



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, NOVEMBER 2018

In November 2018, the **total business climate indicator**⁴ increases by 0.6 percentage points in comparison with October (Annex, Figure 1), which is due to the improved business conjuncture in industry and retail trade.

Industry. The composite indicator ‘business climate in industry’ increases by 1.8 percentage points (Annex, Figure 2) as a result of the improved industrial entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months (Annex, Figure 3). The inquiry registers certain increase of the production assurance with orders, which is not accompanied by increased expectations about the production activity over the next 3 months.

The main factors limiting the business continue to be connected with the uncertain economic environment and shortage of labour (Annex, Figure 4).

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

Construction. In November the composite indicator ‘business climate in construction’ decreases by 2.2 percentage points (Annex, Figure 6), which is due to the more reserved construction entrepreneurs’ assessments about the present business situation of the enterprises. Their opinions about the construction activity over the last 3 months, as well their expectations over the next 3 months are also more unfavourable (Annex, Figure 7).

The uncertain economic environment, shortage of labour and competition in the branch remain the most serious difficulties for the activity of the enterprises (Annex, Figure 8).

As regards the selling prices in construction, the majority of the managers foresee preservation of their level over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 1.0 percentage point in comparison with October (Annex, Figure 10) as a result of the improved retailers’ expectations about 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 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, and 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.



business situation of the enterprises over the next 6 months. Their forecasts as regards the volume of sales (Annex, Figure 11) and the orders placed with suppliers over the next 3 months remain also favourable.

The competition in the branch continues to be the main obstacle for the business, followed by the uncertain economic environment and insufficient demand (Annex, Figure 12).

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

Service sector¹. In November, the composite indicator 'business climate in service sector' remains approximately to its level from the previous month (Annex, Figure 14). The managers' expectations about the business development in the sector over next 6 months are more optimistic, as also their forecast about the demand for services over the next 3 months are improved (Annex, Figure 15).

The main factors, limiting the activity of the enterprises remain the competition in the branch and uncertain economic environment, as in the last month strengthen of the unfavourable impact of the first factor is reported (Annex, Figure 16).

As regards the selling prices, the inquiry registers certain expectations for increase over the next 3 months, although the majority of the managers foresee preservation of their level (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

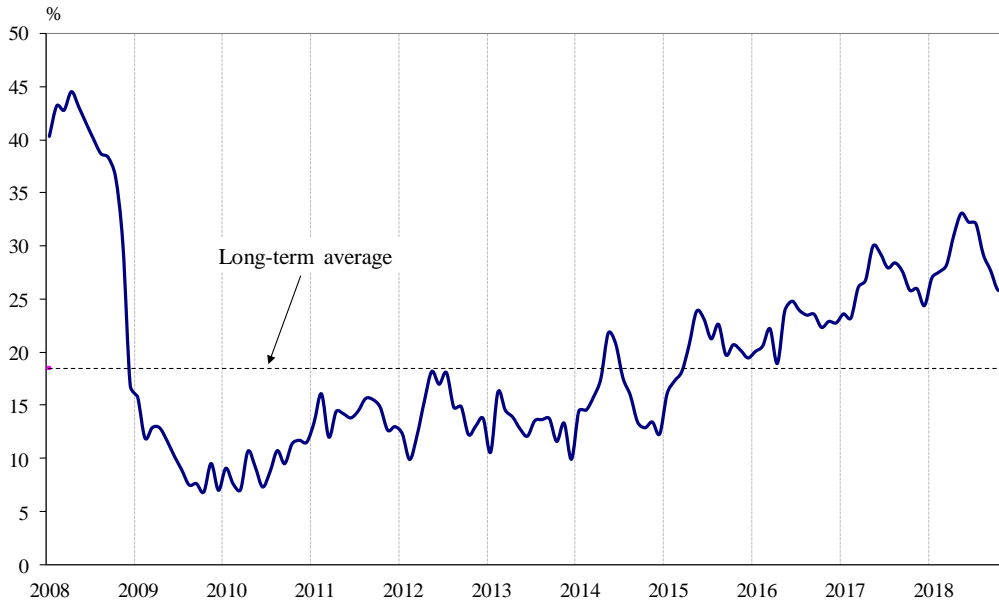


Figure 2. Business climate in industry

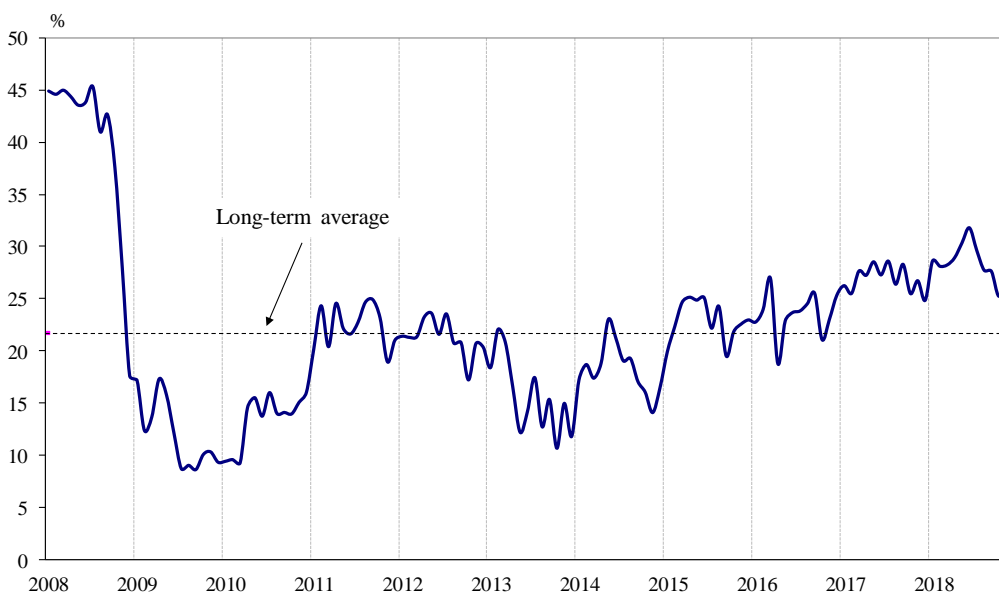




Figure 3. Expected business situation in industry over the next 6 months

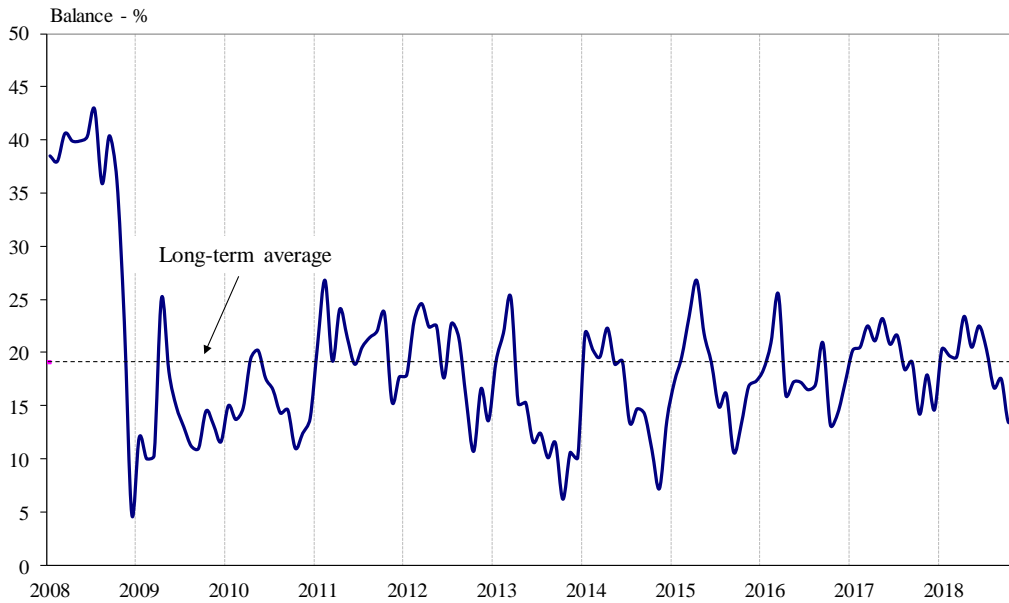


Figure 4. Limits to production in industry (Relative share of enterprises)

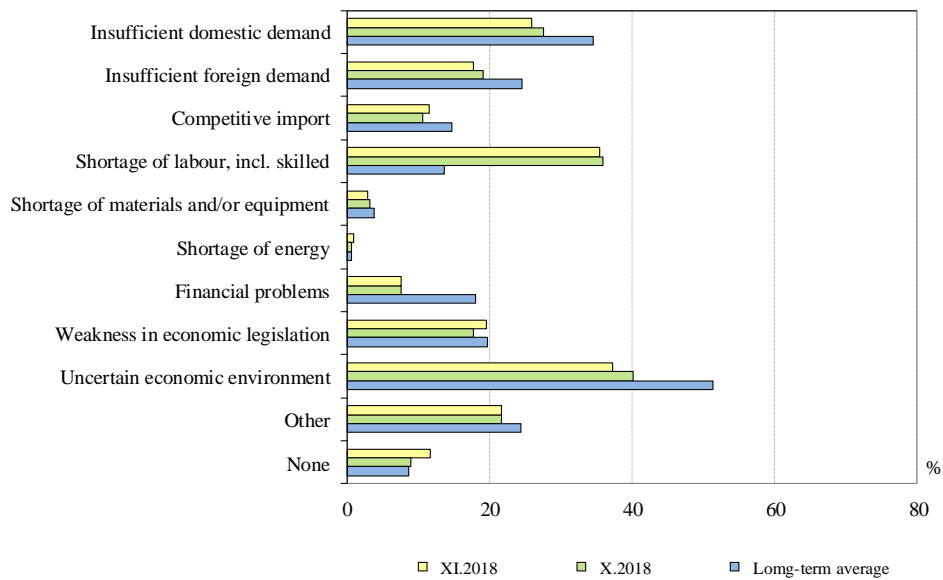




Figure 5. Selling prices expectations in industry over the next 3 months

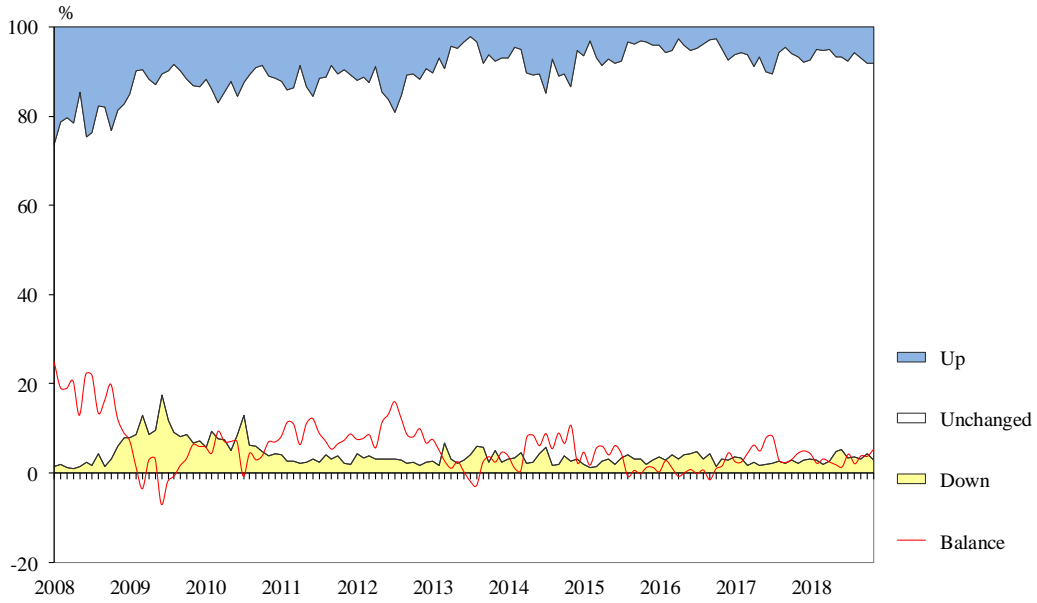


Figure 6. Business climate in construction

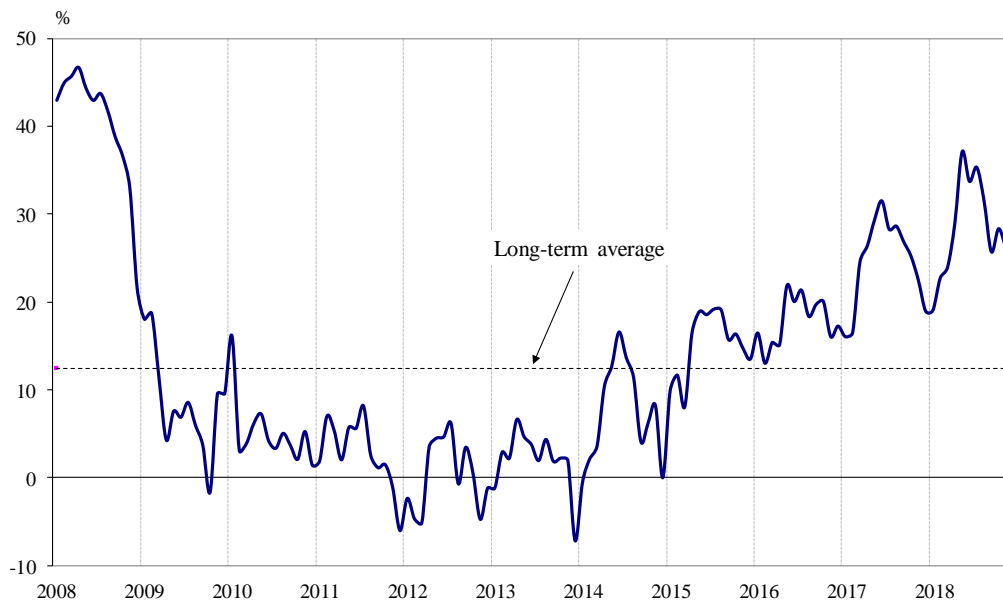




Figure 7. Expected construction activity over the next 3 months

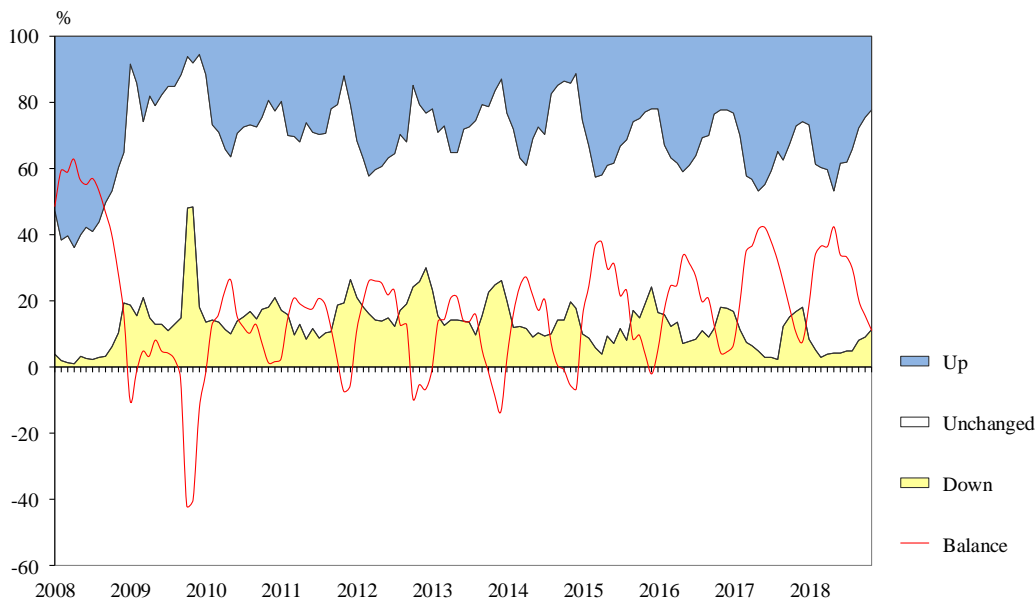


Figure 8. Limits to construction activity (Relative share of enterprises)

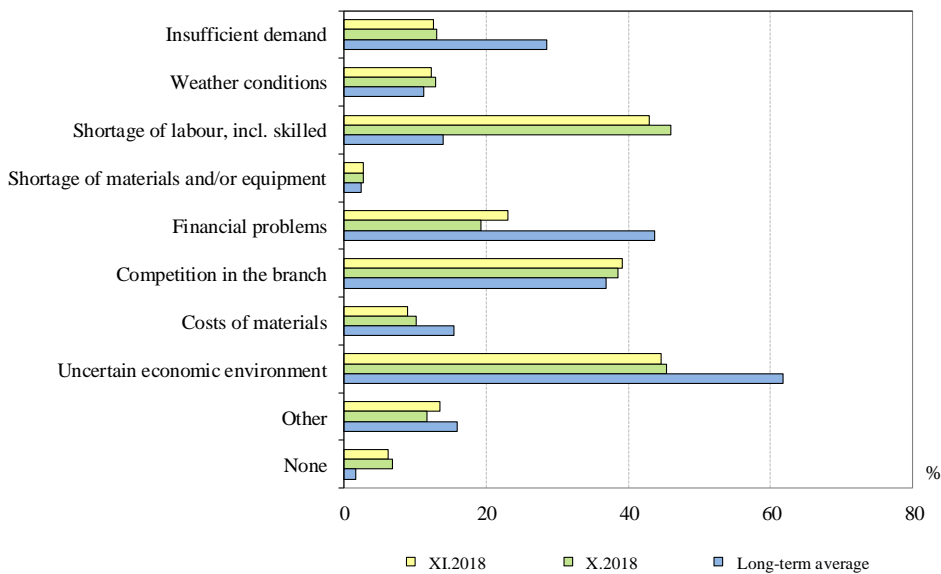




Figure 9. Selling prices expectations in construction over the next 3 months

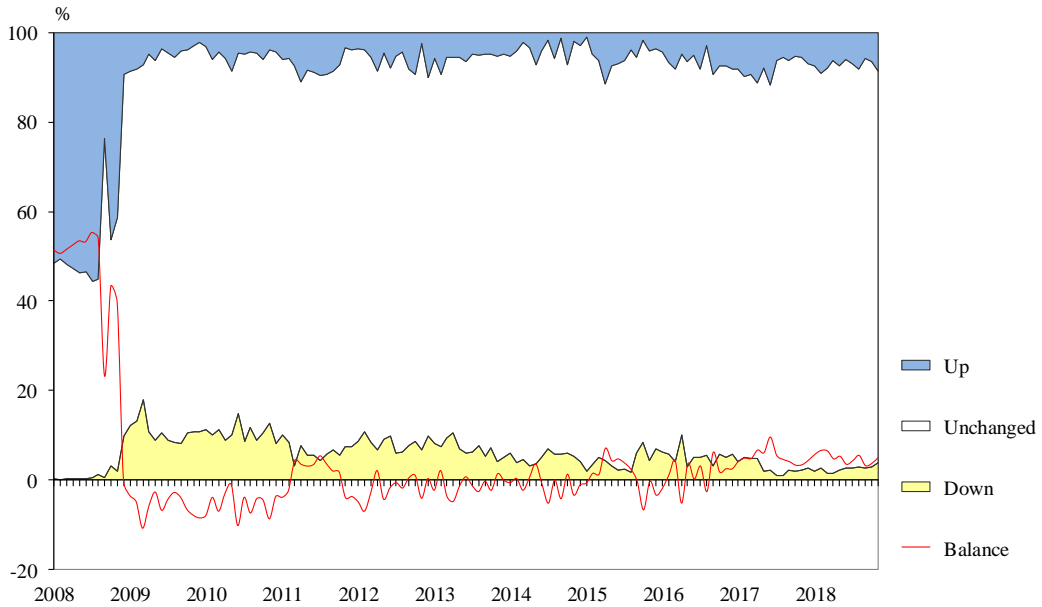


Figure 10. Business climate in retail trade

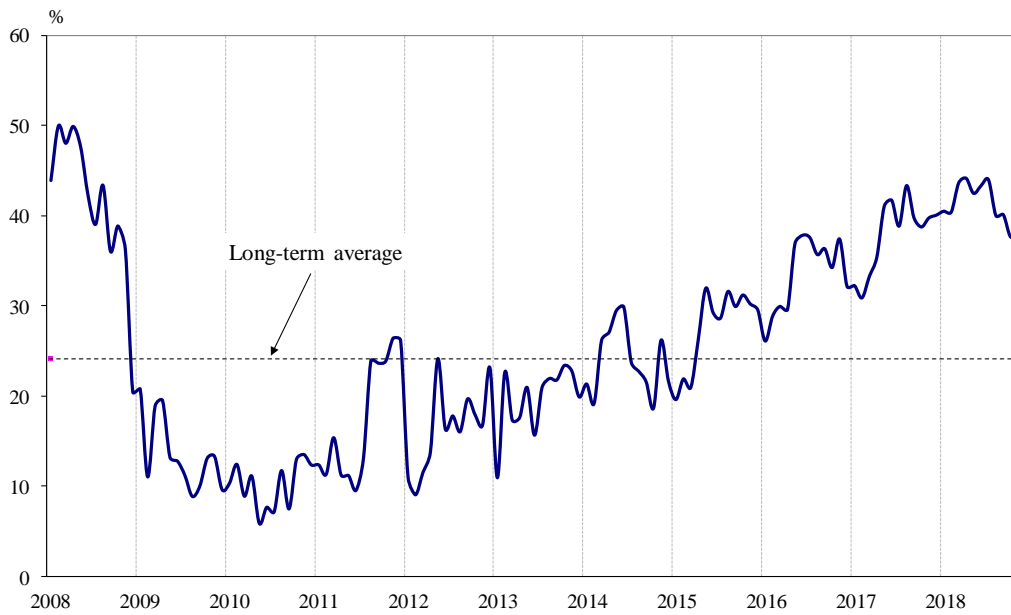




Figure 11. Sales expectations in retail trade over the next 3 months

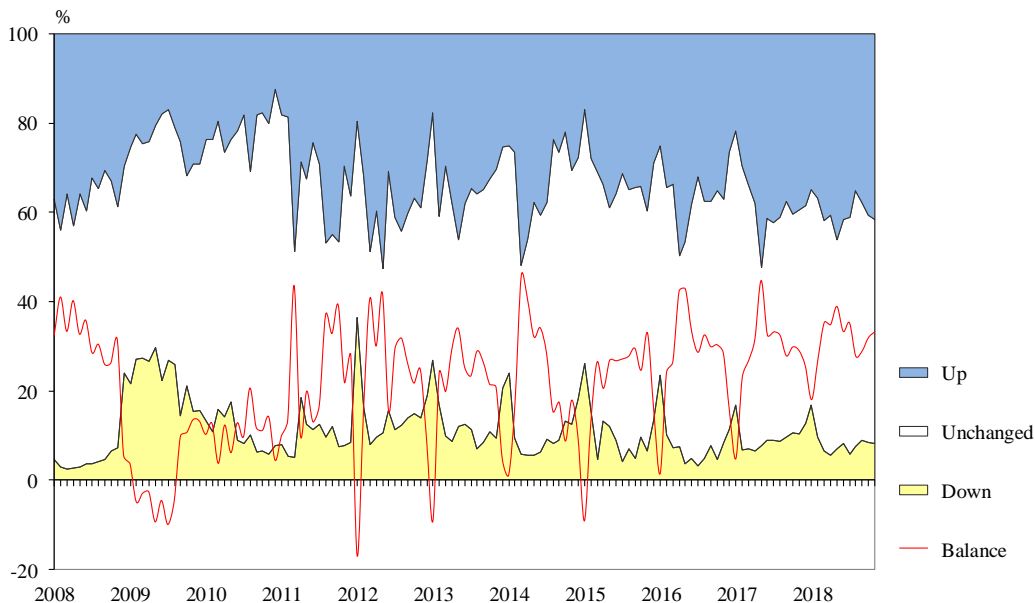


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

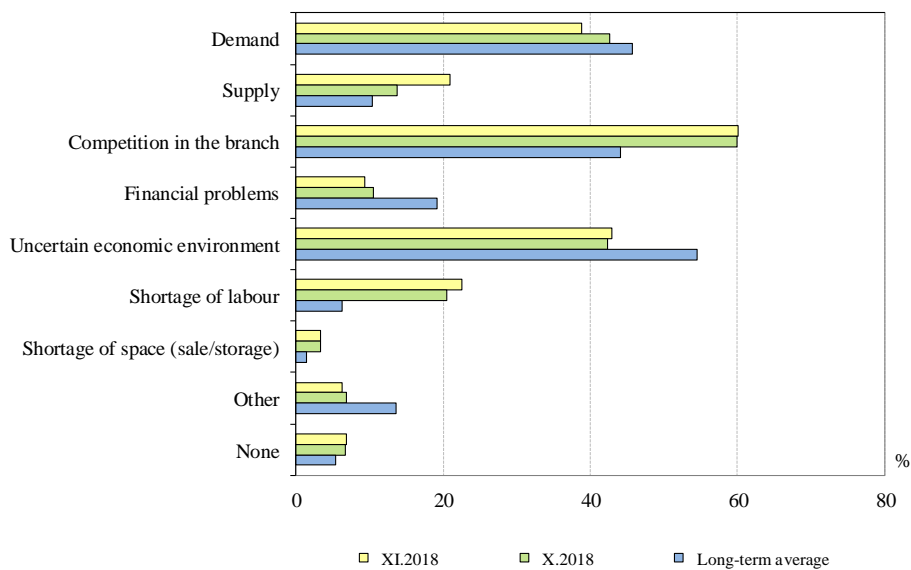




Figure 13. Selling prices expectations in retail trade over the next 3 months

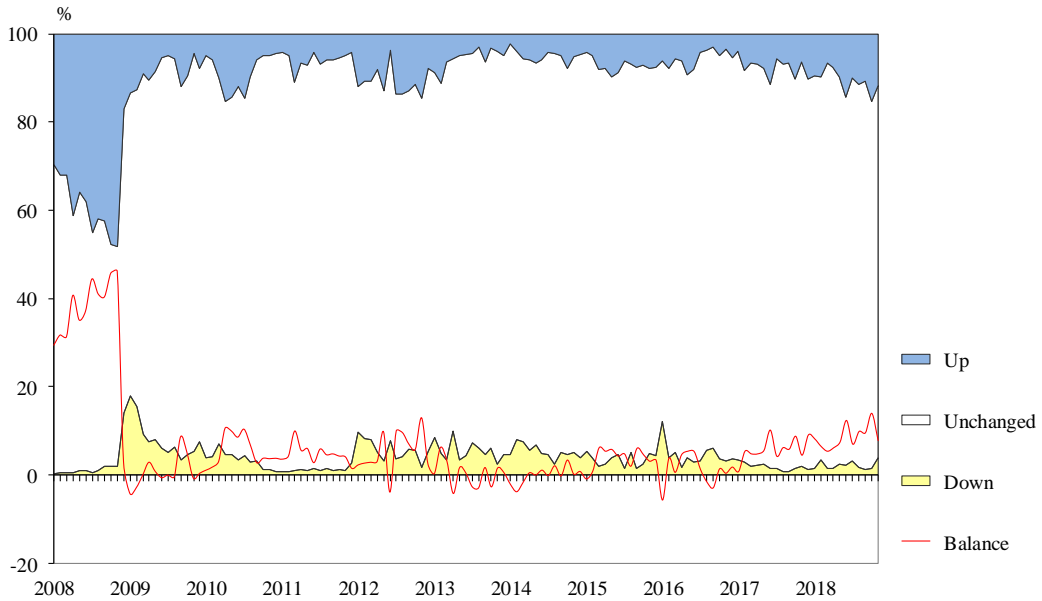


Figure 14. Business climate in service sector

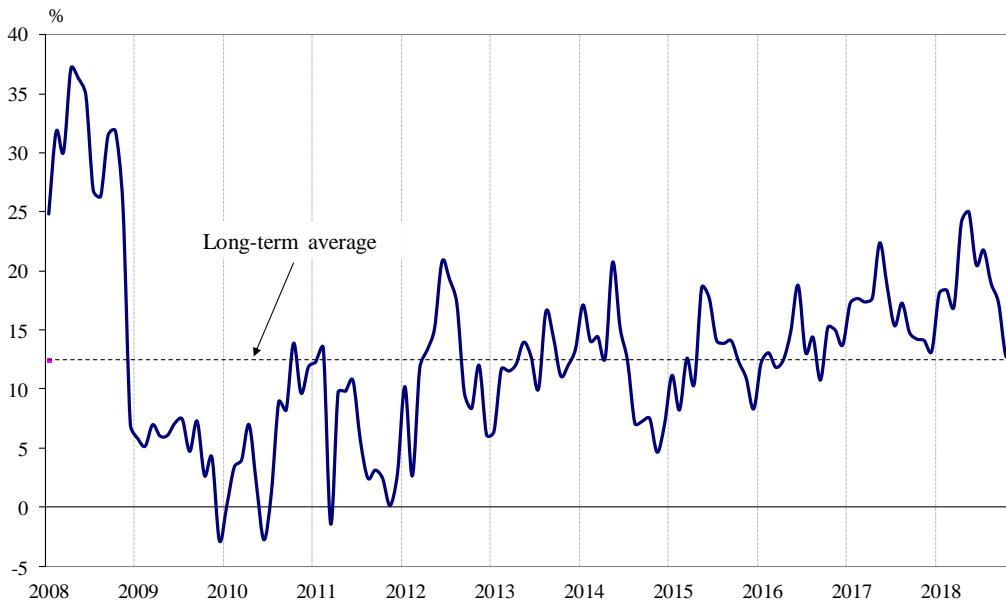




Figure 15. Expected demand in service sector over the next 3 months

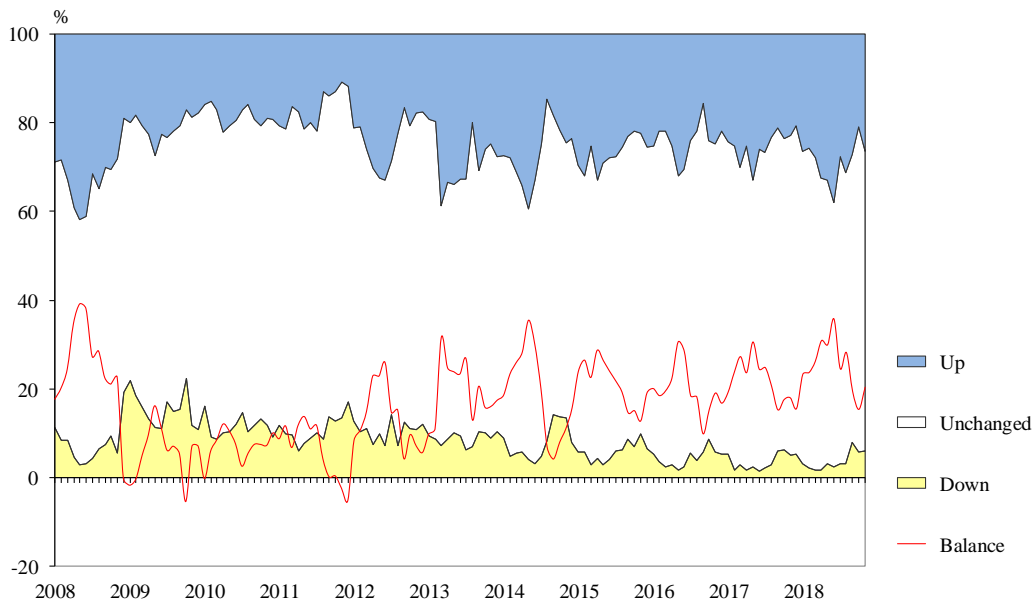


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

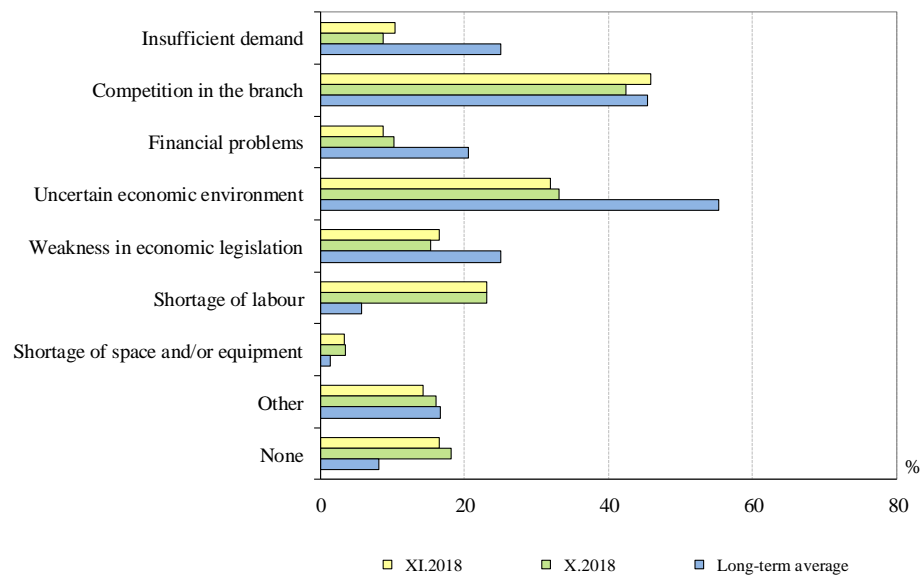




Figure 17. Selling prices expectations in service sector over the next 3 months

