



## BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS<sup>1, 2, 3</sup>, APRIL 2013

In April 2013 **the total business climate indicator**<sup>4</sup> decreases by 0.6 percentage points compared to its level from the previous month (Annex, Figure 1) which is due entirely to the drop of the indicator in industry.

**Industry.** The composite indicator “business climate in industry” decreases by 4.2 percentage points in comparison with March (Annex, Figure 2) due to the shifting of the managers’ opinions about business situation of the enterprises over the next 6 months from “better” towards preserving “the same” (Annex, Figure 3). The inquiry reports a slight improvement in their assessments as regards the production activity as well their expectations over the next 3 months remain favourable.

The average capacity utilization in April is by 3.4 percentage points below in January level and it reaches 68.0%. The enterprises report a surplus of capacity with regard to the expected demand over the next months, but should be noted that this surplus decreased over the last 3 months (Annex, Figure 4).

The main obstacles for the business development in the branch continue to be the uncertain economic environment and insufficient domestic demand, pointed out by 53.4% and 47.9% of the entrepreneurs respectively (Annex, Figure 5).

As regards the selling prices the managers expected preserving of their level over the next 3 months (Annex, Figure 6).

**Construction.** In April the composite indicator “business climate in construction” increases by 4.4 percentage points (Annex, Figure 7) which is due to the more favourable construction entrepreneurs’ assessments and expectations about business situation of the enterprises. In the next half year managers expect increased inflow of new orders in construction (Annex, Figure 8) which according to them will lead to a certain increase of the activity in the short term. However the inquiry reports an increase of the number of clients with delay in payments (Annex, Figure 9).

The main factor limiting the activity in the branch continues to be the uncertain economic environment, followed by financial problems, insufficient demand and competition in the branch (Annex, Figure 10).

---

<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, 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.



Concerning the selling prices in construction the managers do not expect they go up over the next 3 months (Annex, Figure 11).

**Retail trade.** The composite indicator “business climate in retail trade” remains approximately to its level from the previous month (Annex, Figure 12). The retailers’ forecasts about business development in the branch over the next 6 months are more favourable. Increased optimism in their expectations as regards both the sales (Annex, Figure 13) and the orders placed with suppliers over the next 3 months is registered.

In April the inquiry marks strengthen of the negative impact of the factor “uncertain economic environment” (by 24.3 percentage points) which shifts to the second place the enterprises’ difficulties related to the insufficient demand (Annex, Figure 14).

As regards the selling prices the majority parts of the retailers foresee preservation of their level over the next 3 months (Annex, Figure 15).

**Service sector<sup>1</sup>.** In April the composite indicator “business climate in service sector” increases by 0.6 percentage points compared to its March level (Annex, Figure 16) due to the more favourable managers’ expectations about the business situation of the enterprises over the next 6 months (Annex, Figure 17). Their opinions as regards the present and expected demand for services (Annex, Figure 18), however, are more reserved.

The factors limiting with the most extent activity of the enterprises remain the uncertain economic environment, competition in the branch and insufficient demand (Figure 19).

The managers’ expectations about the selling prices in the service sector are they to remain unchanged over the next 3 months (Annex, Figure 20).

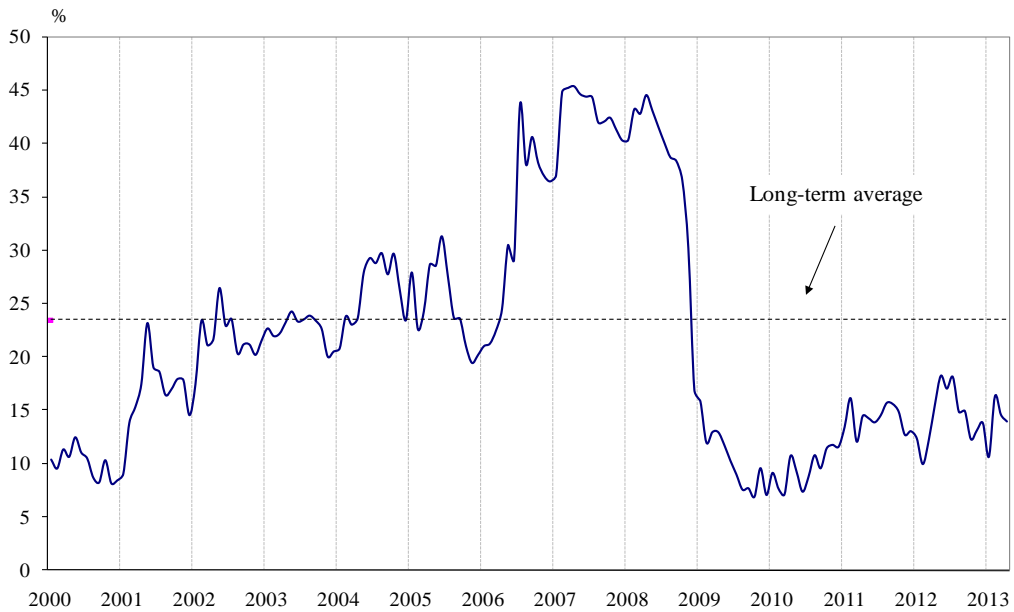
---

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

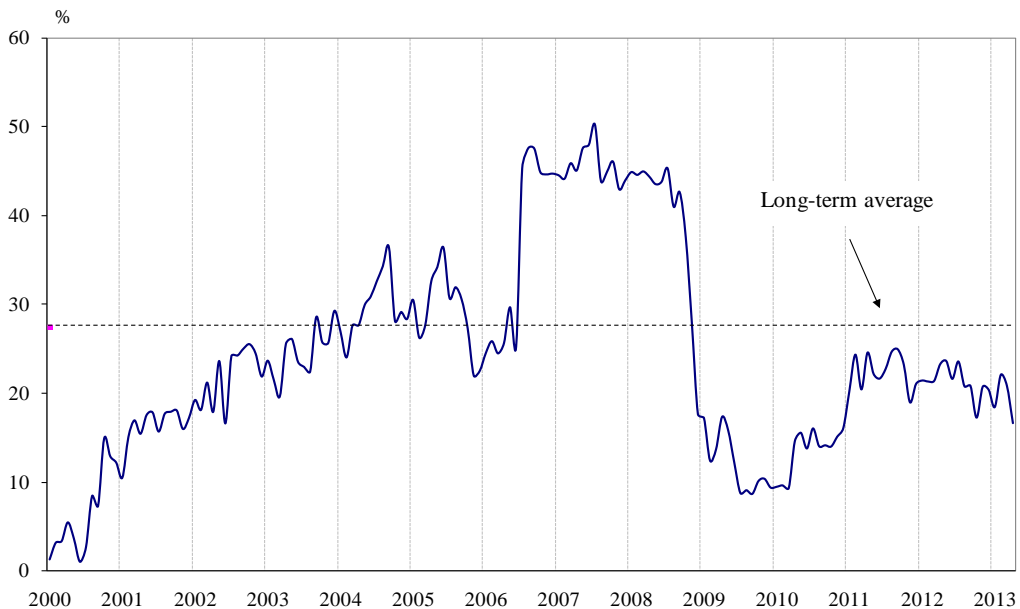


**Annex**

**Figure 1. Business climate - total**

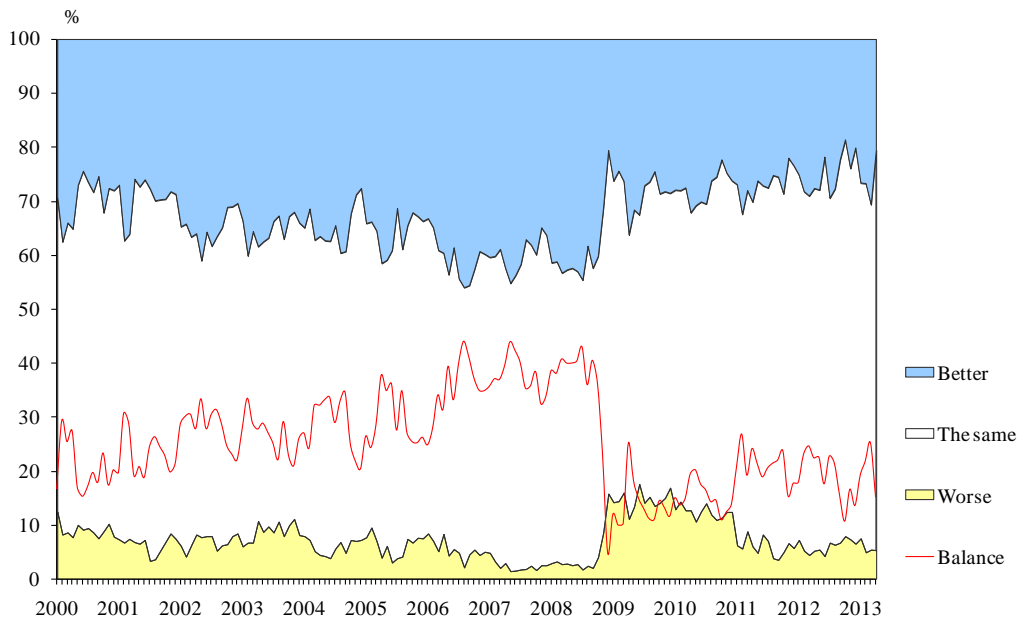


**Figure 2. Business climate in industry**

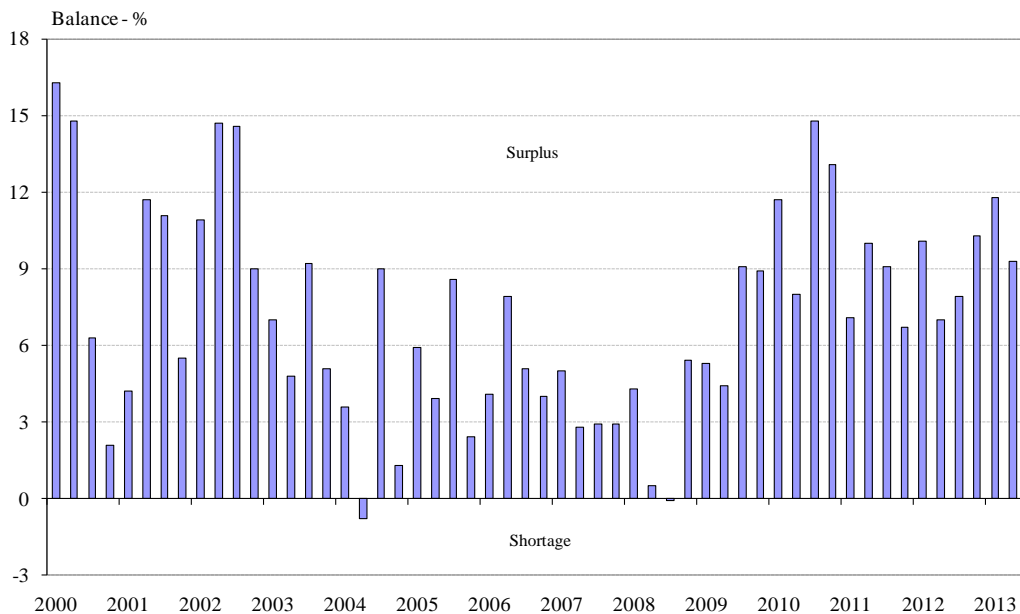




**Figure 3. Expected business situation in industry over the next 6 months**

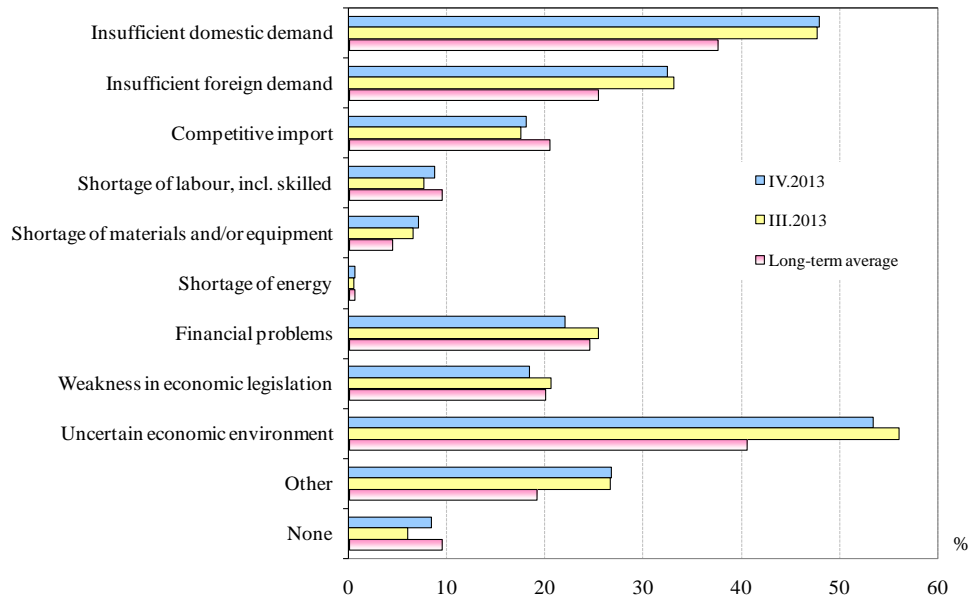


**Figure 4. Current production capacity in industry with regard to the expected demand over the next months**

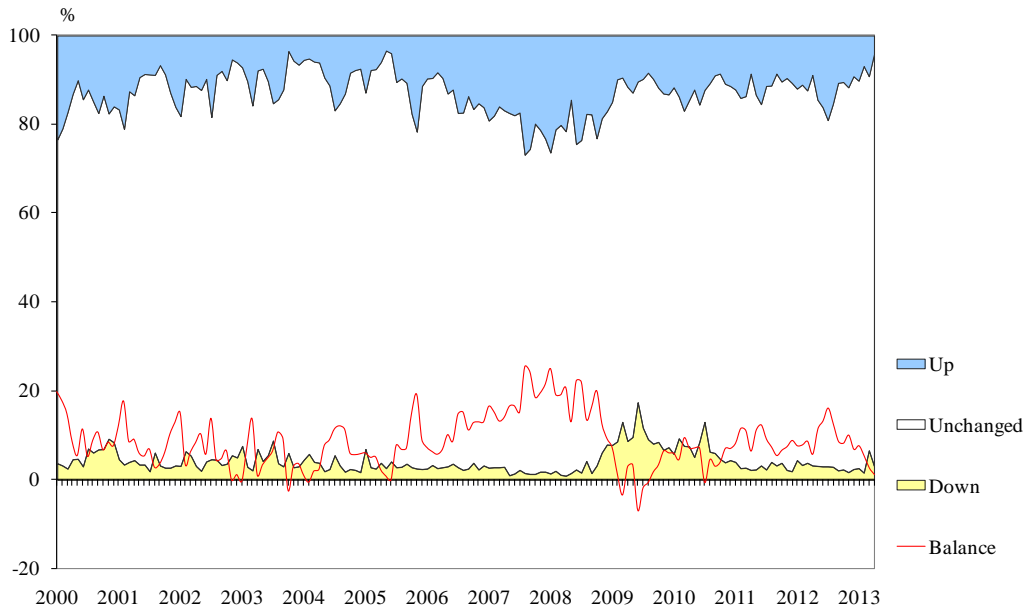




**Figure 5. Limits to production in industry  
(Relative share of enterprises)**

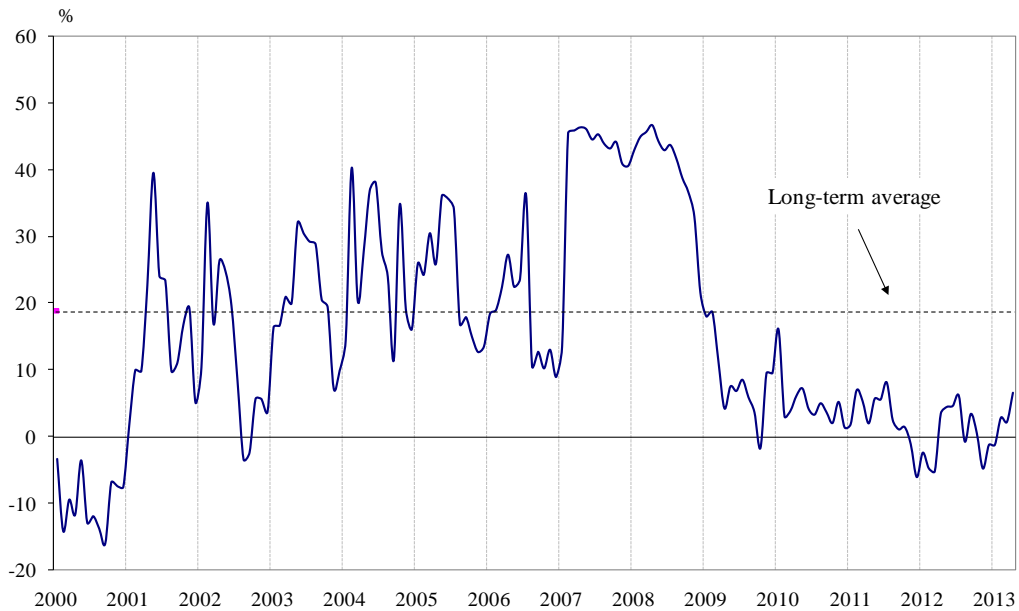


**Figure 6. Selling prices expectations in industry  
over the next 3 months**

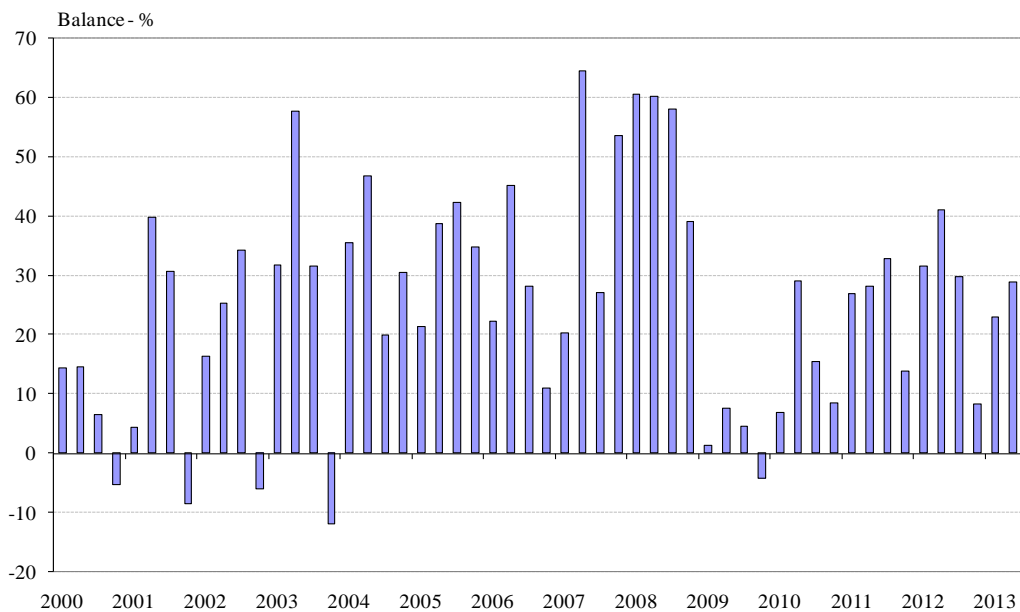




**Figure 7. Business climate in construction**

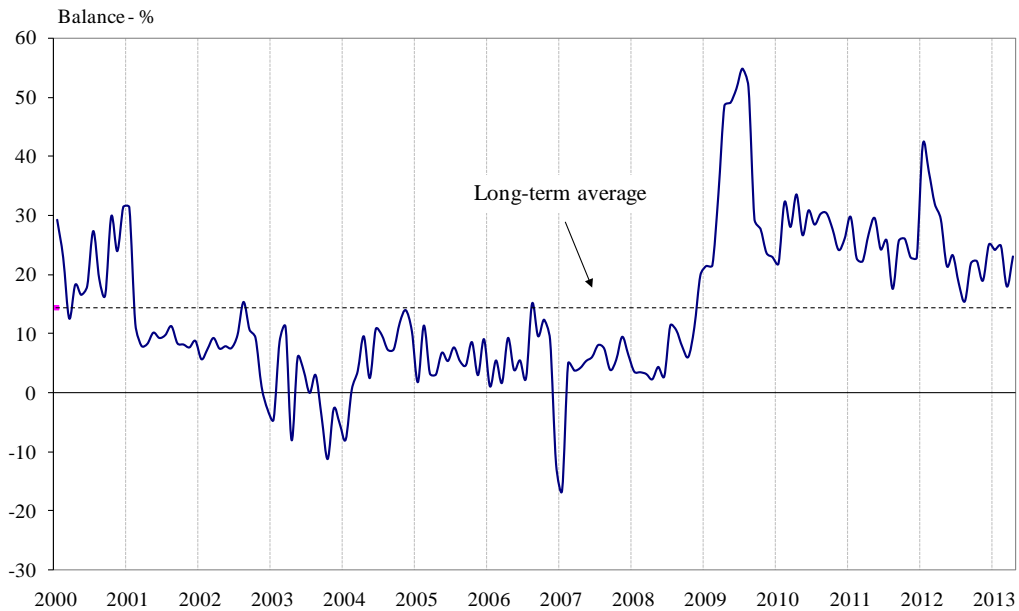


**Figure 8. New orders expectations in construction over the next 6 months**

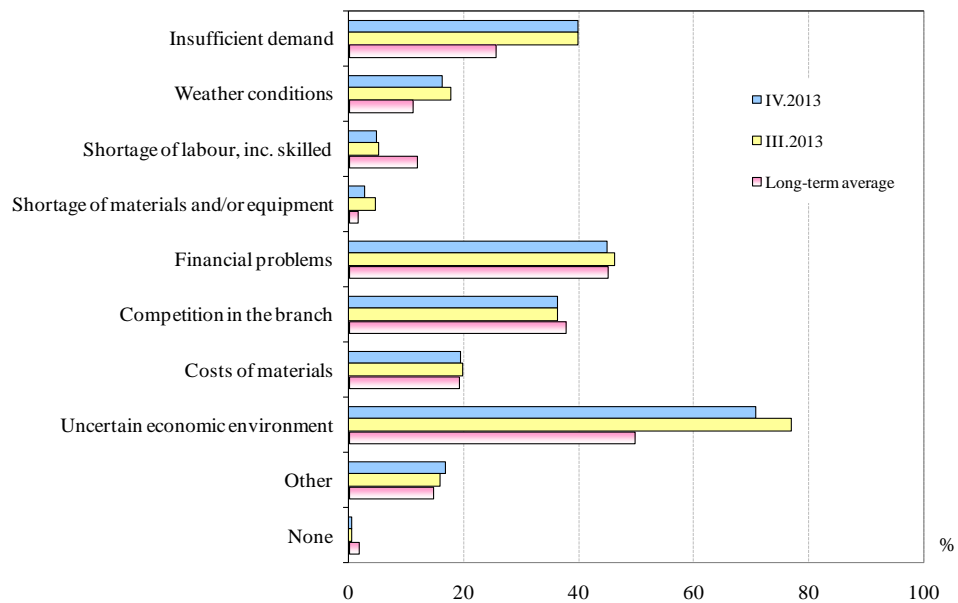




**Figure 9. Clients with delay in payments in construction**

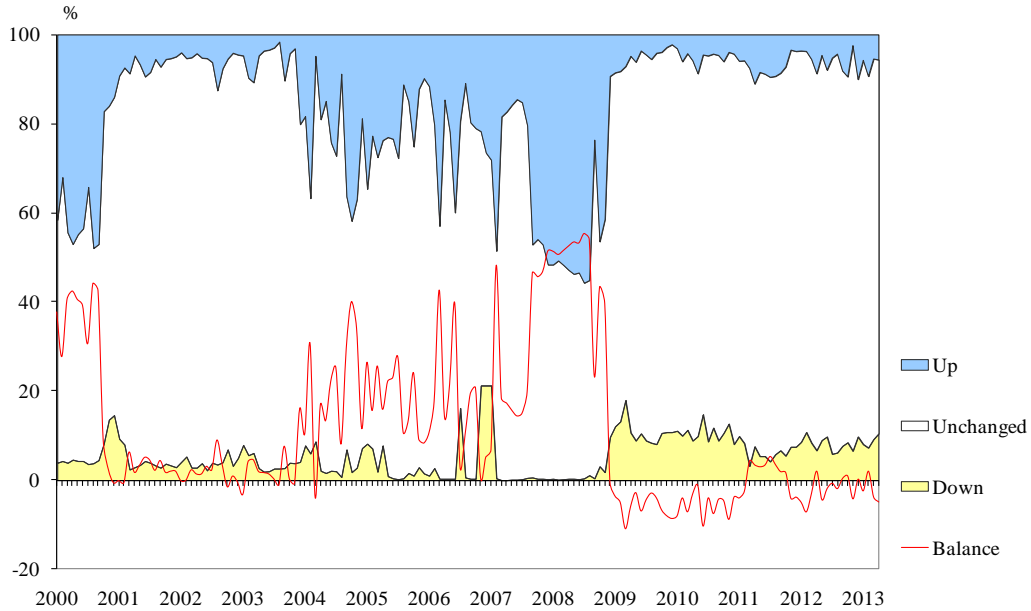


**Figure 10. Limits to construction activity  
(Relative share of enterprises)**

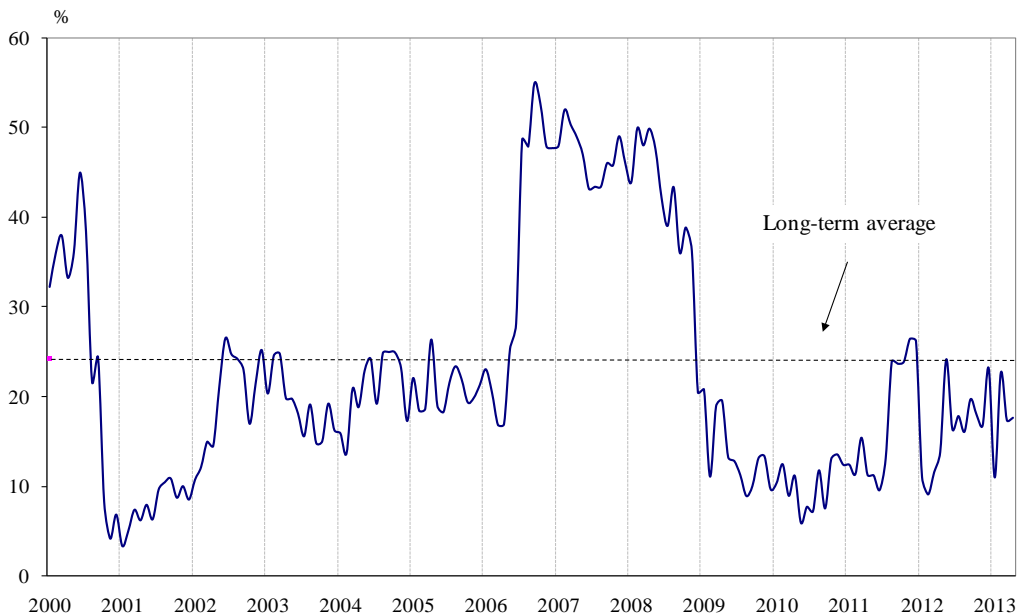




**Figure 11. Selling prices expectations in construction over the next 3 months**



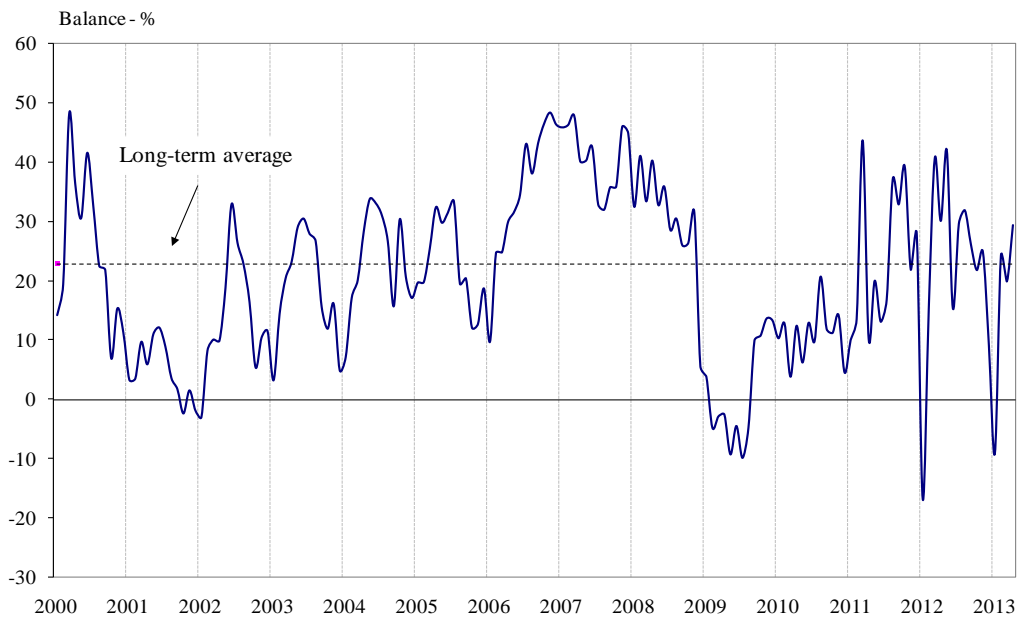
**Figure 12. Business climate in retail trade**



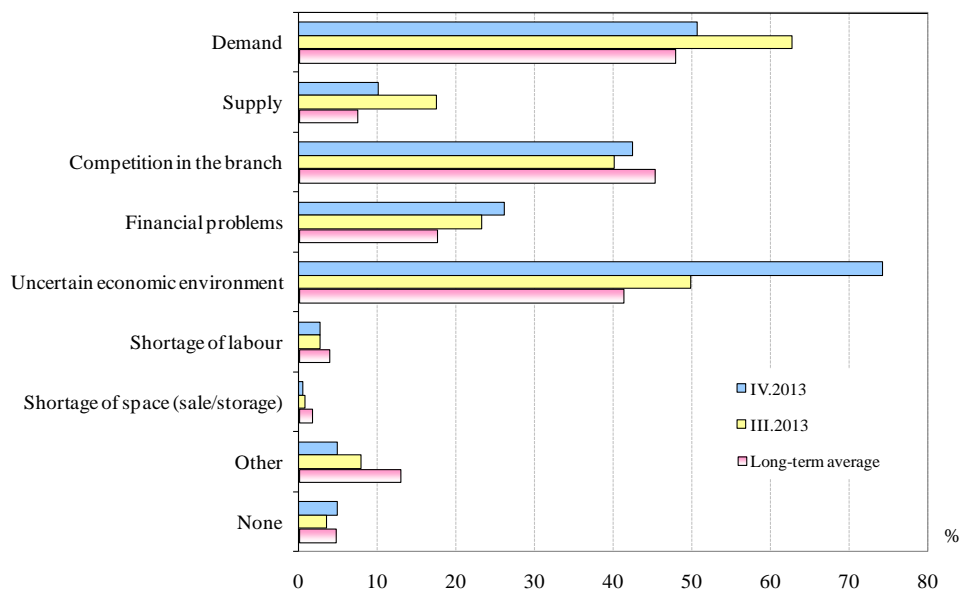




**Figure 13. Sales expectations in retail trade over the next 3 months**

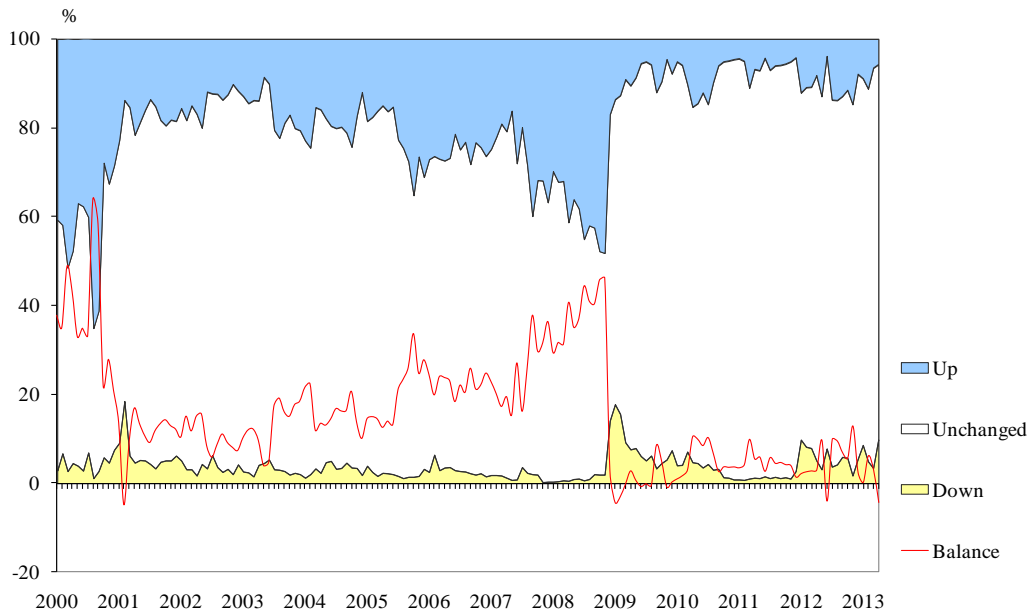


**Figure 14. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)**

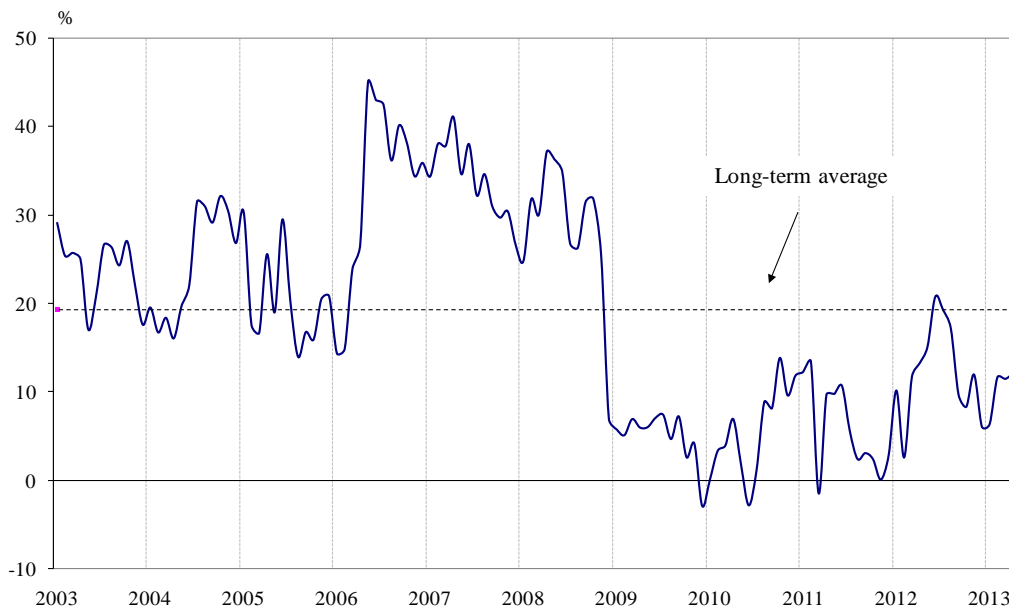




**Figure 15. Selling prices expectations in retail trade over the next 3 months**

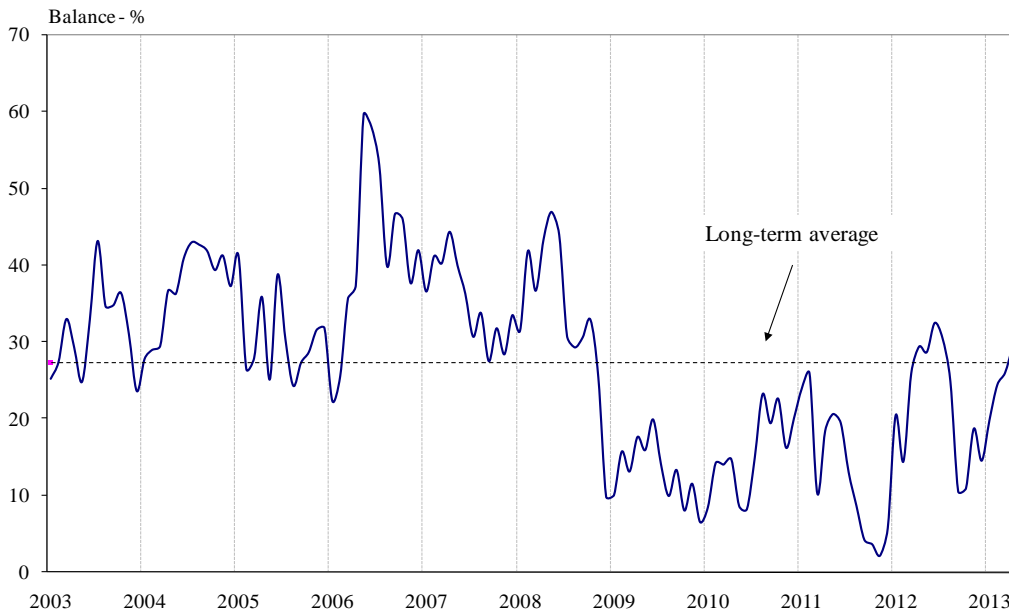


**Figure 16. Business climate in service sector**

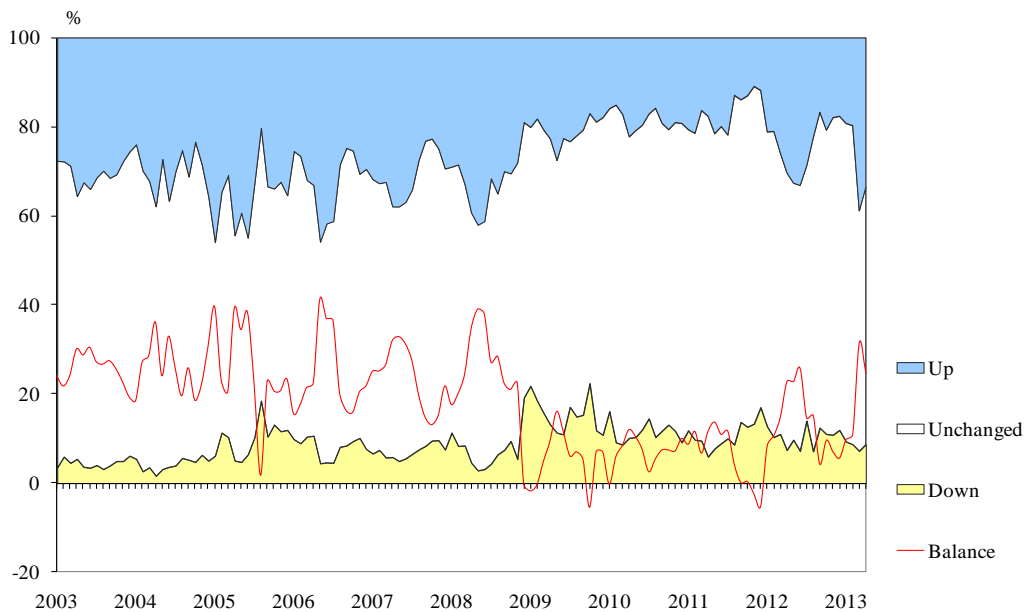




**Figure 17. Expected business situation in service sector over the next 6 months**

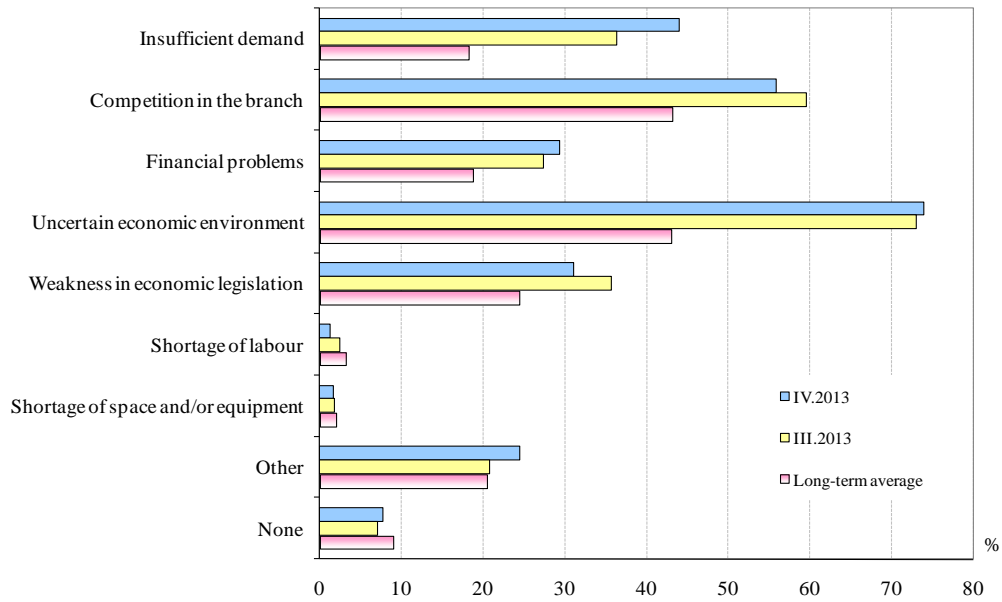


**Figure 18. Expected demand in service sector over the next 3 months**





**Figure 19. Factors limiting the activity in service sector  
(Relative share of enterprises)**



**Figure 20. Selling prices expectations in service sector  
over the next 3 months**

