BUSINESS CONJUNCTURE

NSI BUSINESS SURVEYS, SEPTEMBER 2024

In September 2024, **the total business climate indicator** decreases by 1.0 percentage point compared to the previous month (from 23.5% to 22.5%) (Annex, Figure 1), as a result of the more unfavourable business climate in the industry sector.

Industry. The composite indicator 'business climate in industry' drops by 5.2 percentage points (from 23.5% to 18.3%) (Annex, Figure 2), which is due to the reserved industrial entrepreneurs' assessments and expectations about the business situation of the enterprises. The present production activity is assessed as a decreased, as the forecasts about the activity over the next 3 months are worsened (Annex, Figure 3).

The most serious difficulties for the activity in the sector remain the uncertain economic environment and the shortage of labour, pointed out respectively by 51.2% and 30.4% of the enterprises (Annex, Figure 4).

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

Construction. In September, the composite indicator 'business climate in construction' remains to its August level (from 23.3% to 23.4%) (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 uncertain economic environment, shortage of labour, costs of materials and competition in the branch continue to limit with the most extent the business development (Annex, Figure 8).

Regarding the selling prices, the majority 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' increases by 4.7 percentage points (from 30.5% to 35.2%) (Annex, Figure 10), which is due to the positive retailers' expectations about the business situation of the enterprises over the next 6 months. Their forecasts about the volume of sales and orders placed with suppliers (Annex, Figure 11) over the next 3 months are optimistic.

In the last month the negative influence of the factor ‘uncertain economic environment’ is increased, which shifts to the second place the difficulties of the enterprises connected with the competition in the branch. In third and fourth place remain the factors ‘insufficient demand’ and ‘shortage of labour’ (Annex, Figure 12).

The retailers’ foresee certain increase in the selling prices over the next 3 months (Annex, Figure 13).

Service sector[1]. In September, the composite indicator ‘business climate in service sector’ preserves approximately its level from the previous month (from 16.8% to 17.2%) (Annex, Figure 14). Concerning the demand for services, the present tendency is assessed as slightly reduced, while the expectations over the next 3 months are favourable (Annex, Figure 15).

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

Regarding the selling prices in the service sector, the managers’ forecasts are 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 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

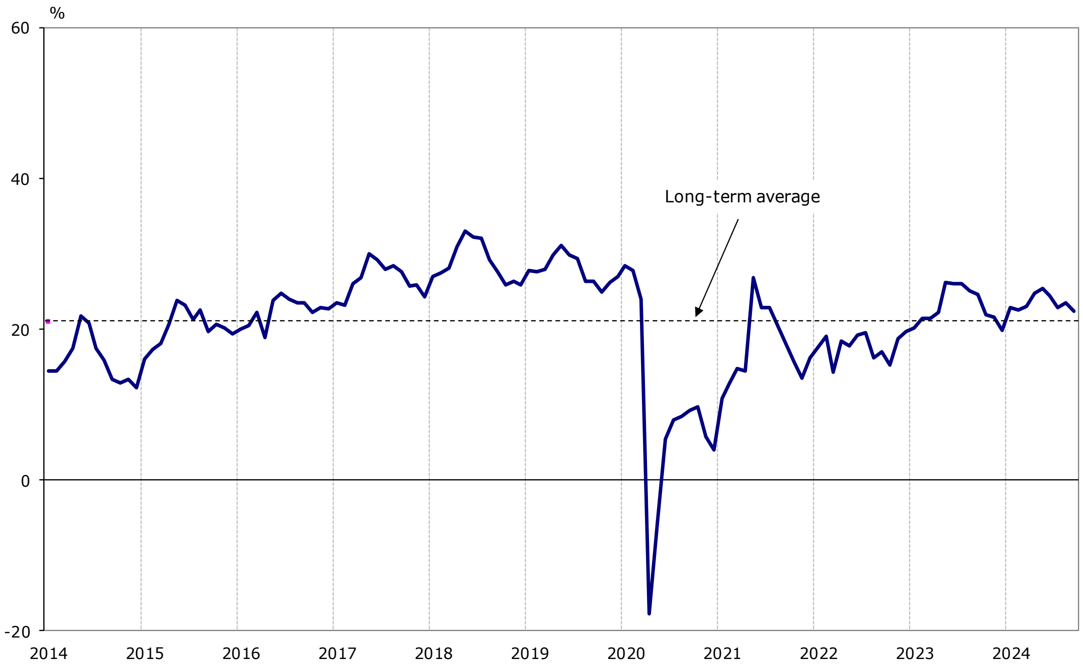

Figure 2. Business climate in industry

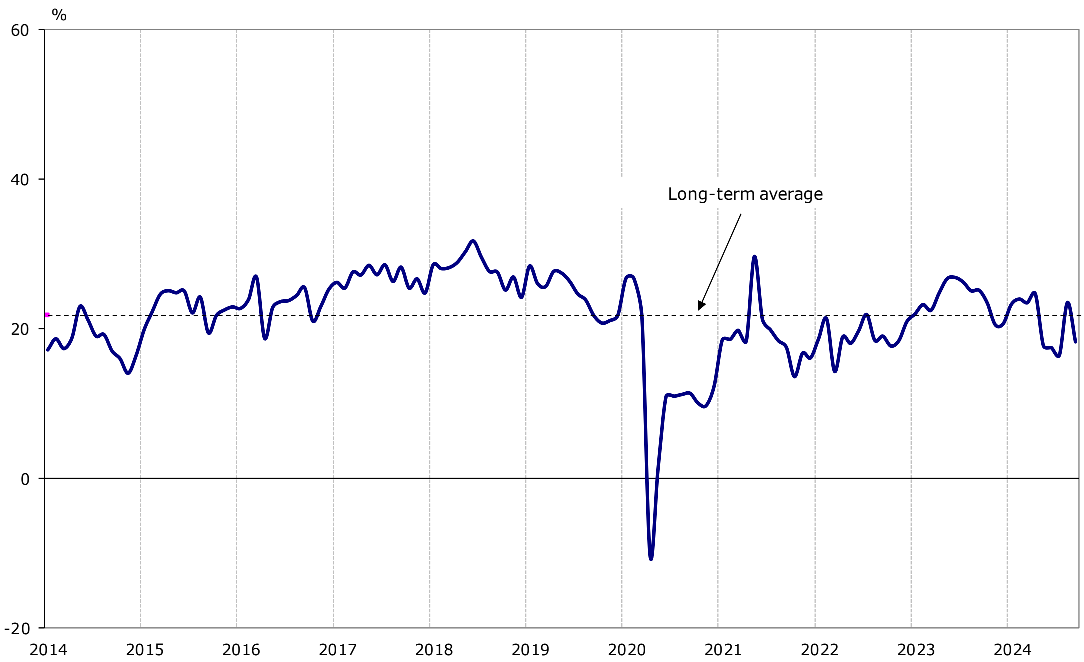

Figure 3. Expected production activity in industry over the next 3 months

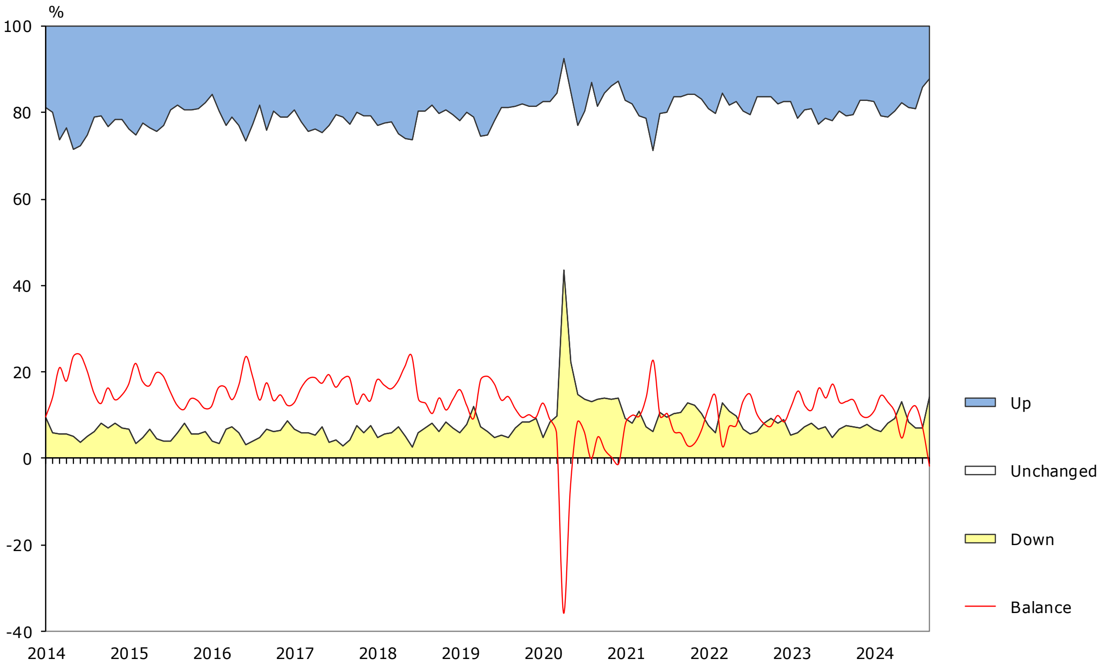

Figure 4. Factors limiting the activity in industry

(Relative share of enterprises)

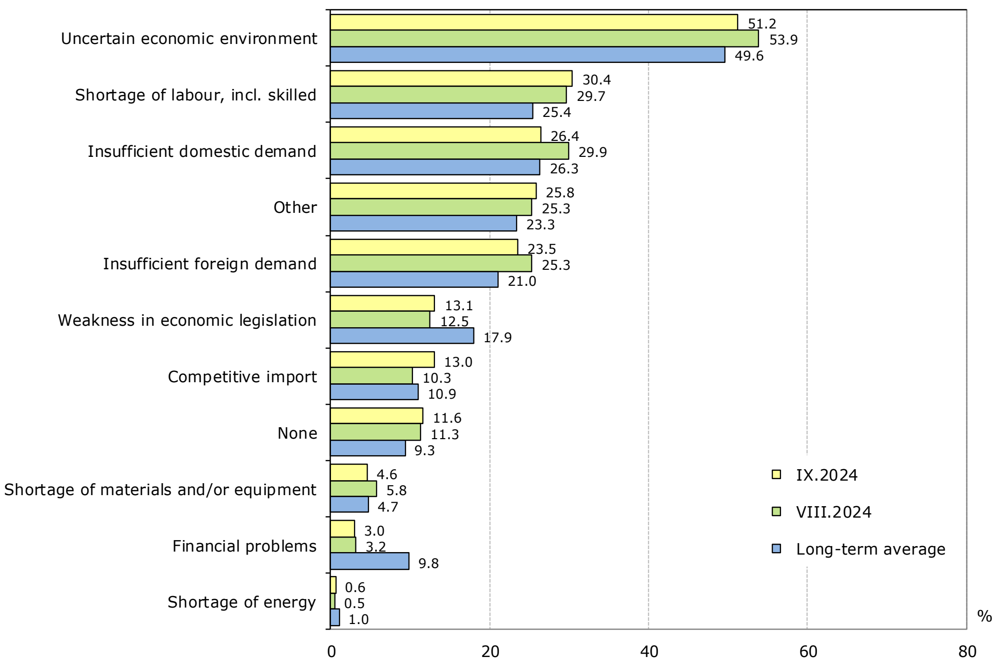

Figure 5. Selling prices expectations in industry over the next 3 months

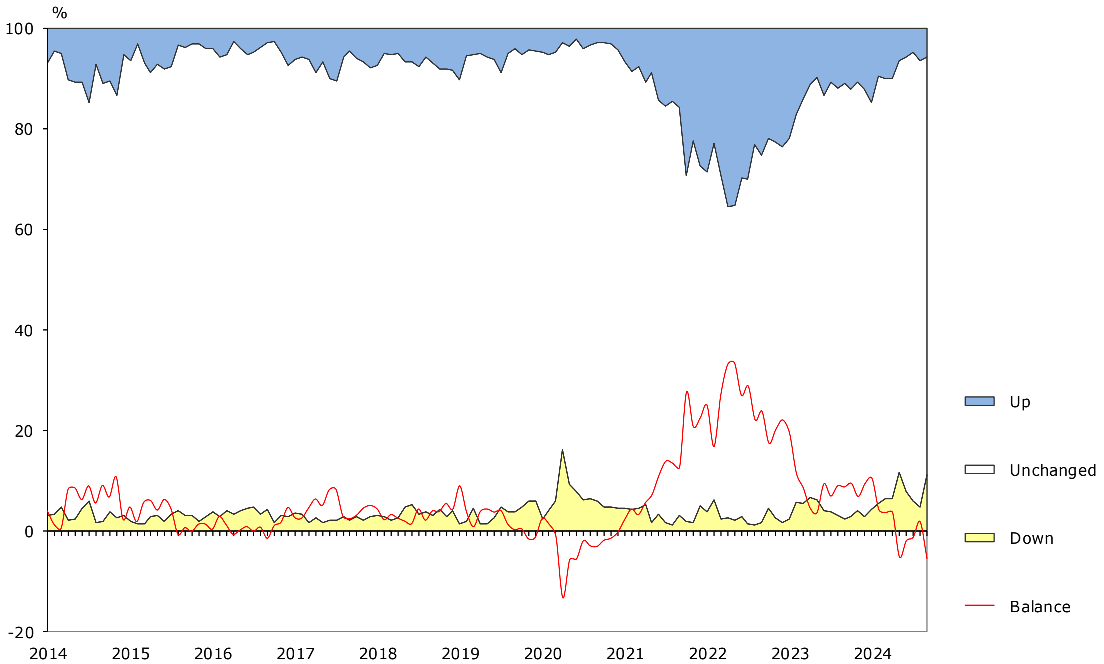

Figure 6. Business climate in construction

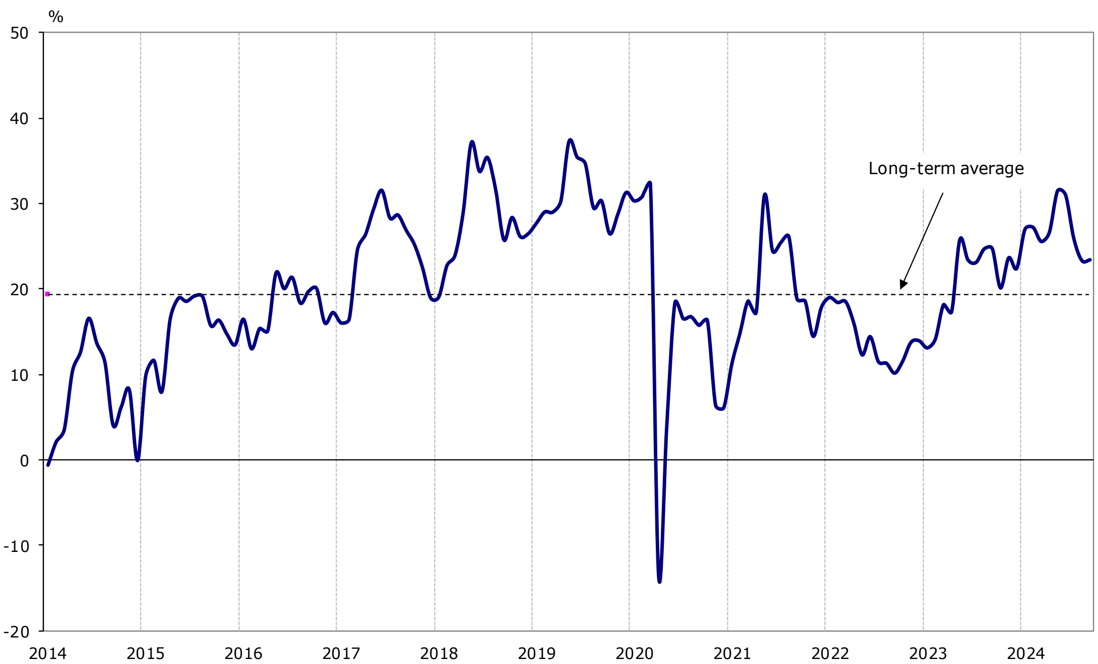

Figure 7. Expected construction activity over the next 3 months

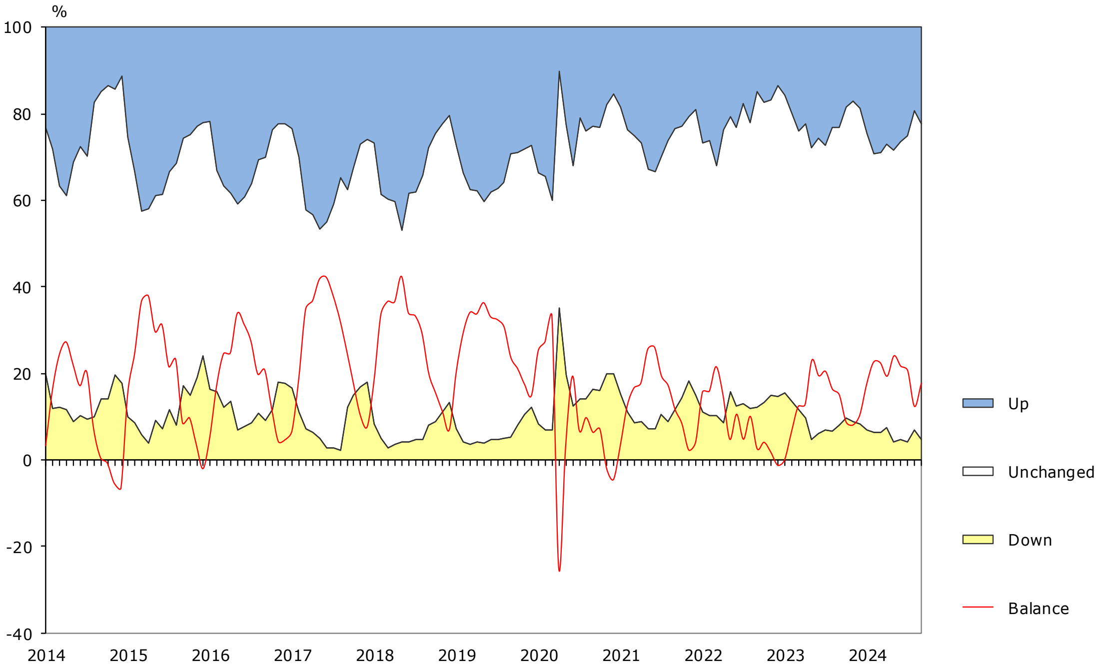

Figure 8. Factors limiting the activity in construction

(Relative share of enterprises)

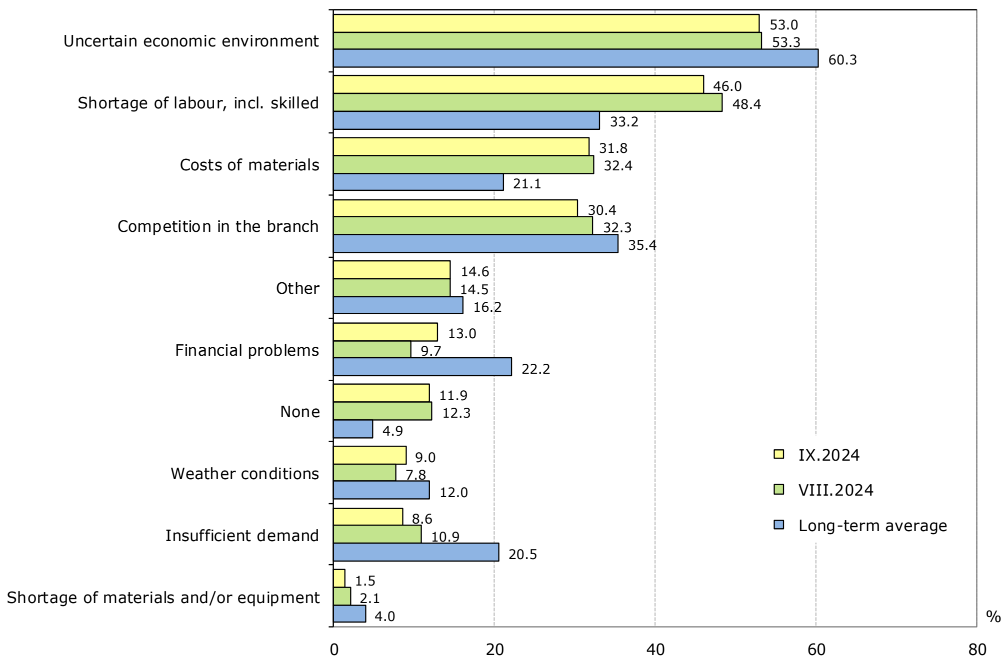

Figure 9. Selling prices expectations in construction over the next 3 months

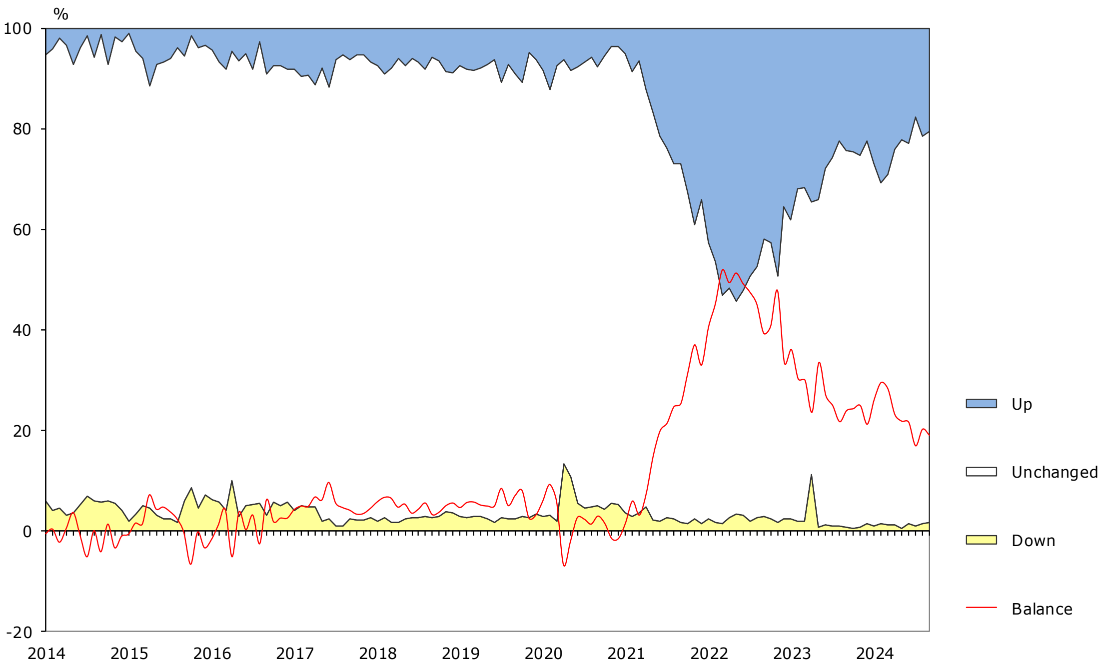

Figure 10. Business climate in retail trade

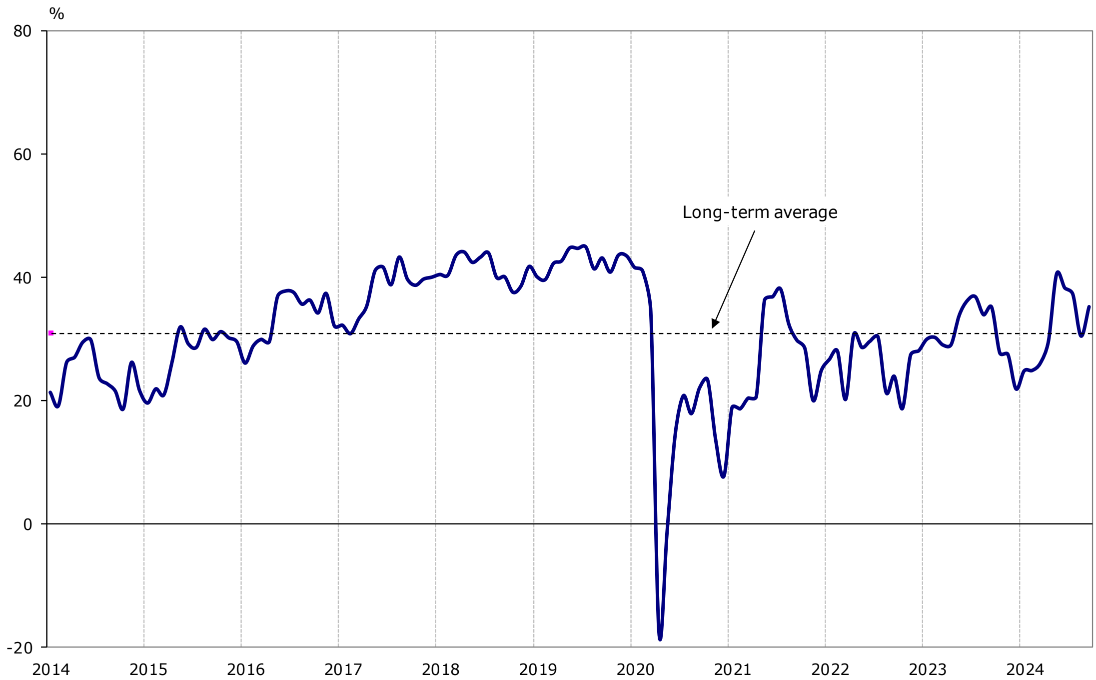

Figure 11. Expectations about orders placed with suppliers in retail trade over the next 3 months

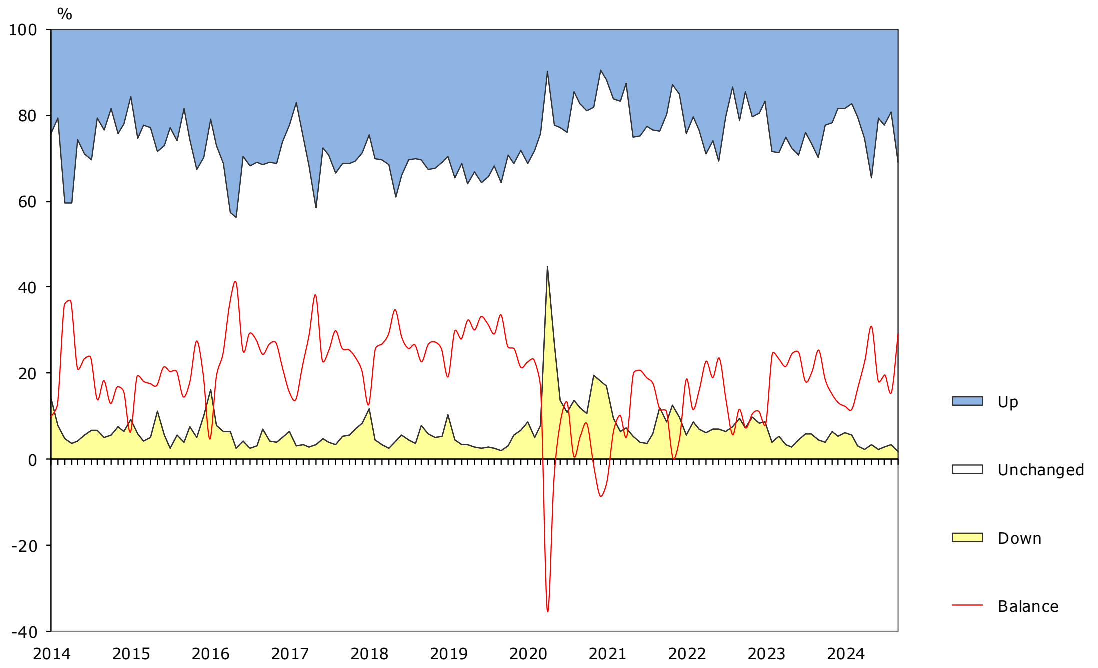

Figure 12. Factors limiting the activity in retail trade

(Relative share of enterprises)

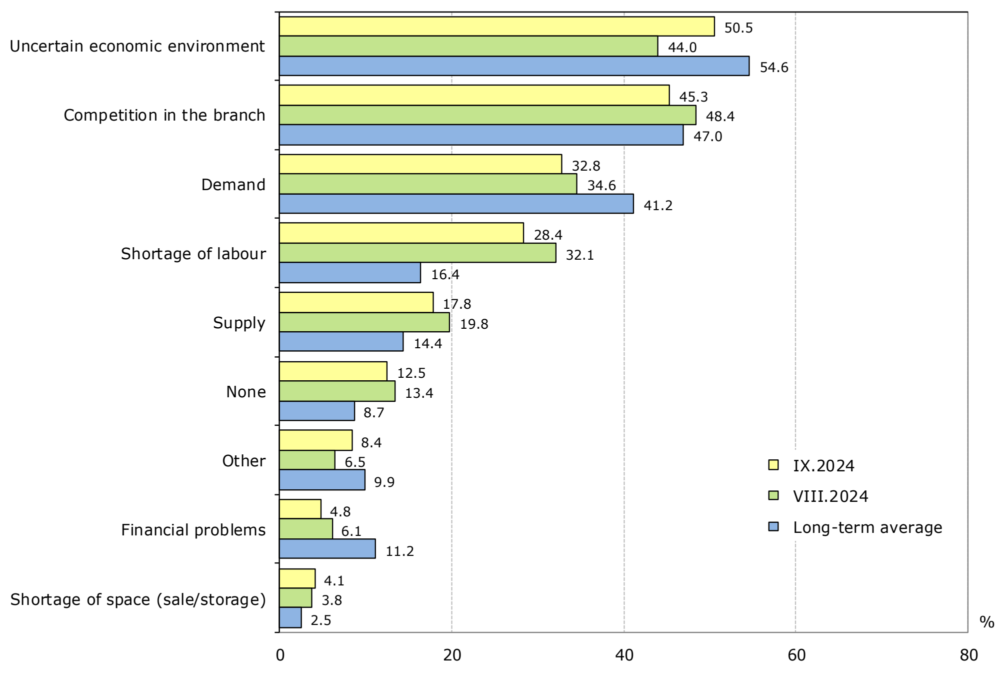

Figure 13. Selling prices expectations in retail trade over the next 3 months

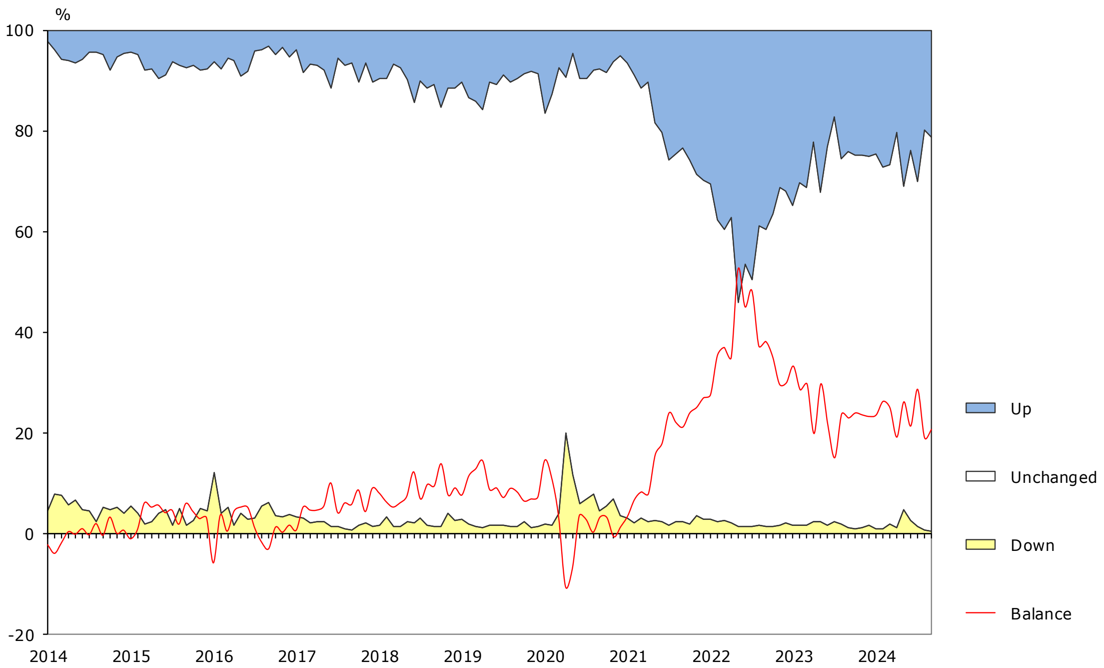

Figure 14. Business climate in service sector

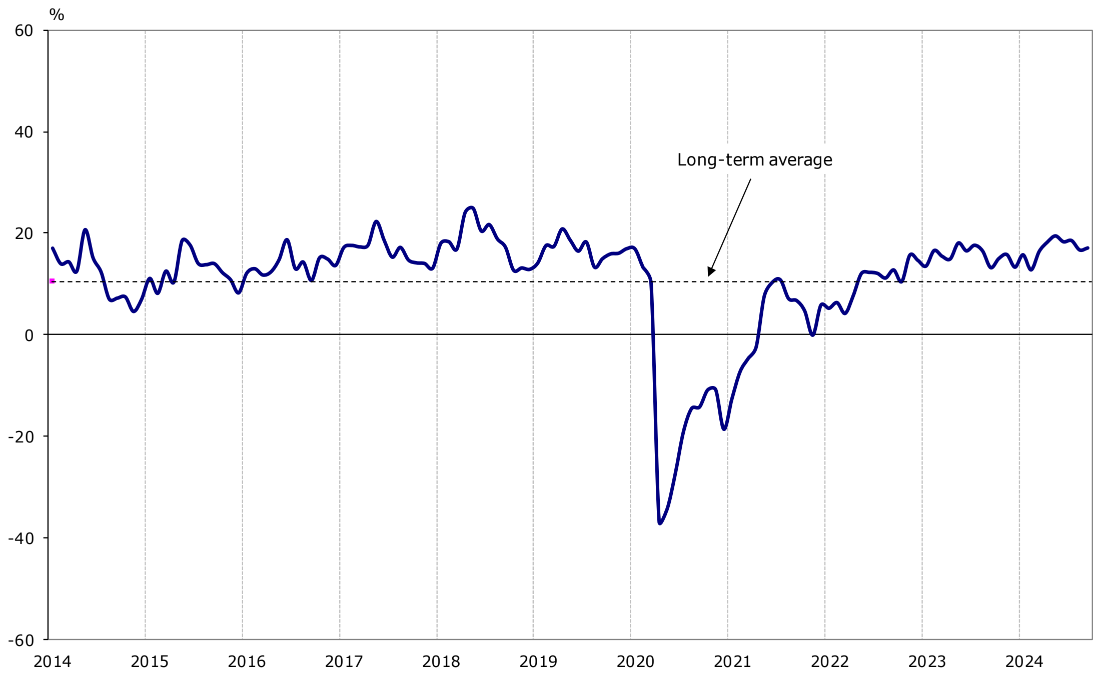

Figure 15. Expected demand in service sector over the next 3 months

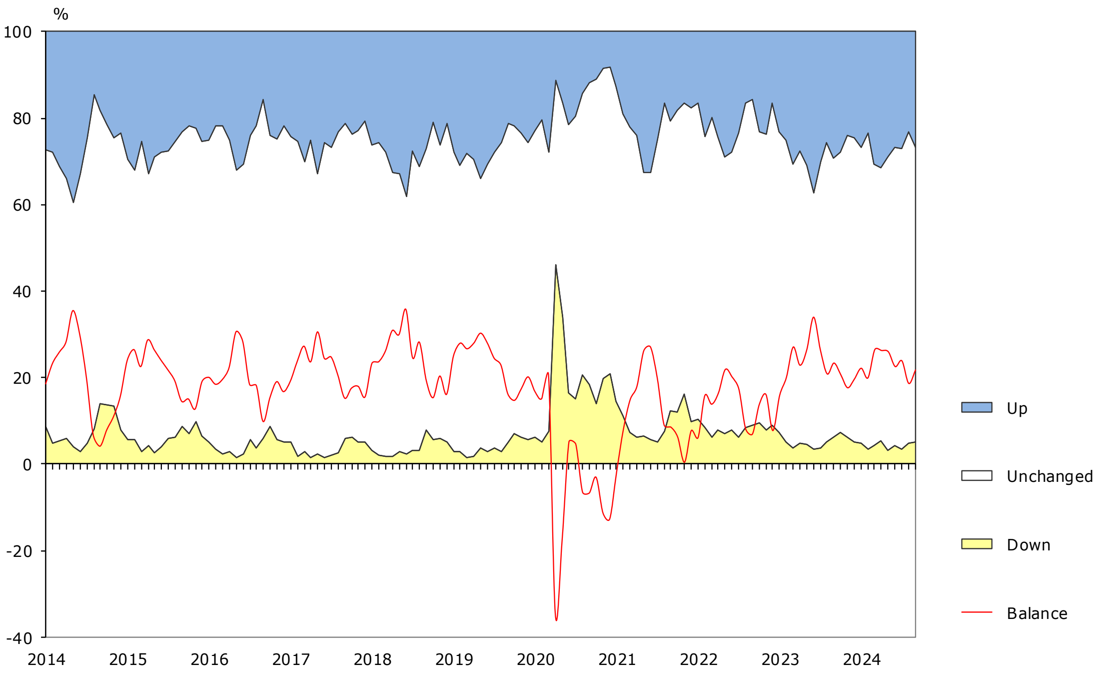

Figure 16. Factors limiting the activity in service sector

(Relative share of enterprises)

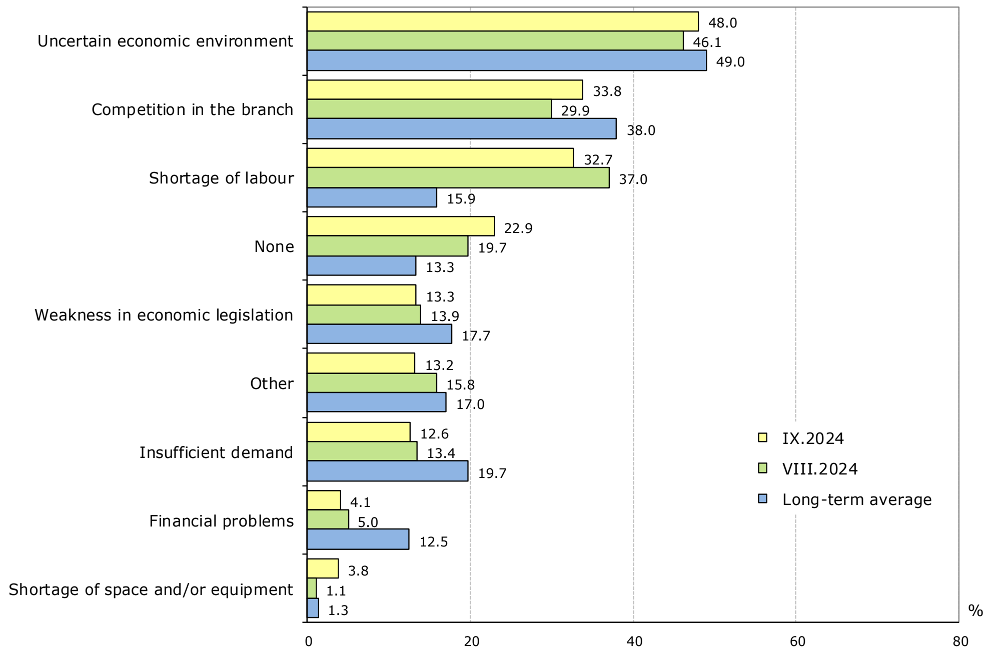

Figure 17. Selling prices expectations in service sector over the next 3 months