



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, DECEMBER 2024

In December 2024, **the total business climate indicator** increases by 1.7 percentage points (from 17.0% to 18.7%) in comparison with the previous month (Annex, Figure 1). An increase of the indicator is observed in the industry, retail trade and service sector. Only in the construction a reduction is registered.

Industry. The composite indicator 'business climate in industry' increases by 1.9 percentage points (from 15.8% to 17.7%) (Annex, Figure 2) as a result of the more favourable industrial entrepreneurs' expectations about the business situation of the enterprises over the next 6 months. According to them, in the last month there is certain increase of the production assurance with orders (Annex, Figure 3), but that is not accompanied by increased expectations about the production activity over the next 3 months.

The uncertain economic environment and shortage of labour continue to be the main obstacles for the business development, as in December strengthening of the negative influence of the first factor is observed (Annex, Figure 4).

The managers' forecasts concerning the selling prices in the industry over the next 3 months are in a direction of an increase (Annex, Figure 5).

Construction. In December, the composite indicator 'business climate in construction' drops by 3.5 percentage points (from 20.4% to 16.9%) (Annex, Figure 6), which is due to the more moderate construction entrepreneurs' assessments and expectations about the business situation of the enterprises. At the same time, their forecasts about the construction activity over the next 3 months are more reserved (Annex, Figure 7).

The main problem for the activity in the sector remains the uncertain economic environment, pointed out by 58.9% of the enterprises. In second and third place are the shortage of labour and costs of materials (Annex, Figure 8).

The majority of the construction entrepreneurs foresee the selling prices to remain unchanged over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator 'business climate in retail trade' increases by 5.7 percentage points (from 23.7% to 29.4%) (Annex, Figure 10) as a result of the positive retailers' assessments and expectations about the business situation of the enterprises.

Their assessments about the volume of sales over the last 3 months, as well as their expectations over the next 3 months (Annex, Figure 11), are also improved.

The main factors limiting the business development continue to be the uncertain economic environment, competition in the branch and shortage of labour (Annex, Figure 12).

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

Service sector¹. In December, the composite indicator 'business climate in service sector' increases by 2.4 percentage points (from 9.5% to 11.9%) (Annex, Figure 14), which is due to the favourable managers' assessments and expectations about the business situation of the enterprises. However, their opinions about the present and expected demand for services (Annex, Figure 15) are more moderate.


The uncertain economic environment remains the most serious obstacle for the activity in the sector. The last inquiry registers strengthening of the negative influence of the factor 'competition in the branch', which shifts to the third place the difficulties connected with the shortage of labour (Annex, Figure 16).

Concerning the selling prices in the service sector, the managers expect an increase, although the prevailing part of them foresee them to preserve their level over the next 3 months (Annex, Figure 17).

¹ Excl. trade.

Methodological notes

The business surveys in the industry, construction, retail trade and in the 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

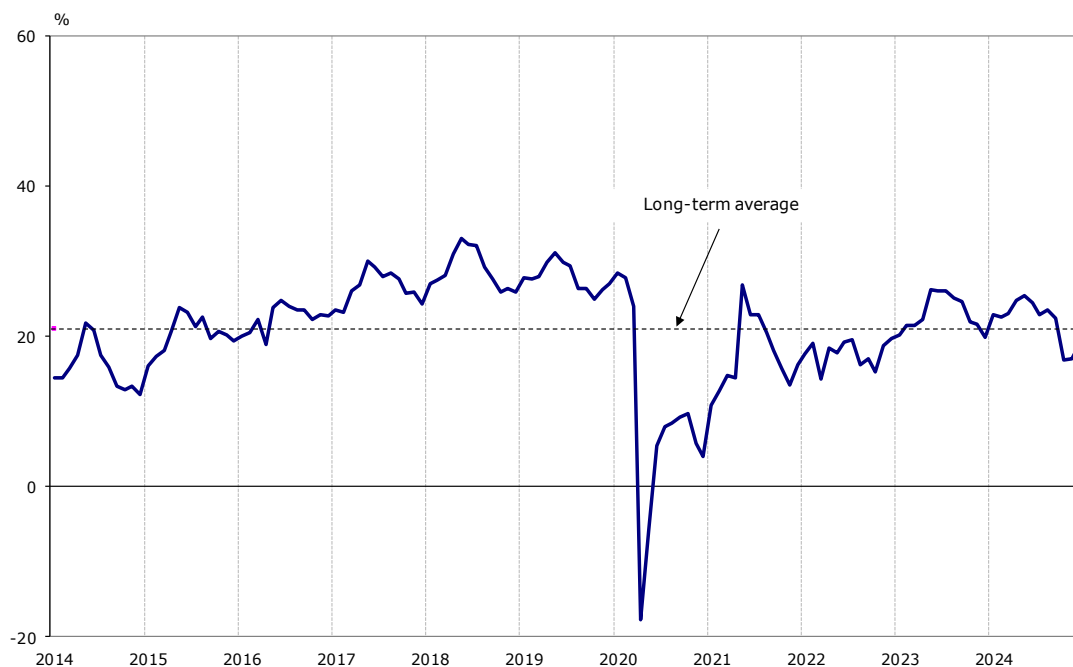
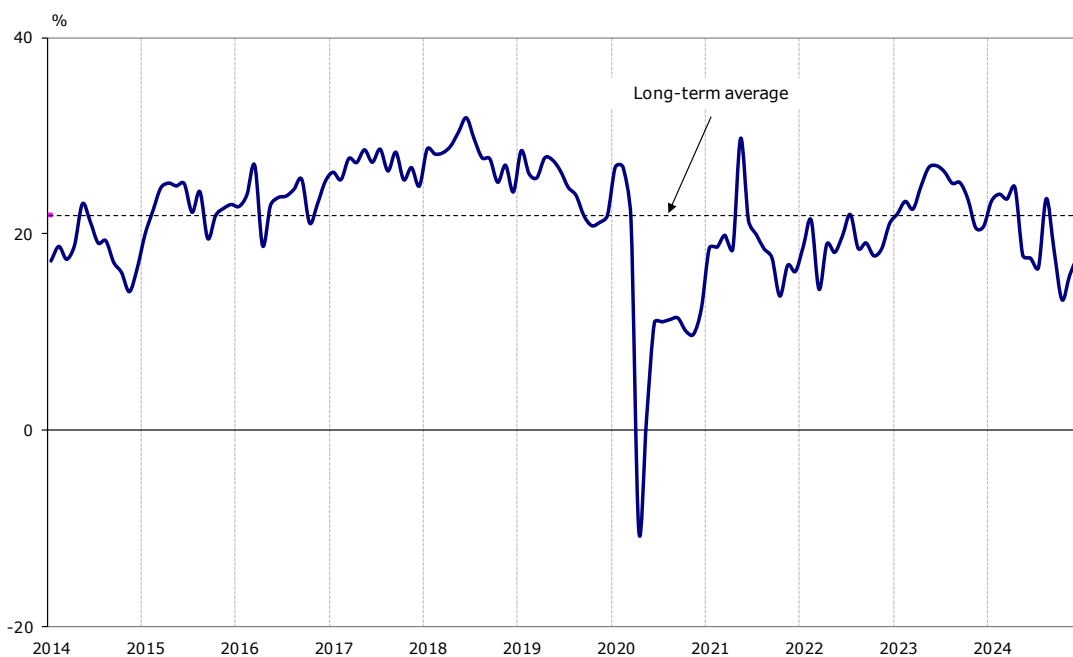


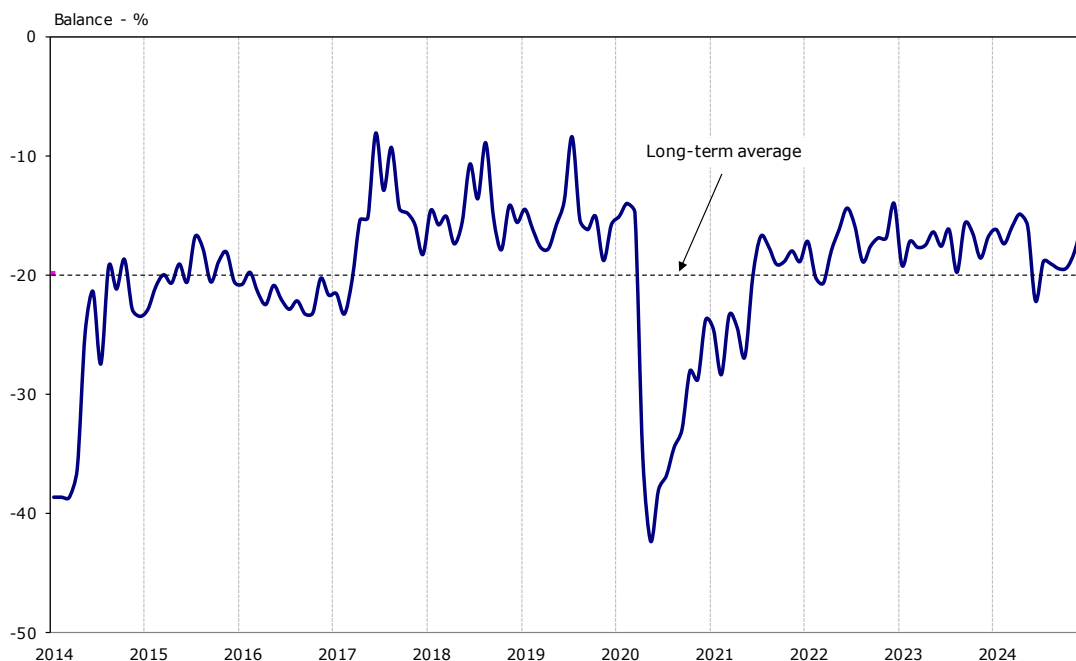
Figure 2. Business climate in industry



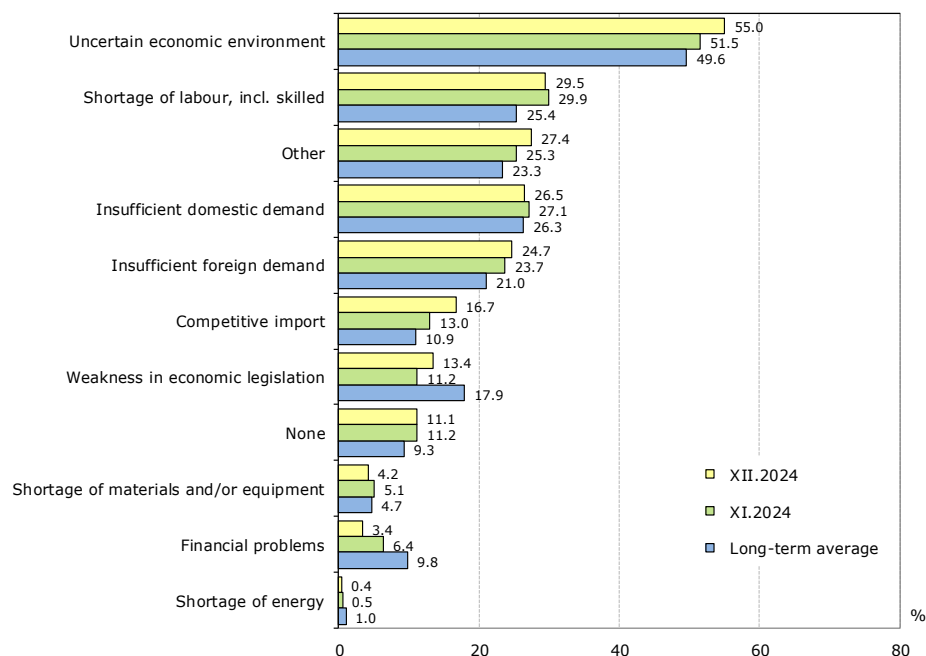
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Figure 3. Production assurance with orders in industry



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



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

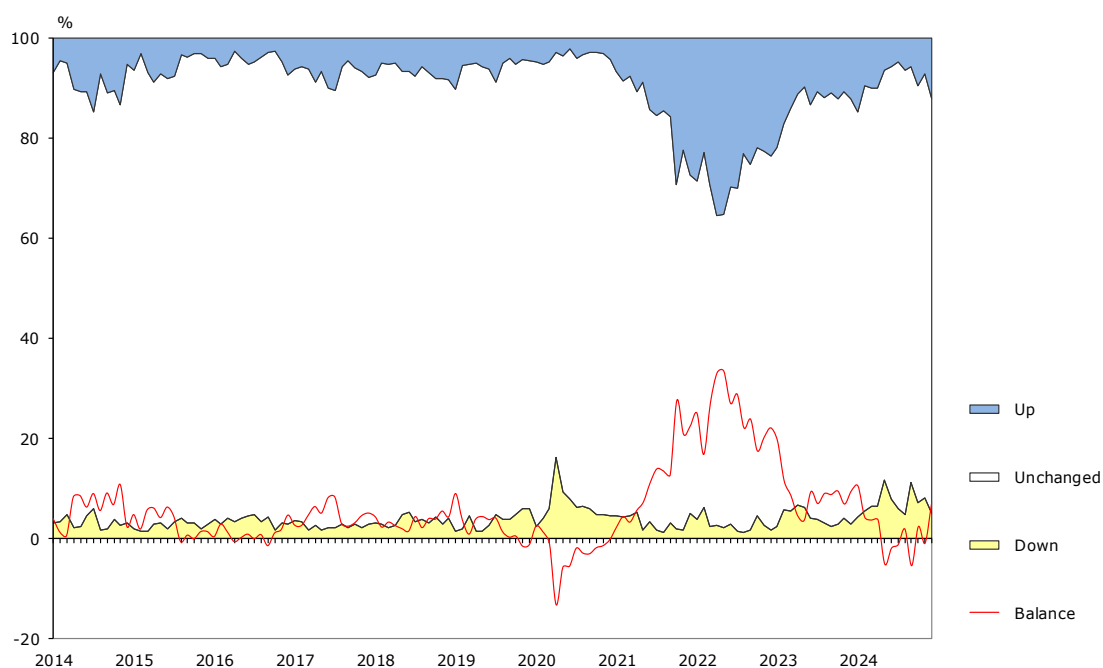
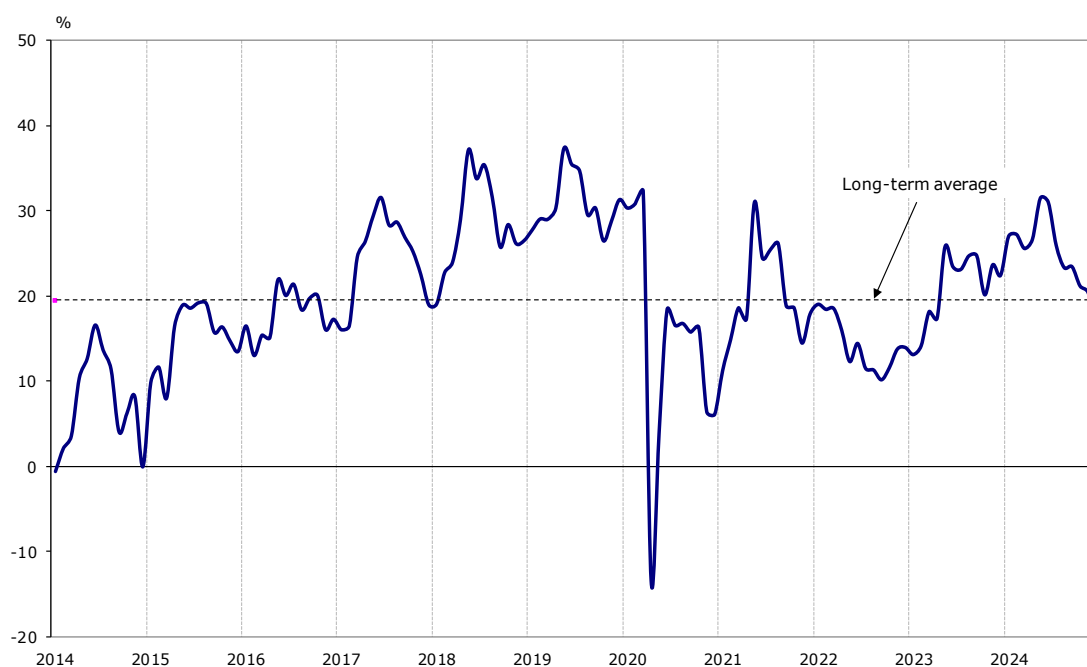
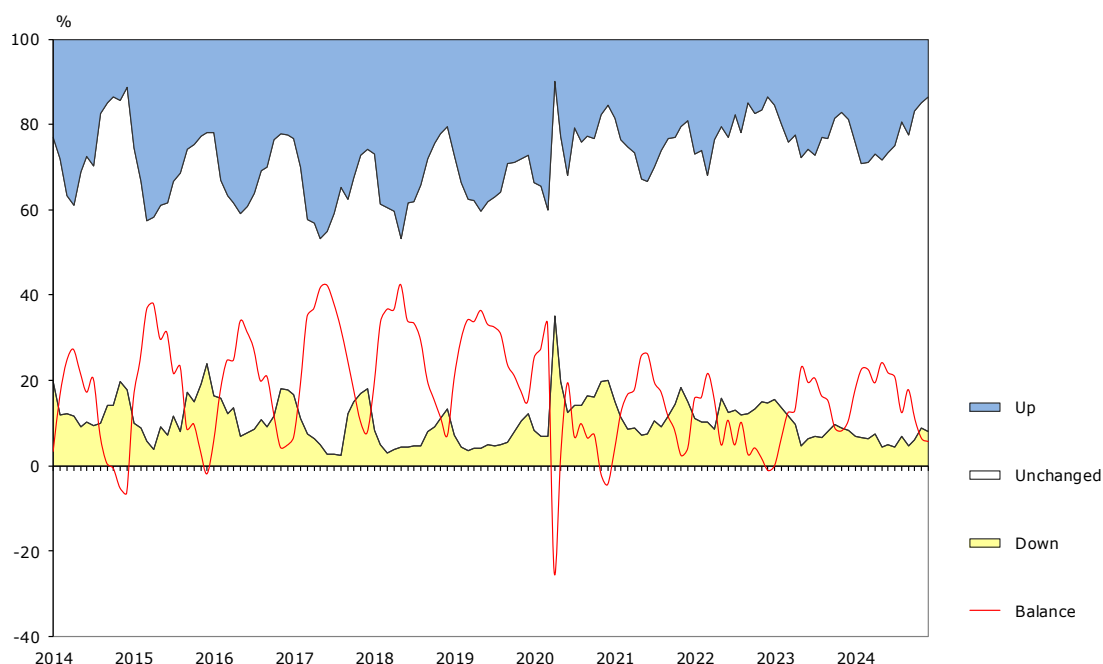


Figure 6. Business climate in construction



**Figure 7. Expected construction activity
over the next 3 months**



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

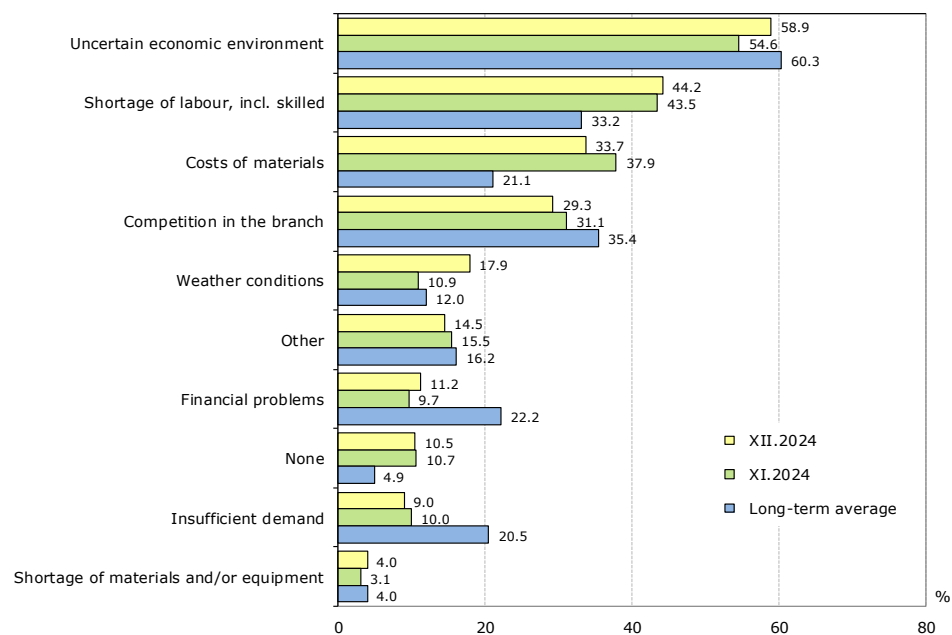


Figure 9. Selling prices expectations in construction over the next 3 months

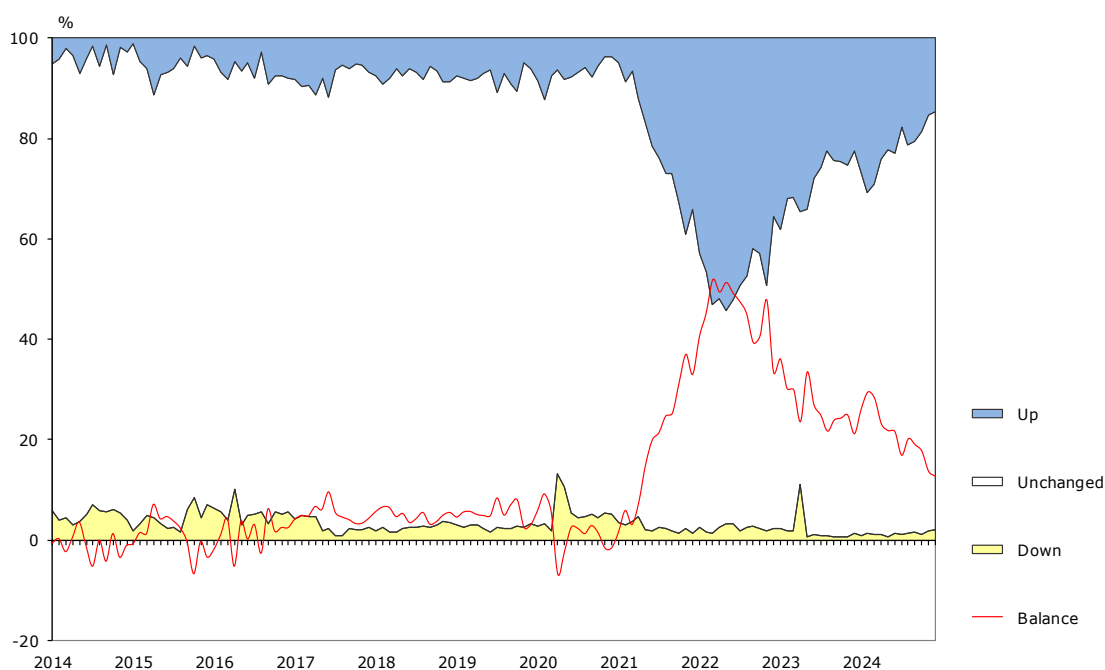
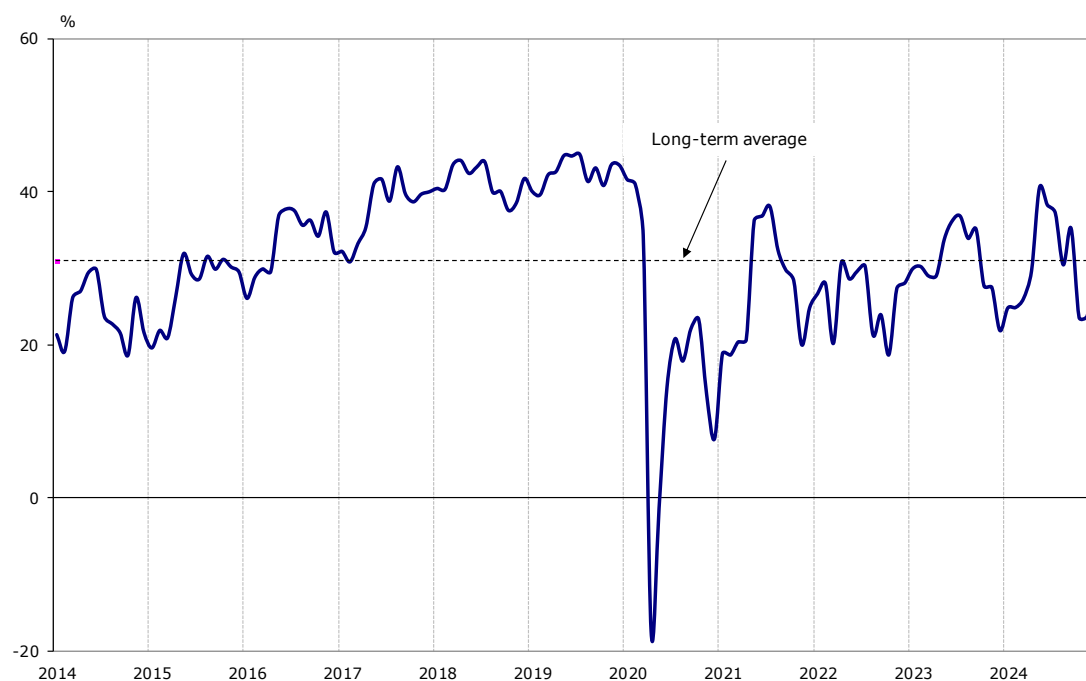


Figure 10. Business climate in retail trade



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

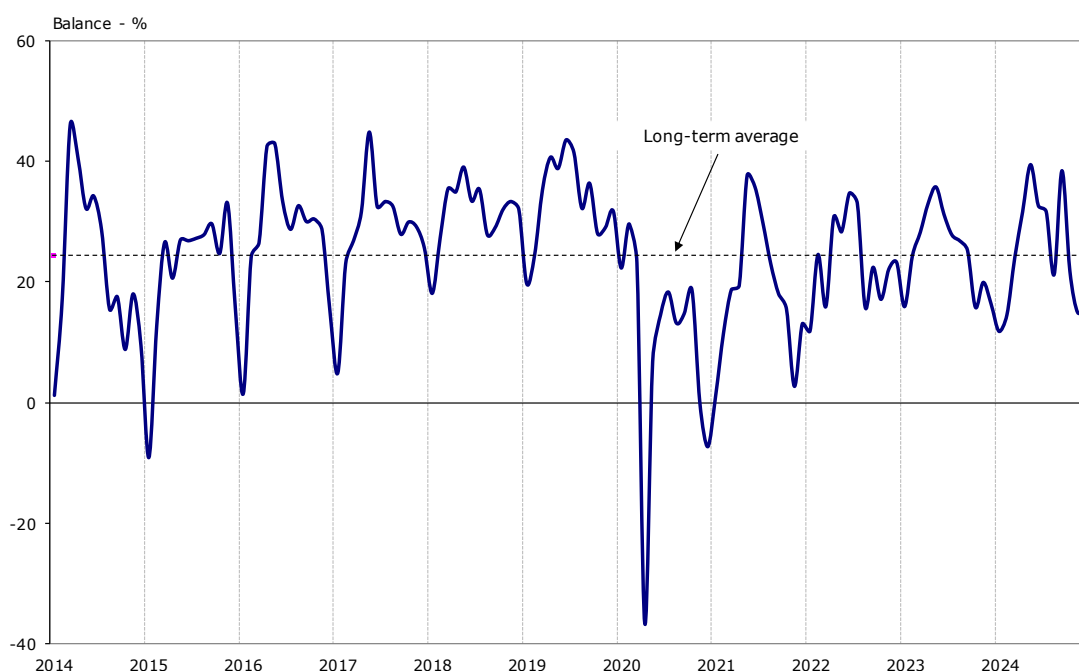


Figure 12. Factors limiting the activity in retail trade (Relative share of enterprises)

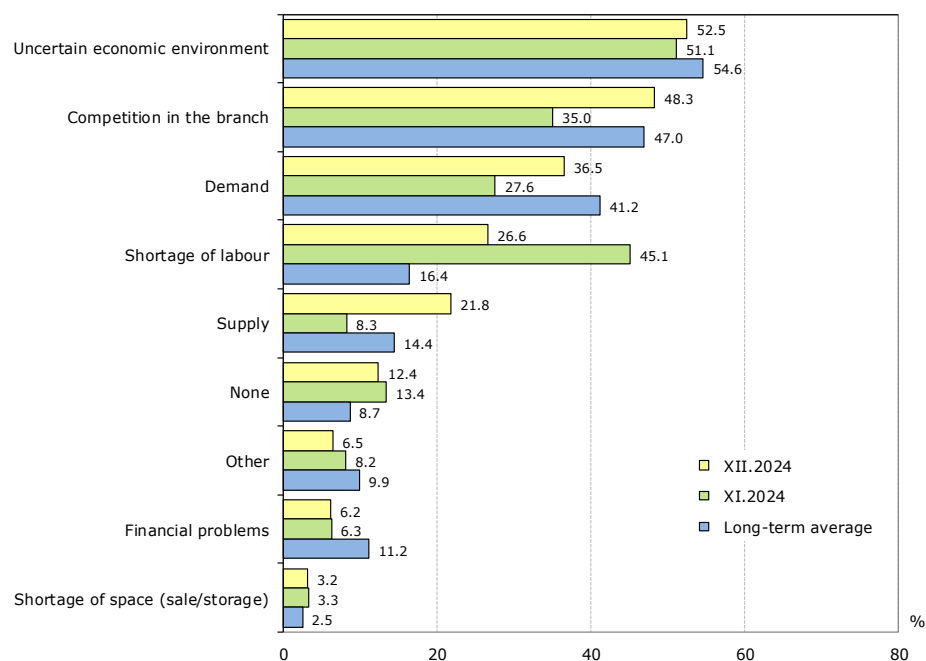


Figure 13. Selling prices expectations in retail trade over the next 3 months

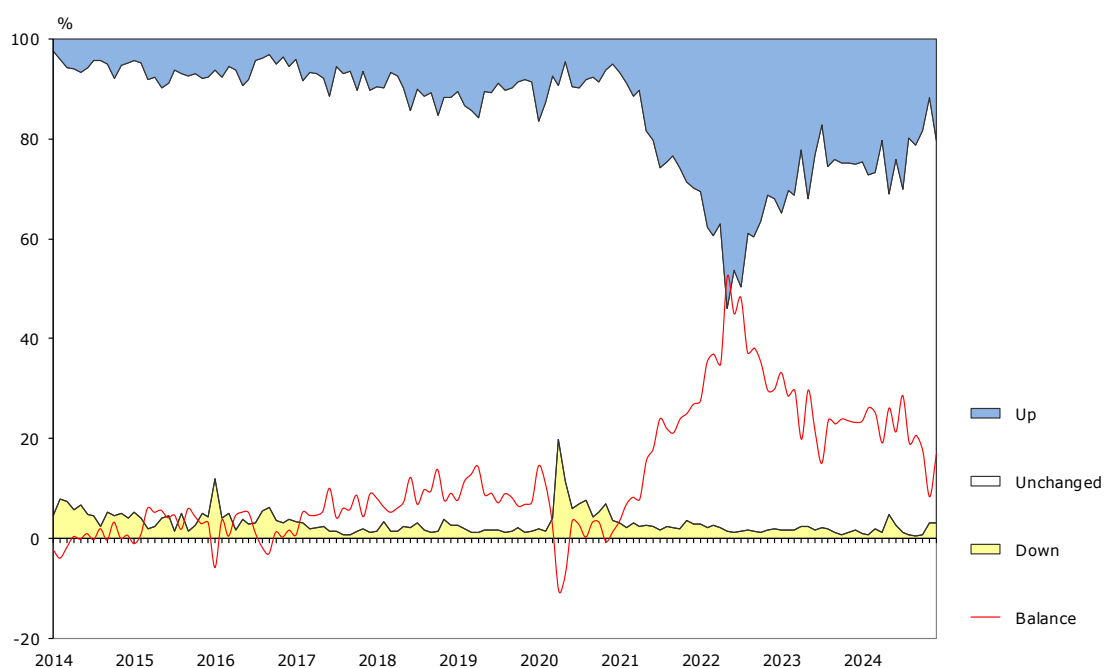
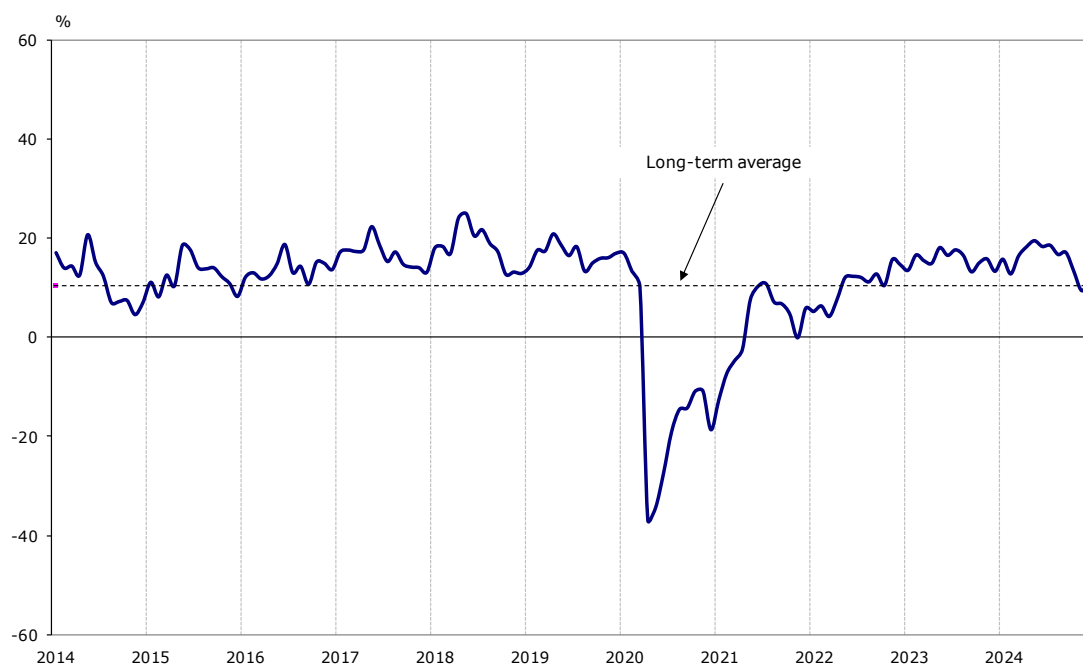
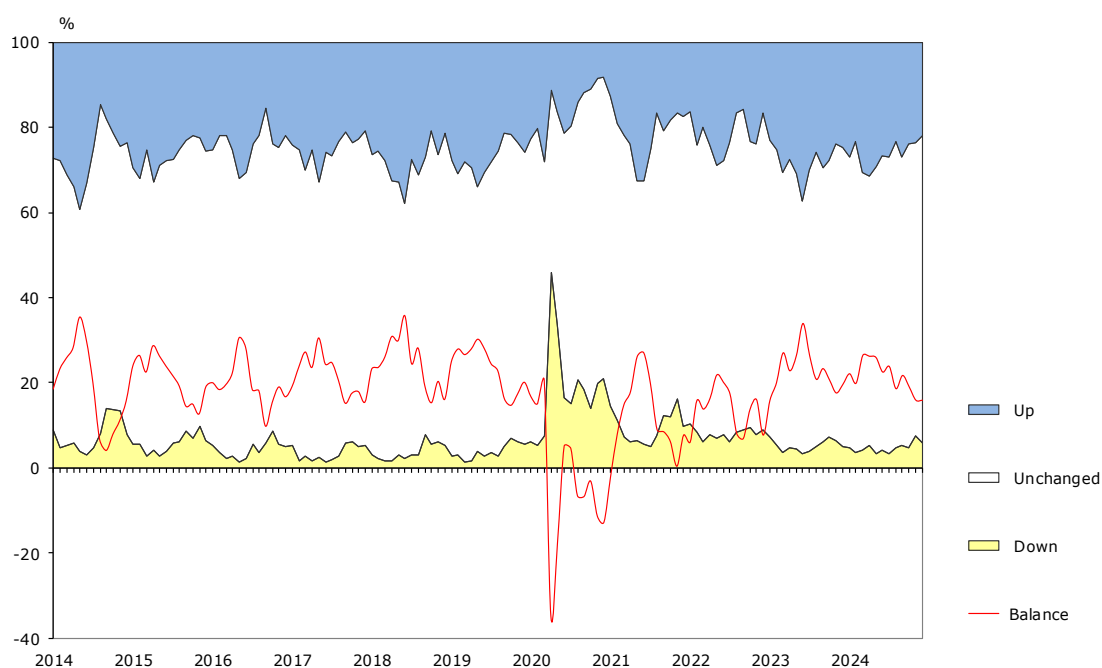


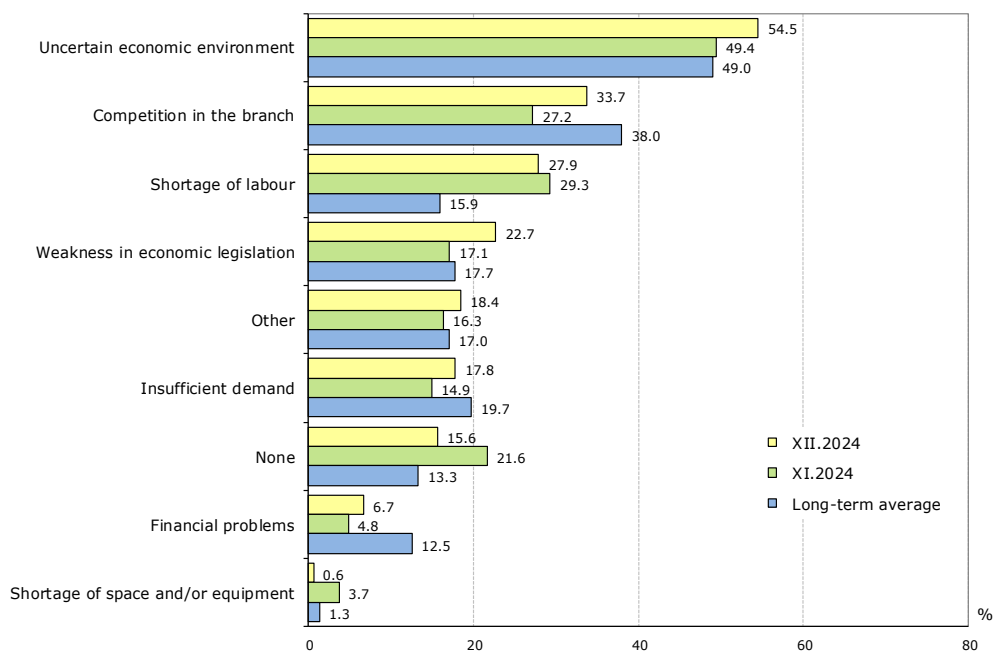
Figure 14. Business climate in service sector



**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**

