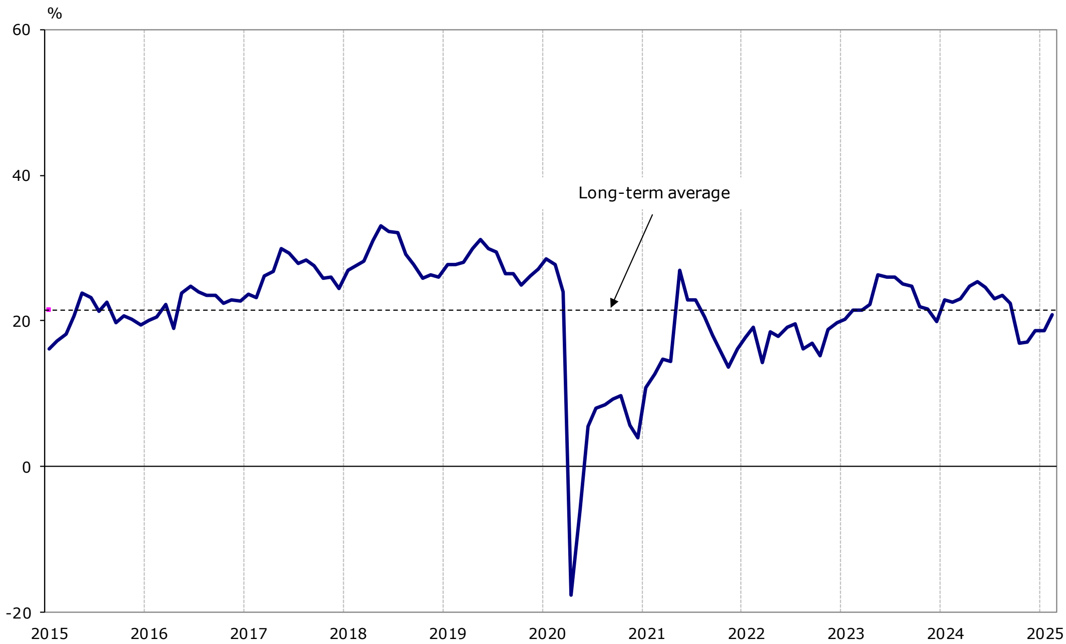
BUSINESS CONJUNCTURE
NSI BUSINESS SURVEYS, FEBRUARY 2025

In February 2025, **the total business climate indicator** increases by 2.3 percentage points compared to the previous month (from 18.6% to 20.9%) (Figure 1). An improvement of the indicator is observed in the industry, construction and retail trade, while in the service sector a reduction is registered.

Figure 1. Business climate – total



Industry. The composite indicator 'business climate in industry' increases by 1.0 percentage point (from 17.4% to 18.4%) (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 improved (Figure 3), while their forecasts over the next 3 months are more negative.

Figure 2. Business climate in industry

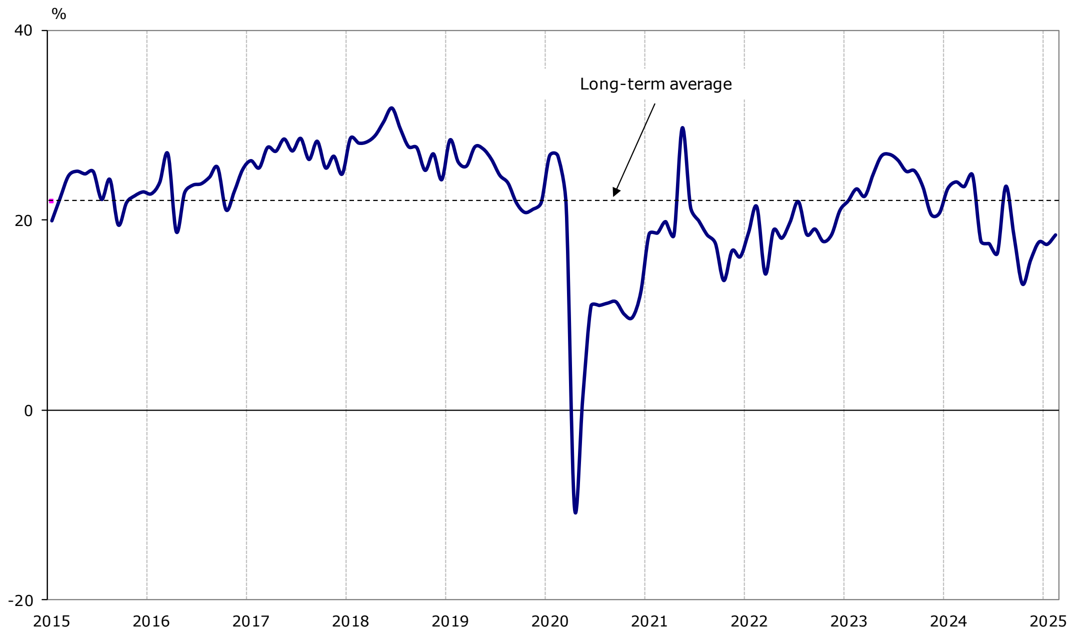
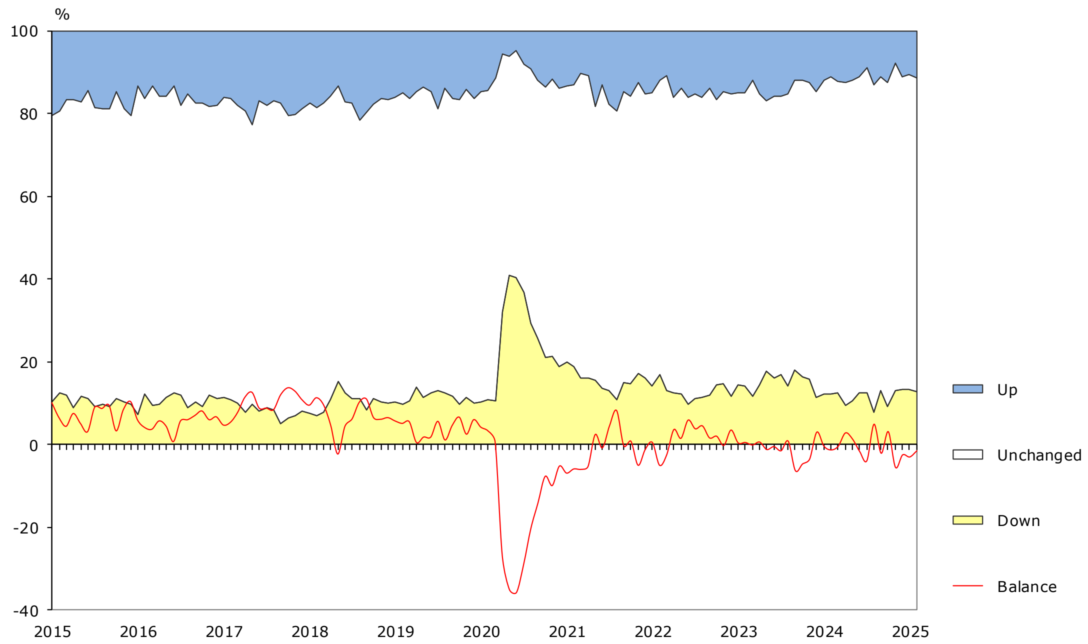


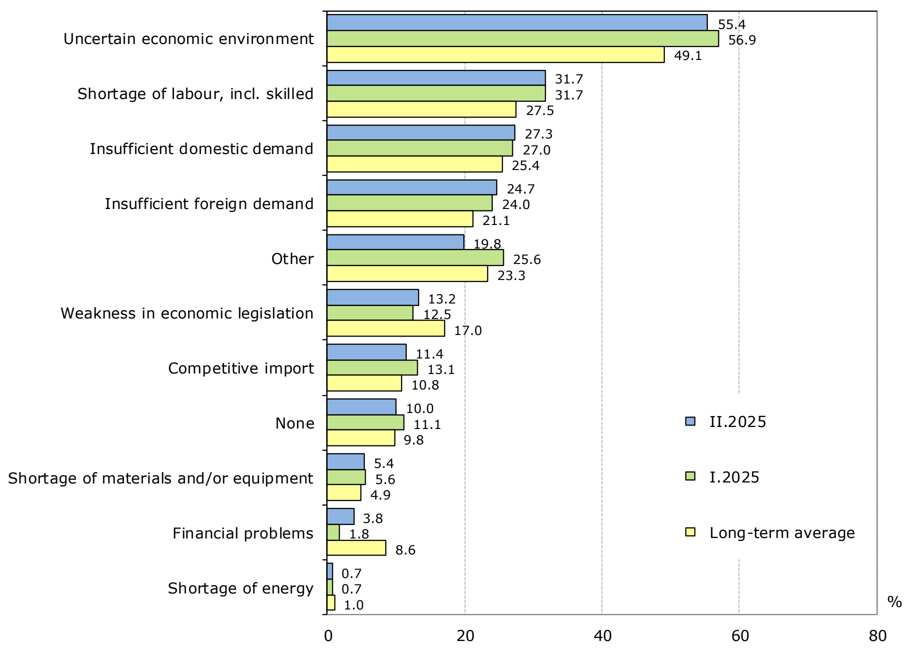
Figure 3. Present production activity in industry



The most serious difficulties for the business development continue to be connected with the uncertain economic environment and shortage of labour, as in the last month a decrease of the negative influence of the first factor is observed (Figure 4).

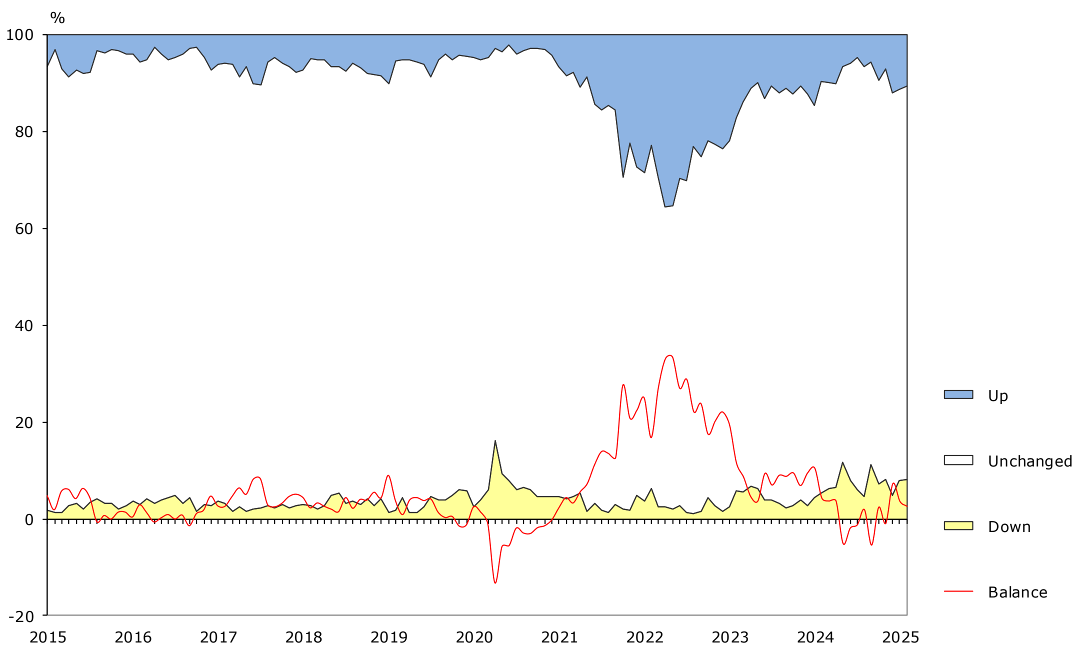
Figure 4. Factors limiting the activity in industry

(Relative share of enterprises)



Regarding the selling prices in the industry, the prevailing part of the managers' expectations are them to preserve their level over the next 3 months (Figure 5).

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



Construction. In February, the composite indicator 'business climate in construction' increases by 3.7 percentage points (from 19.6% to 23.3%) (Figure 6), which is due to the improved construction entrepreneurs' assessments and expectations about the business situation of the enterprises. The inquiry registers an increase of the new orders inflow over the last month, as the forecasts about the activity over the next 3 months remain optimistic (Figure 7).

Figure 6. Business climate in construction

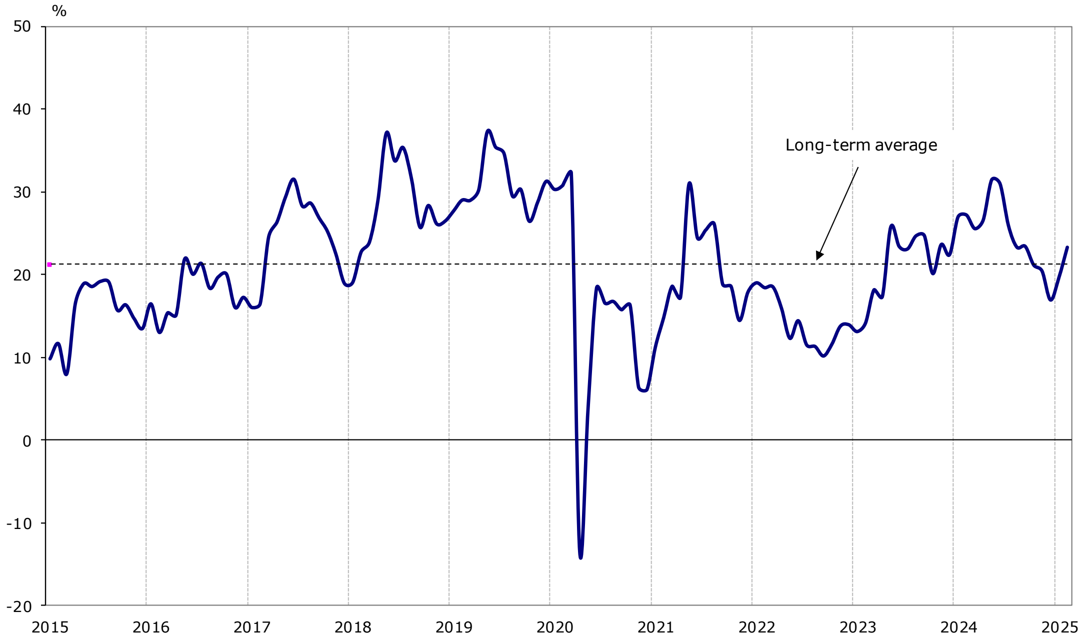
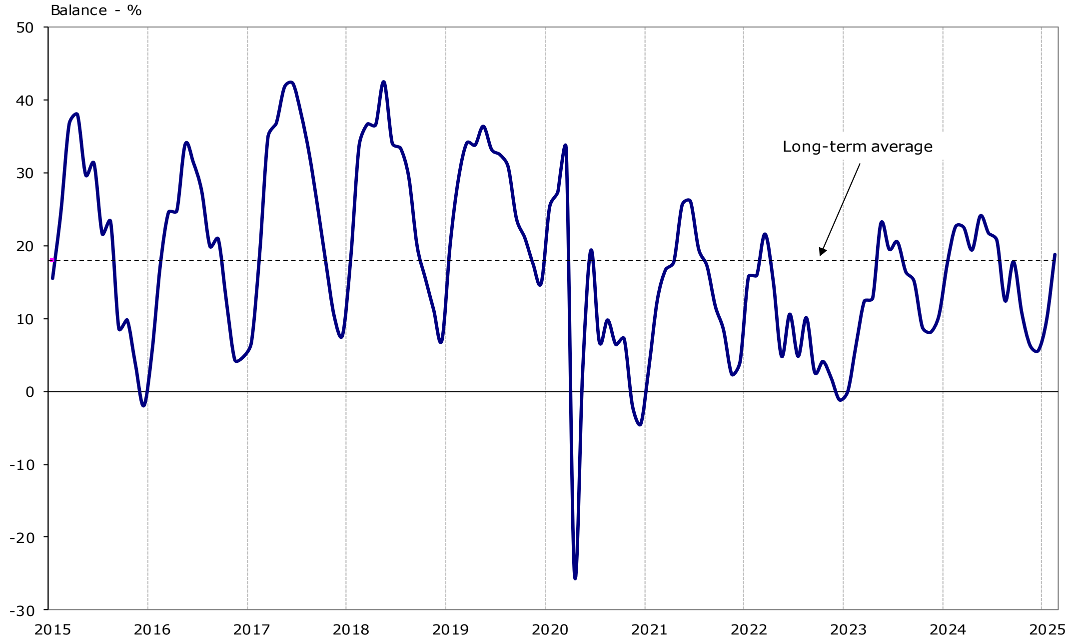
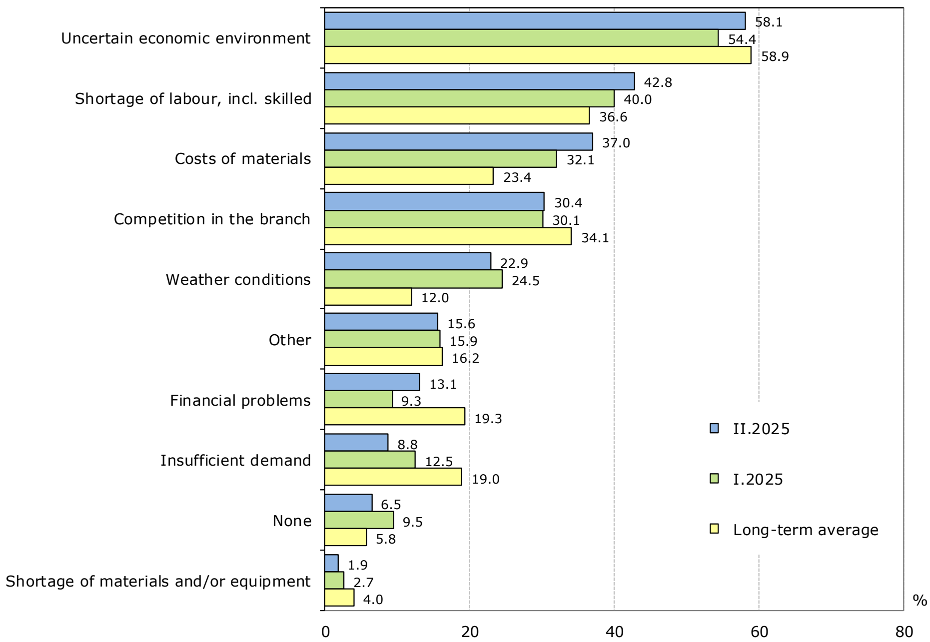


Figure 7. Expected construction activity over the next 3 months



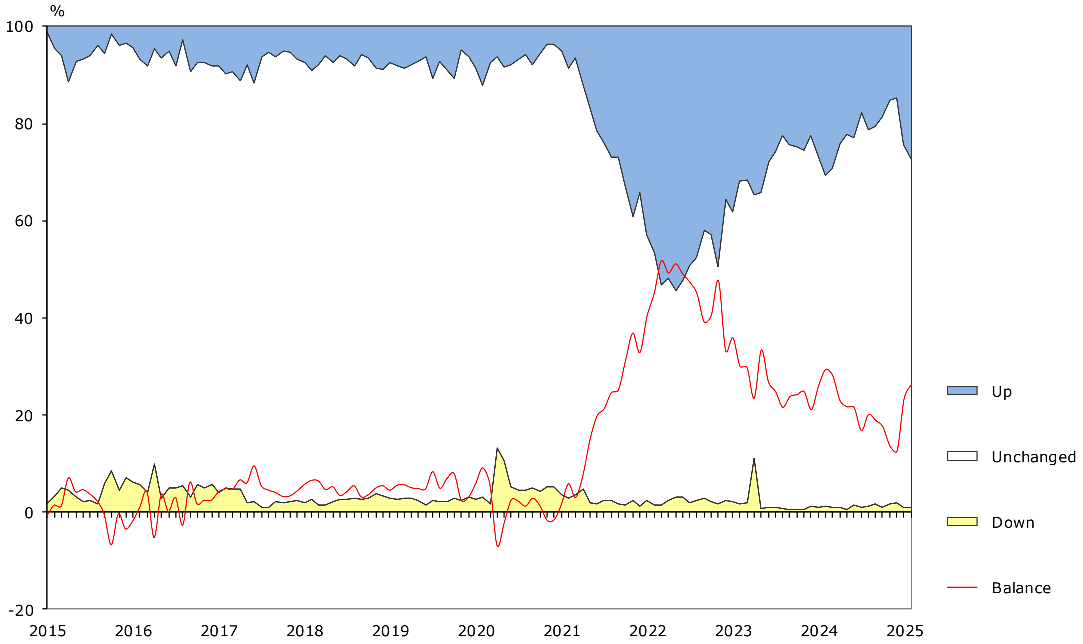
The uncertain economic environment, shortage of labour, costs of materials and competition in the branch remain the main obstacles for the activity of the enterprises, as in the last month an increase of their negative impact is observed (Figure 8).

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



Concerning the selling prices in the construction, the managers continue to expect them to increase over the next 3 months (Figure 9).

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



Retail trade. The composite indicator 'business climate in retail trade' increases by 7.8 percentage points (from 27.6% to 35.4%) (Figure 10), mainly due to the optimistic retailers' expectations about the business situation of the enterprises over the next 6 months. Their assessments about the volume of sales over the last 3 months are reserved, while their forecasts over the next 3 months continue to improve (Figure 11).

Figure 10. Business climate in retail trade

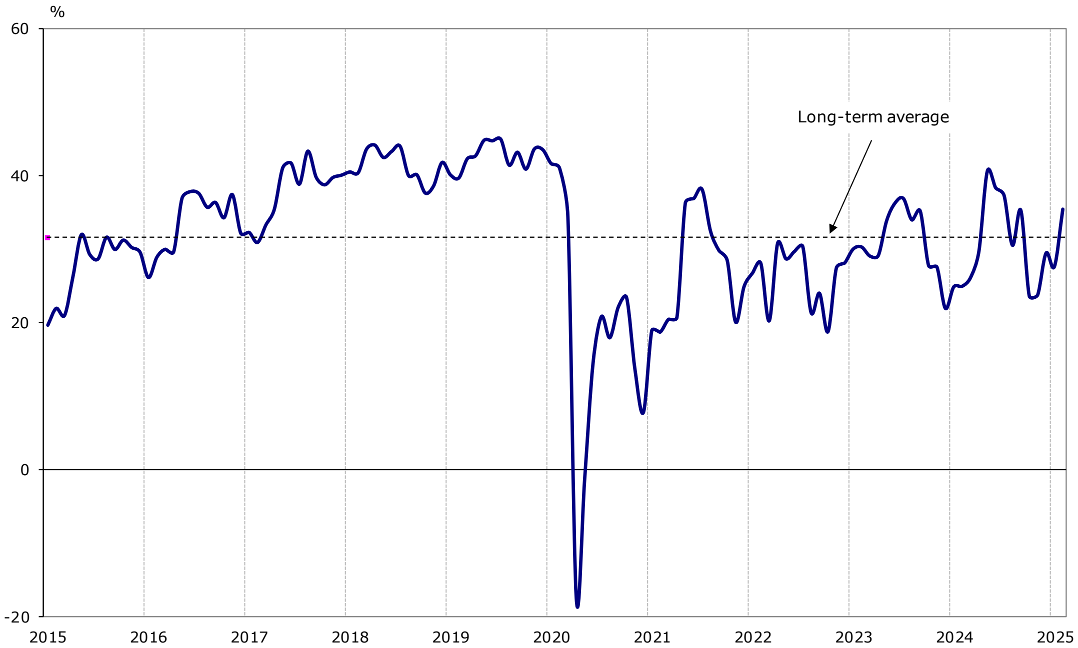
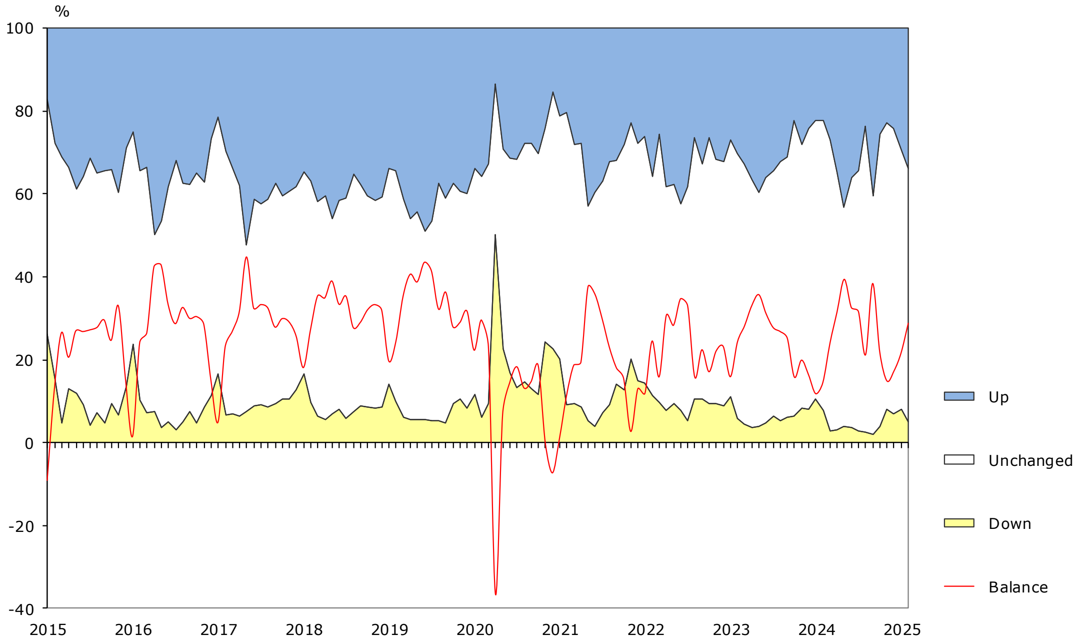
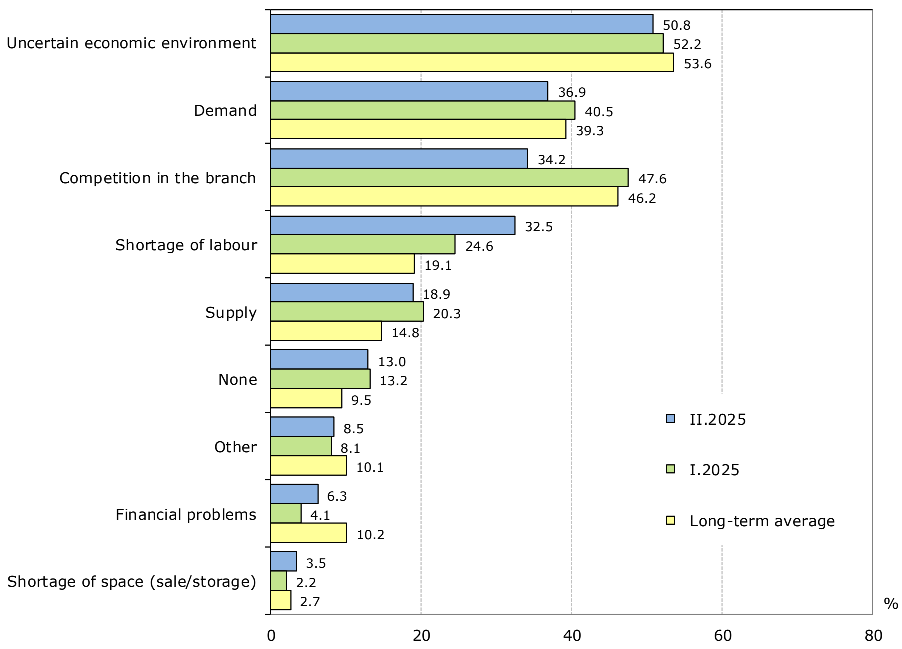


Figure 11. Sales expectations in retail trade over the next 3 months



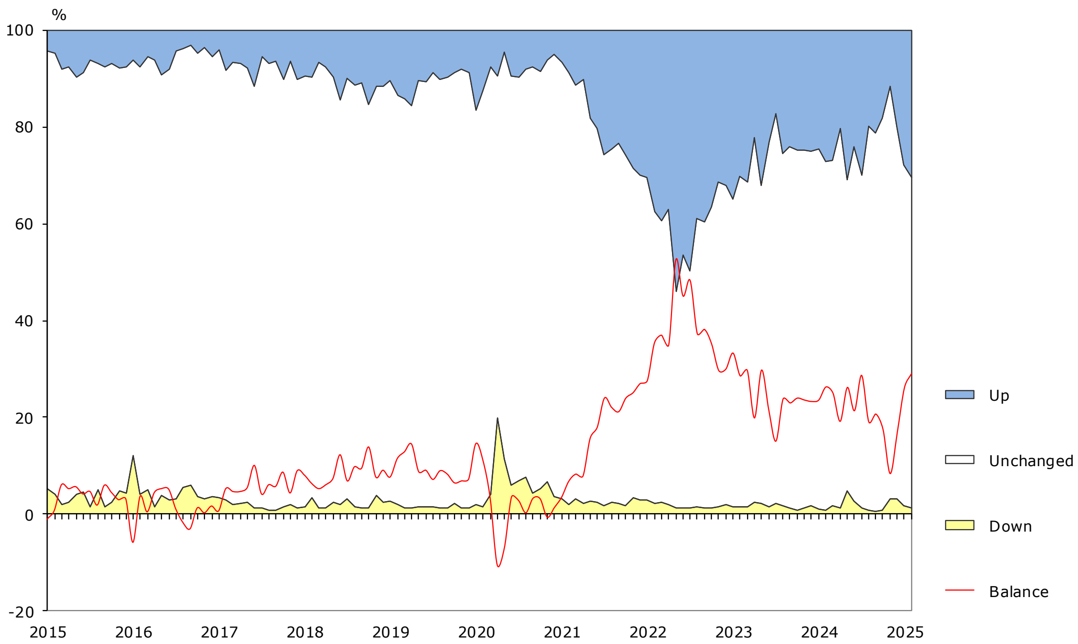
The main factors limiting the business development remain the uncertain economic environment, insufficient demand and competition in the branch. In comparison with January, strengthening of the negative influence of the factor 'shortage of labour' is reported (Figure 12).

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



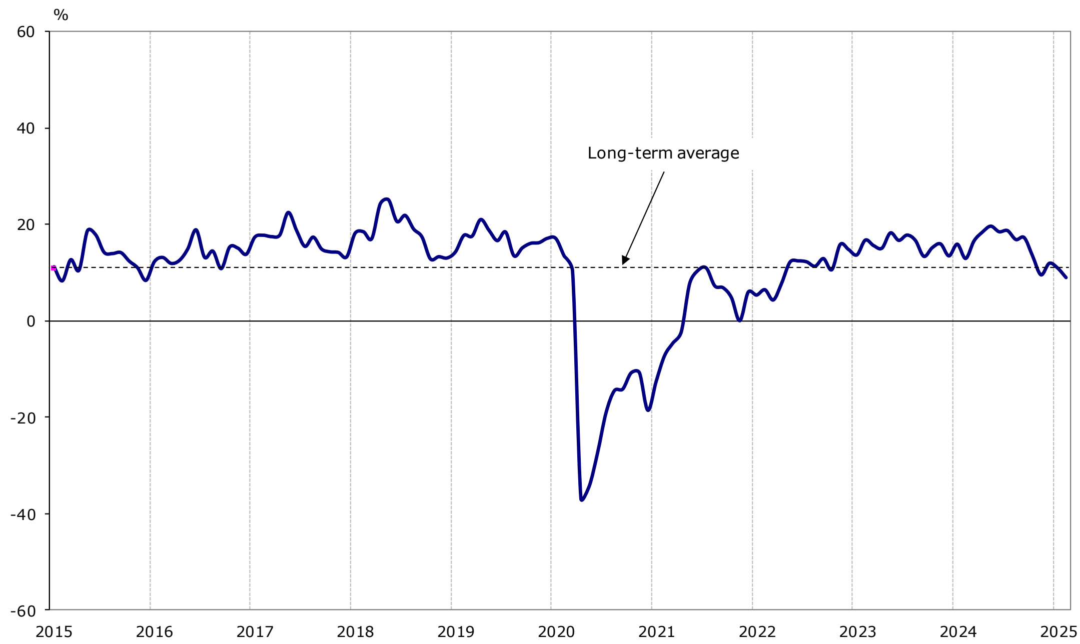
The managers' expectations regarding the selling prices in the retail trade over the next 3 months remain in a direction of an increase (Figure 13).

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



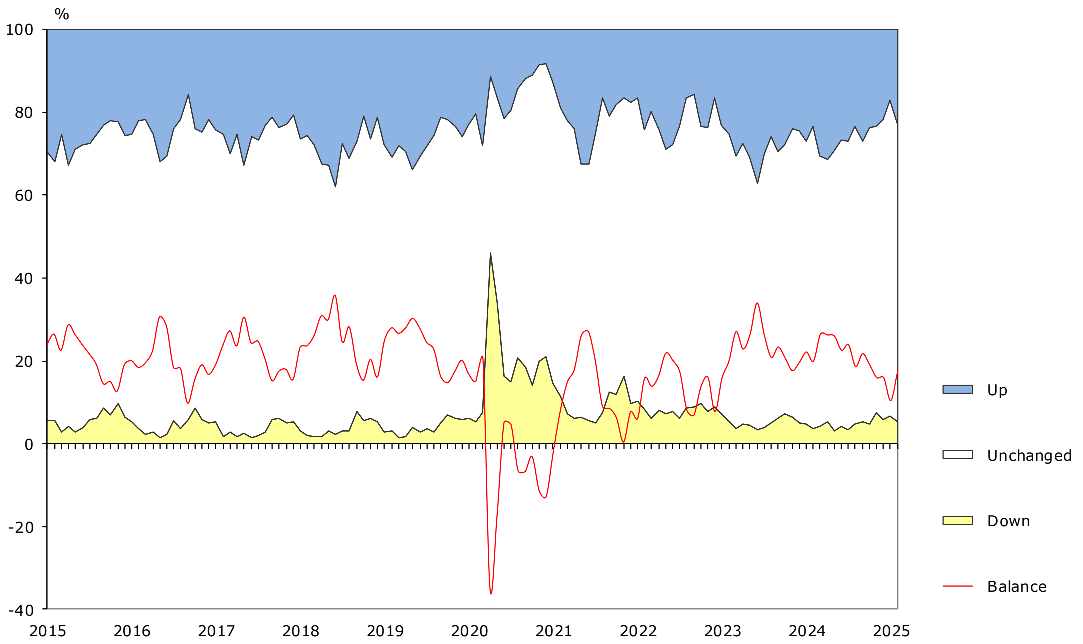
Service sector[1]. In February, the composite indicator 'business climate in service sector' decreases by 2.0 percentage points (from 10.9% to 8.9%) (Figure 14), which is due to the worsened managers' assessments about the present business situation of the enterprises. Concerning the demand for services, the present tendency is assessed as slightly reduced, while the expectations over the next 3 months are positive (Figure 15).

Figure 14. Business climate in service sector



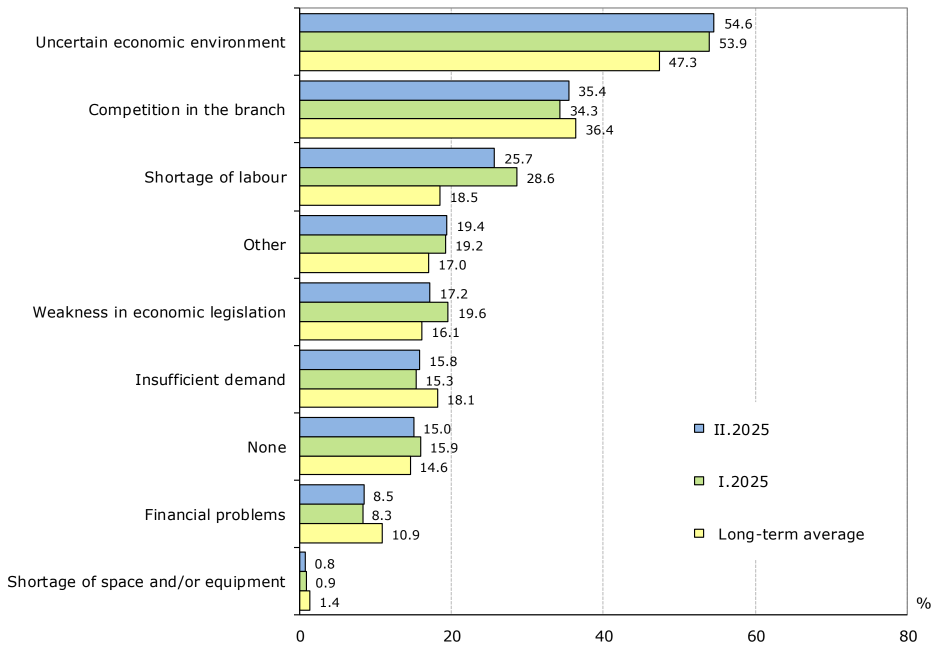
[1] Excl. trade.

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



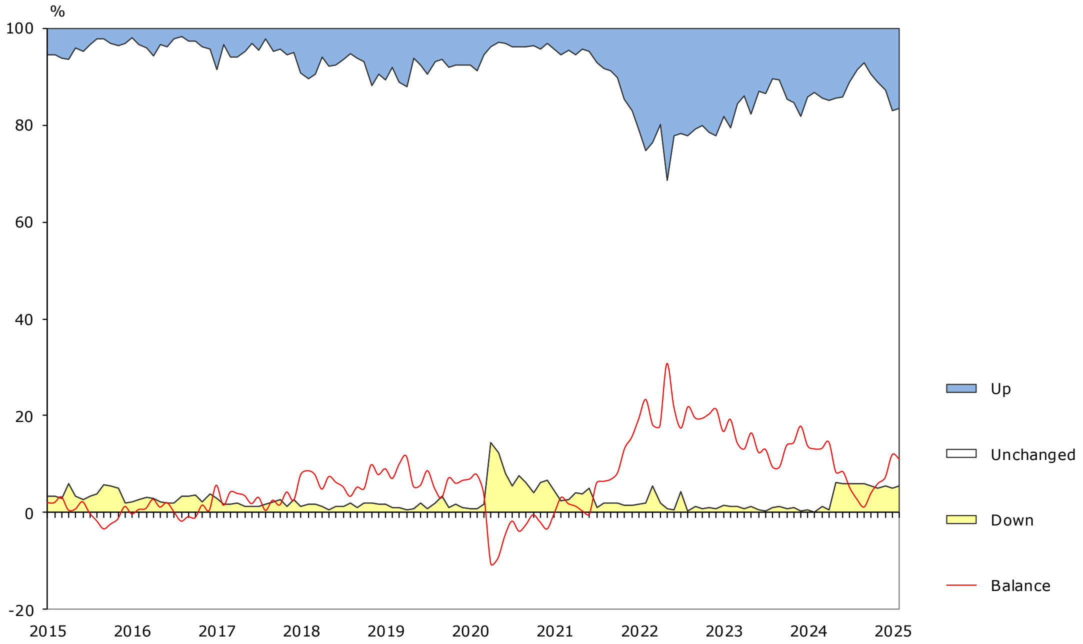
The factor, limiting with the most extent the activity of the enterprises remains the uncertain economic environment, followed by the competition in the branch (Figure 16).

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



The majority of the managers foresee the selling prices in the service sector to remain unchanged over the next 3 months (Figure 17).

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



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.