



BUSINESS CONJUNCTURE

NSI BUSINESS SURVEYS^{1, 2, 3}, NOVEMBER 2013

In November 2013 **the total business climate indicator**⁴ increases by 1.7 percentage points compared to its October level (Annex, Figure 1) which is due to the more favourable business climate in industry and service sector.

Industry. The composite indicator “business climate in industry” increases by 4.3 percentage points in comparison with the previous month (Annex, Figure 2) due to the improved managers’ assessments and expectations about the business situation of the enterprises (Annex, Figure 3). However the present production activity is assessed as decreased, as the expectations over the next 3 months are also more unfavourable compared to the opinions expressed last month.

The uncertain economic environment and insufficient domestic demand remain the main obstacles for the business development in the branch, pointed out by 55.4% and 43.3% of the industrial entrepreneurs respectively (Annex, Figure 4).

As regards the selling prices the prevailing expectations are for preservation of their level over the next 3 months (Annex, Figure 5).

Construction. In November the composite indicator “business climate in construction” remains approximately to its October level (Annex, Figure 6). Construction entrepreneurs’ expectations both about the business situation over the next 6 months and the construction activity over the next 3 months are more unfavourable (Annex, Figure 7).

The main factor limiting the activity in the branch continues to be the uncertain economic environment, followed by the financial problems. At the same time the inquiry reports strengthen of the negative impact of the factor “competition in the branch” (by 4.4 percentage points) (Annex, Figure 8).

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

Retail trade. The composite indicator “business climate in retail trade” decreases by 0.6 percentage points (Annex, Figure 10) which is due to the more moderate retailers’ expectations about the business situation

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, 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.



of the enterprises over the next 6 months (Annex, Figure 11). Concerning the volume of sales and orders placed with suppliers their expectations over the next 3 months are also more reserved.

The uncertain economic environment and insufficient demand remain the factors limiting with the most extent the business development in the branch, as in November a decrease of the negative impact of the third most important factor “competition in the branch” is observed (by 6.0 percentage points) (Annex, Figure 12).

As regards the selling prices the retailers foresee preservation of their level over the next 3 months (Annex, Figure 13).

Service sector¹. In November the composite indicator “business climate in service sector” increases by 0.9 percentage points (Annex, Figure 14) due to the more favourable managers’ assessments about the present business situation of the enterprises (Annex, Figure 15). However as regards to the present and expected demand for services their opinions are more reserved.

The main obstacle for the development of the activity in the branch continues to be the uncertain economic environment, followed by competition in the branch. However in the last month the inquiry registers strengthen the unfavourable influence of the factor “insufficient demand” (Annex, Figure 16).

Concerning the selling prices in the service sector the managers expect them to remain unchanged over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate – total

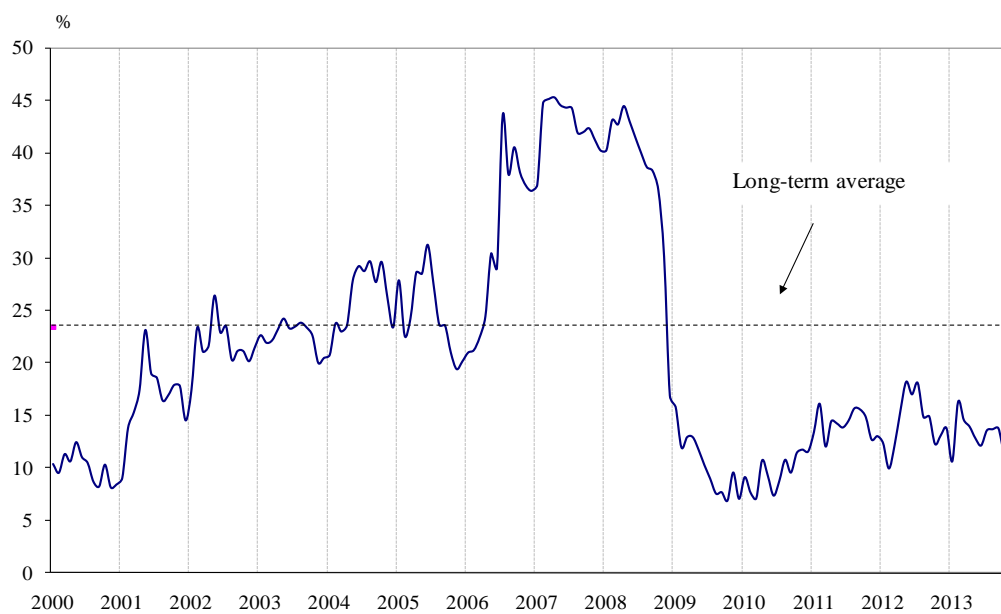


Figure 2. Business climate in industry

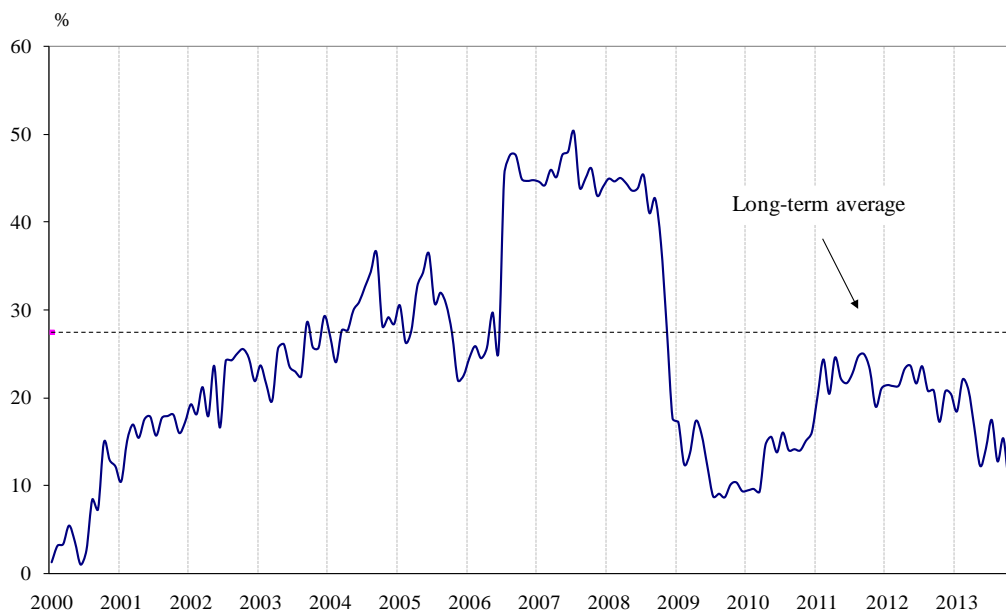




Figure 3. Expected business situation in industry over the next 6 months

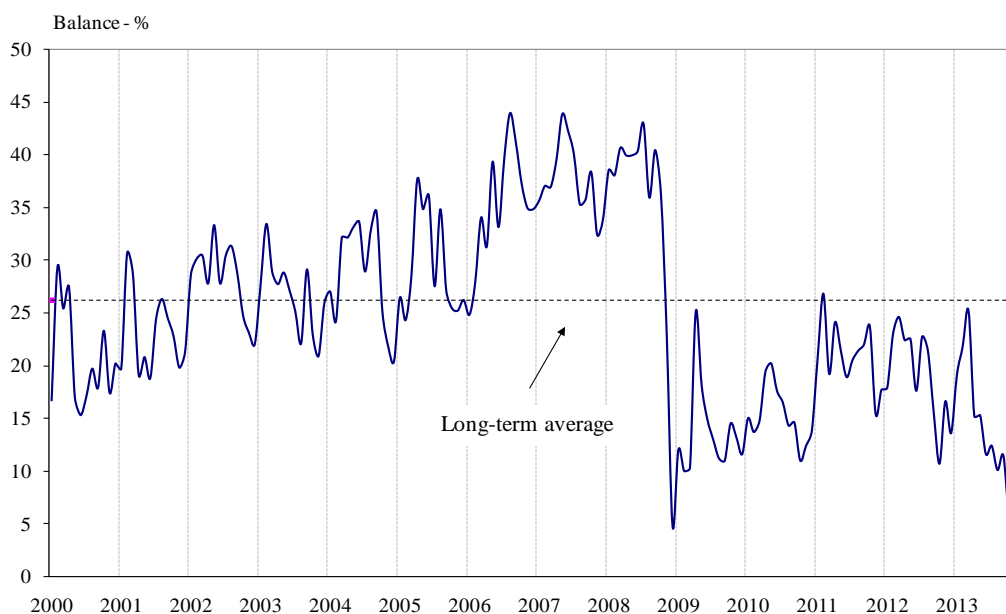


Figure 4. Limits to production in industry (Relative share of enterprises)

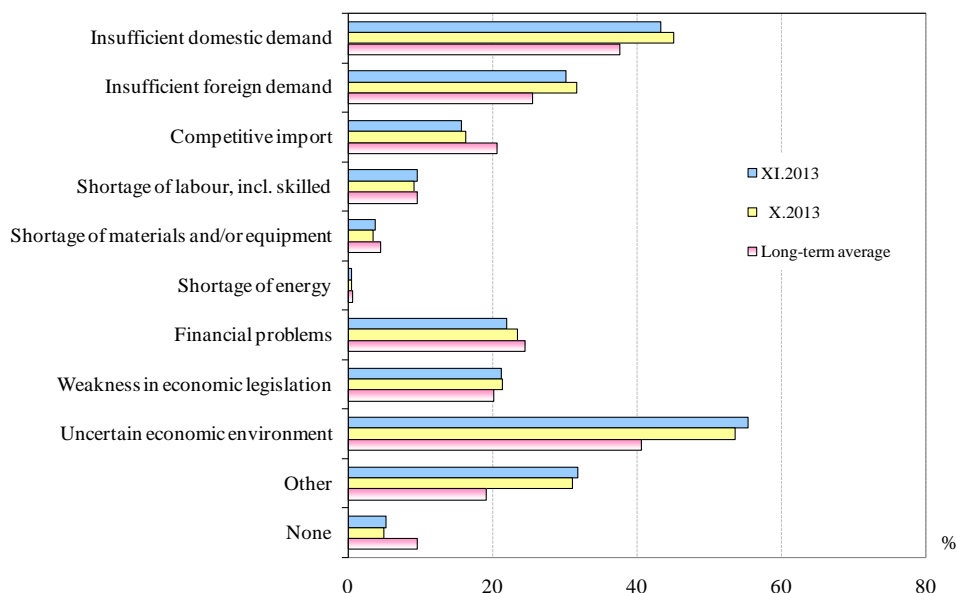




Figure 5. Selling prices expectations in industry over the next 3 months

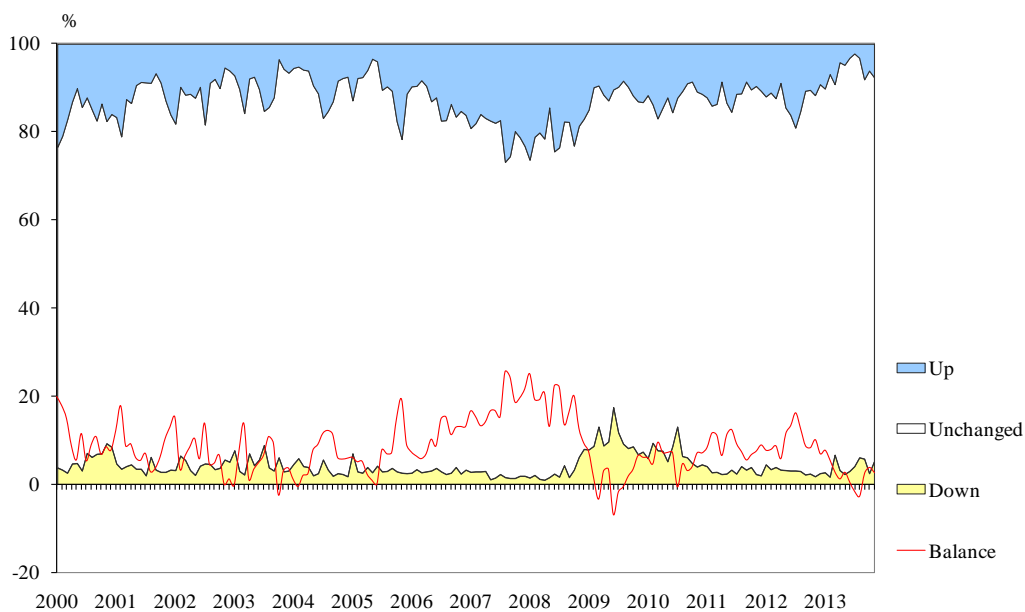


Figure 6. Business climate in construction

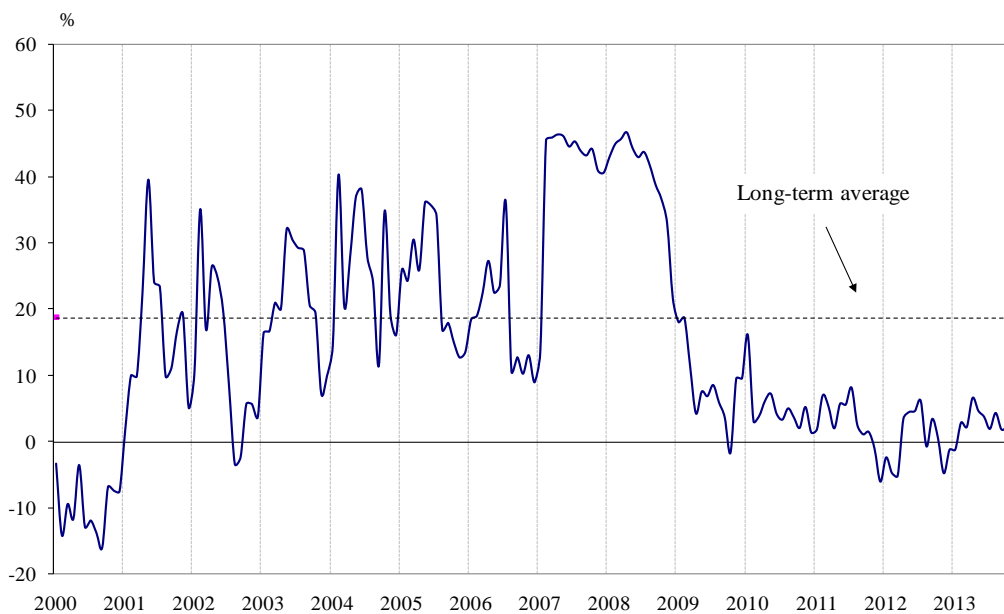




Figure 7. Expected construction activity over the next 3 months

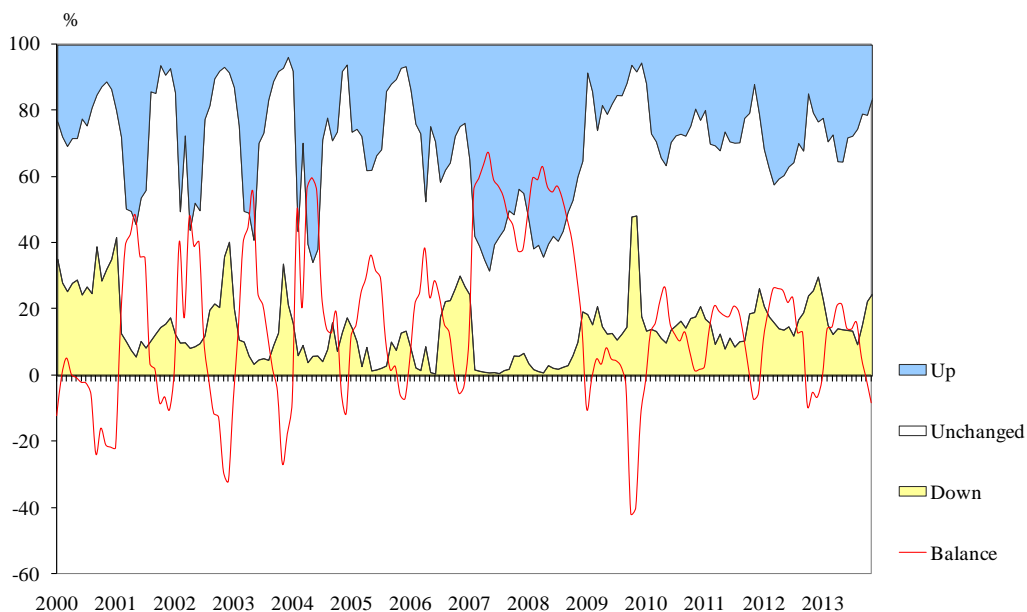


Figure 8. Limits to construction activity (Relative share of enterprises)

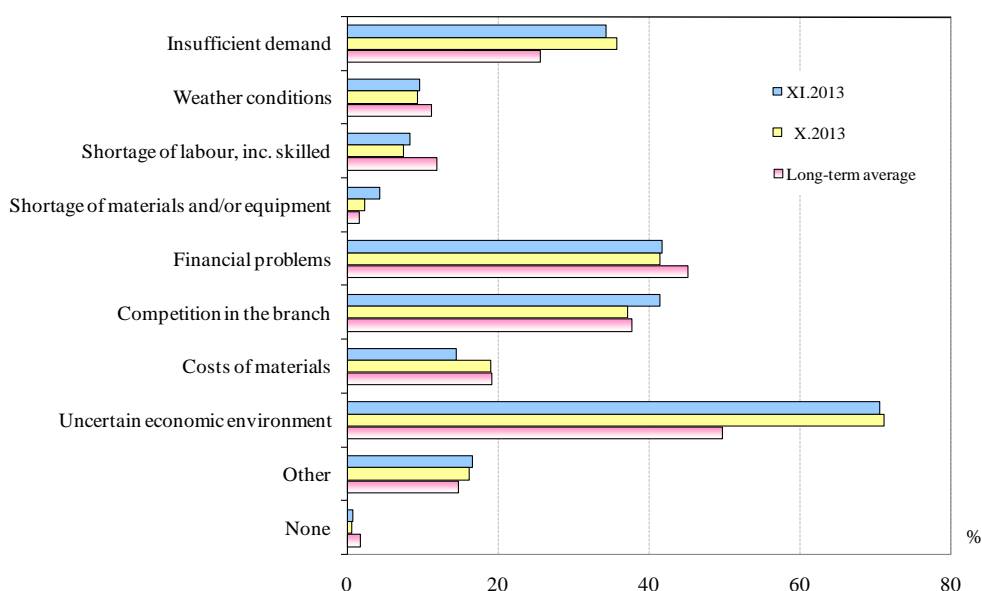




Figure 9. Selling prices expectations in construction over the next 3 months

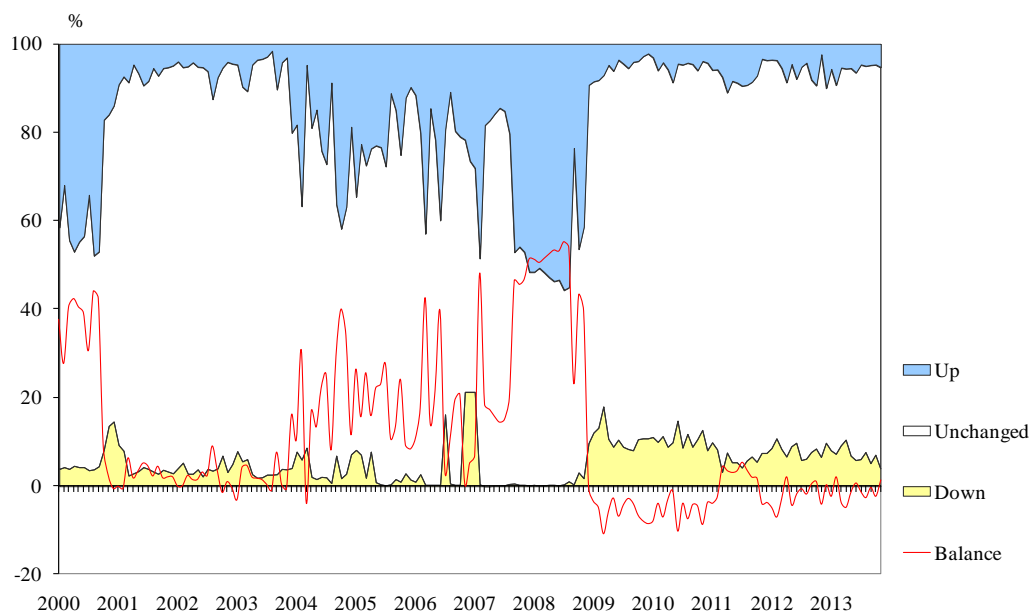


Figure 10. Business climate in retail trade

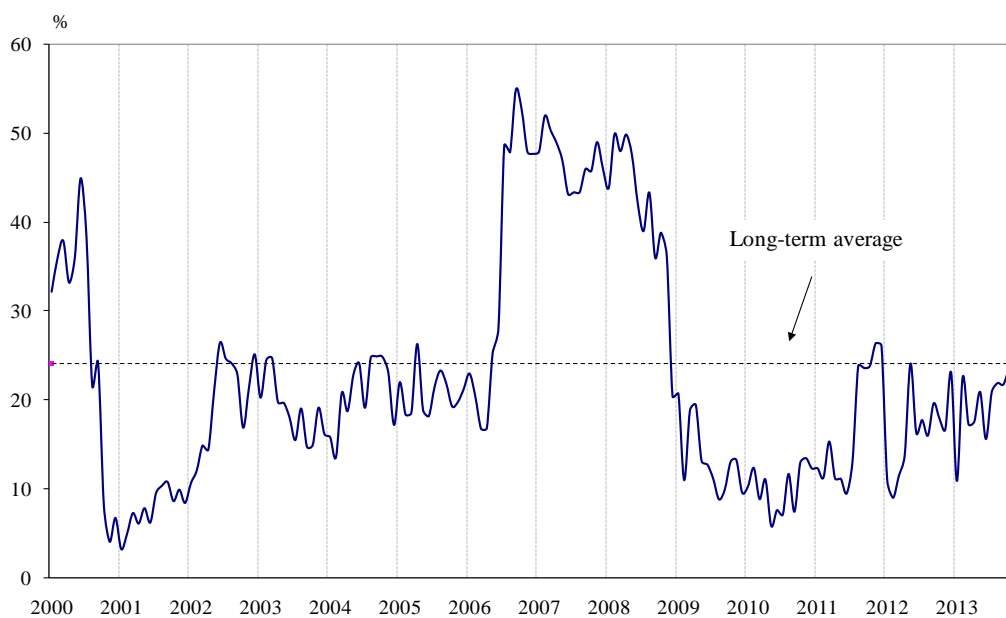




Figure 11. Expected business situation in retail trade over the next 6 months

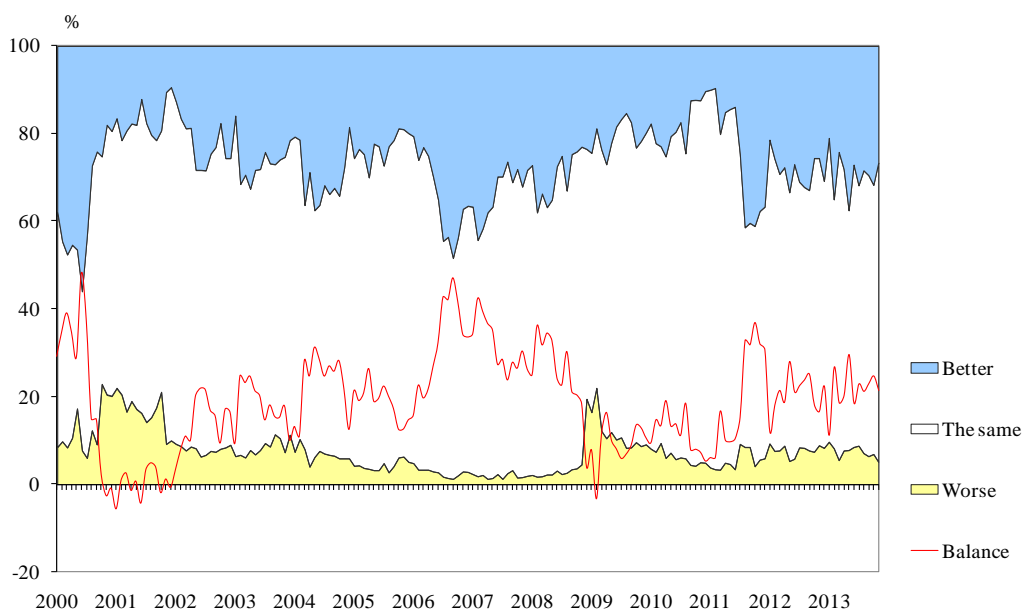


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

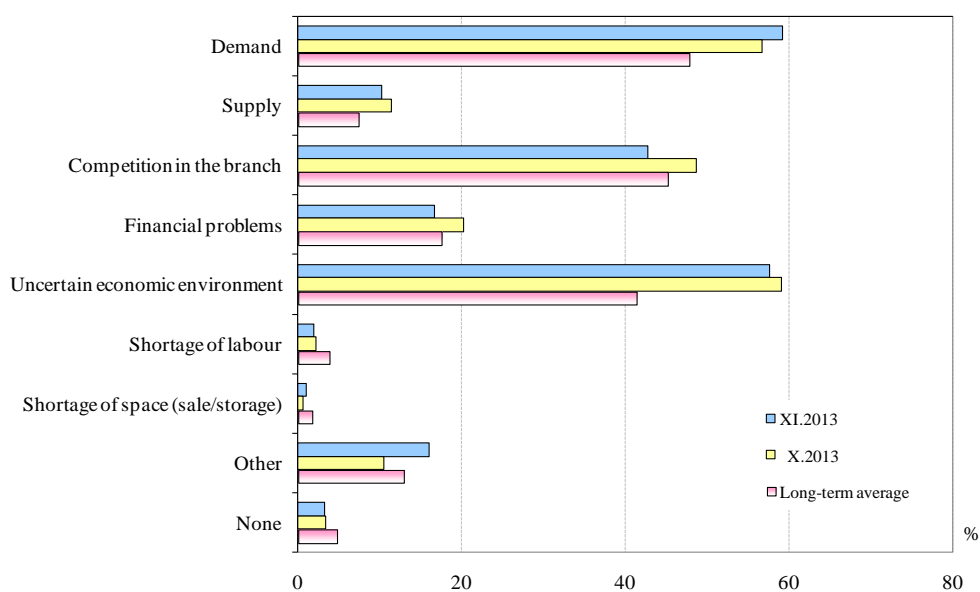




Figure 13. Selling prices expectations in retail trade over the next 3 months

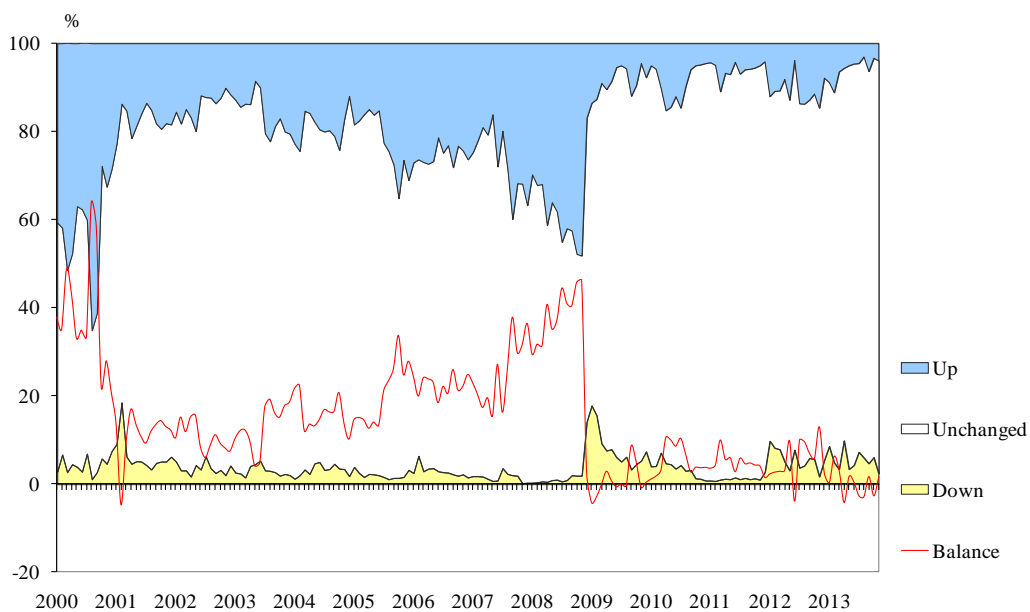


Figure 14. Business climate in service sector

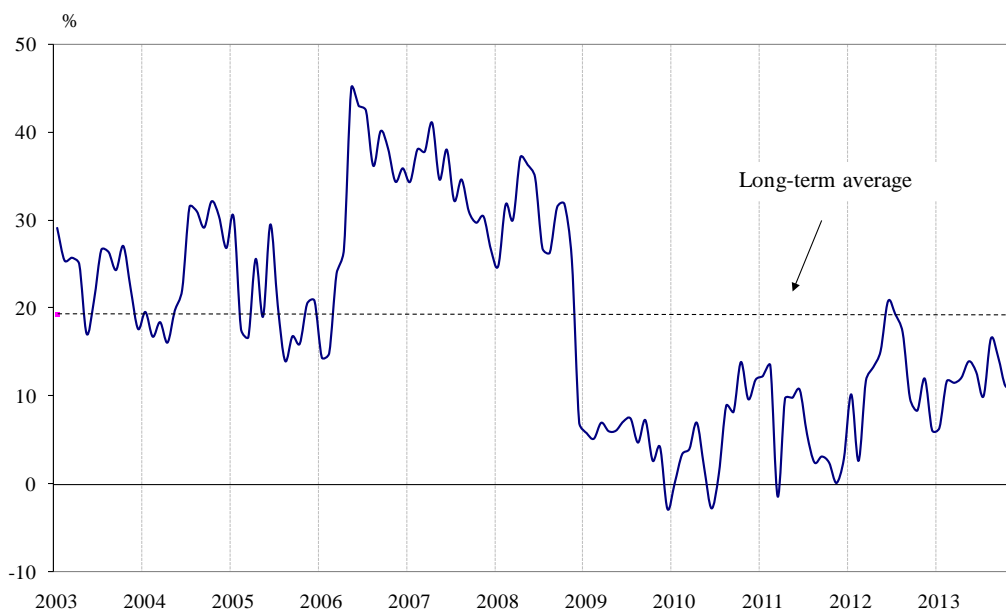
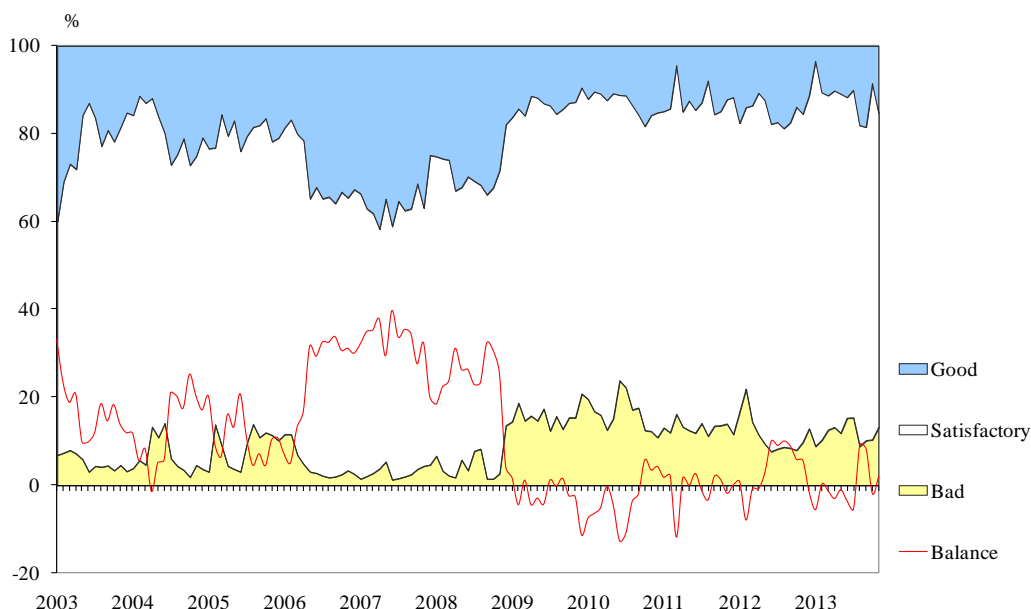




Figure 15. Present business situation in service sector



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

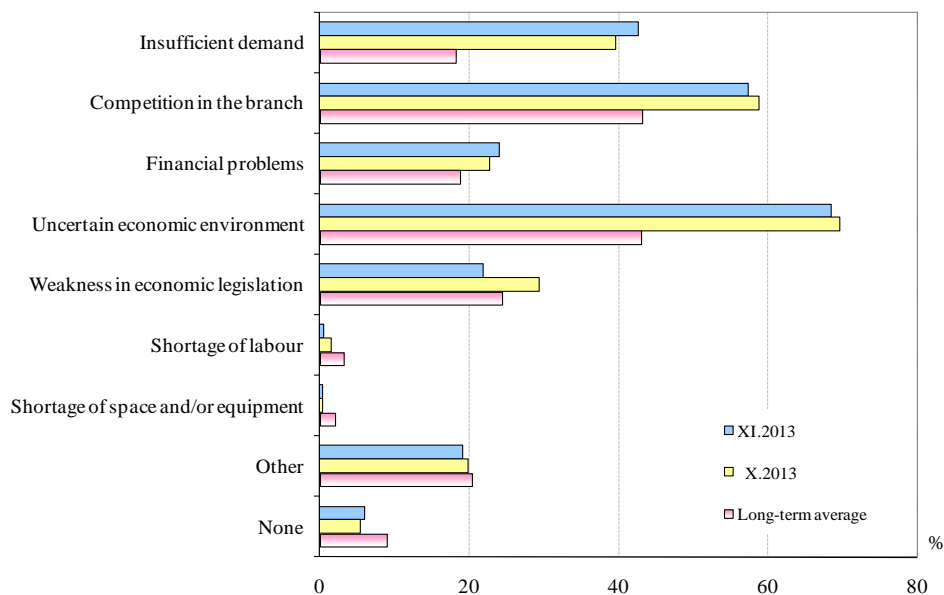




Figure 17. Selling prices expectations in service sector over the next 3 months

