

BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, FEBRUARY 2024

In February 2024, **the total business climate indicator** preserves approximately its level from the previous month (from 22.8% to 22.6%) (Annex, Figure 1). An increase of the indicator is observed in the industry, while in the construction and retail trade preserves its level from January. Only in the service sector, a reduction is registered.

Industry. The composite indicator ‘business climate in industry’ increases by 0.7 percentage points (from 23.3% to 24.0%) (Annex, Figure 2), as a result of the positive industrial entrepreneurs’ assessments about the present business situation of the enterprises. In their opinion, the present production activity is unfavourable, but their forecast about the activity over the next 3 months are improved (Annex, Figure 3).

The uncertain economic environment and shortage of labour continue to be the main problems for the business development, as in the last month strengthen of the negative impact of the second factor is observed (Annex, Figure 4).

Concerning the selling prices in the industry, the prevailing part of the managers expect preservation of their level over the next 3 months (Annex, Figure 5).

Construction. In February, the composite indicator ‘business climate in construction’ remains its level from the previous month (from 27.0% to 27.2%) (Annex, Figure 6). The construction entrepreneurs’ expectations about both the business situation of the enterprises over the next 6 months and the activity over the next 3 months (Annex, Figure 7), are optimistic.

The most serious obstacles for the activity of the enterprises remain connected with the uncertain economic environment, shortage of labour and costs of materials (Annex, Figure 8).

As regards the selling prices in construction, the managers’ forecasts are for certain increase, although the majority 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’ preserves its January level (from 24.8% to 24.9%) (Annex, Figure 10). The retailers’ assessments about the volume of sales over the last 3 months are slight worsened, while their forecasts over the next 3 months are favourable (Annex, Figure 11).

The uncertain economic environment, competition in the branch, shortage of labour and insufficient demand continue to be the main factors limiting the business development in the sector, as the inquiry reports a decrease of the negative influence of the last factor (Annex, Figure 12).

In comparison with the previous month, the retailers’ share who foresee the selling prices to increase over the next 3 months is rising (Annex, Figure 13).

Service sector¹. In February, the composite indicator ‘business climate in service sector’ decreases by 2.9 percentage points (from 15.8% to 12.9%) (Annex, Figure 14), mainly due to the worsened managers’ assessments about the present business situation of the enterprises. Their opinions about the present and expected demand for services are also more moderate (Annex, Figure 15).

¹ Excl. trade.



The most serious difficulties for the activity remain the uncertain economic environment, competition in the branch and shortage of labour, as compared to January a decrease of the negative impact of the first and third factors is observed (Annex, Figure 16).

As regards the selling prices in the service sector, managers' expectations are them to remain unchanged 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

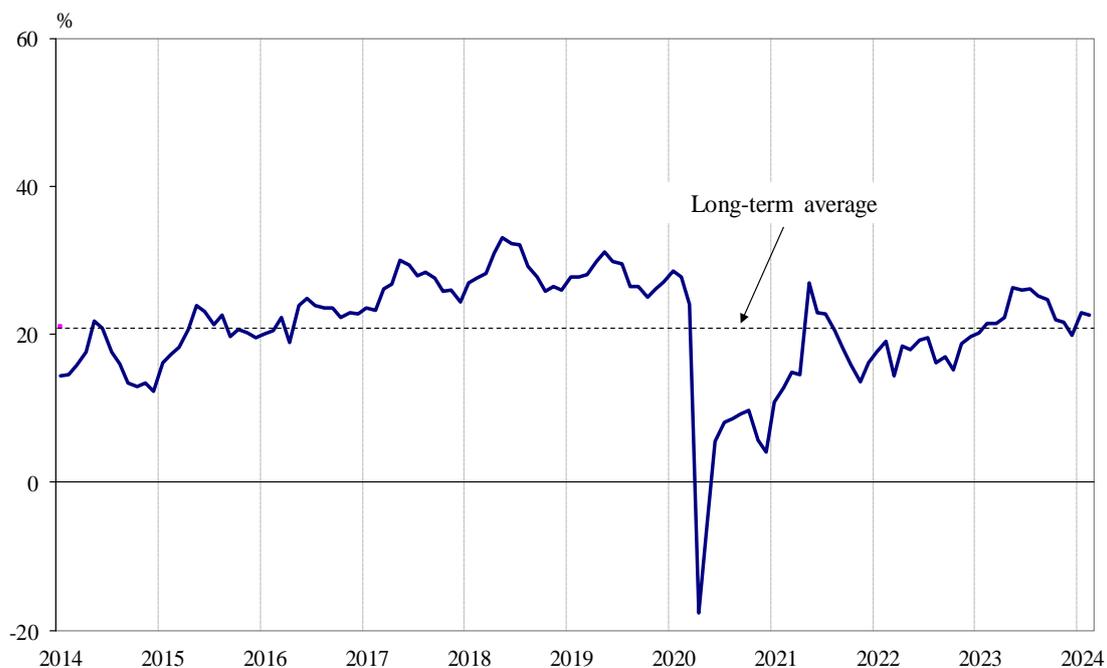


Figure 2. Business climate in industry



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

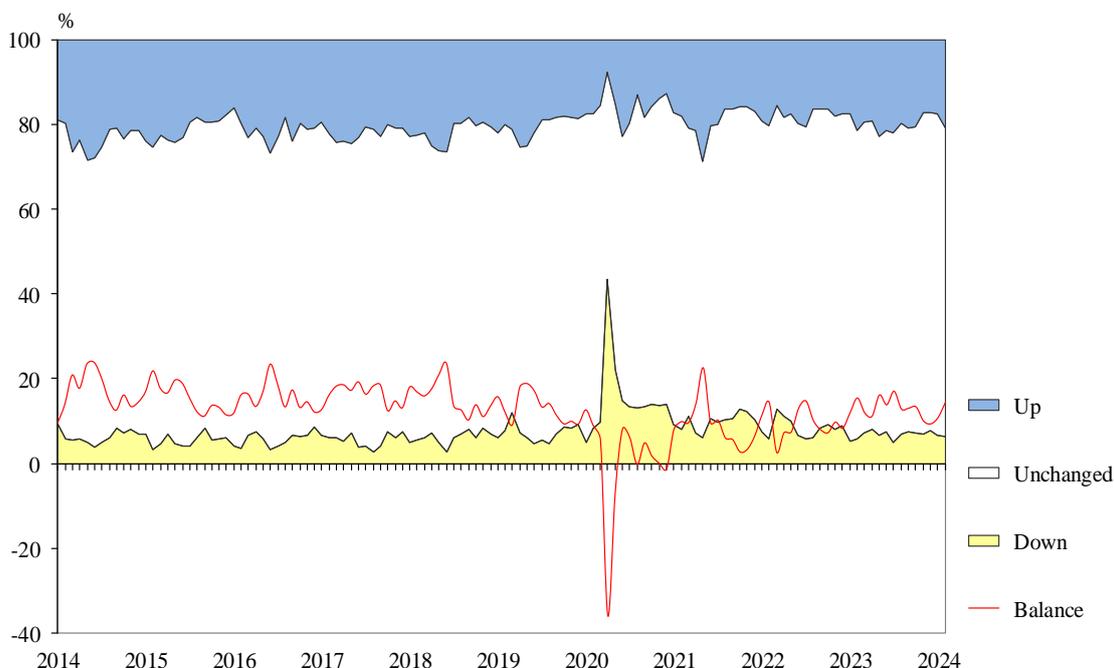


Figure 4. Factors limiting the activity in industry (Relative share of enterprises)

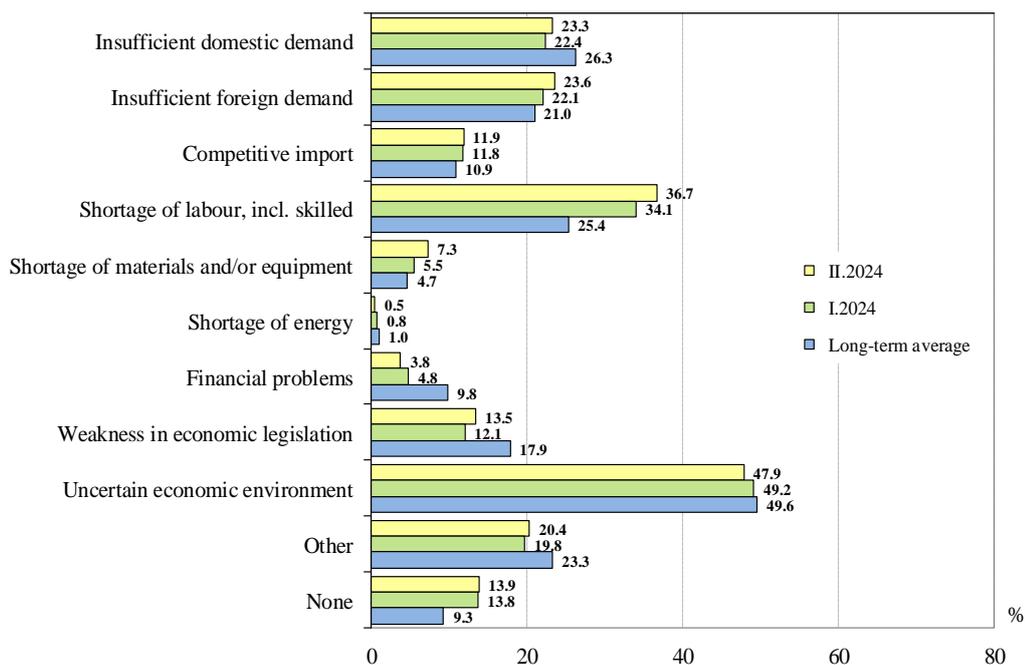


Figure 5. Selling prices expectations in industry over the next 3 months

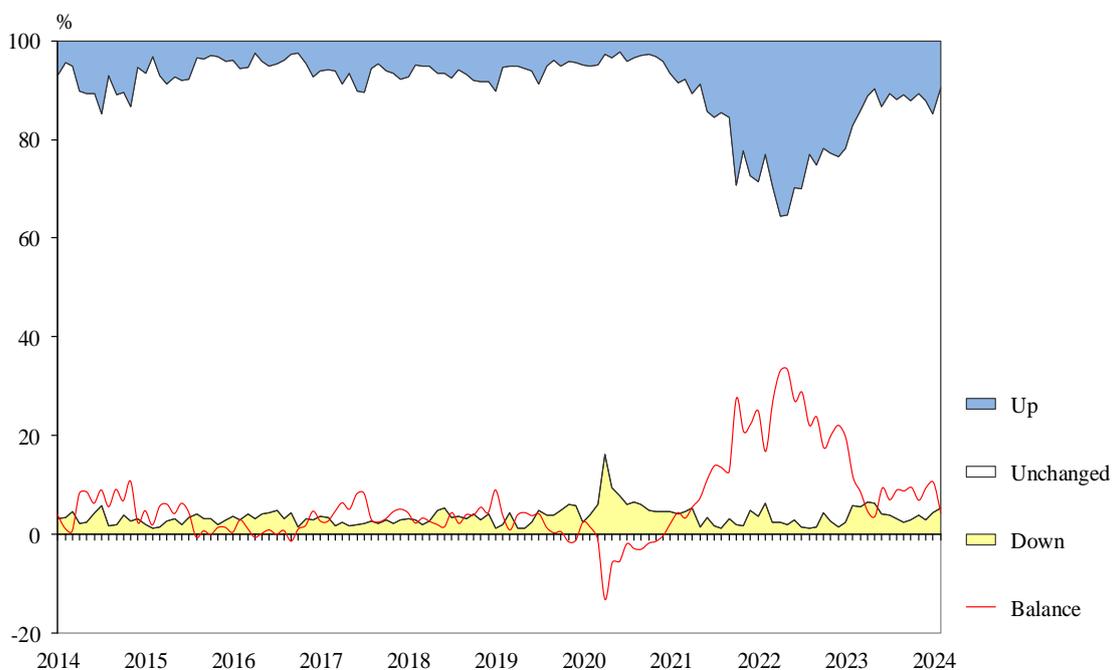


Figure 6. Business climate in construction

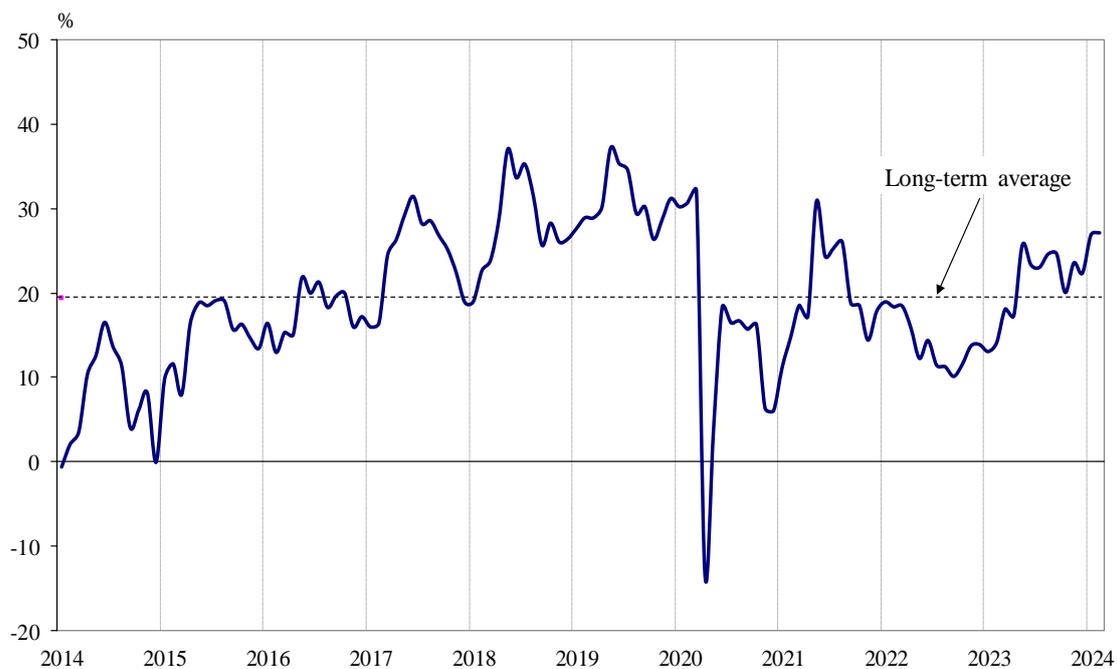


Figure 7. Expected construction activity over the next 3 months

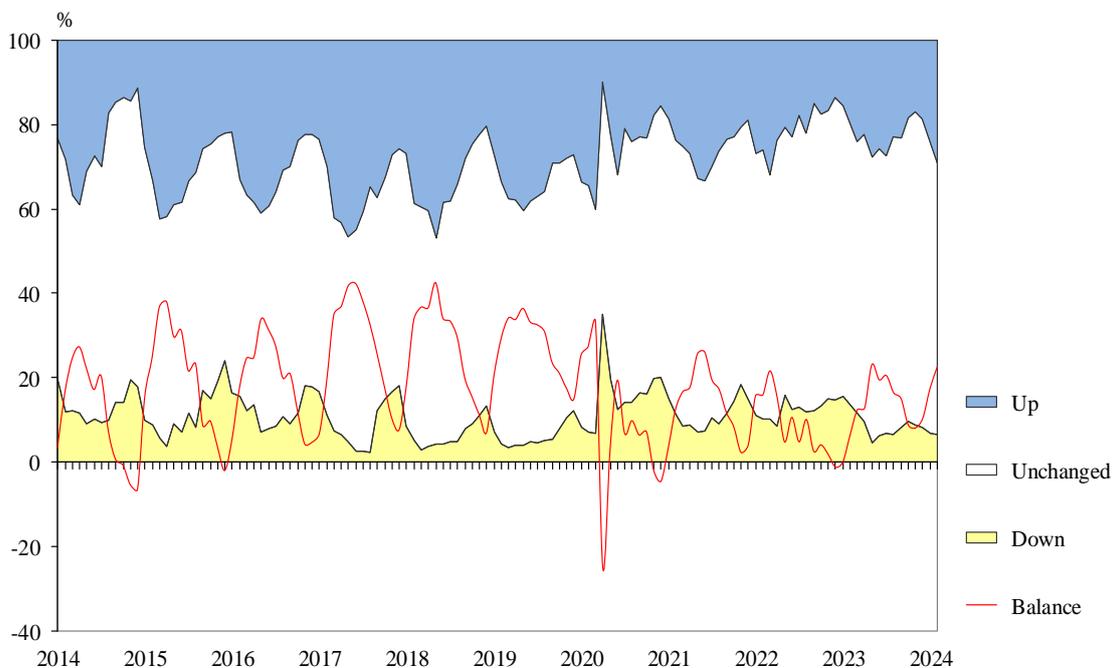


Figure 8. Factors limiting the activity in construction (Relative share of enterprises)

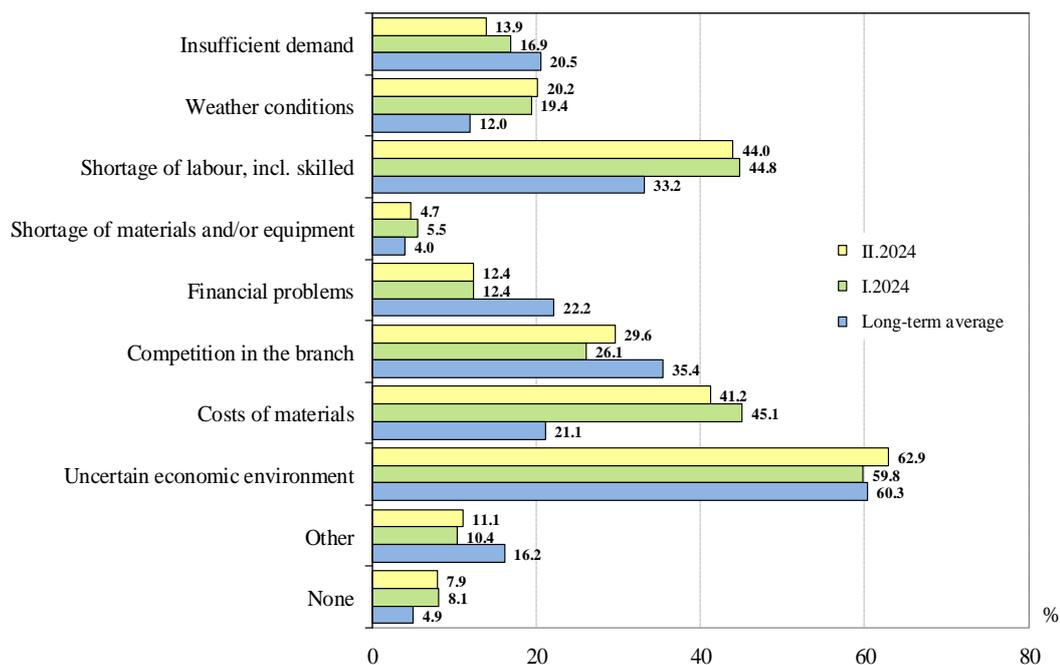


Figure 9. Selling prices expectations in construction over the next 3 months

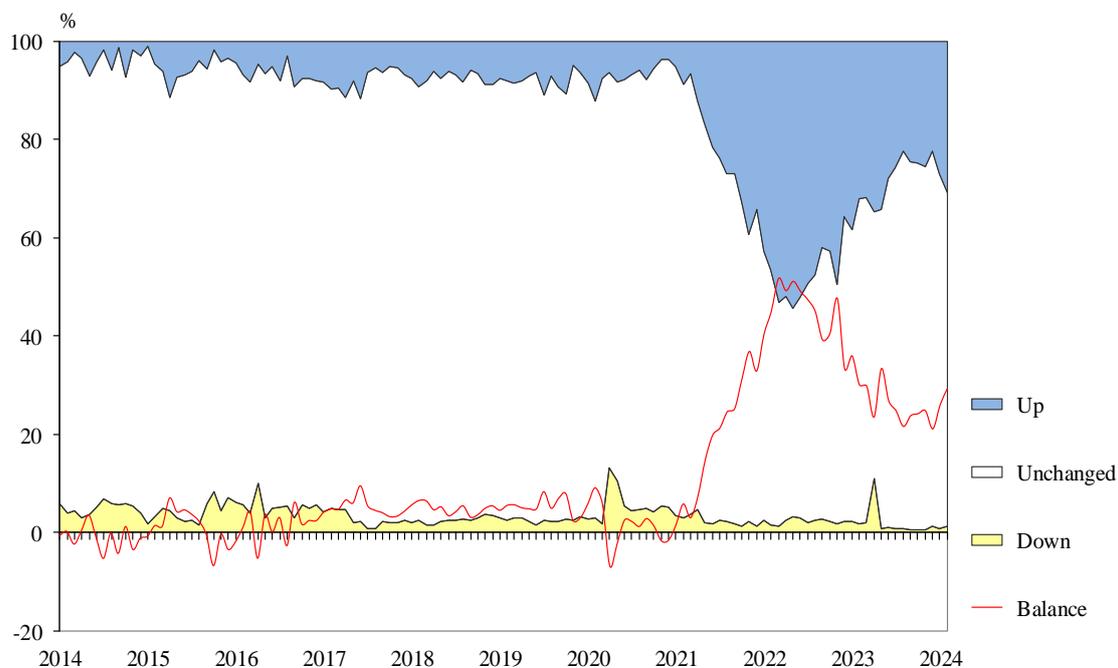


Figure 10. Business climate in retail trade

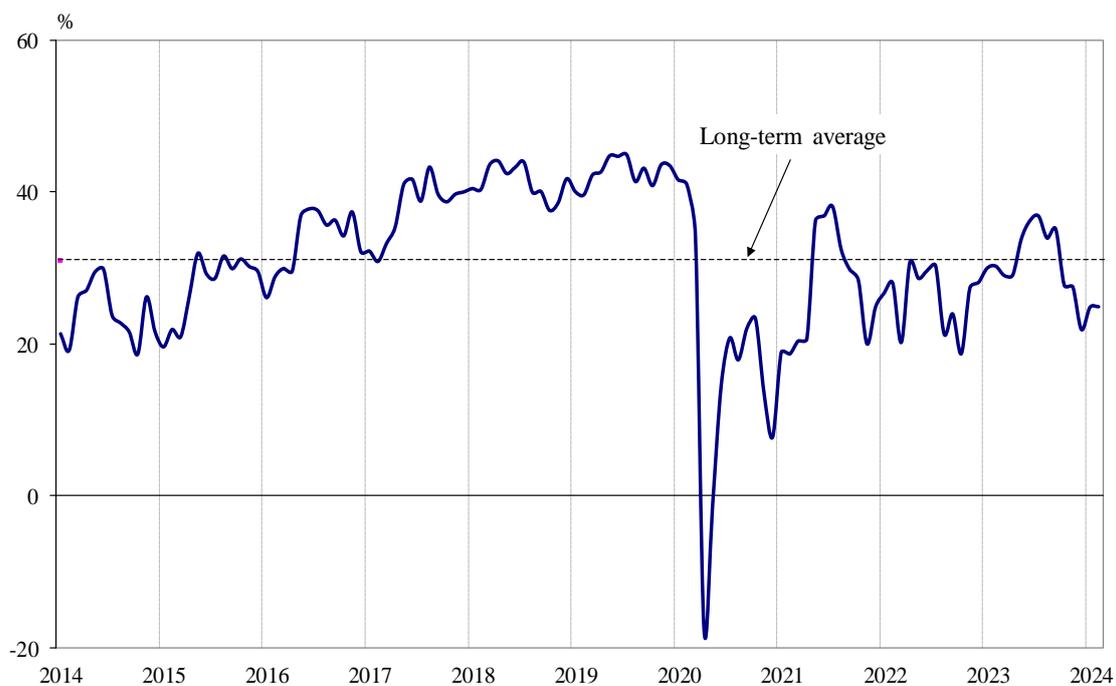


Figure 11. Sales expectations in retail trade over the next 3 months

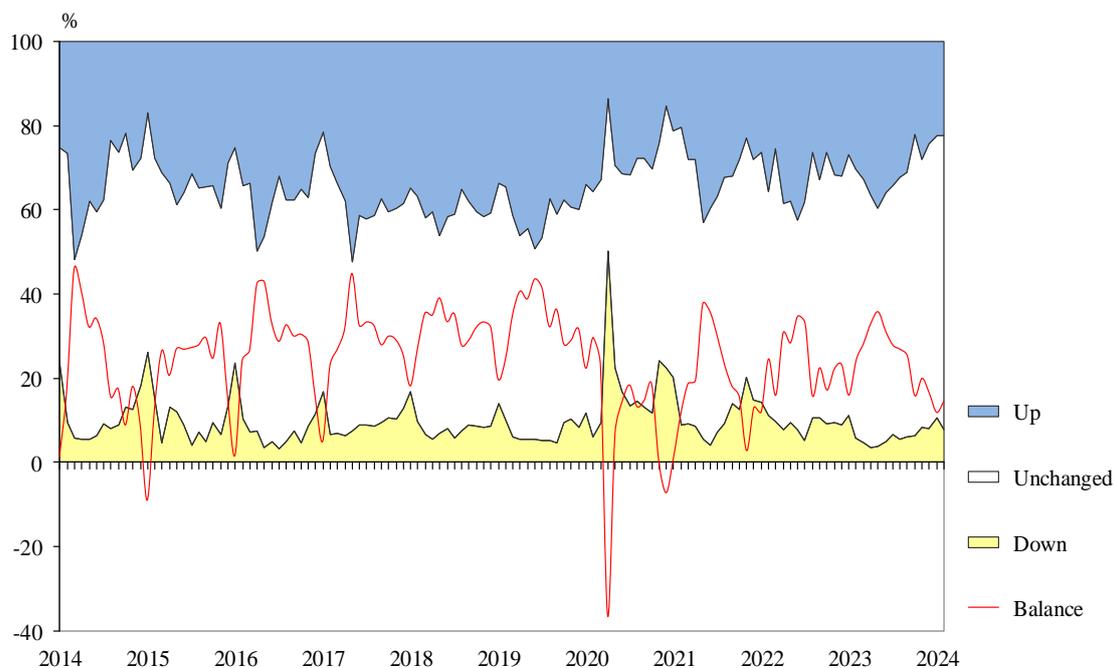


Figure 12. Factors limiting the activity in retail trade (Relative share of enterprises)

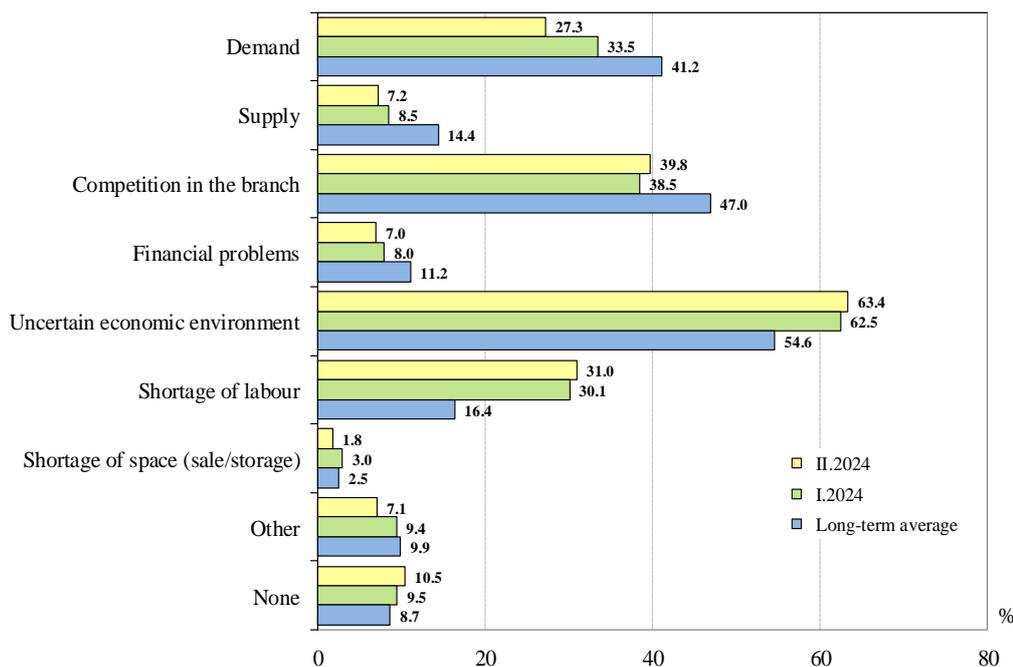


Figure 13. Selling prices expectations in retail trade over the next 3 months

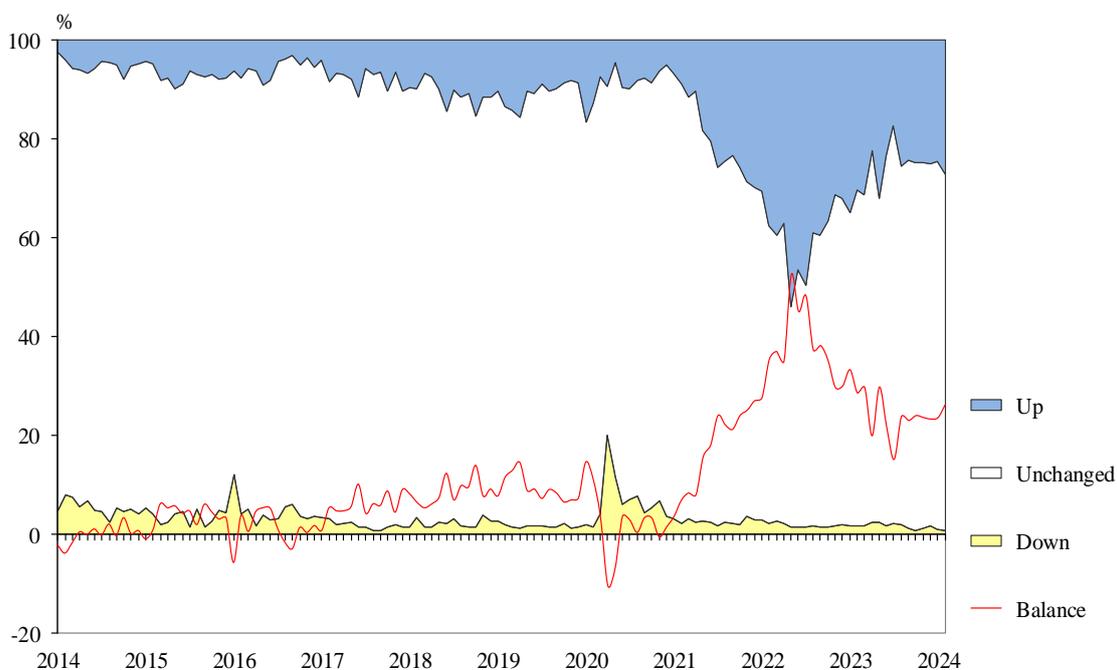


Figure 14. Business climate in service sector

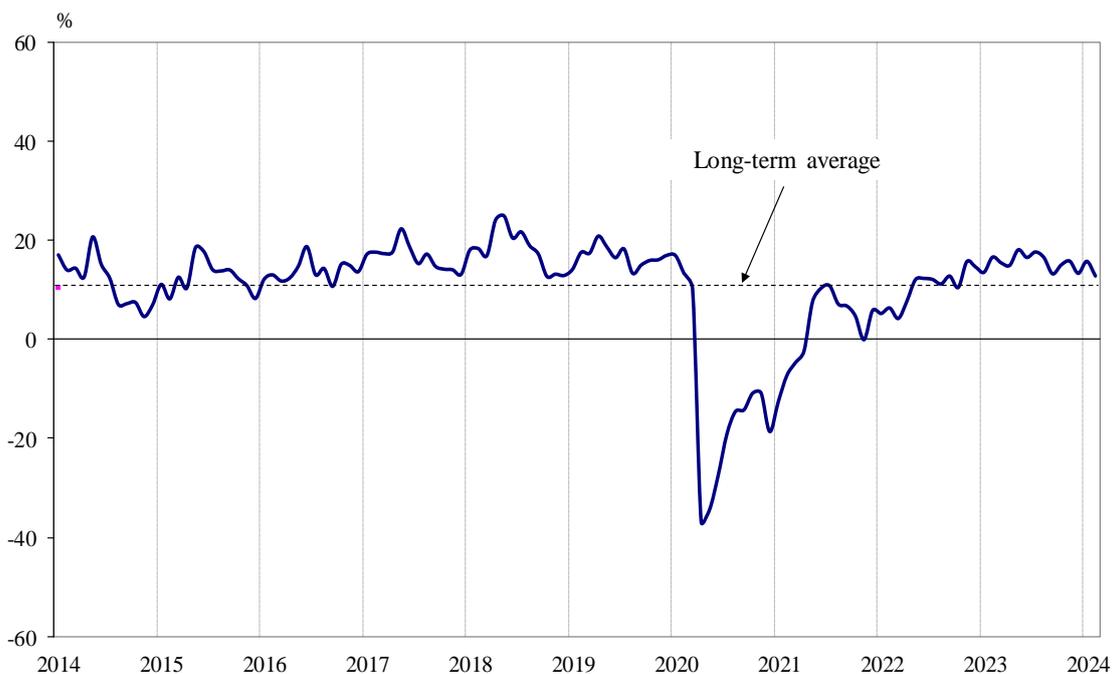


Figure 15. Expected demand in service sector over the next 3 months

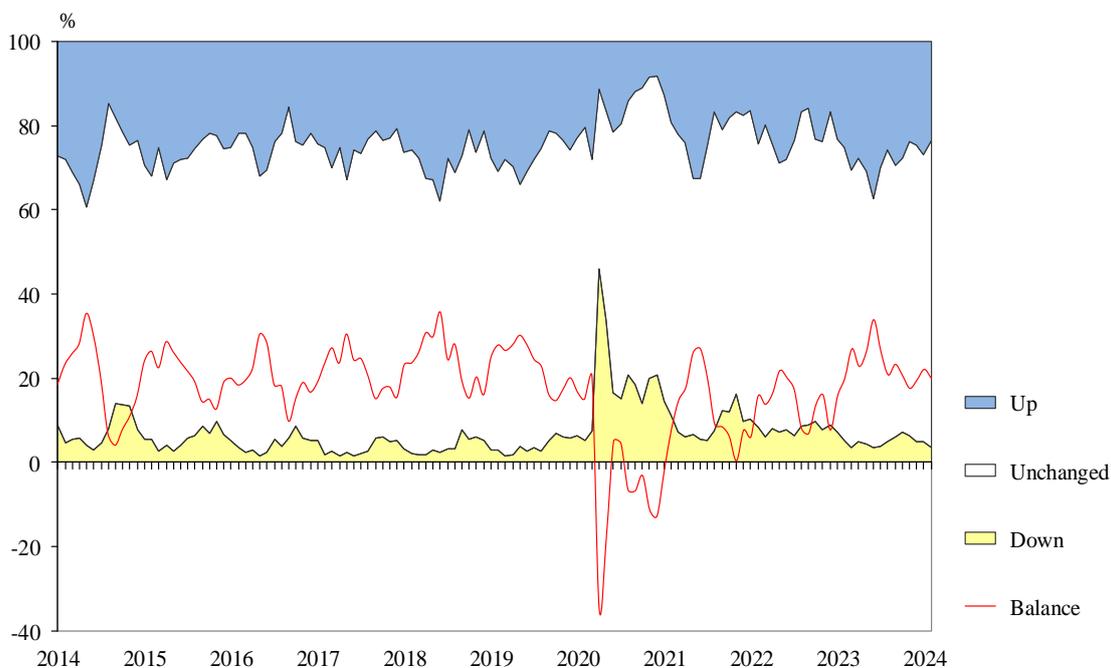


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

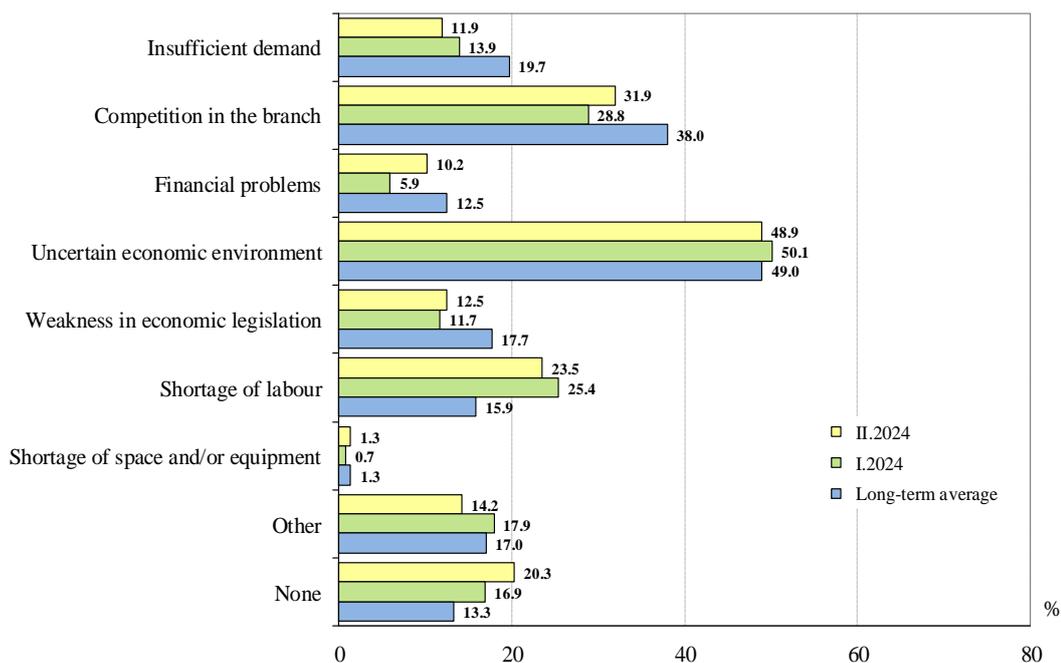


Figure 17. Selling prices expectations in service sector over the next 3 months

