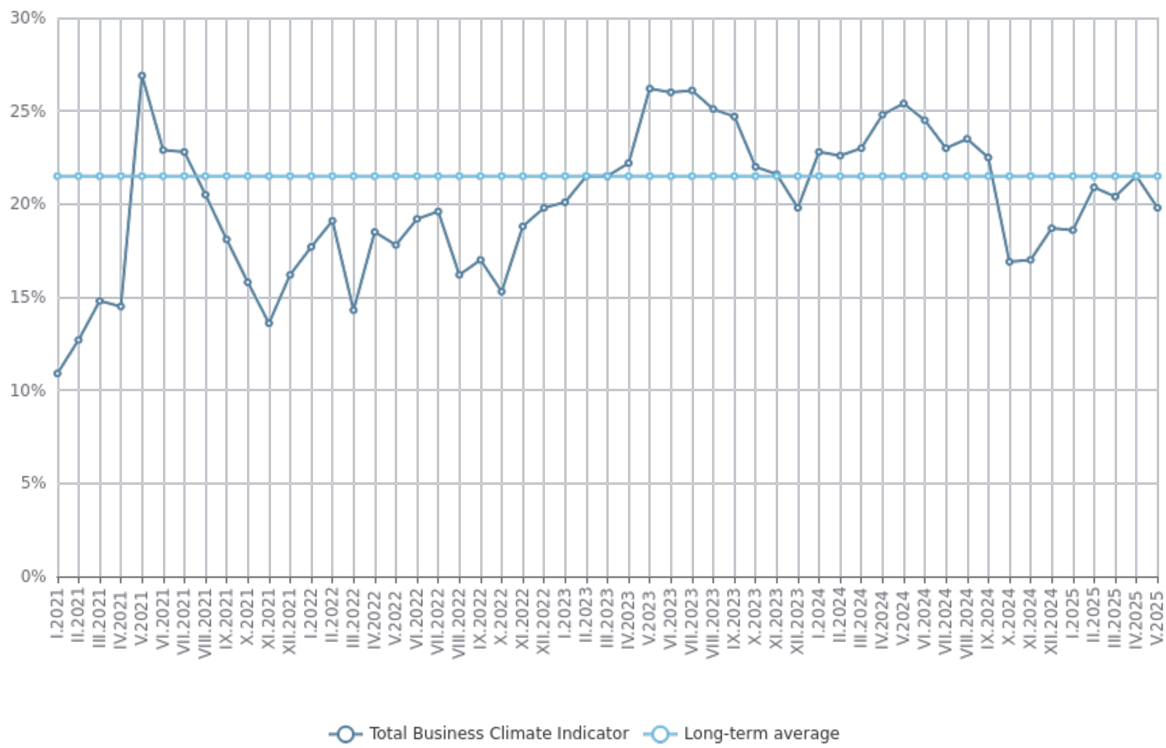
BUSINESS SURVEY IN INDUSTRY, CONSTRUCTION, RETAIL TRADE AND SERVICE SECTOR - MAY 2025

In May 2025, **the total business climate indicator** decreases by 1.7 percentage point in comparison with April (from 21.5% to 19.8%) (Annex, Figure 1), as a result of the more unfavorable business climate in the industry and retail trade.

Figure 1. Business climate - total



Industry. The composite indicator ‘business climate in industry’ decreases by 1.1 percentage points (from 19.3% to 18.2%) (Figure 2), which is due to the reserved industrial entrepreneurs’ assessments about the present business situation of the enterprises. However, certain optimism in their forecasts about the business situation (Figure 3) and the production activity over the next months is observed.

Figure 2. Business climate in industry

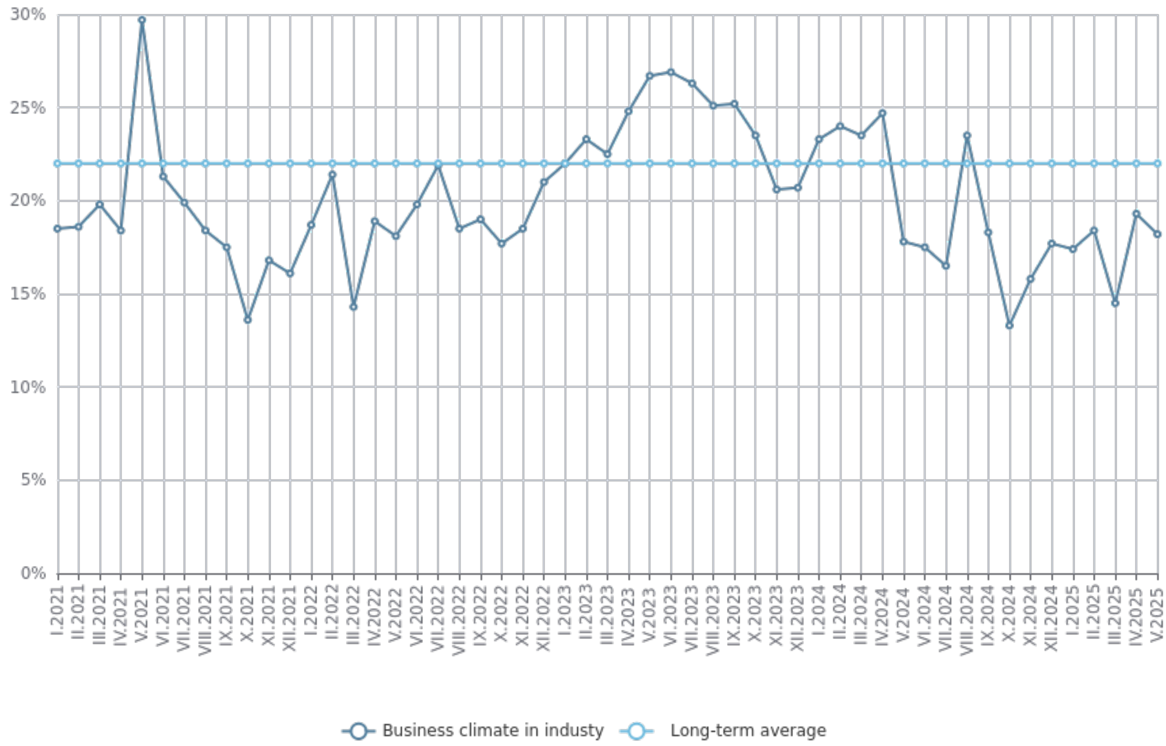
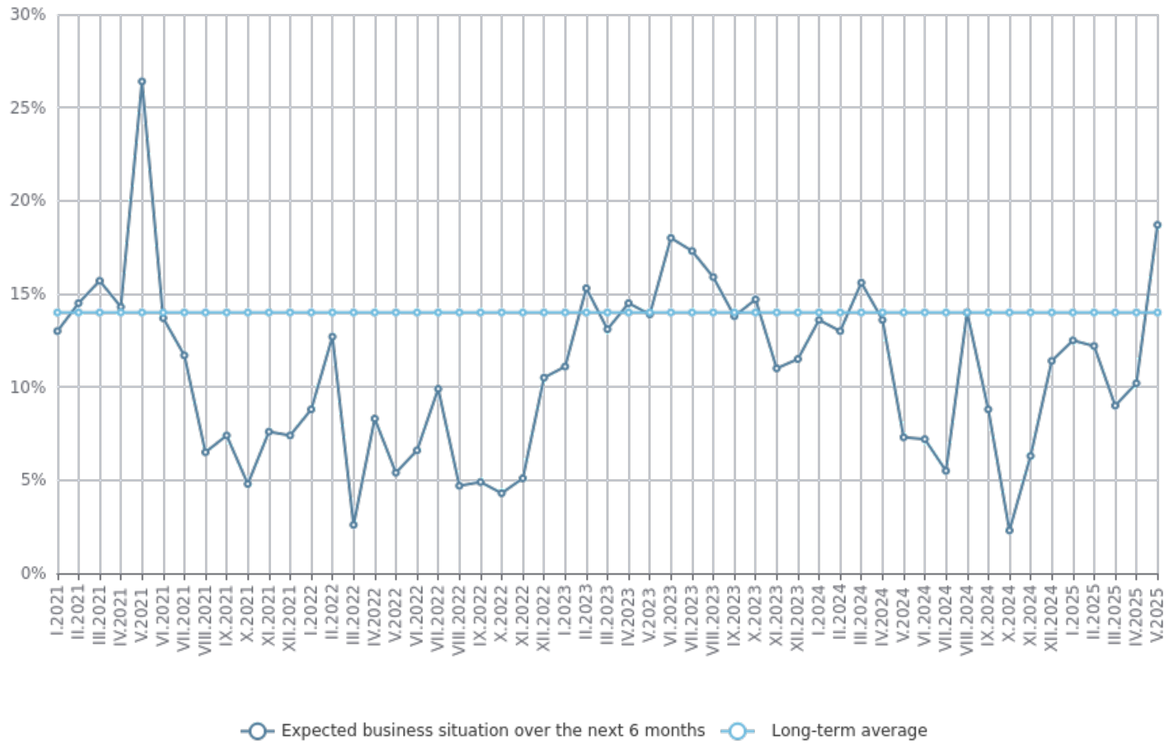


Figure 3. Expected business situation in industry over the next 6 months

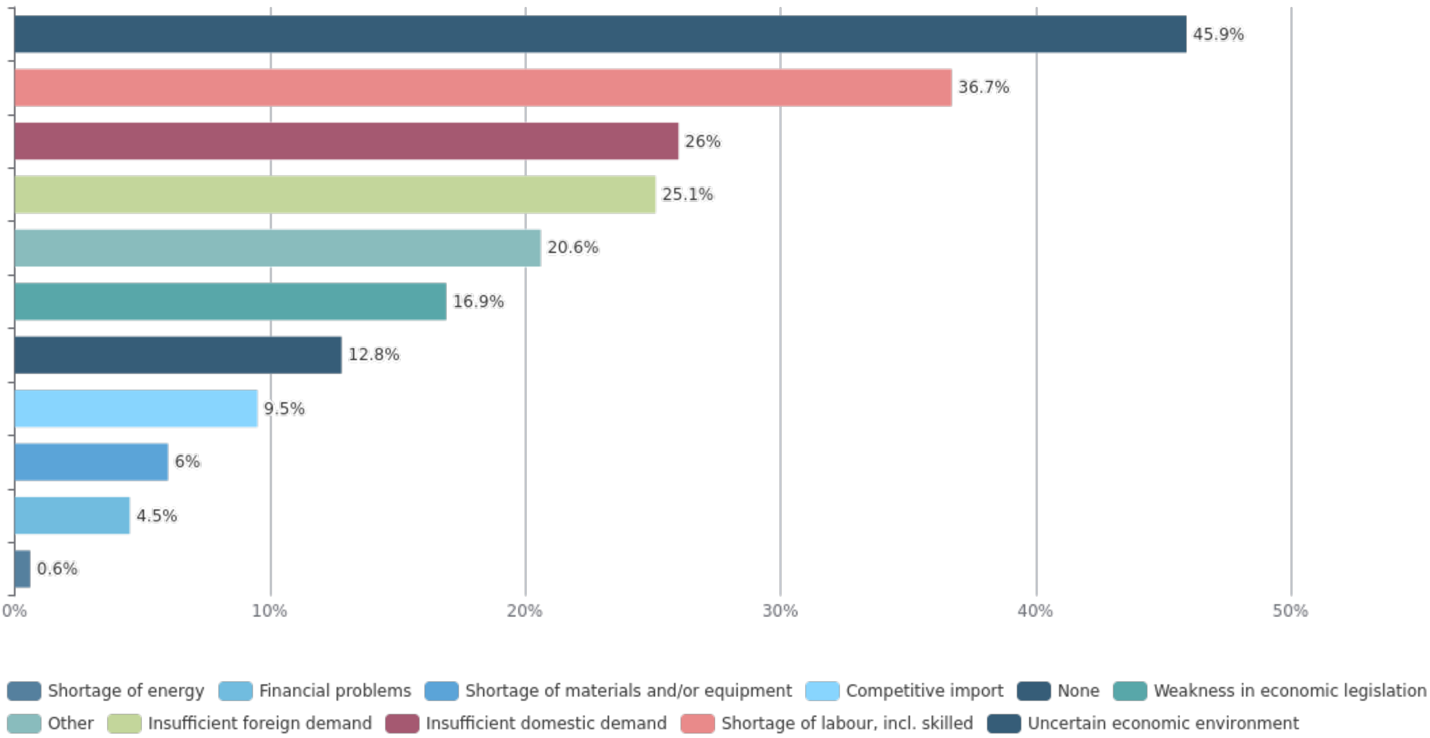


The most serious difficulties for the enterprises in the sector remain the uncertain economic environment and shortage of labour, pointed out respectively by 45.9% and 36.7% of them (Figure 4).

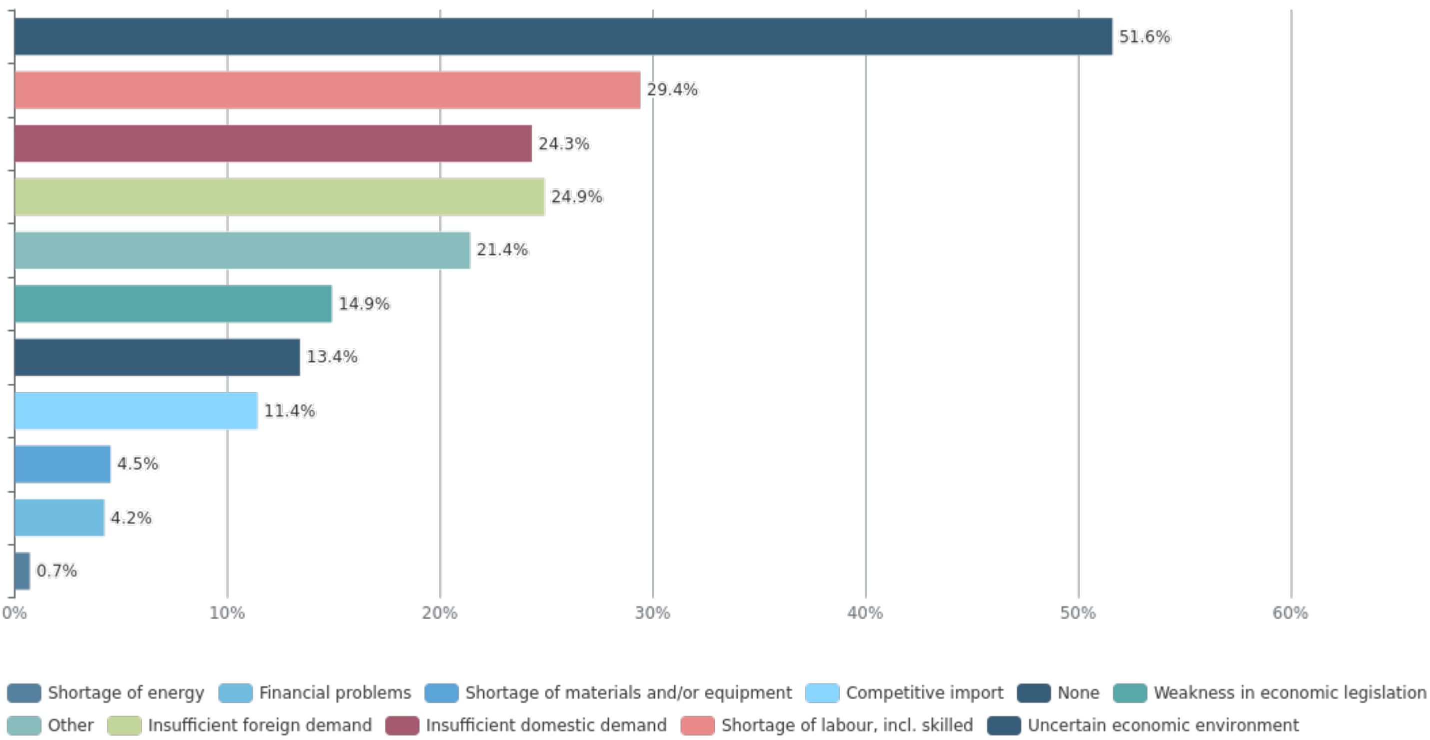
Figure 4. Factors limiting the activity in industry

(Relative share of enterprises)

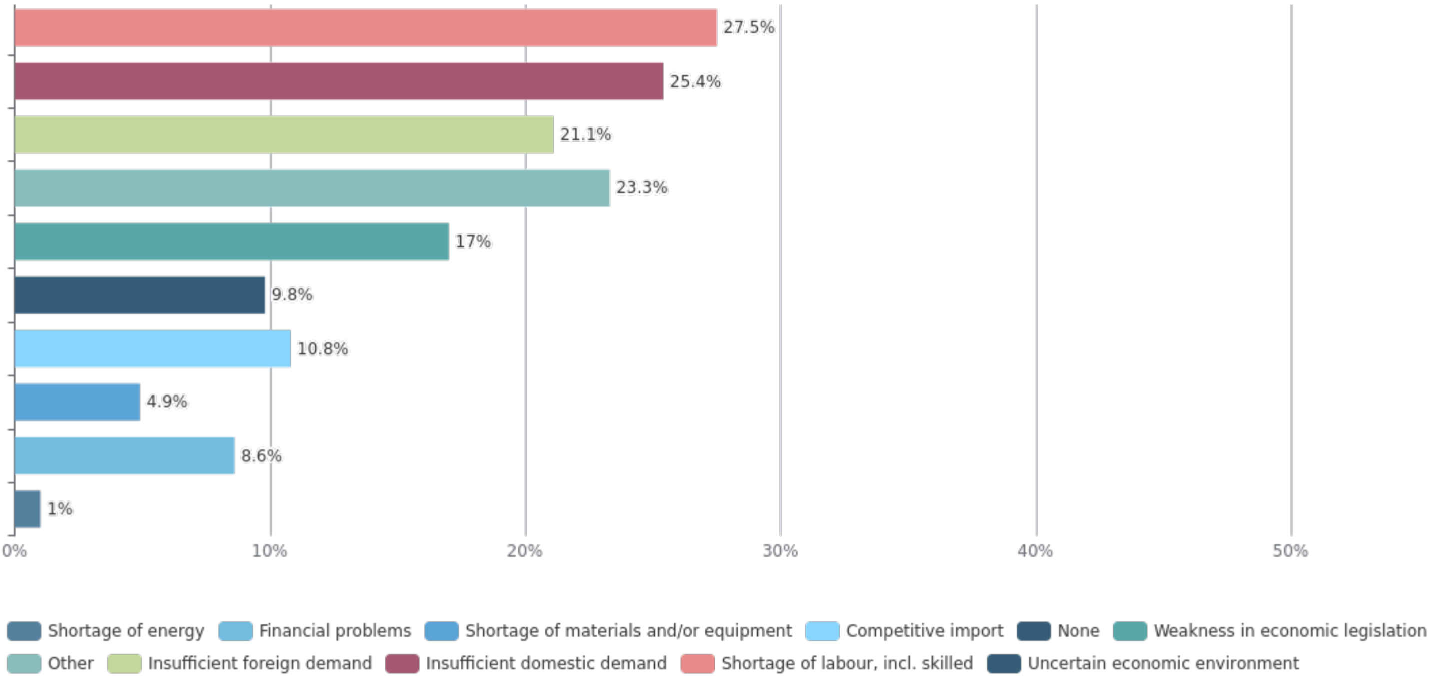
V.2025



IV.2025

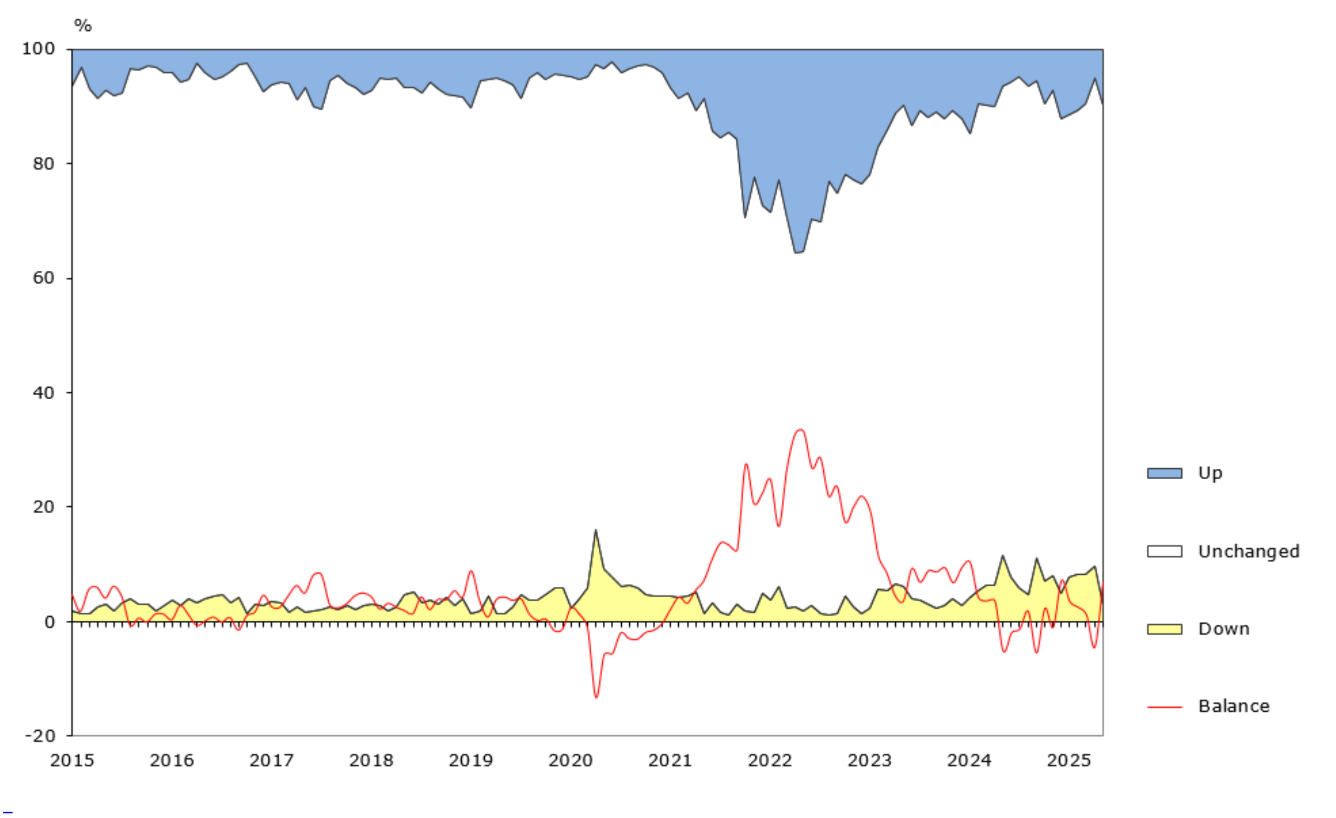


Long-term average



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

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



Construction. In May, the composite indicator 'business climate in construction' increases by 1.6 percentage points (from 21.7% to 23.3%) (Figure 6) as a result of the improved construction entrepreneurs' assessments about the present business situation of the enterprises. The inquiry registers an increase of the present production assurance with orders, which is accompanied by increased expectations about the construction activity over the next 3 months (Figure 7). However, in the last month, an increase in the number of clients with delay in payments is reported.

Figure 6. Business climate in construction

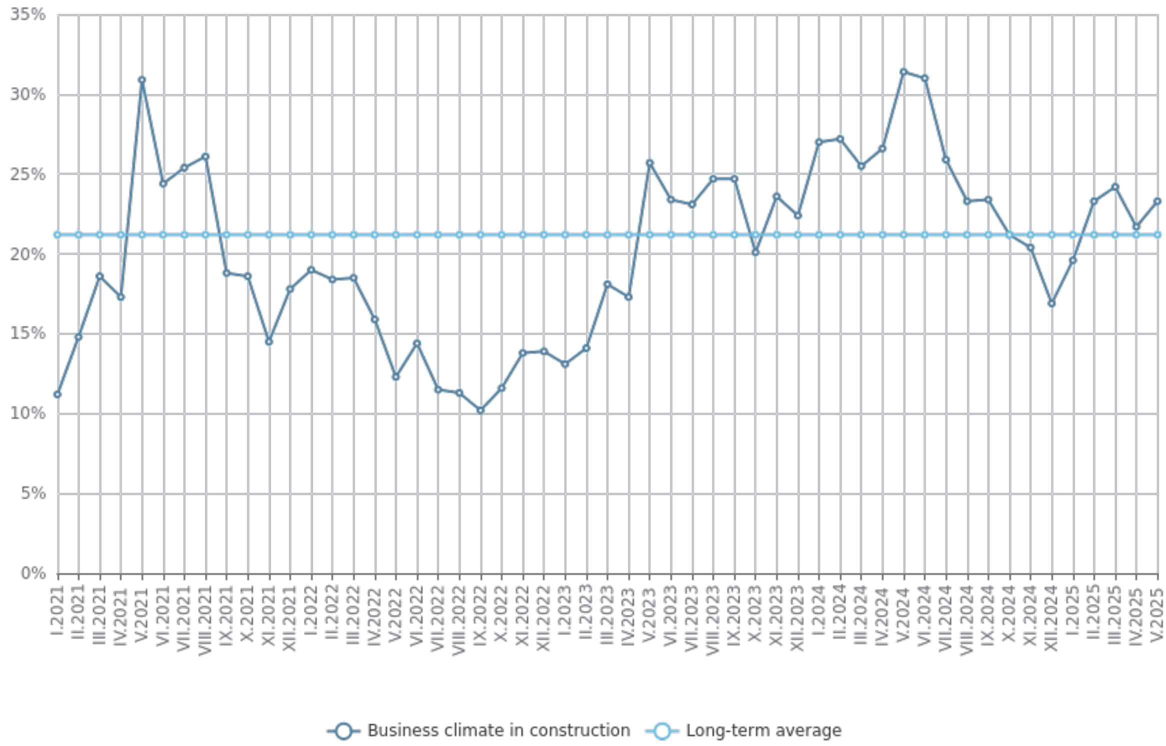
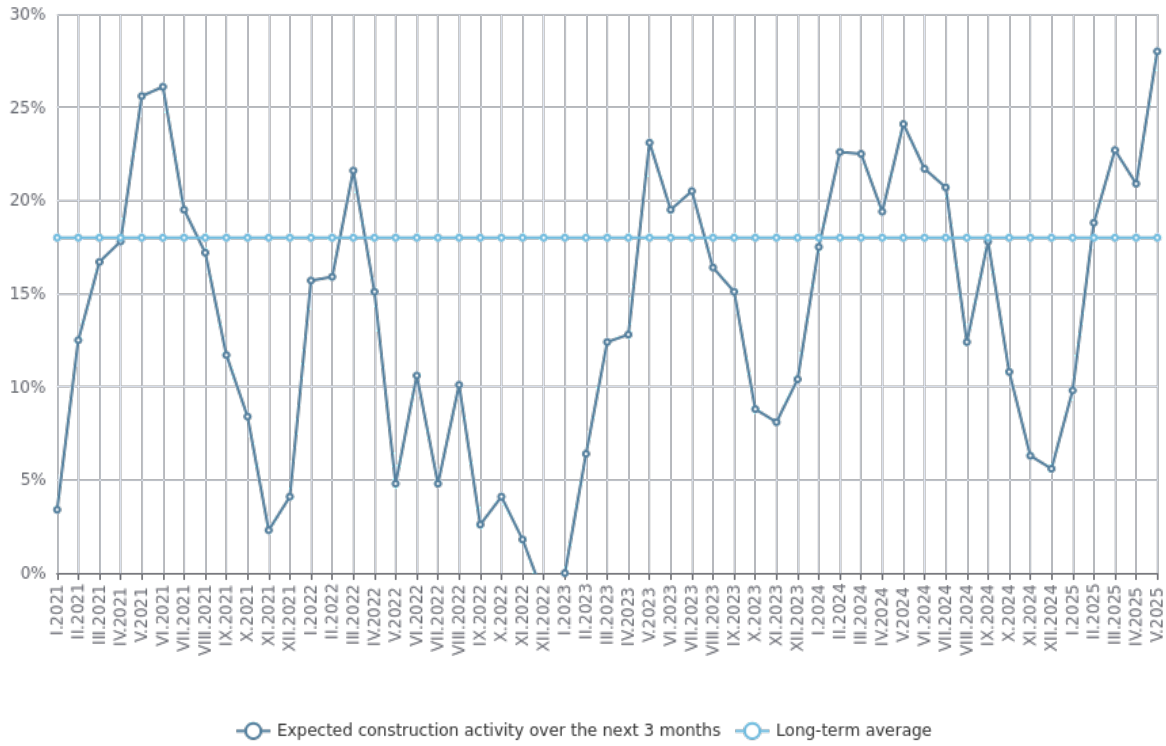


Figure 7. Expected construction activity over the next 3 months

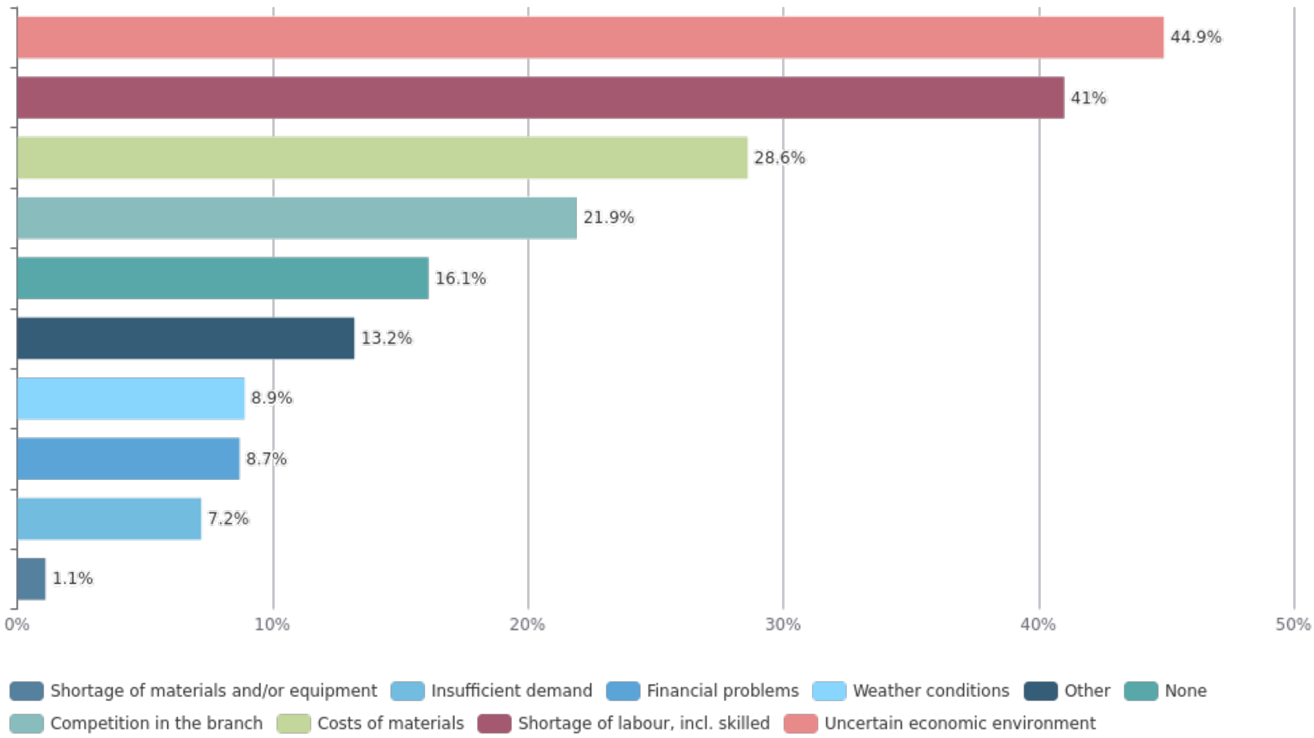


The uncertain economic environment, shortage of labour and costs of materials continue to limit with the most extend the business development, although compared to the previous month, a decrease in their negative influence is registered (Figure 8).

Figure 8. Factors limiting the activity in construction

(Relative share of enterprises)

V.2025



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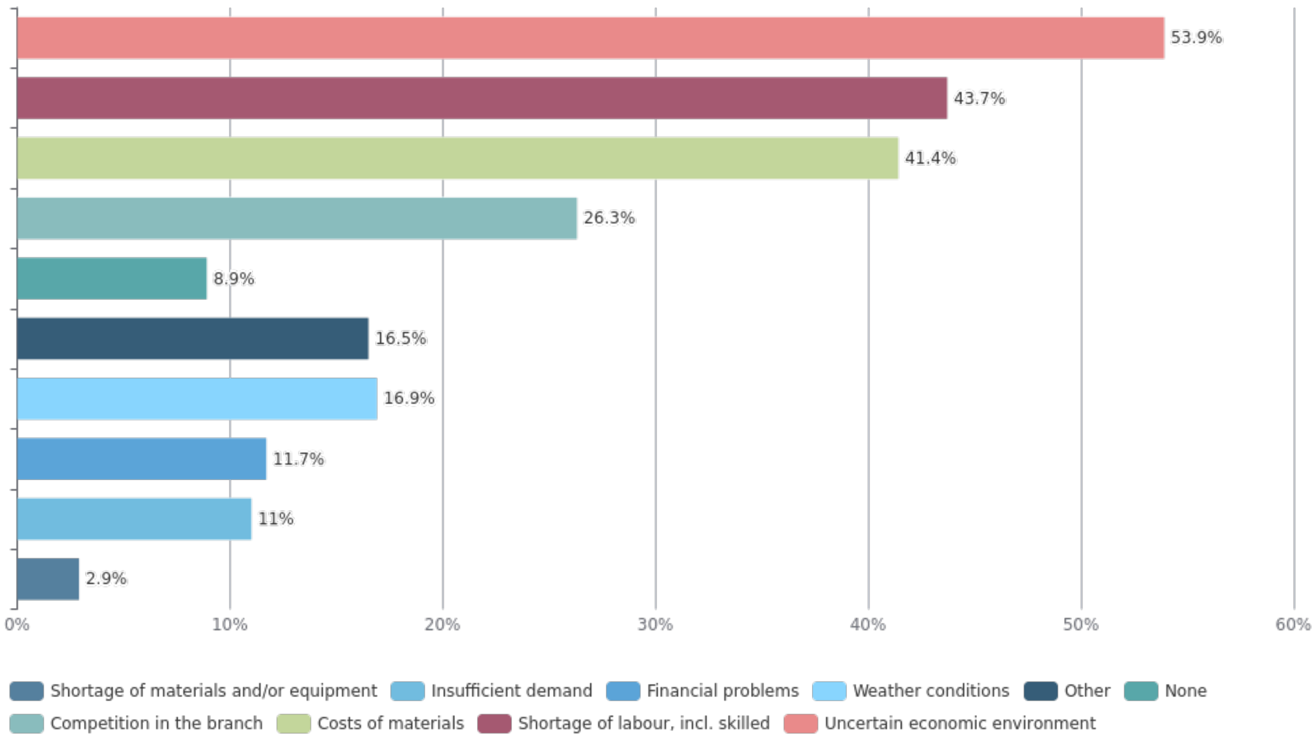
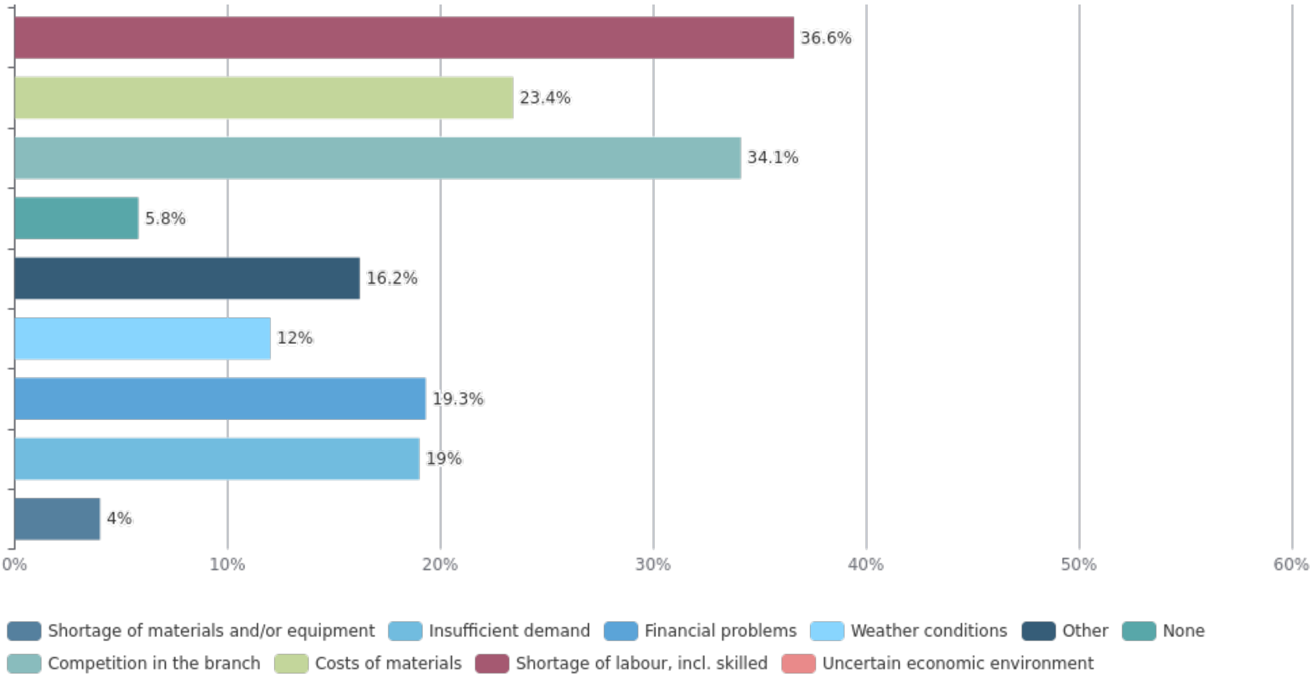
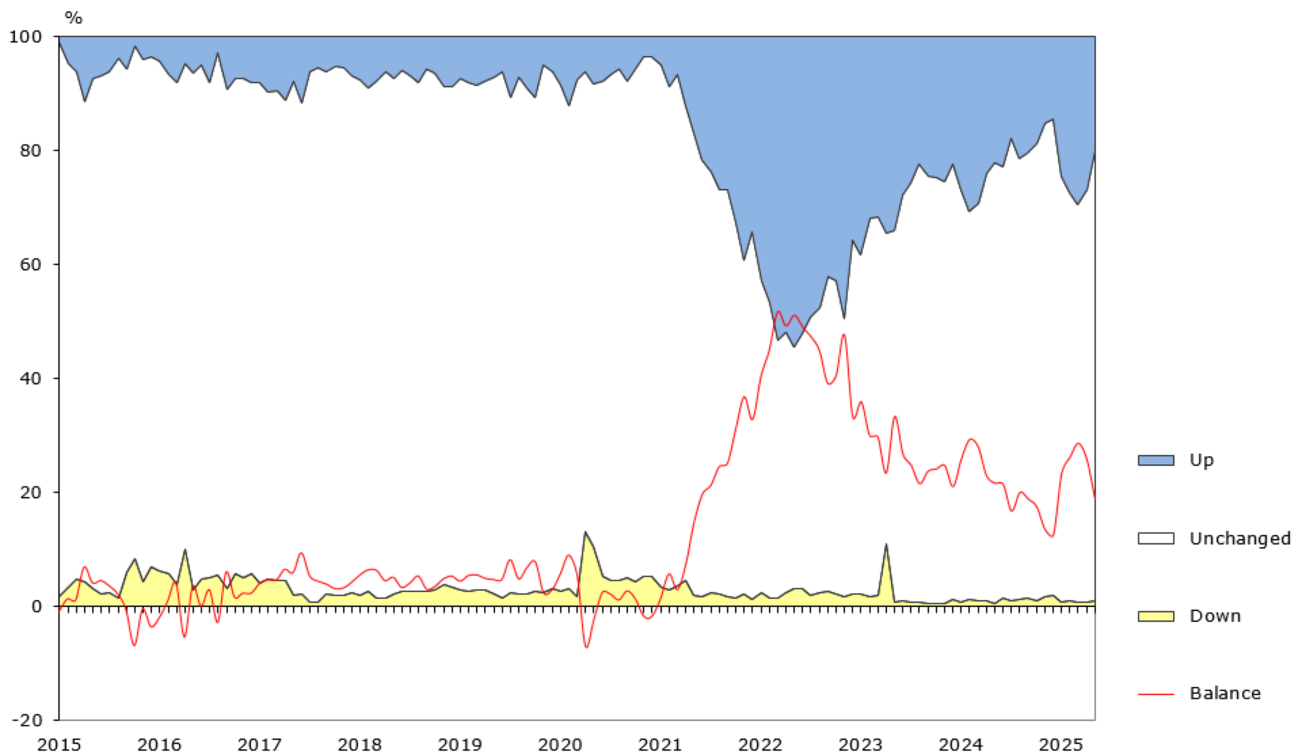


Long-term average



Regarding the selling prices in the construction, the managers' expectations are them to preserve their level 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' drops by 9.7 percentage points (from 36.5% to 26.8%) (Figure 10), which is due to the more reserved retailers' assessments and expectations about the business situation of the enterprises. However, their forecasts about both the volume of sales (Figure 11) and orders placed with suppliers over the next 3 months are more favourable.

Figure 10. Business climate in retail trade

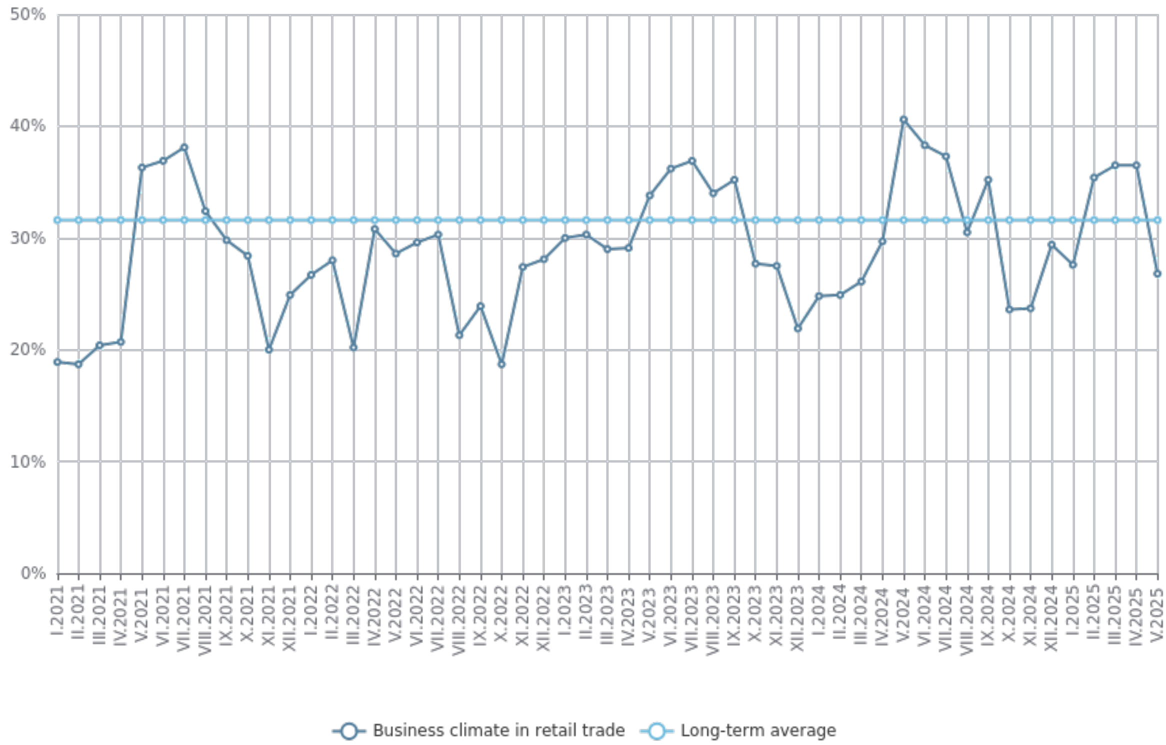
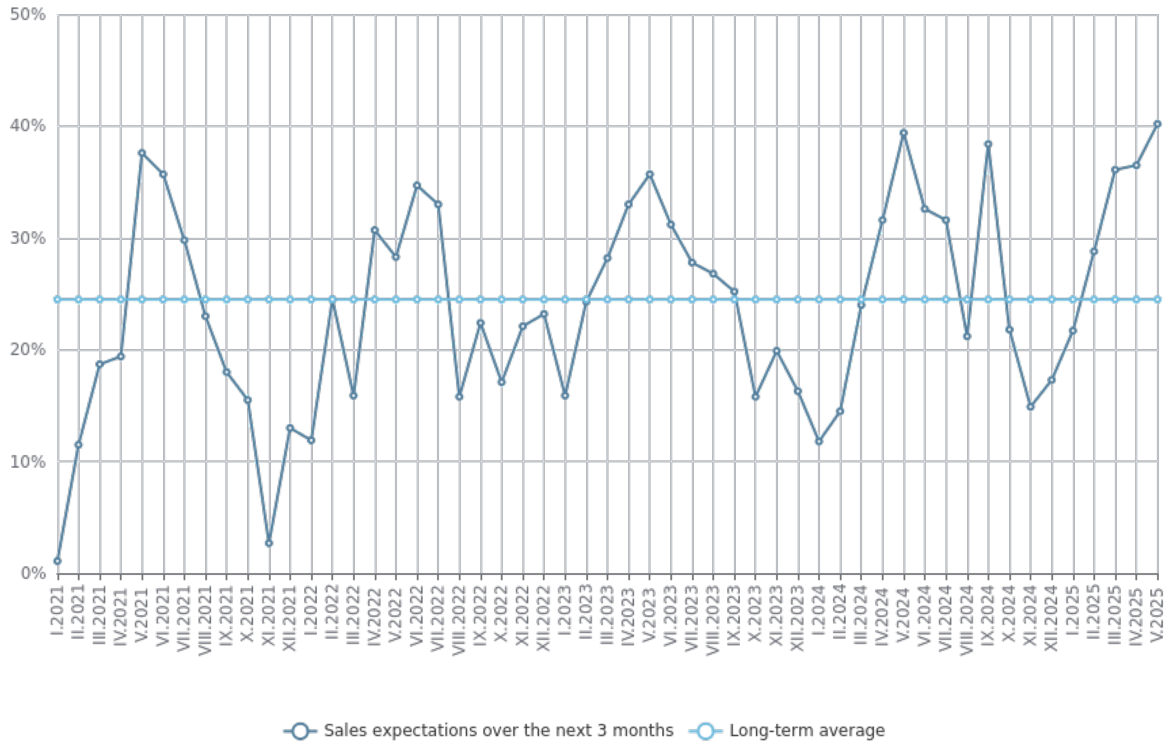


Figure 11. Sales expectations in retail trade over the next 3 months

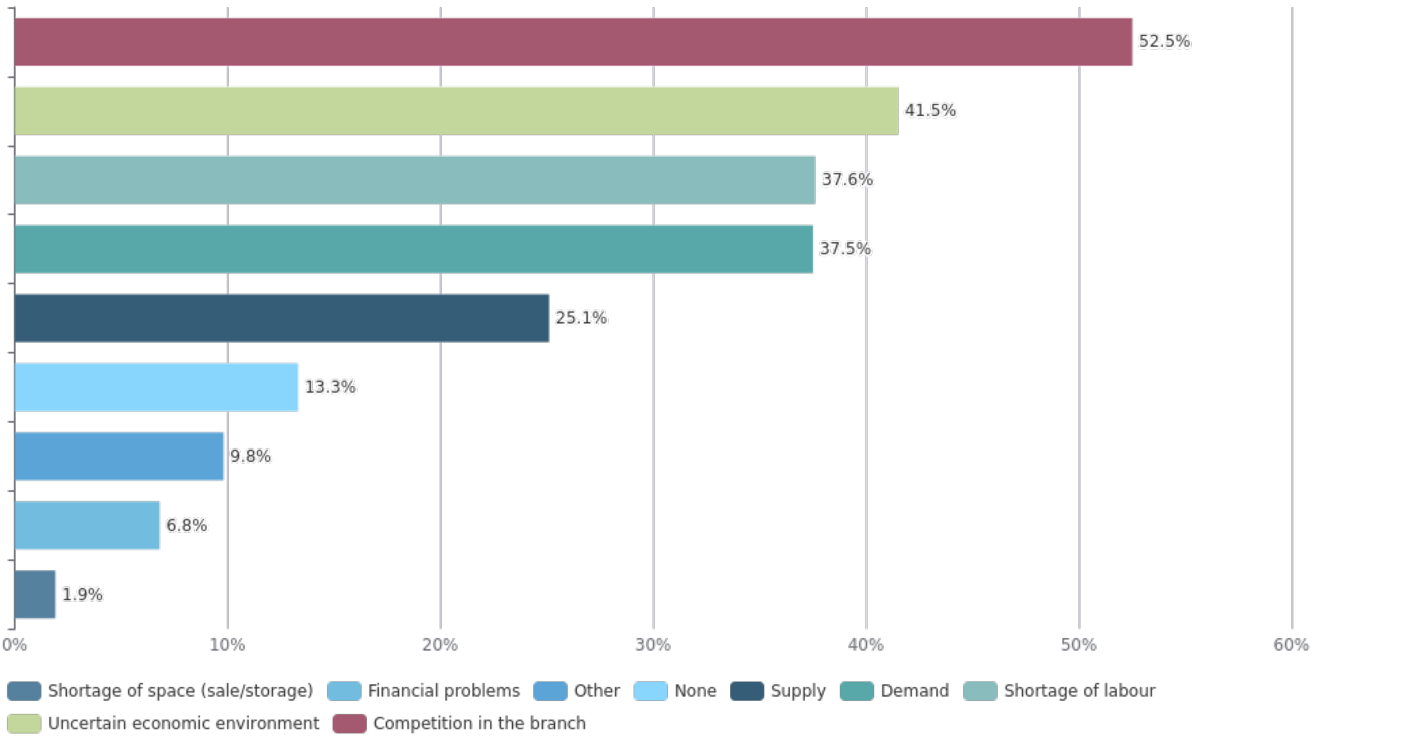


The main problems for the activity of the enterprises remain the competition in the branch, uncertain economic environment, shortage of labour and insufficient demand, as in the last month strengthening of the negative impact of the first and third factor is reported (Figure 12).

Figure 12. Factors limiting the activity in retail trade

(Relative share of enterprises)

V.2025



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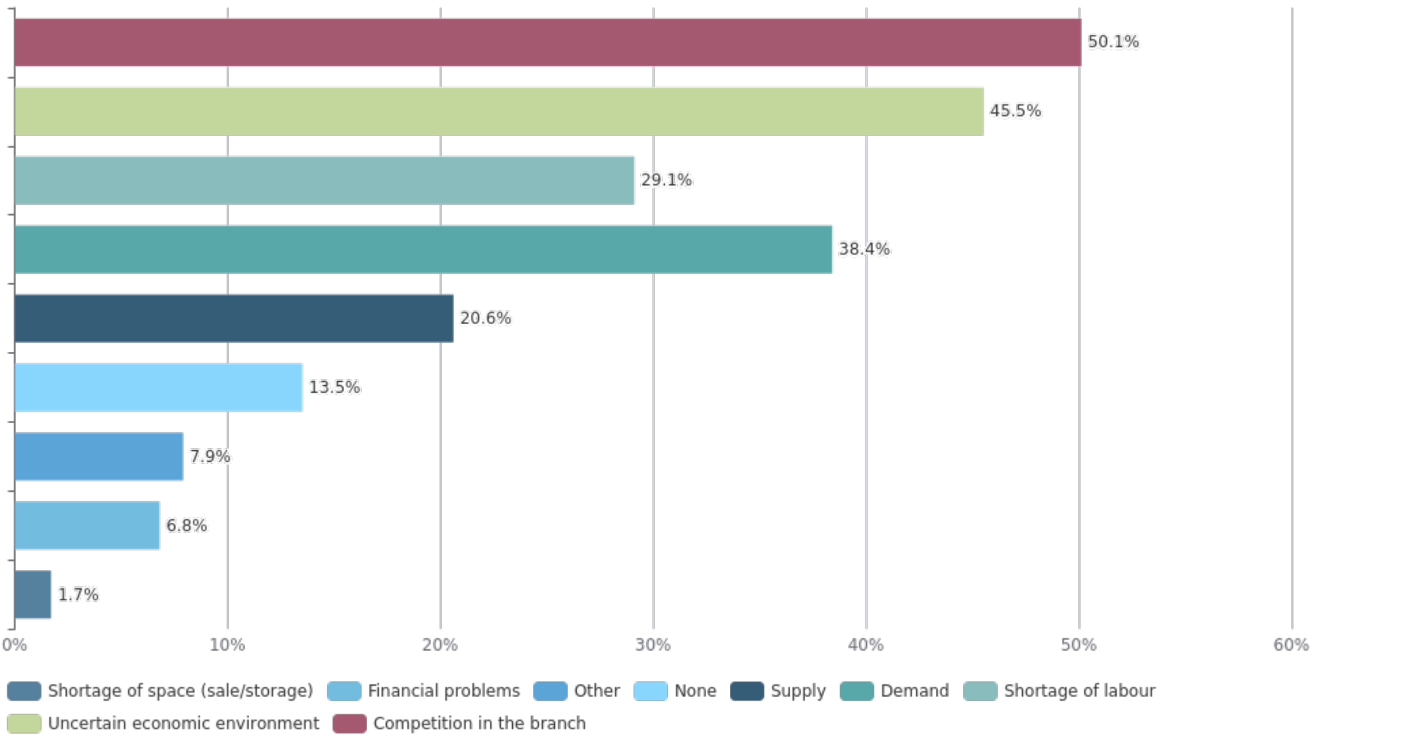
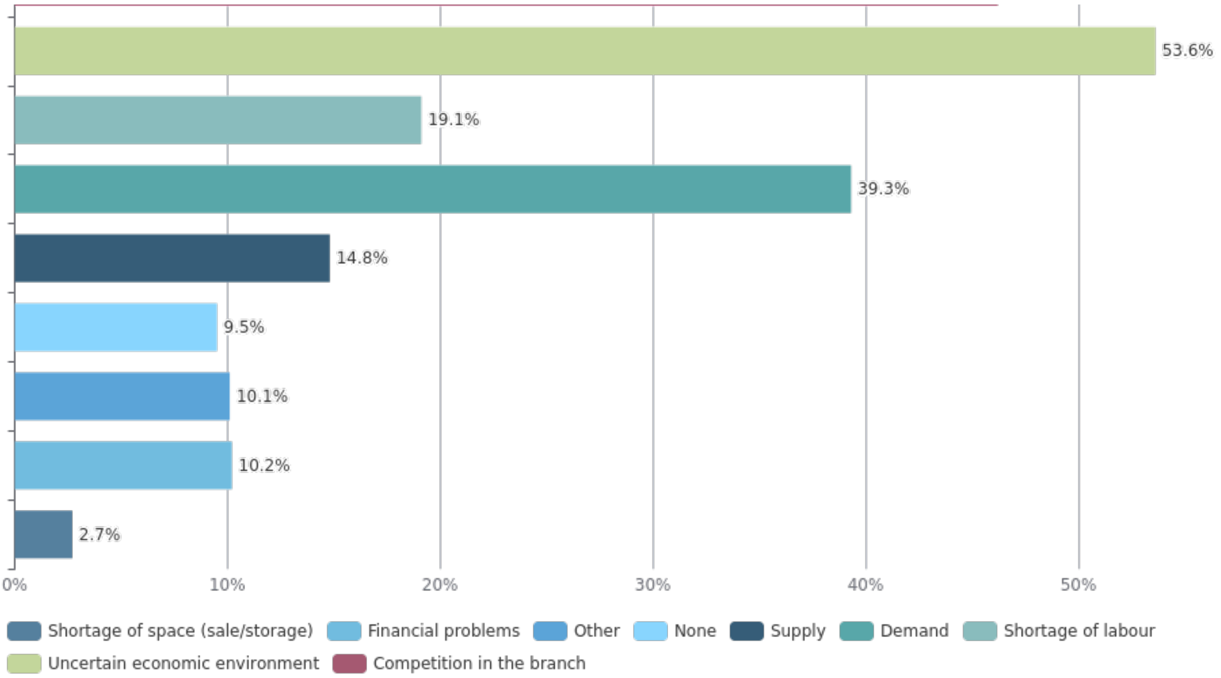
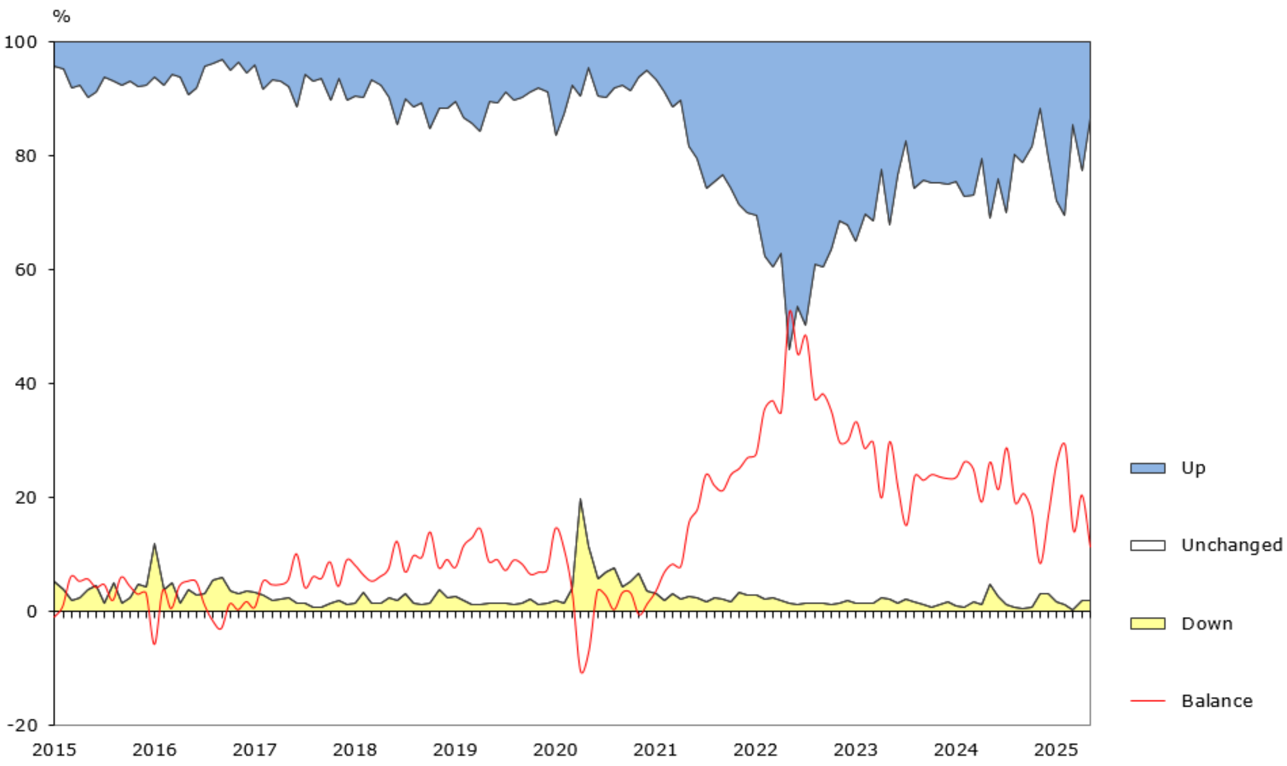


Long-term average



The retailers do not foresee a change in the selling prices over the next 3 months (Figure 13).

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



Service sector[1]. In May, the composite indicator 'business climate in service sector' increases by 1.7 percentage points (from 10.7% to 12.4%) (Figure 14) as a result of the positive managers' expectations about the business situation of the enterprises over the next 6 months. Their opinions about the present and expected demand for services are also favorable (Figure 15).

[1] Excl. trade.

Figure 14. Business climate in service sector

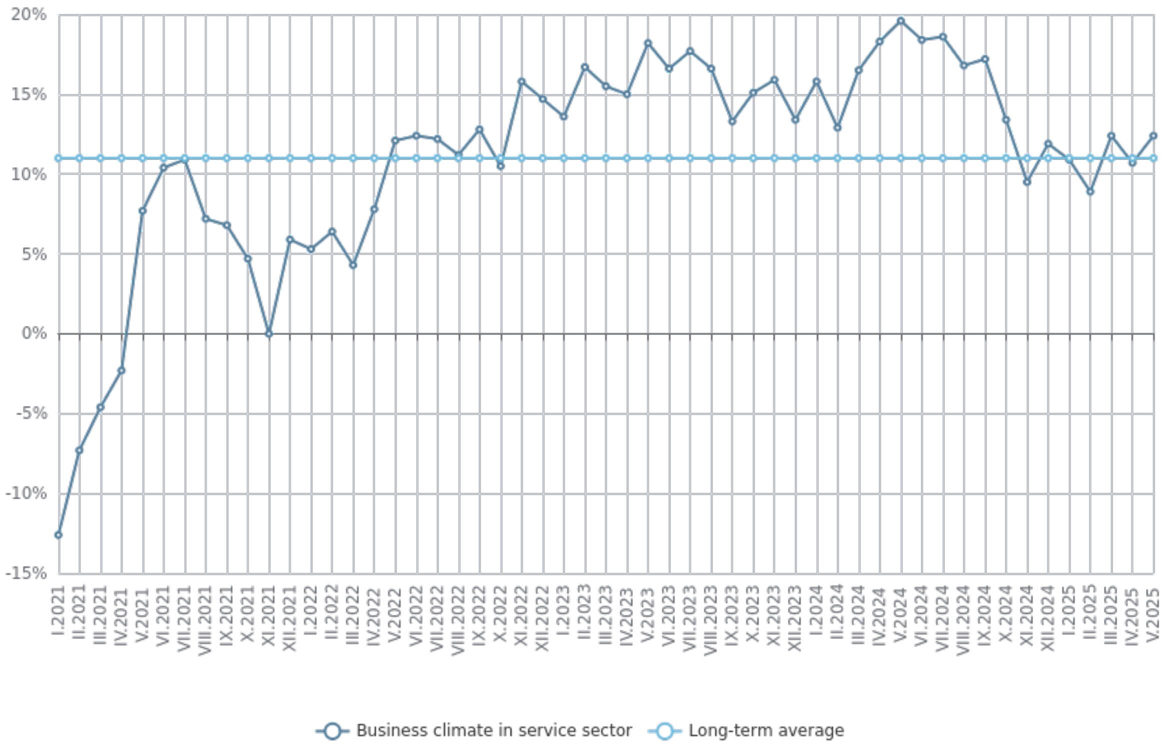
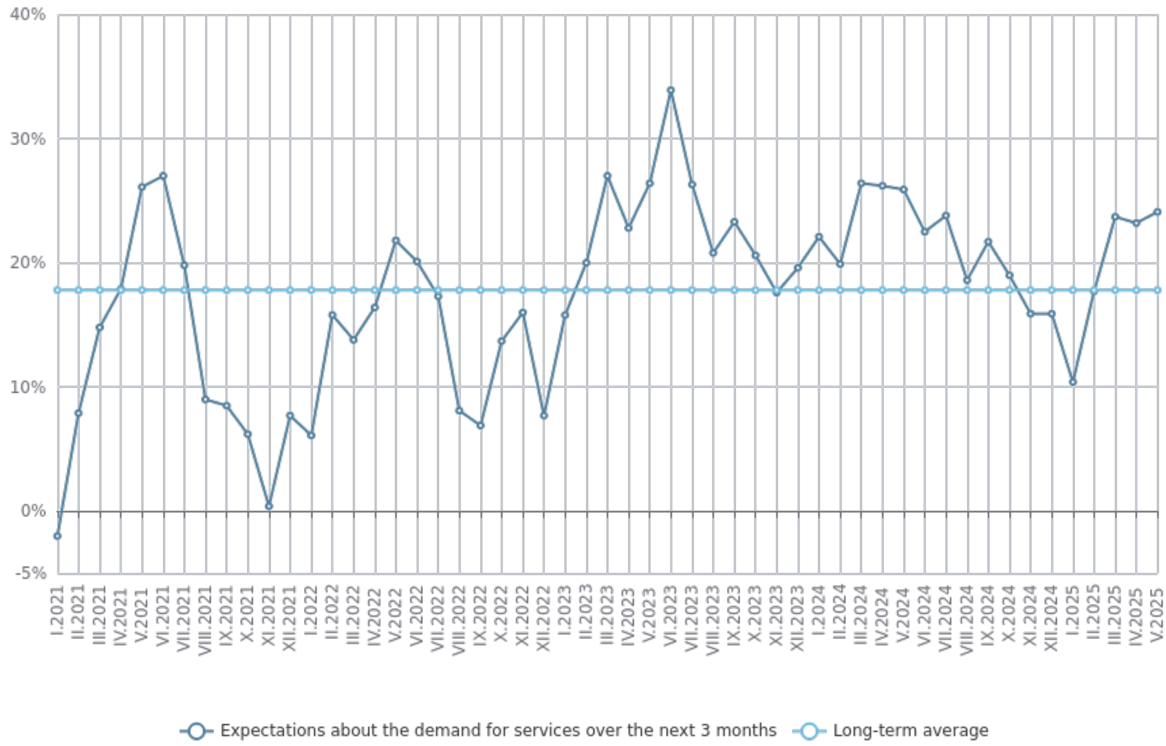


Figure 15. Expected demand in service sector over the next 3 months

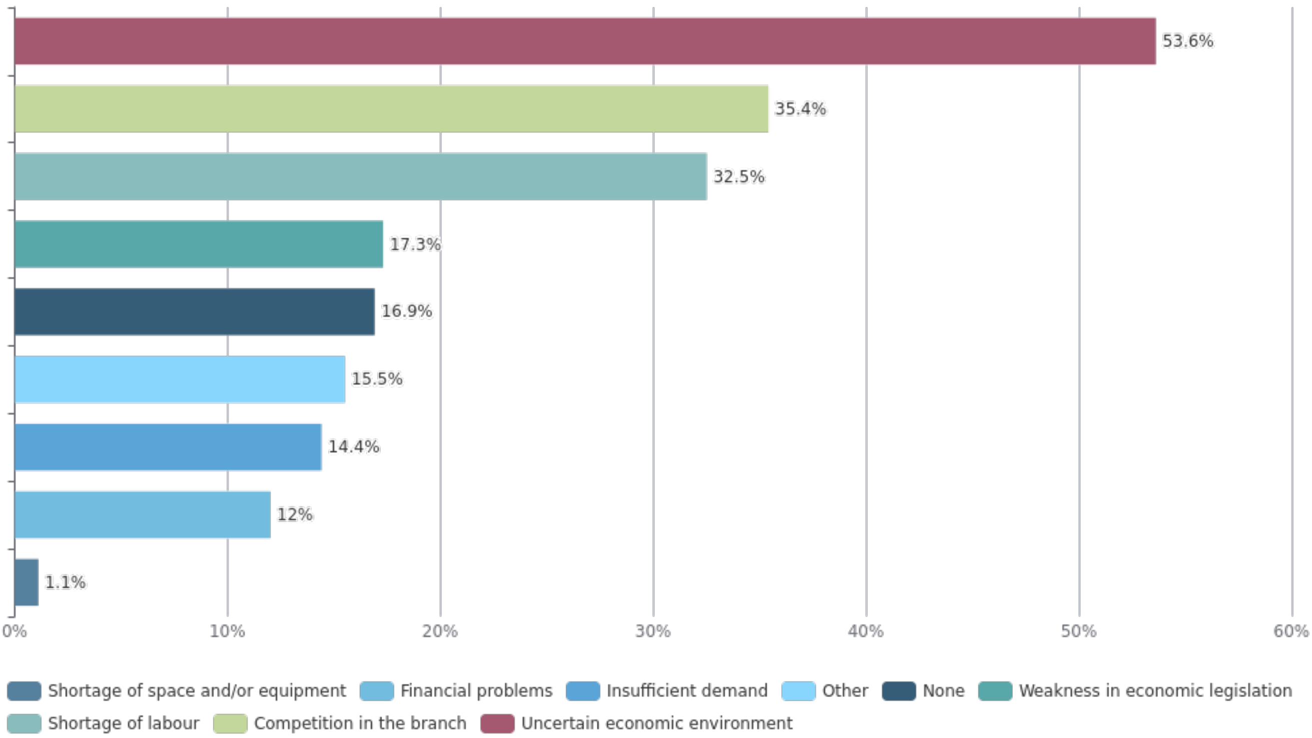


The main obstacle for the business development continues to be the uncertain economic environment, pointed out by 53.6% of the enterprises. In second and third place are the competition in the branch and shortage of labour (Figure 16).

Figure 16. Factors limiting the activity in service sector

(Relative share of enterprises)

V.2025



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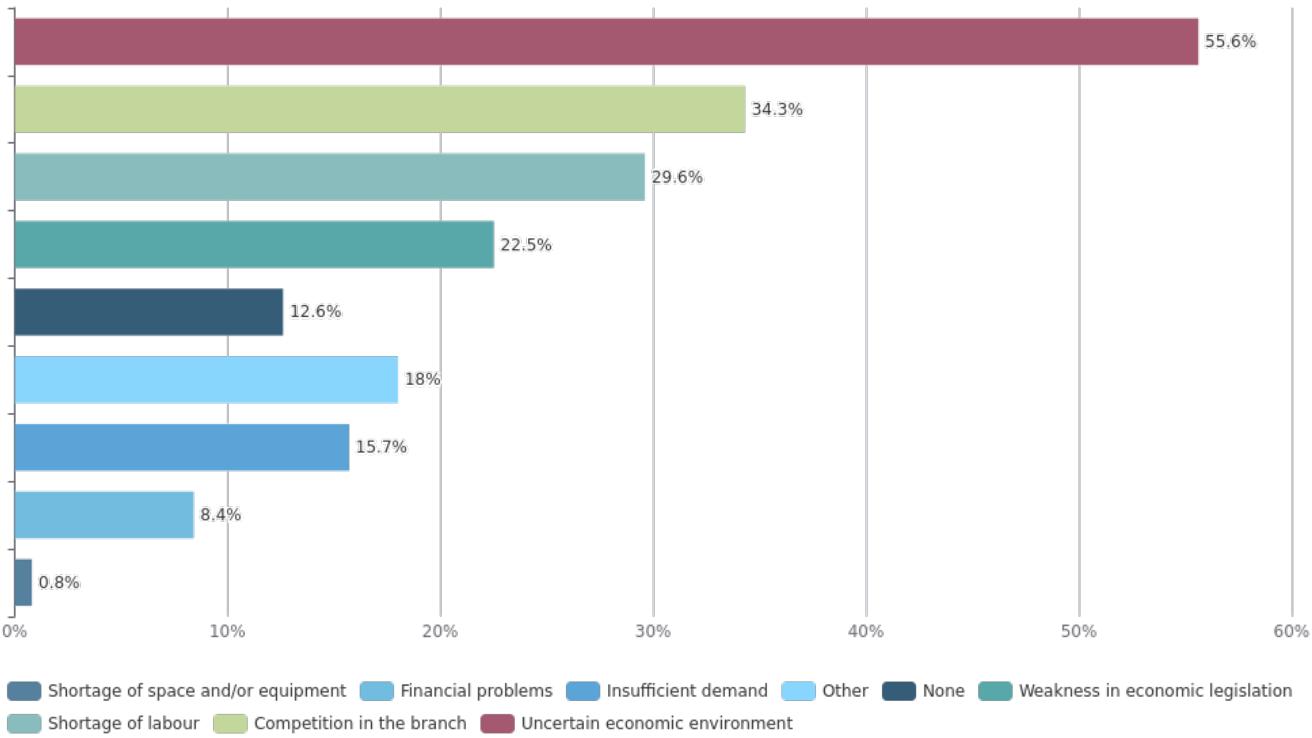
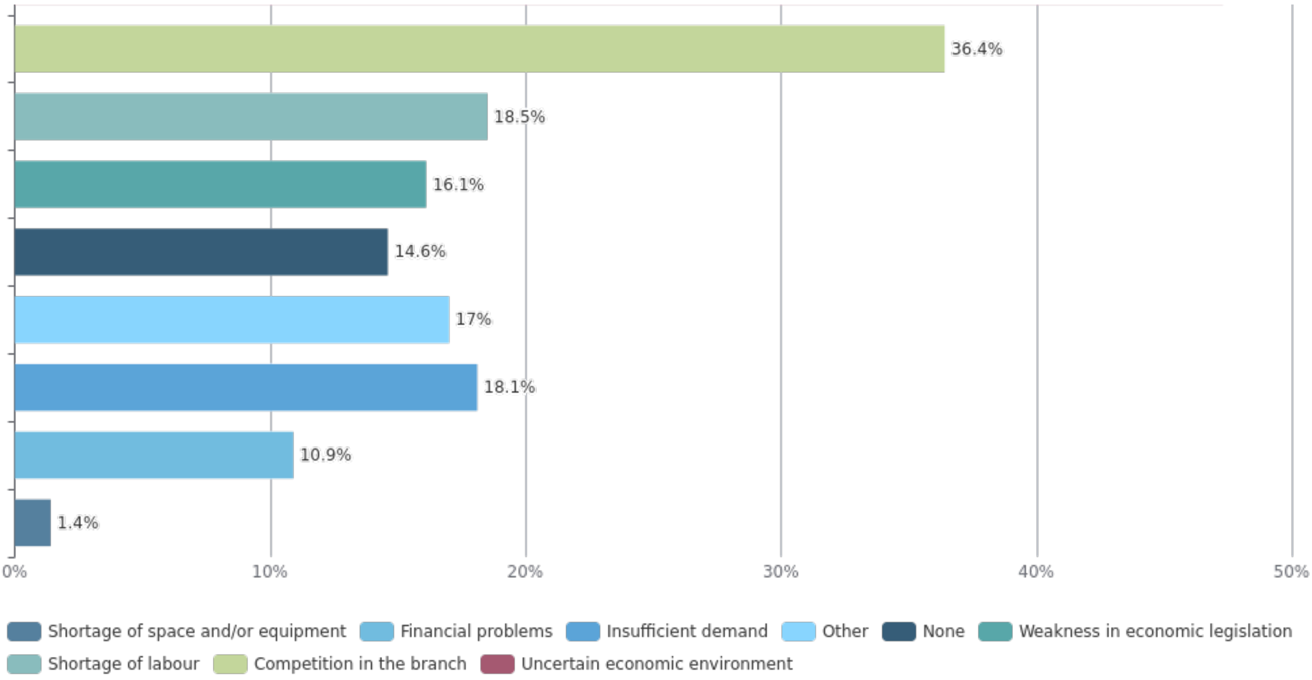
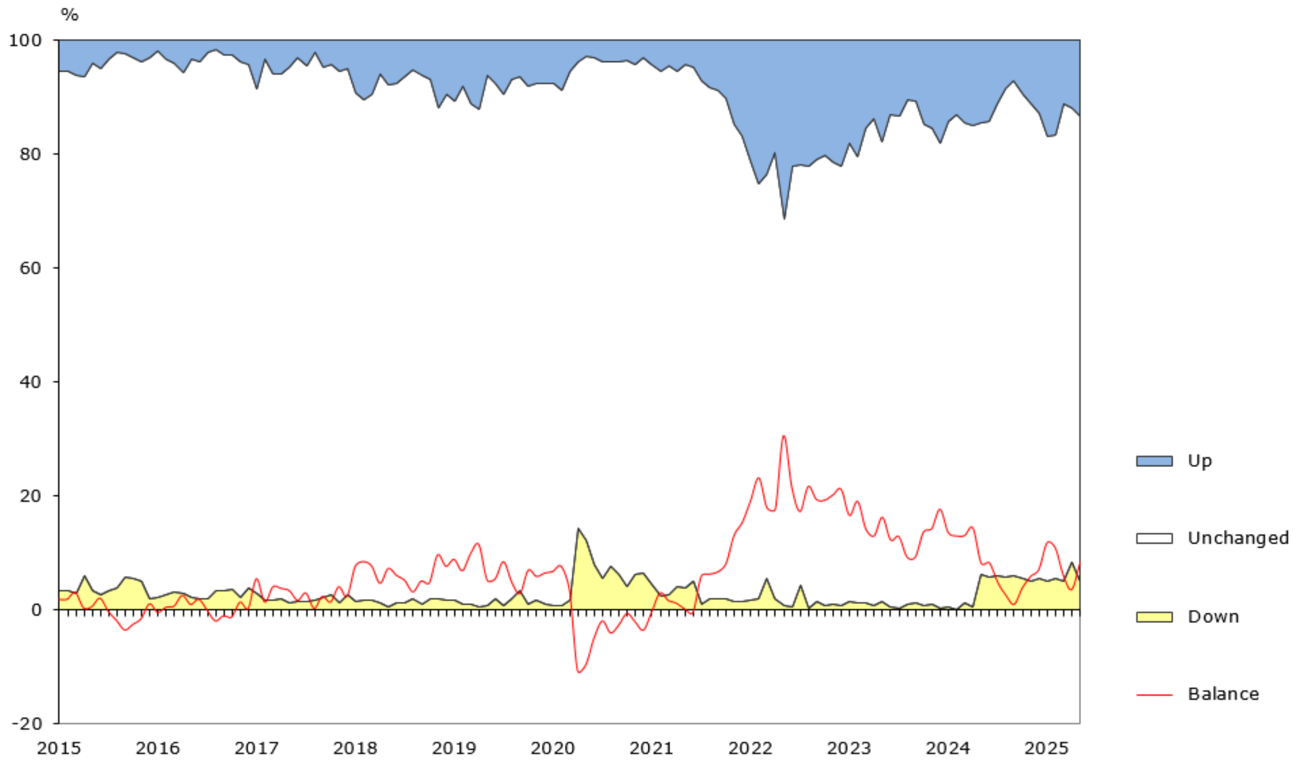


Long-term average



Regarding the selling prices in the service sector, the managers expect slight increase, although the prevailing part of them foresee them to preserve their level 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.