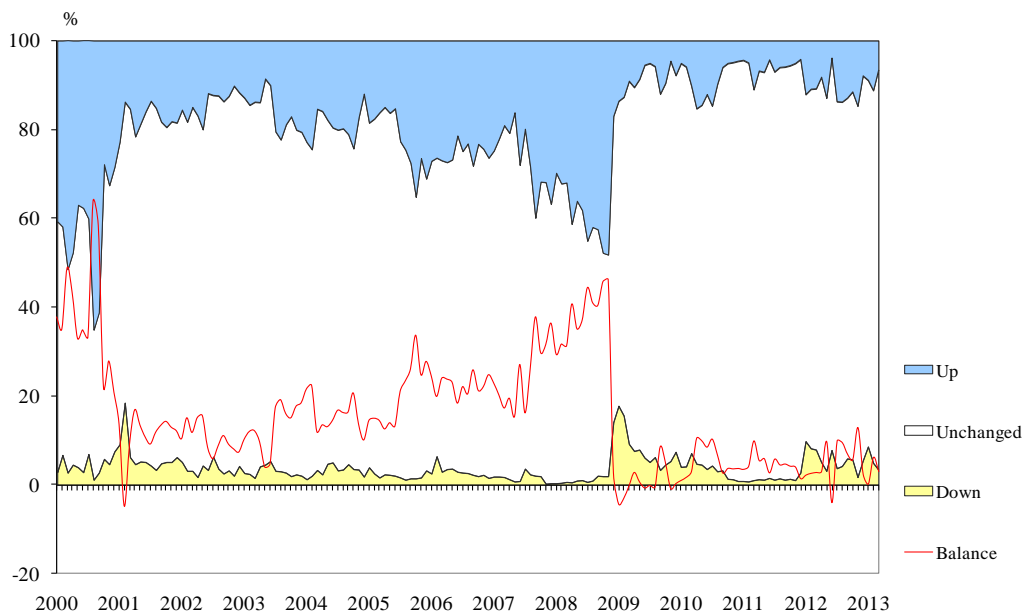




Figure 15. Business climate in service sector

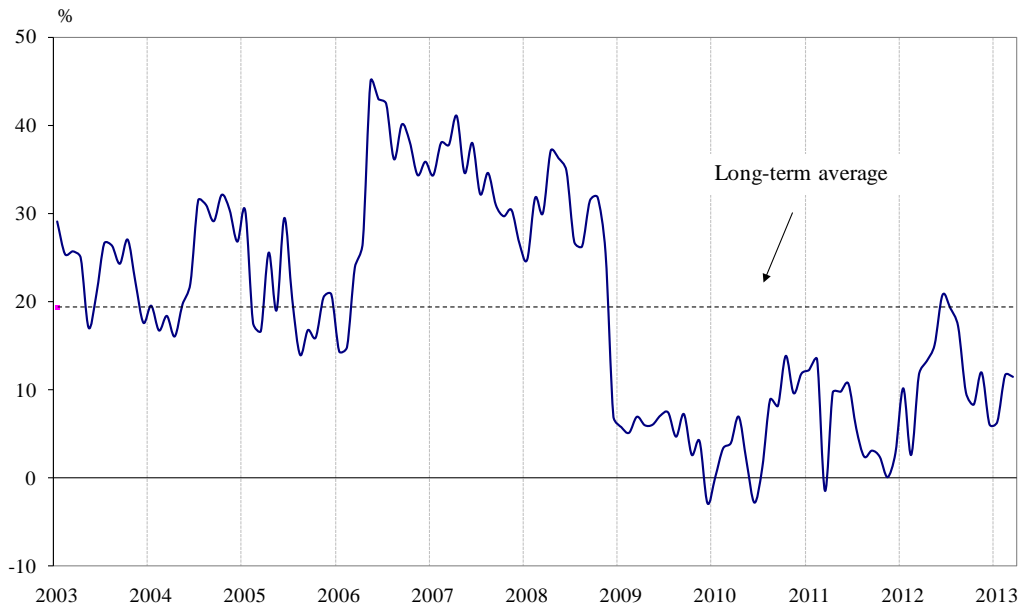
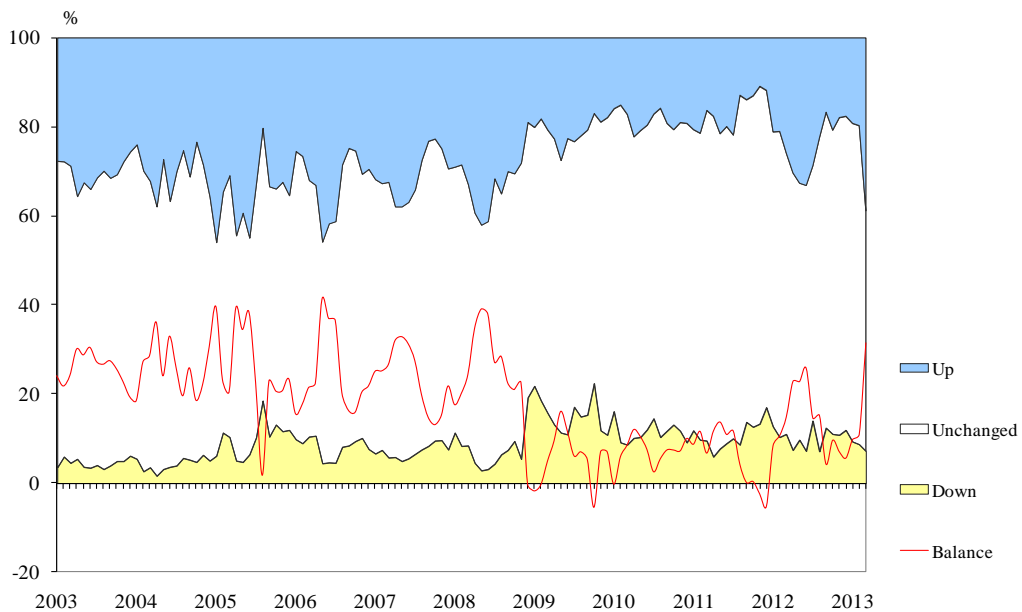
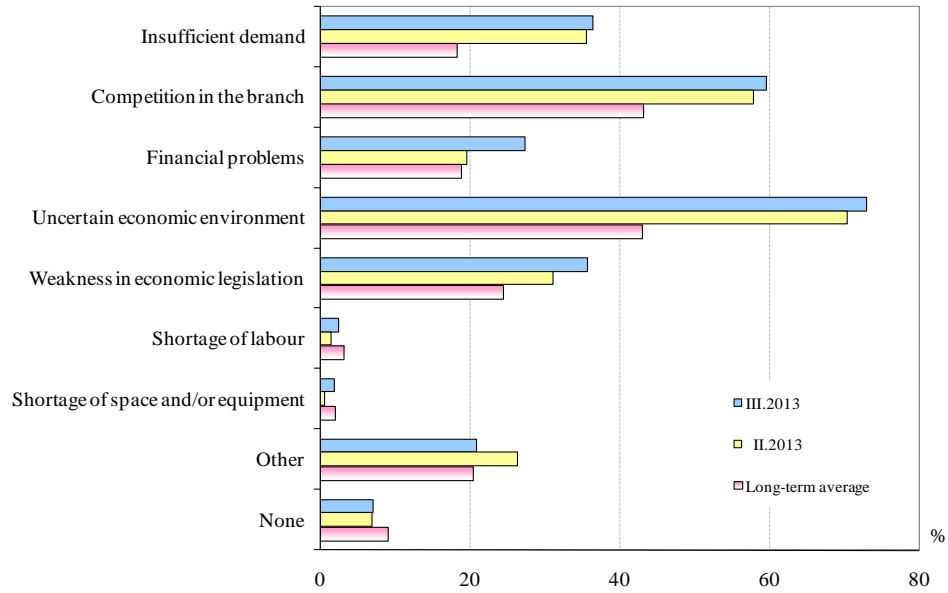


Figure 16. Expected demand in service sector over the next 3 months





**Figure 17. Factors limiting the activity in service sector
(Relative share of enterprises)**



**Figure 18. Selling prices expectations in service sector
over the next 3 months**

