



## BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, JANUARY 2025

In January 2025, **the total business climate indicator** remains to its level from December 2024 (from 18.7% to 18.6%) (Annex, Figure 1). An increase of the indicator is observed in the construction, in industry preserves approximately its level from the previous month, and in retail trade and in service sector a reduction is registered.

**Industry.** The composite indicator 'business climate in industry' remains nearly to its level from December 2024 (from 17.7% to 17.4%) (Annex, Figure 2). The industrial entrepreneurs' expectations about both the business situation of the enterprises over the next 6 months and their activity over the next 3 months (Annex, Figure 3), are favourable. In January 2025 in comparison with October 2024, an increase of the average capacity utilization (by 1.0 percentage point) is observed and it reaches 74.2%.

The main problems limiting the activity in the sector continue to be the uncertain economic environment and shortage of labour, pointed out respectively by 56.9% and 31.7% of the enterprises (Annex, Figure 4).

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

**Construction.** In January, the composite indicator 'business climate in construction' increases by 2.7 percentage points (from 16.9% to 19.6%) (Annex, Figure 6), mainly due to the improved construction entrepreneurs' expectations about the business situation of the enterprises over the next 6 months. Their forecasts about the construction activity over the next 3 months are also more optimistic (Annex, Figure 7).

The most serious difficulties for the business development remain connected with the uncertain economic environment, shortage of labour and costs of materials, although in the last month a decrease of their negative impact is reported (Annex, Figure 8).

The construction entrepreneurs' expectations concerning the selling prices over the next 3 months are in a direction of an increase (Annex, Figure 9).

**Retail trade.** The composite indicator 'business climate in retail trade' decreases by 1.8 percentage points (from 29.4% to 27.6%) (Annex, Figure 10), which is due to the more reserved retailers' expectations about the business situation of the enterprises over the next 6 months. However, their forecasts about the volume of sales and orders placed with suppliers over the next 3 months (Annex, Figure 11) are improving.

The uncertain economic environment, competition in the branch and shortage of labour remain the main obstacles for the activity of the enterprises (Annex, Figure 12).

Concerning the selling prices, the retailers' continue to expect them to increase over the next 3 months (Annex, Figure 13).

**Service sector<sup>1</sup>.** In January, the composite indicator 'business climate in service sector' decreases by 1.0 percentage point (from 11.9% to 10.9%) (Annex, Figure 14) as a result of the more unfavourable managers' expectations about the business situation of the enterprises over the next 6 months. Their forecasts about the demand for services over the next 3 months are also reserved (Annex, Figure 15).

The main factor limiting the business development continue to be the uncertain economic environment, pointed out by 53.9% of the enterprises. In second and third place are the competition in the branch and shortage of labour (Annex, Figure 16).


In comparison with December 2024, the managers' share who forecast the selling prices in the service sector to increase over the next 3 months is rising (Annex, Figure 17).

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<sup>1</sup> 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.

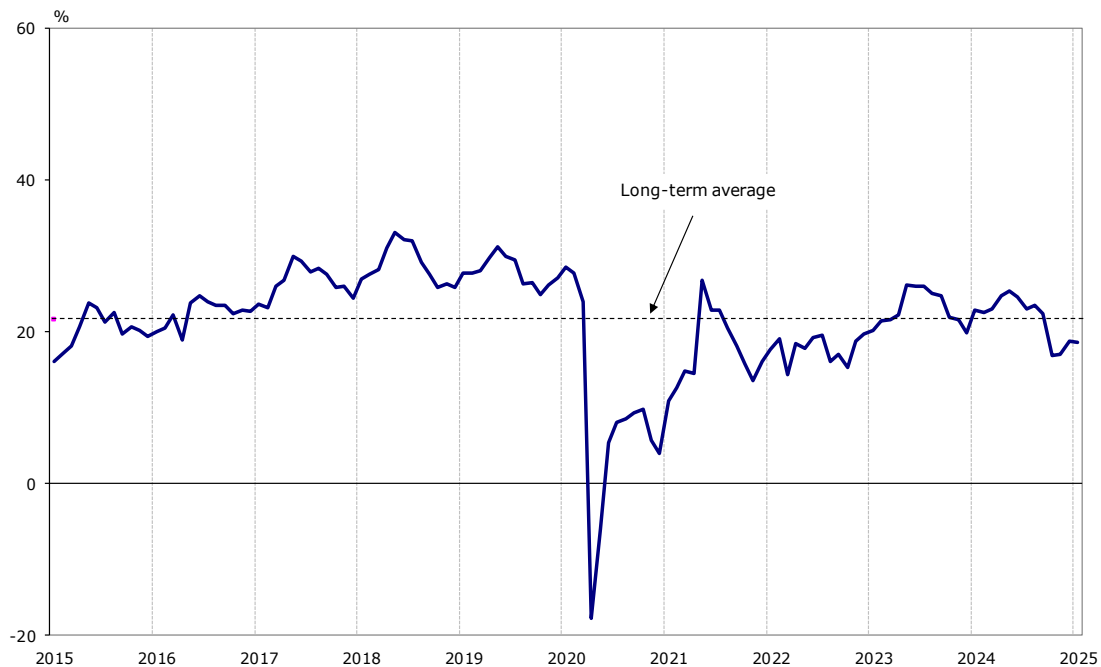
Since July 2010, NSI has started publishing the business surveys data according to the new Classification of Economic Activities (NACE.BG - 2008) (NACE, Rev. 2). All of the time series have been recalculated according to the Classification and are comparable throughout time.

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.

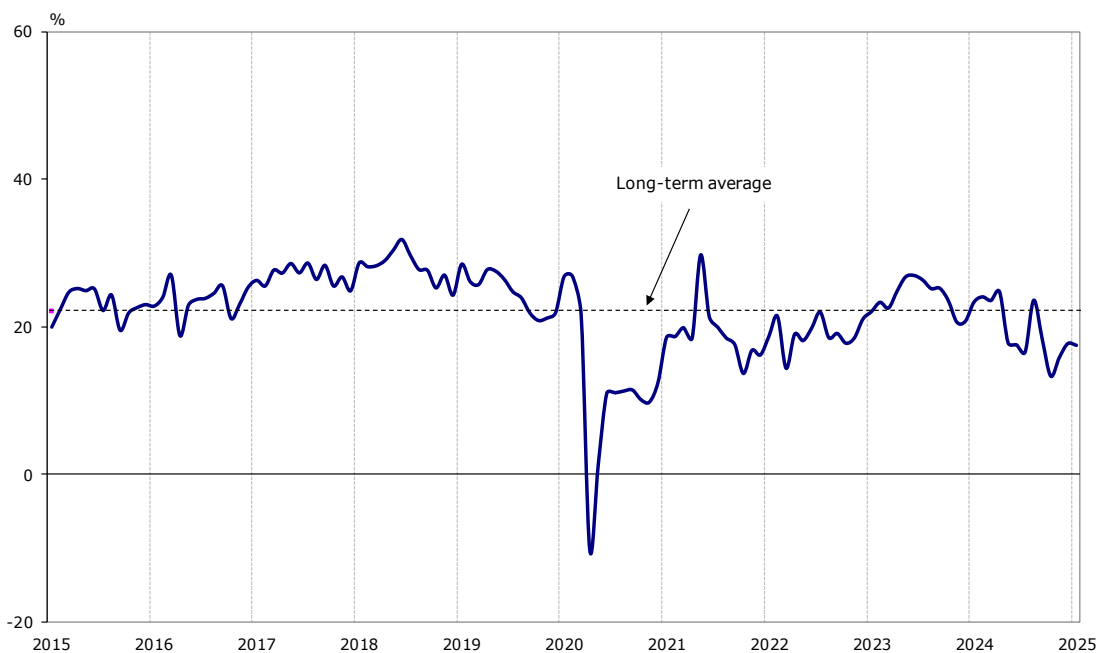
The total business climate indicator is a weighted average of four branch business climate indicators in: industry, construction, retail trade and in the service sector. The last indicator of the business climate in the service sector has been included in the total time series since May 2002.

**Annex**

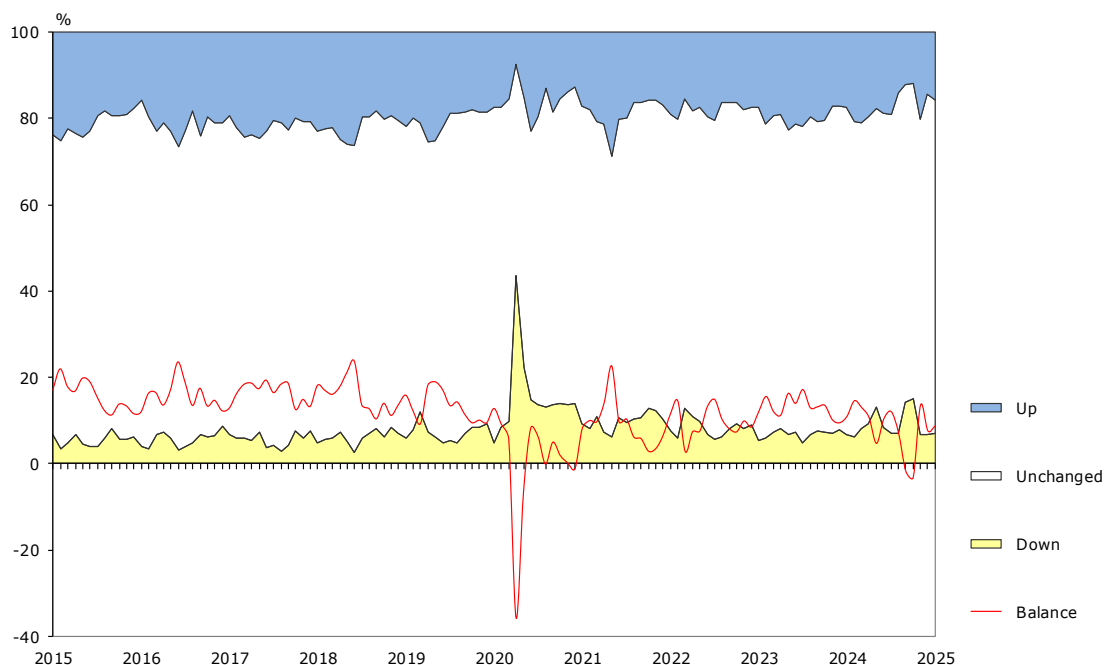
**Figure 1. Business climate - total**



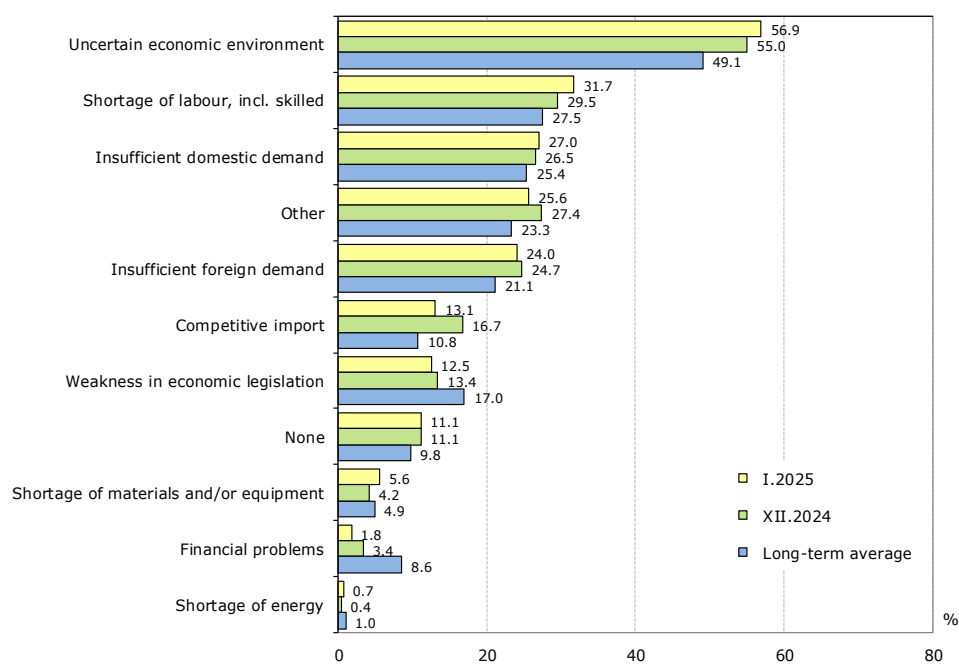
**Figure 2. Business climate in industry**



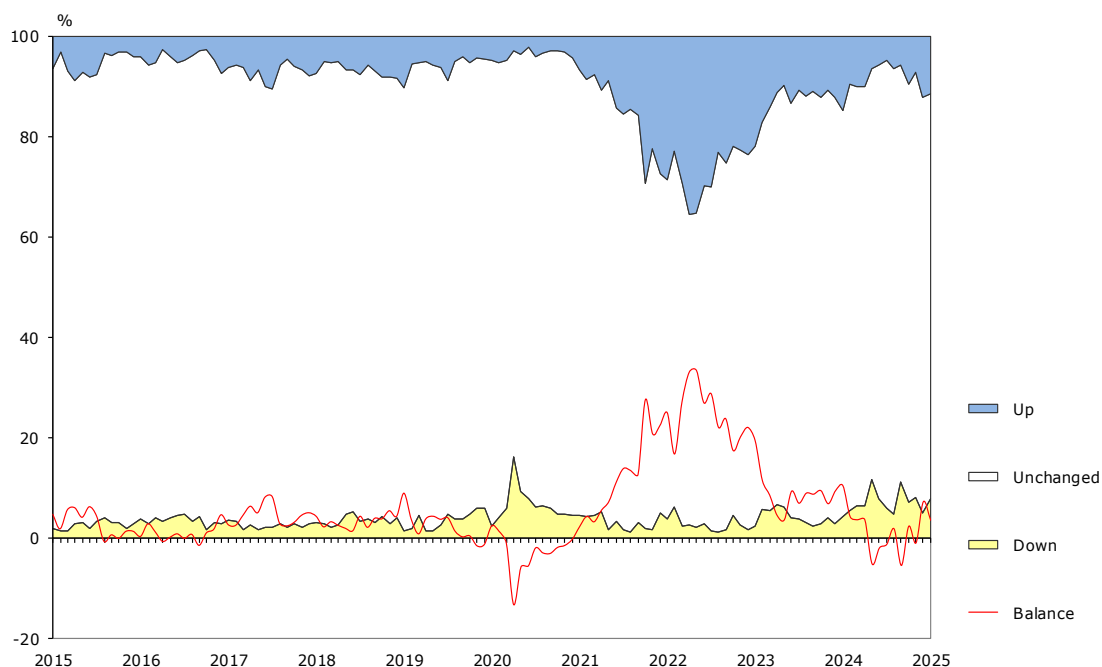
**Figure 3. Expected production activity in industry  
over the next 3 months**



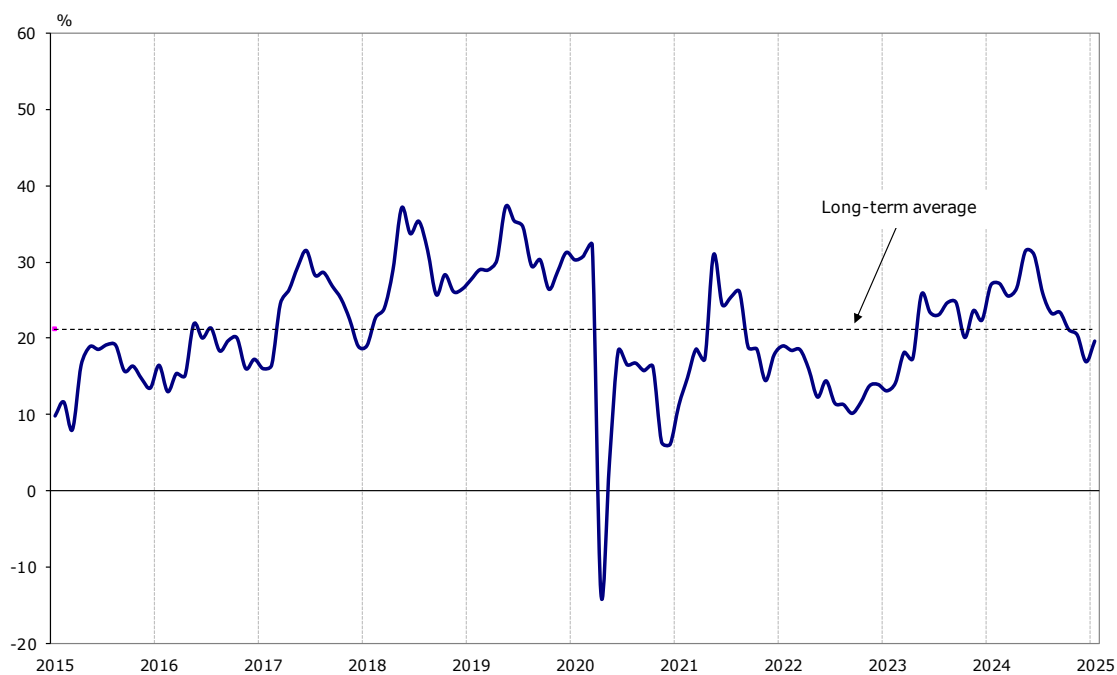
**Figure 4. Factors limiting the activity in industry  
(Relative share of enterprises)**



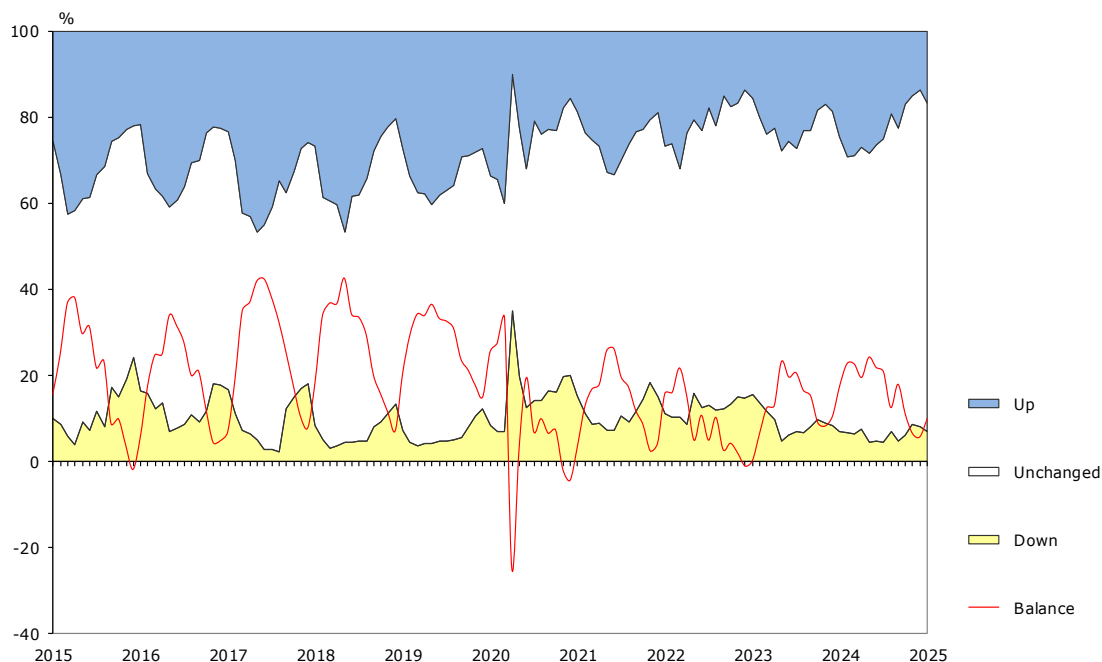
**Figure 5. Selling prices expectations in industry  
over the next 3 months**



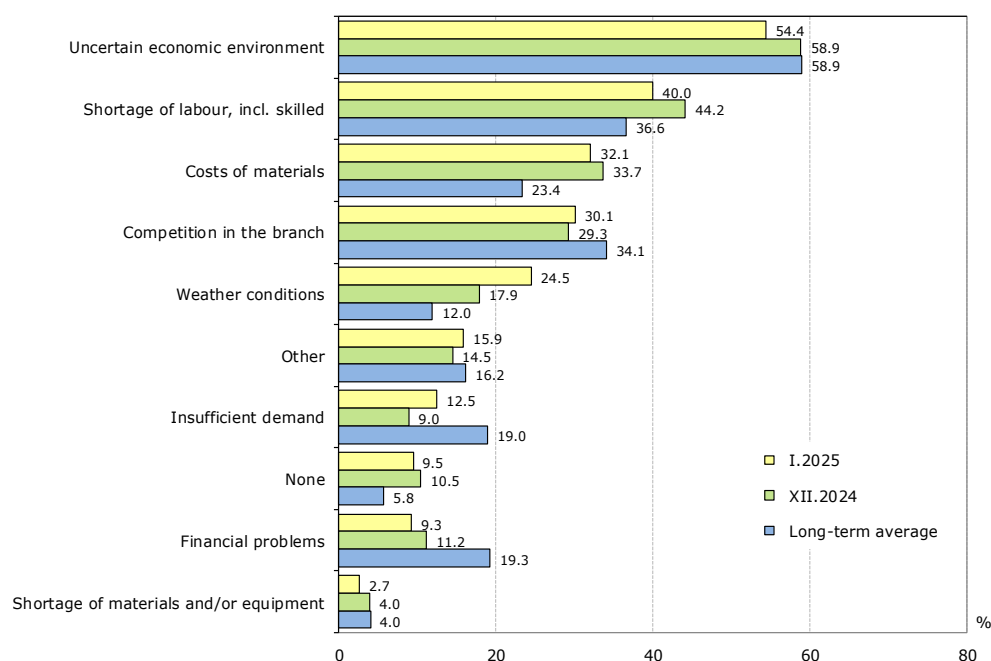
**Figure 6. Business climate in construction**



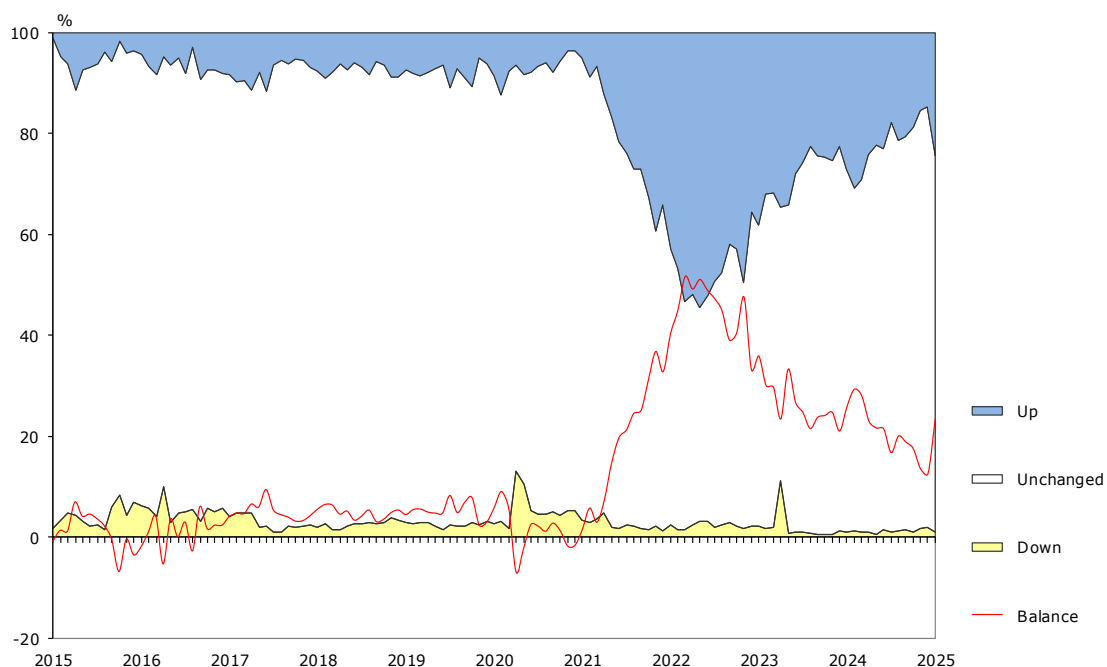
**Figure 7. Expected construction activity  
over the next 3 months**



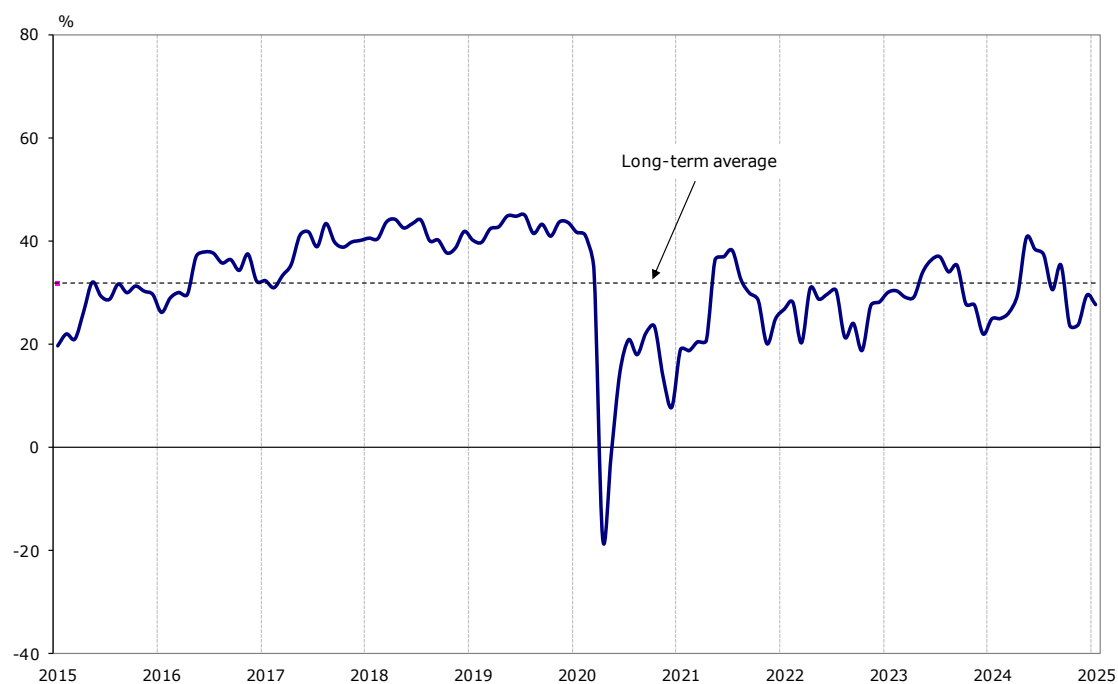
**Figure 8. Factors limiting the activity in construction  
(Relative share of enterprises)**



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

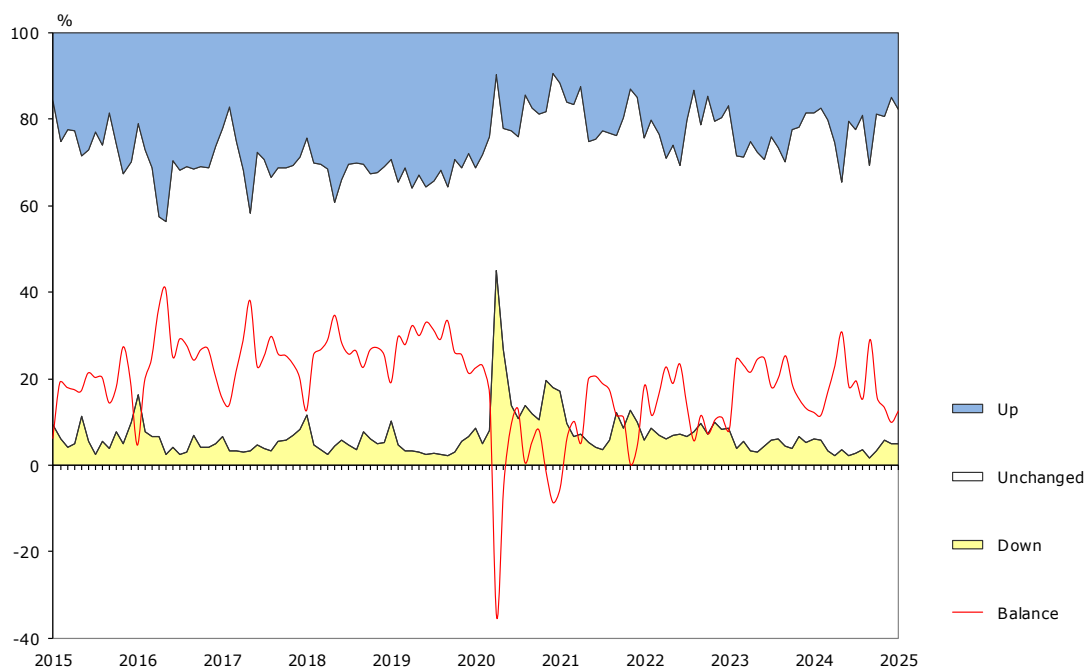


**Figure 10. Business climate in retail trade**

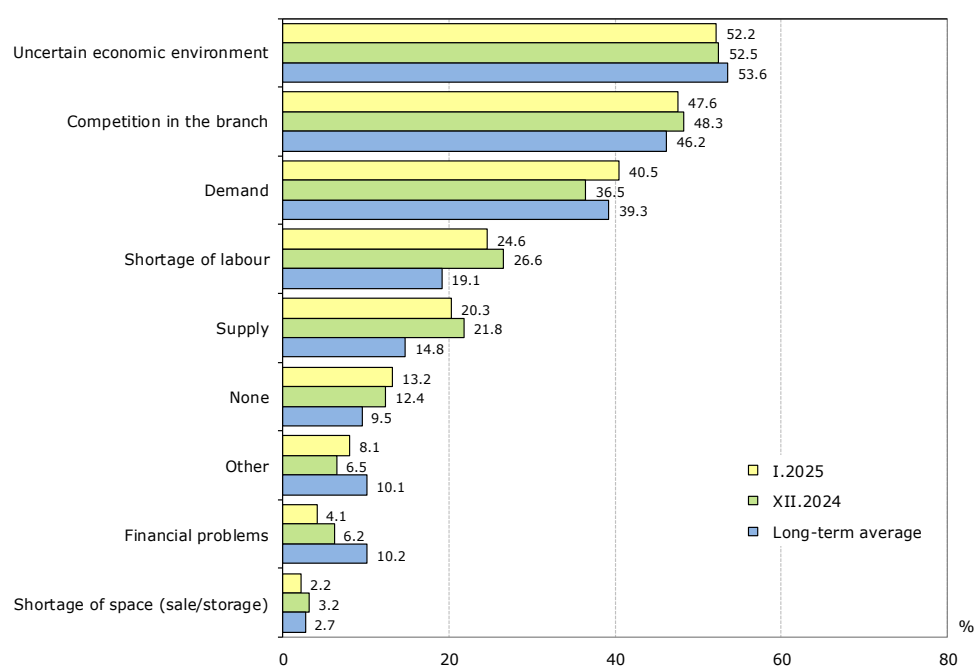




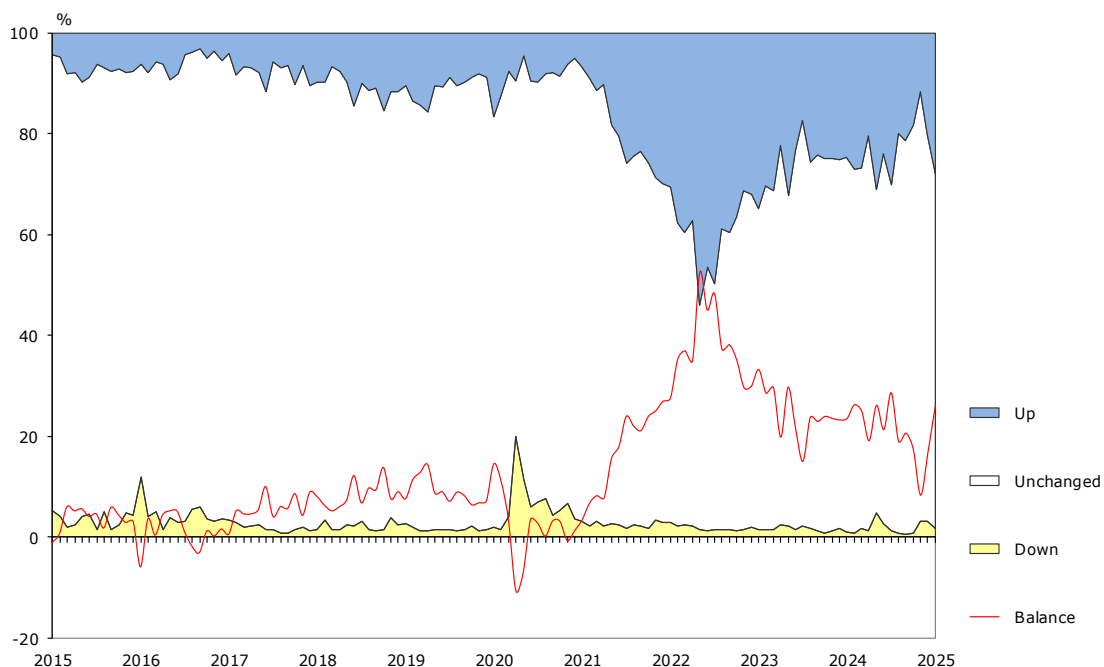
**Figure 11. Expectations about orders placed with suppliers  
in retail trade over the next 3 months**



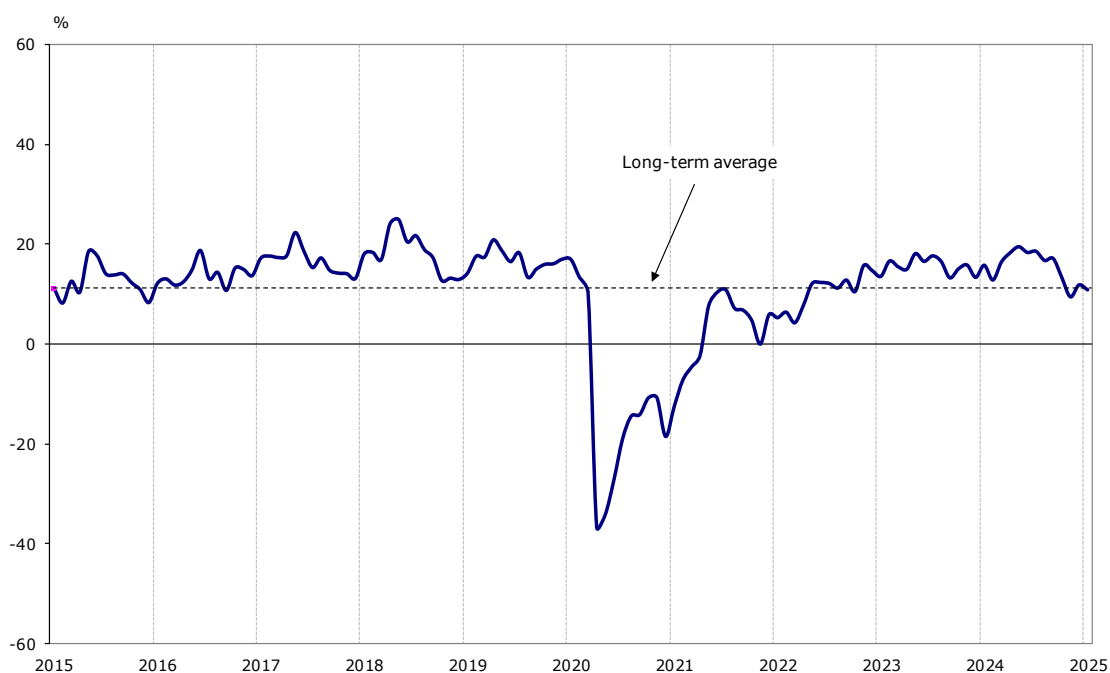
**Figure 12. Factors limiting the activity in retail trade  
(Relative share of enterprises)**



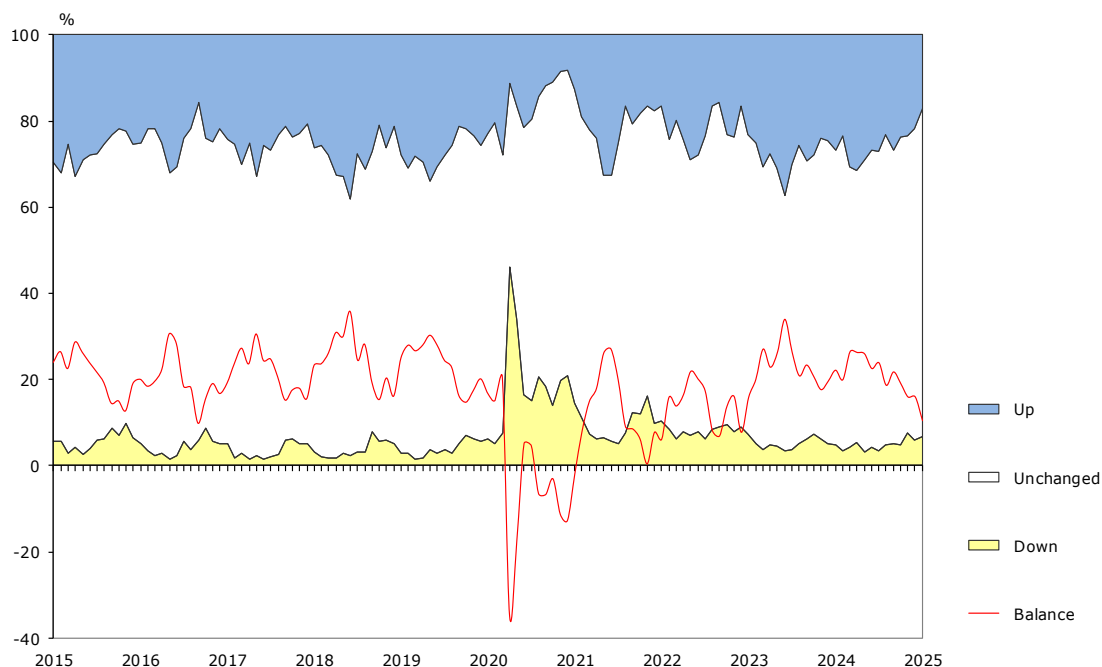
**Figure 13. Selling prices expectations in retail trade  
over the next 3 months**



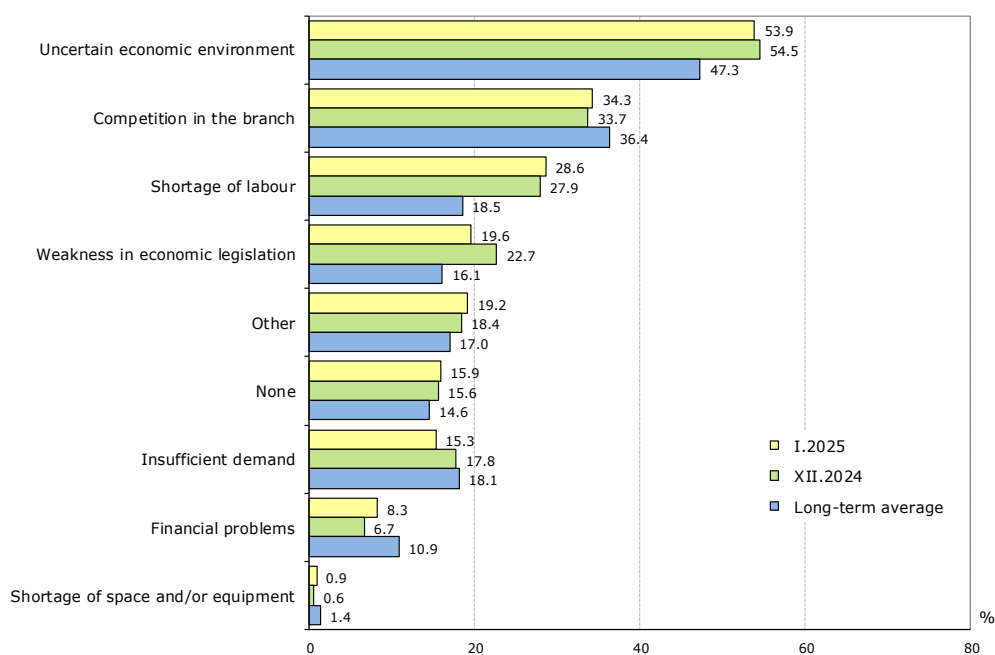
**Figure 14. Business climate in service sector**



**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**

