



BUSINESS CONJUNCTURE

NSI BUSINESS SURVEYS, NOVEMBER 2024

In November 2024, **the total business climate indicator** preserves its October level (from 16.9% to 17.0%) (Annex, Figure 1), as an improvement is registered only in the industry.

Industry. The composite indicator 'business climate in industry' increases by 2.5 percentage points (from 13.3% to 15.8%) (Annex, Figure 2), which is due to the positive industrial entrepreneurs' assessments and expectations about the business situation of the enterprises. Their forecasts about the production activity over the next 3 months are also optimistic (Annex, Figure 3).

The most serious difficulties for the activity remain connected with the uncertain economic environment and the shortage of labour, pointed out respectively by 51.5% and 29.9% of the enterprises (Annex, Figure 4).

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

Construction. In November, the composite indicator 'business climate in construction' decreases by 0.8 percentage points (from 21.2% to 20.4%) (Annex, Figure 6) as a result of the reserved construction entrepreneurs' assessments about the present business situation of the enterprises. In their opinion, the present construction activity is decreased in comparison with the previous month, as the forecasts about the activity over the next 3 months are more pessimistic (Annex, Figure 7). The last inquiry reports an increase in the number of clients with delay in payments.

The uncertain economic environment, shortage of labour and costs of materials continue to be the main factors limiting the business development (Annex, Figure 8).

Regarding the selling prices, the prevailing part of the construction entrepreneurs' forecasts are for preservation of their level over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator 'business climate in retail trade' preserves its October level (from 23.6% to 23.7%) (Annex, Figure 10). At the same time the retailers' forecasts about both the volume of sales (Annex, Figure 11) and orders placed with suppliers over the next 3 months remain unfavourable.

The uncertain economic environment is pointed out of the managers as a main obstacle for the activity in the sector. In the last month, an increase of the negative influence of the factor 'shortage of labour' is registered, which shifts to the third place the difficulties of the enterprises connected with the competition in the branch (Annex, Figure 12).

Concerning the selling prices, the majority of the retailers do not foresee a change over the next 3 months (Annex, Figure 13).

Service sector¹. In November, the composite indicator 'business climate in service sector' drops by 3.9 percentage points (from 13.4% to 9.5%) (Annex, Figure 14) as a result of the pessimistic managers' assessments and expectations about the business situation of the enterprises. Their opinions about the present and expected demand for services are also negative (Annex, Figure 15).


The most serious problems for the business development remain connected with the uncertain economic environment, shortage of labour and competition in the branch (Annex, Figure 16).

The managers' forecasts regarding the selling prices in the service sector over the next 3 months continue to be in a direction of an increase (Annex, Figure 17).

¹ Excl. trade.

Methodological notes

The business surveys in the 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 NSI and the European Commission () according to agreements 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, 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 in the 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

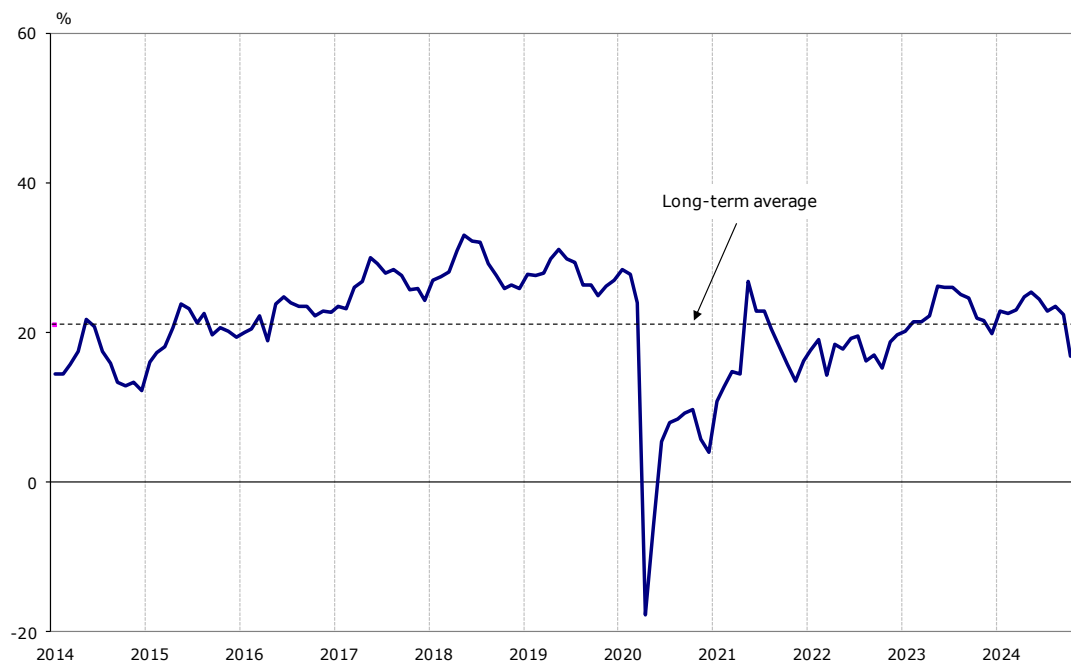
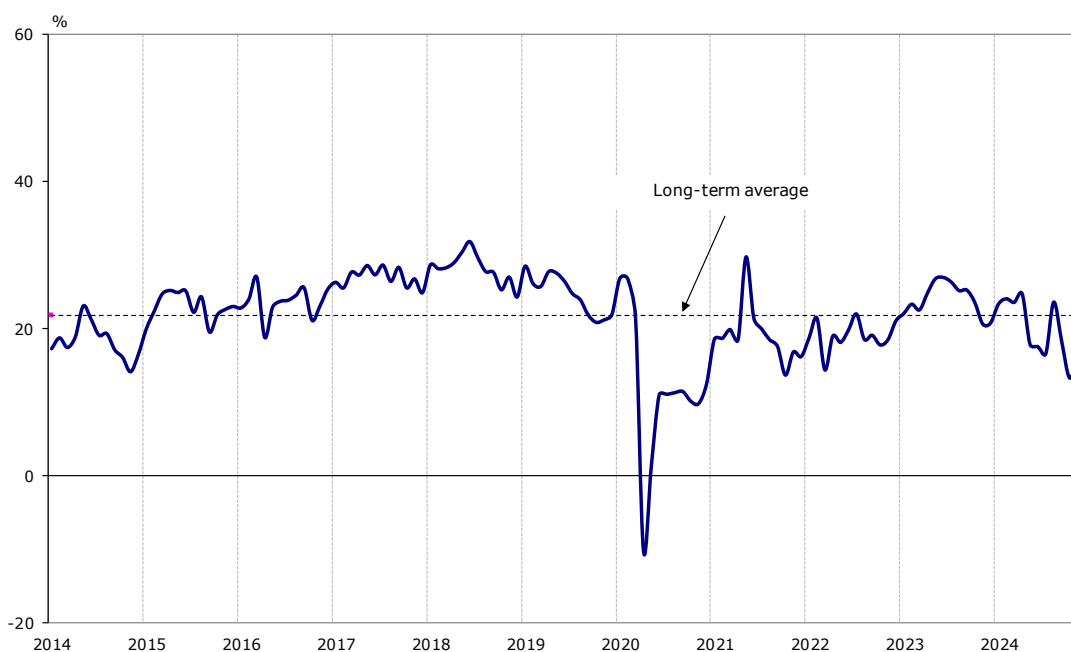


Figure 2. Business climate in industry



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

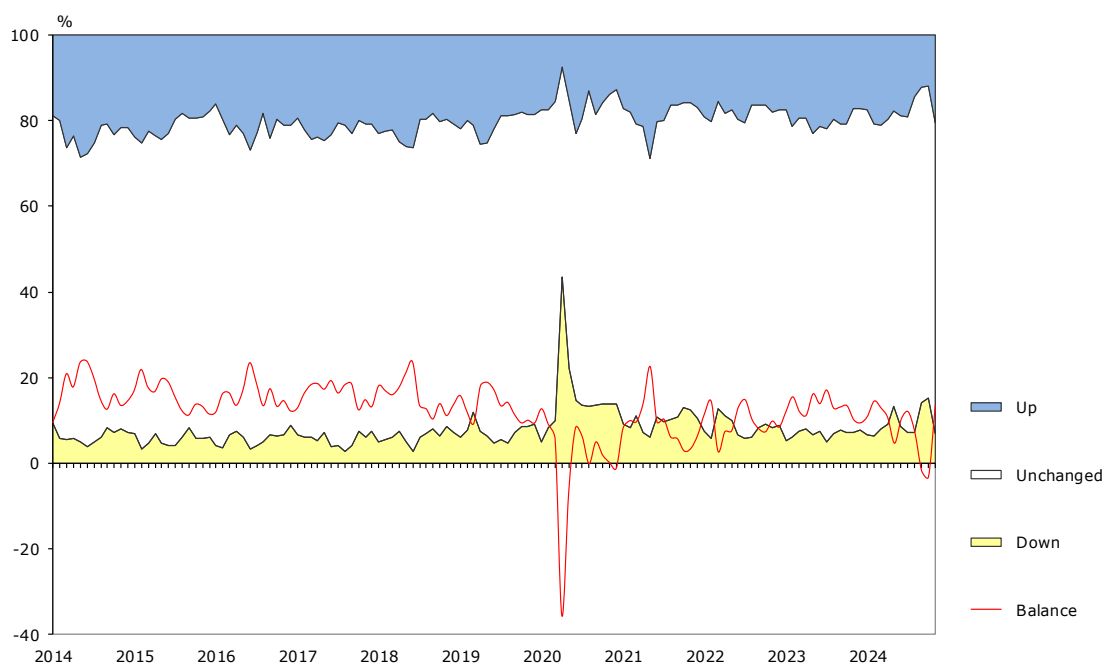


Figure 4. Factors limiting the activity in industry
(Relative share of enterprises)

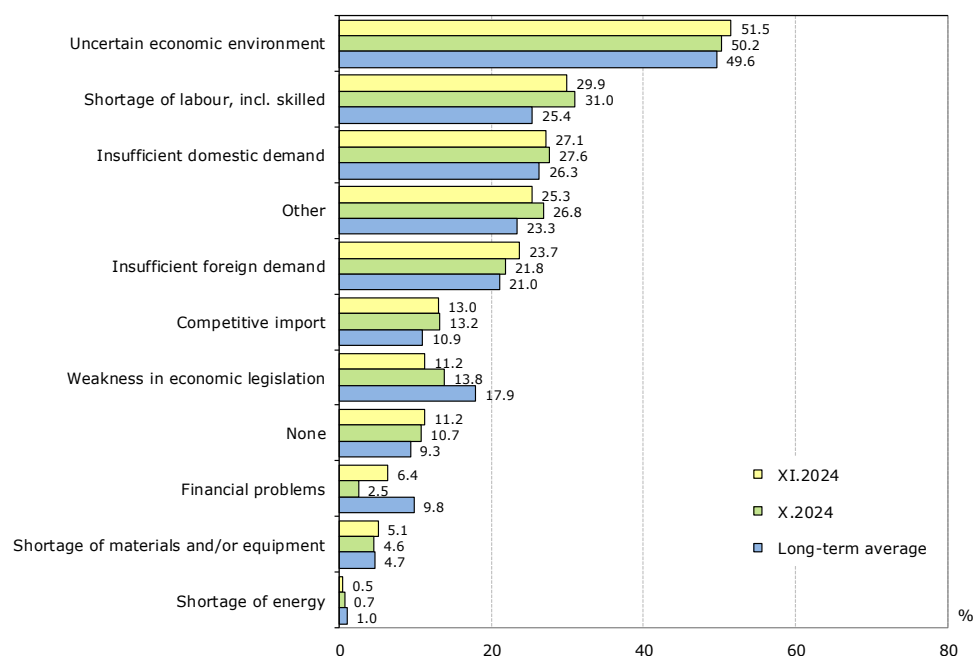


Figure 5. Selling prices expectations in industry over the next 3 months

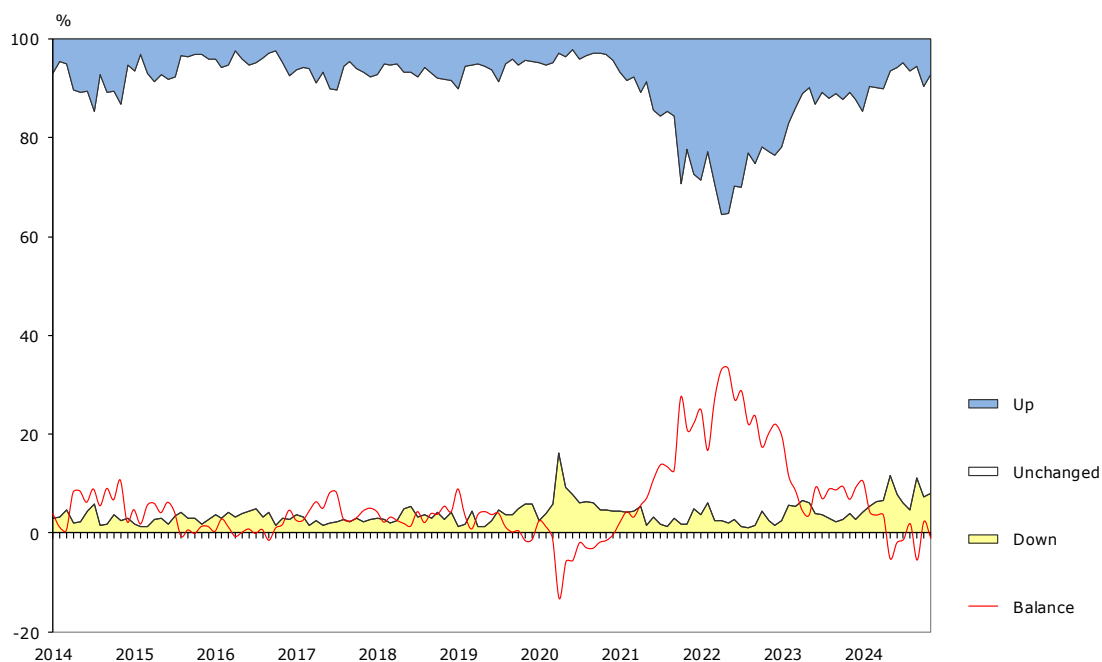


Figure 6. Business climate in construction

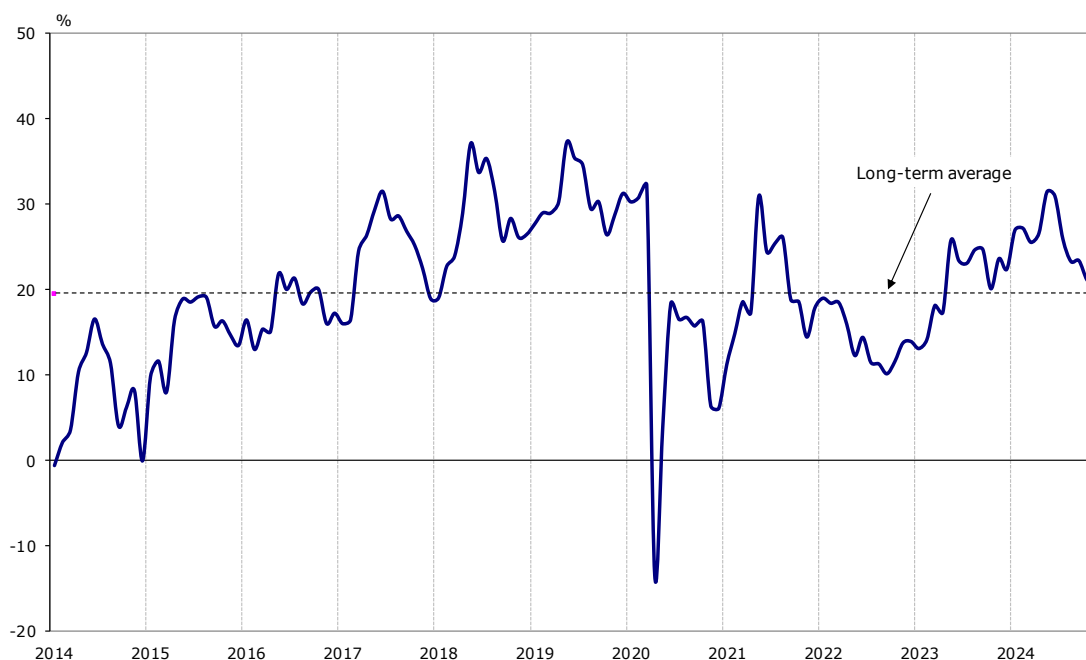


Figure 7. Expected construction activity over the next 3 months

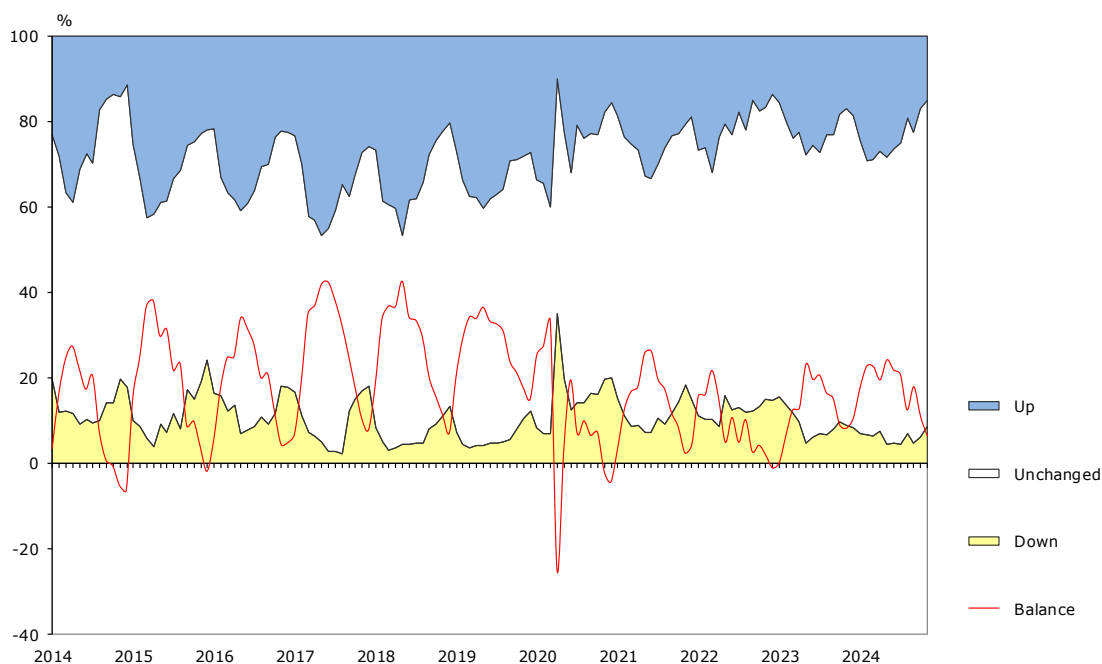


Figure 8. Factors limiting the activity in construction
(Relative share of enterprises)

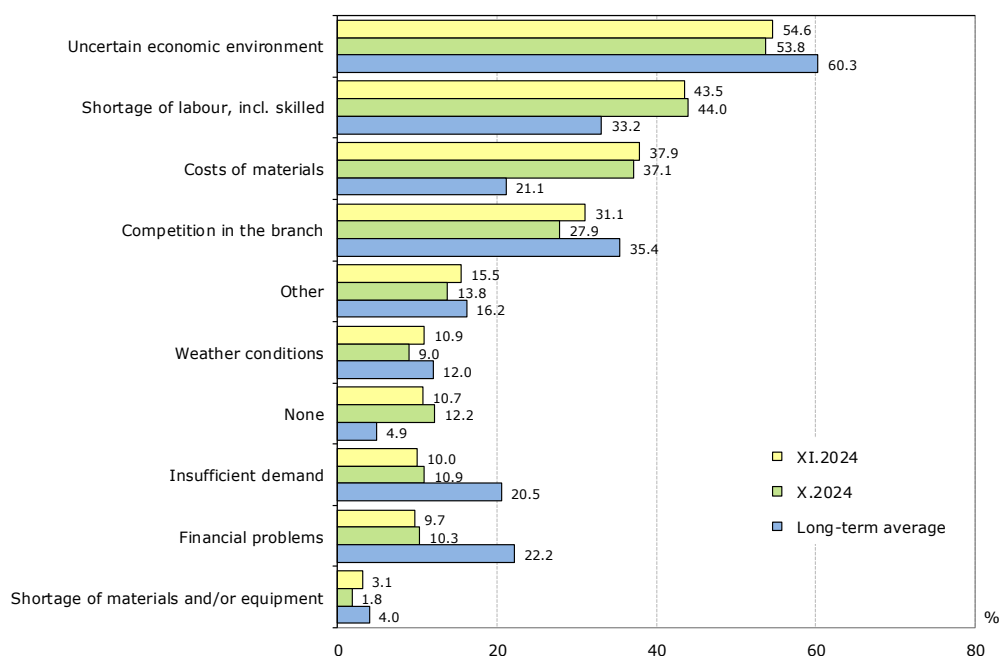


Figure 9. Selling prices expectations in construction over the next 3 months

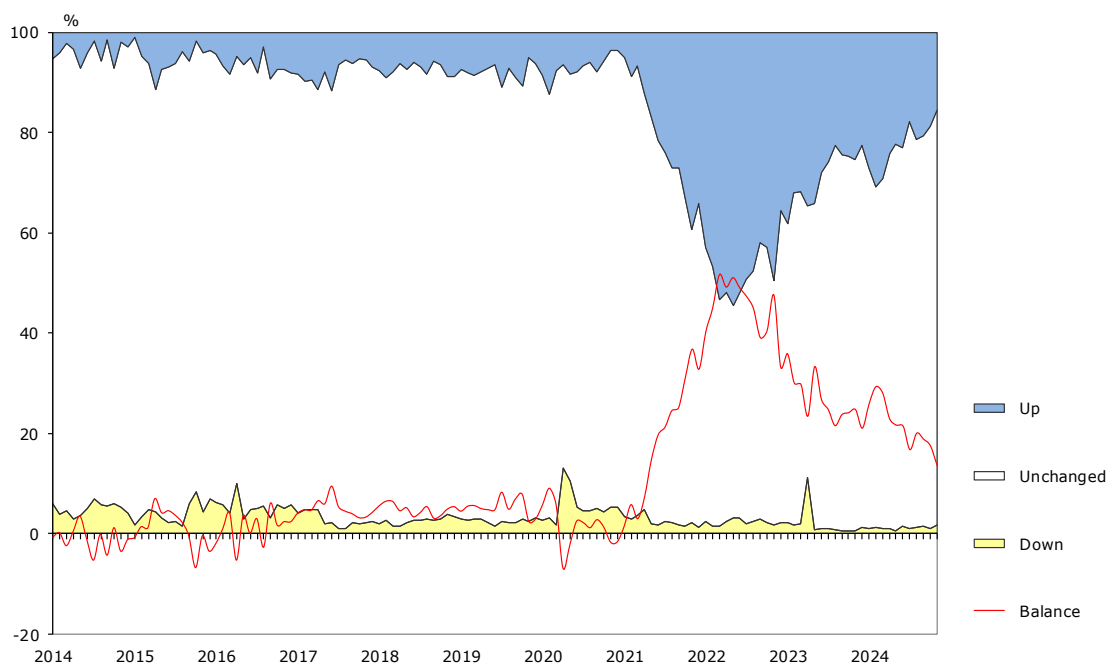


Figure 10. Business climate in retail trade

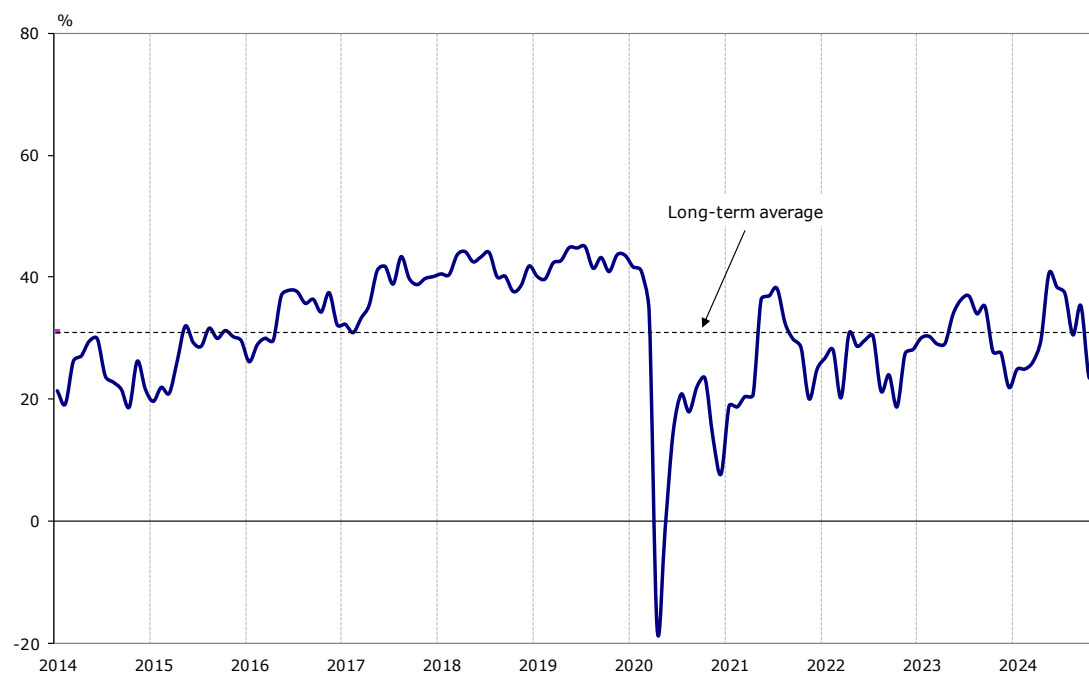


Figure 11. Sales expectations in retail trade over the next 3 months

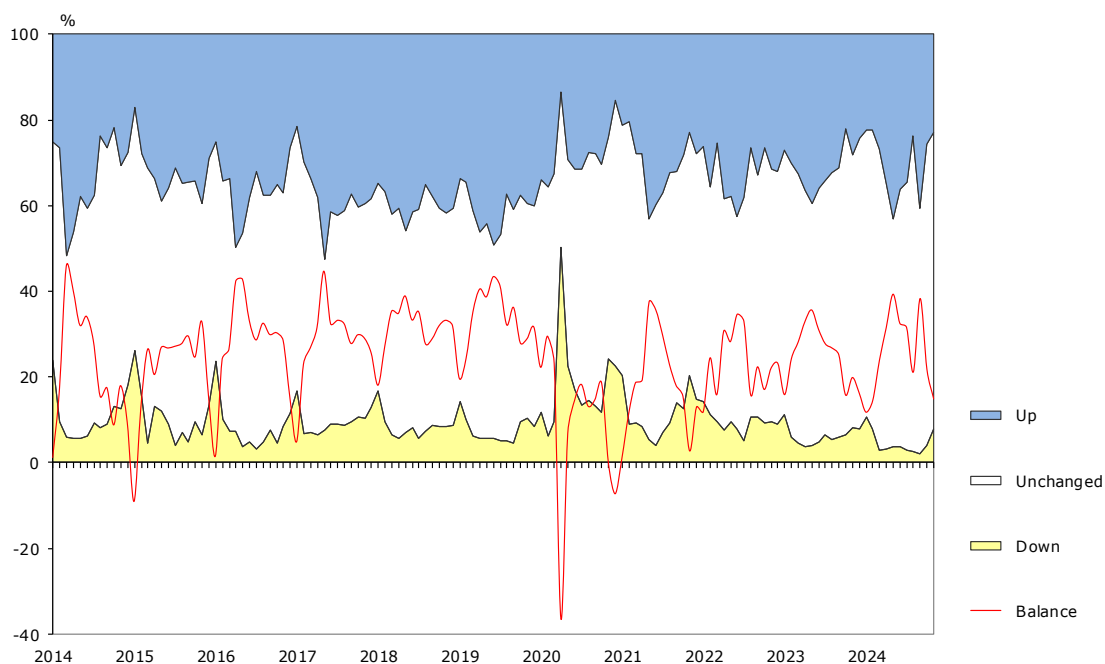


Figure 12. Factors limiting the activity in retail trade

(Relative share of enterprises)

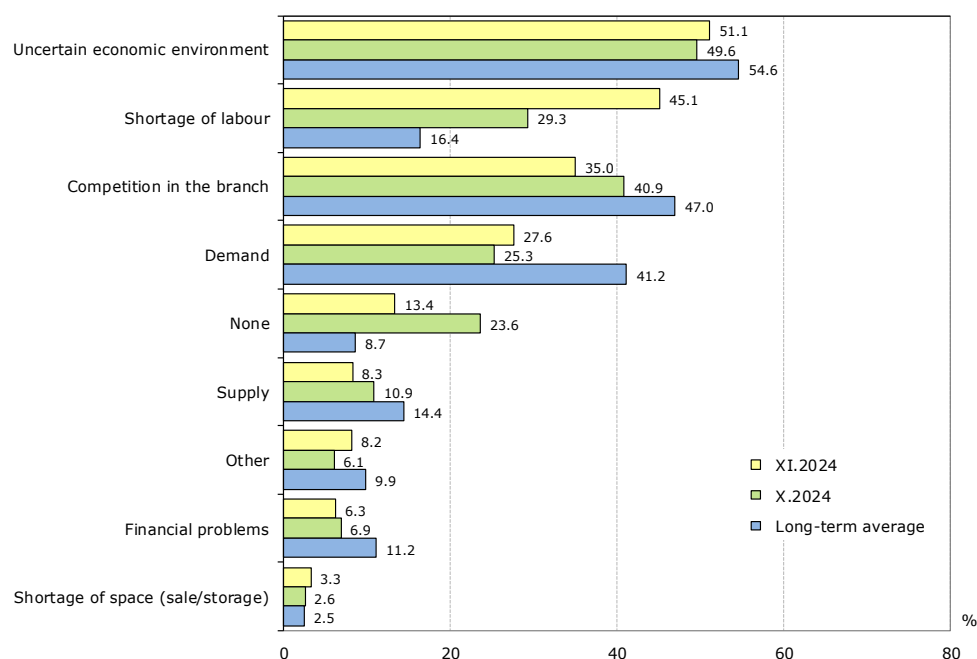


Figure 13. Selling prices expectations in retail trade over the next 3 months

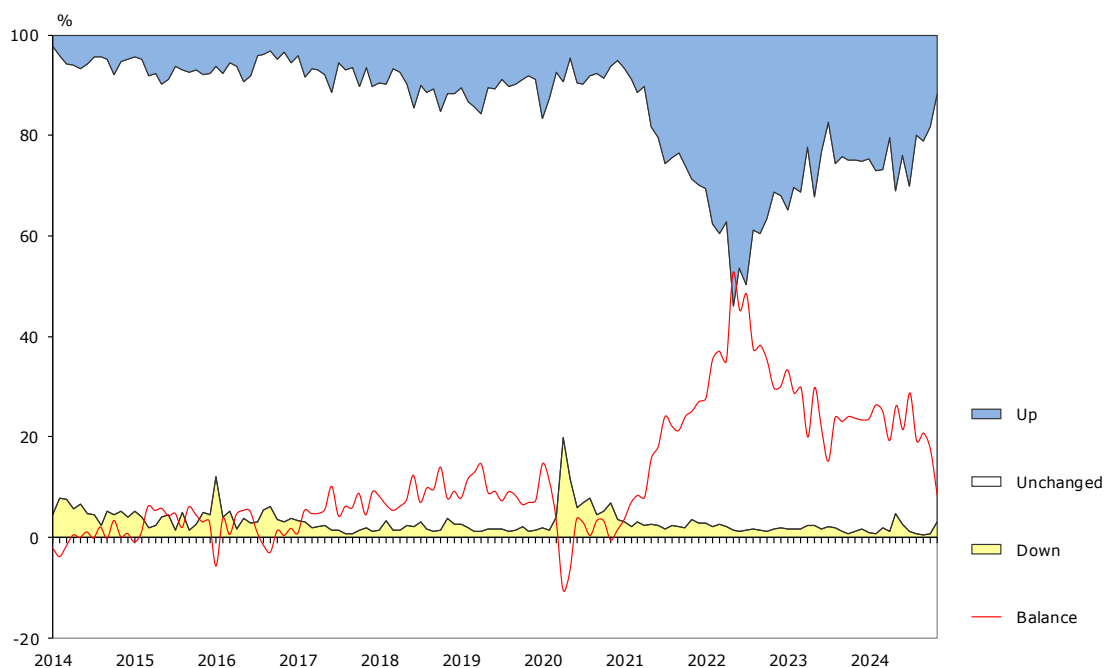


Figure 14. Business climate in service sector

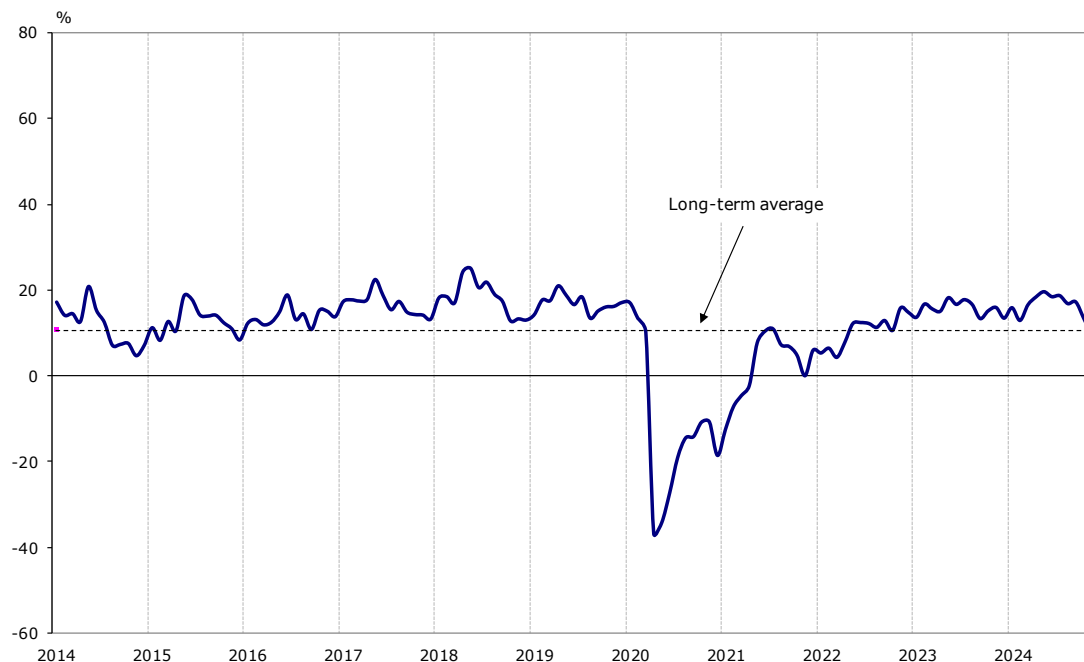


Figure 15. Expected demand in service sector over the next 3 months

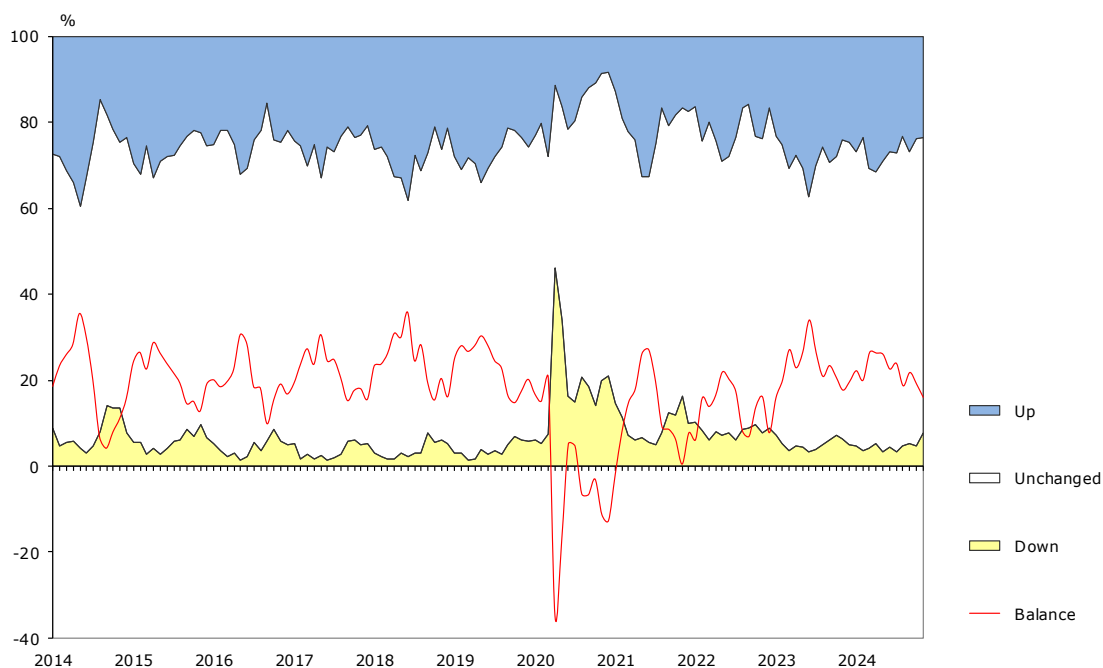


Figure 16. Factors limiting the activity in service sector
(Relative share of enterprises)

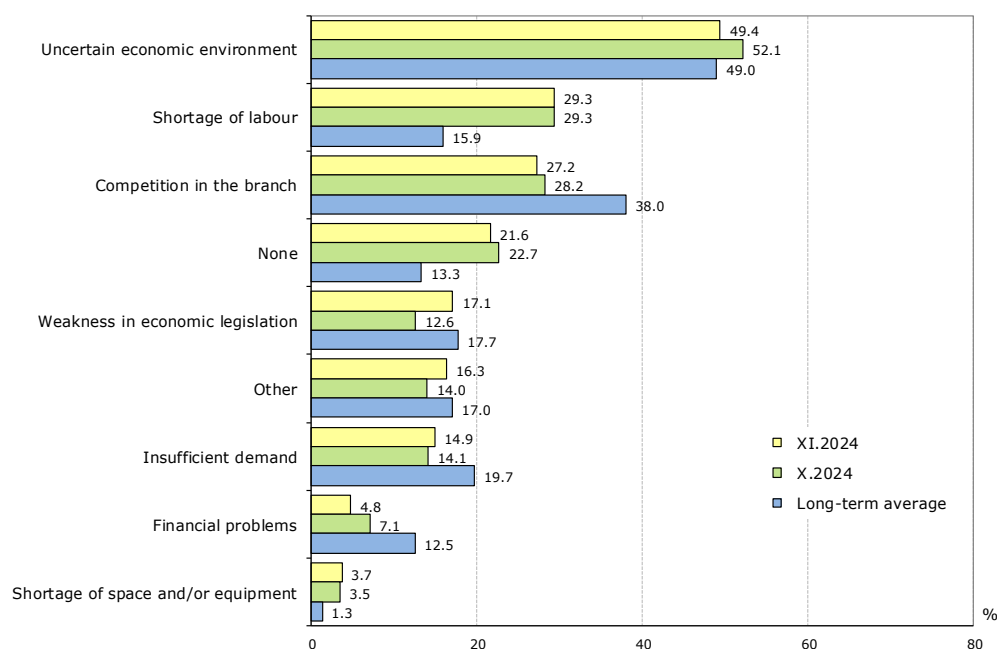


Figure 17. Selling prices expectations in service sector over the next 3 months

