



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1, 2, 3}, SEPTEMBER 2013

In September 2013 **the total business climate indicator**⁴ preserves its level from the previous month (Annex, Figure 1) as the inquiry reports an improvement of the indicator in industry and worsening in construction and service sector.

Industry. The composite indicator “business climate in industry” increases by 2.6 percentage points in comparison with August (Annex, Figure 2) due to the more optimistic entrepreneurs’ assessments and expectations about the business situation of the enterprises. The inquiry registers an improvement of the present production activity, as the expectations over the next 3 months are also for an increase of the activity (Annex, Figure 3).

The uncertain economic environment and insufficient domestic demand remain the main factors limiting the activity in the branch pointed out respectively by 56.0% and 46.5% of the enterprises (Annex, Figure 4).

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

Construction. In September the composite indicator “business climate in construction” decreases by 2.5 percentage points (Annex, Figure 6) which is due to the more unfavourable construction entrepreneurs’ assessments and expectations about the business situation of the enterprises (Annex, Figure 7). In their opinion the present construction activity is improved compared to August, but their prognoses over the next 3 months are more pessimistic.

The main obstacle for the business development in the branch continues to be the uncertain economic environment, which negative influence strengthens in the last month (by 3.7 percentage points). In the second and third places remain “financial problems” and “competition in the branch” (Annex, Figure 8).

Concerning the selling prices in construction the managers’ expectations are they to remain unchanged over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator “business climate in retail trade” preserves its level from the previous month (Annex, Figure 10). The retailers’ forecasts about the business development in the branch

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.



over the next 6 months are favourable (Annex, Figure 11). At the same time their expectations about the volume of sales and orders placed with suppliers over the next 3 months remain optimistic although more reserved in comparison with August.

The most serious factor, limiting the activity in the branch continues to be the uncertain economic environment even though there is a decrease of its negative impact by 14.7 percentage points. At the same time the factors “insufficient demand” and “competition in the branch” are strengthened their negative influence (Annex, Figure 12).

As regards the selling prices the prevailing managers’ expectations are for preservation of their level over the next 3 months (Annex, Figure 13).

Service sector¹. In September the composite indicator “business climate in service sector” decreases by 2.2 percentage points (Annex, Figure 14) due to the worsening managers’ assessments and expectations about the business situation of the enterprises. However their forecasts as regards the demand for services over the next 3 months are improved (Annex, Figure 15) but that not be accompanied with additional hiring of personnel.

The main obstacles for the business development in the branch remain the uncertain economic environment, competition in the branch and insufficient demand (Annex, Figure 16).

Concerning the selling prices in the service sector most of the managers foresee they to remain unchanged over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate – total

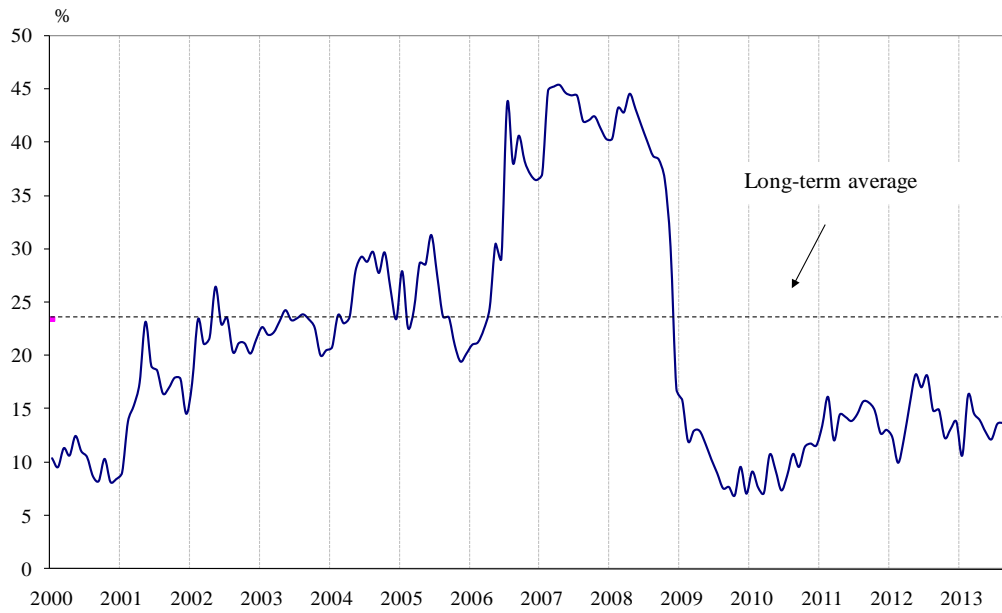


Figure 2. Business climate in industry

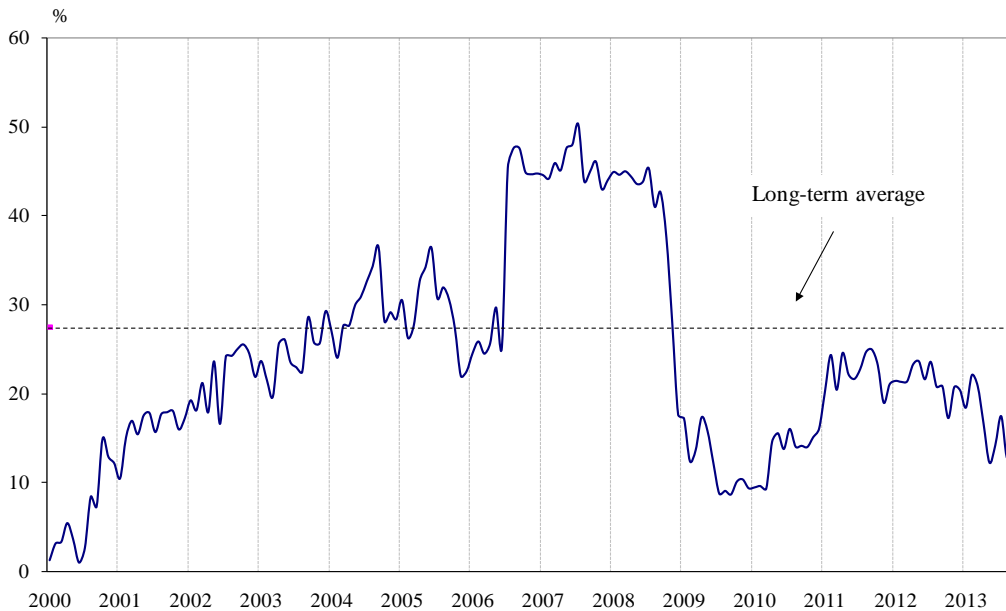




Figure 3. Expected production activity in industry over the next 3 months

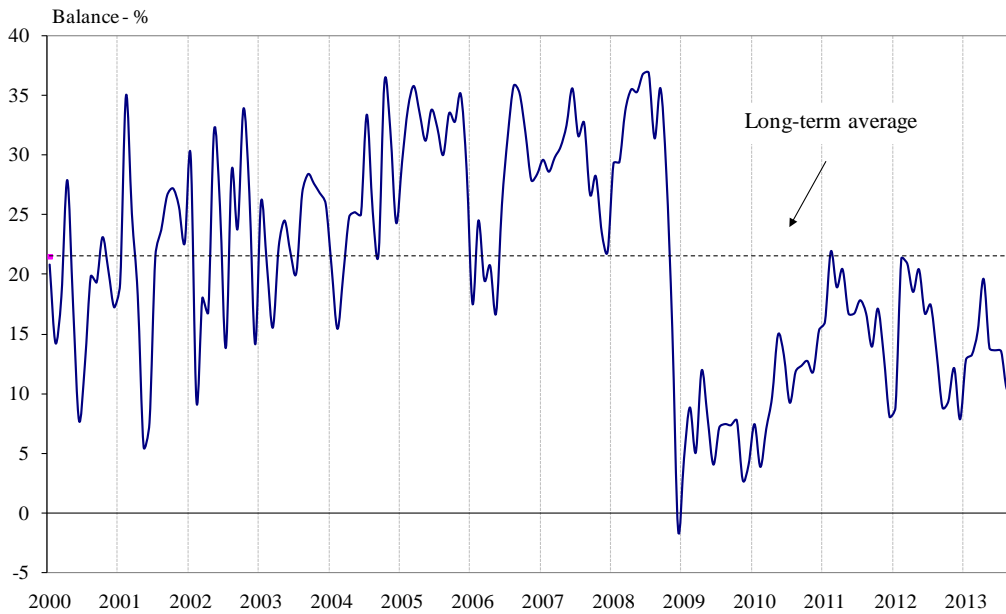


Figure 4. Limits to production in industry (Relative share of enterprises)

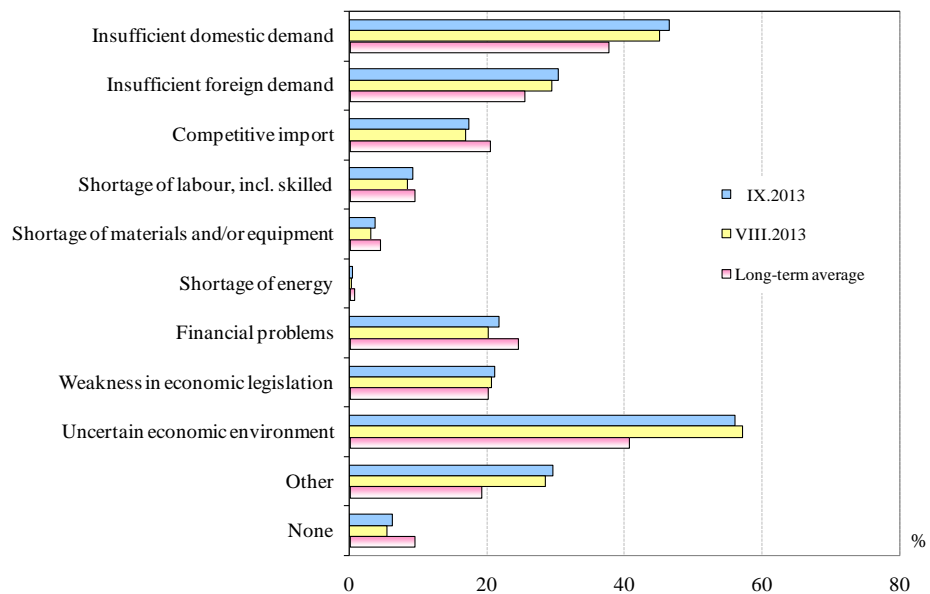




Figure 5. Selling prices expectations in industry over the next 3 months

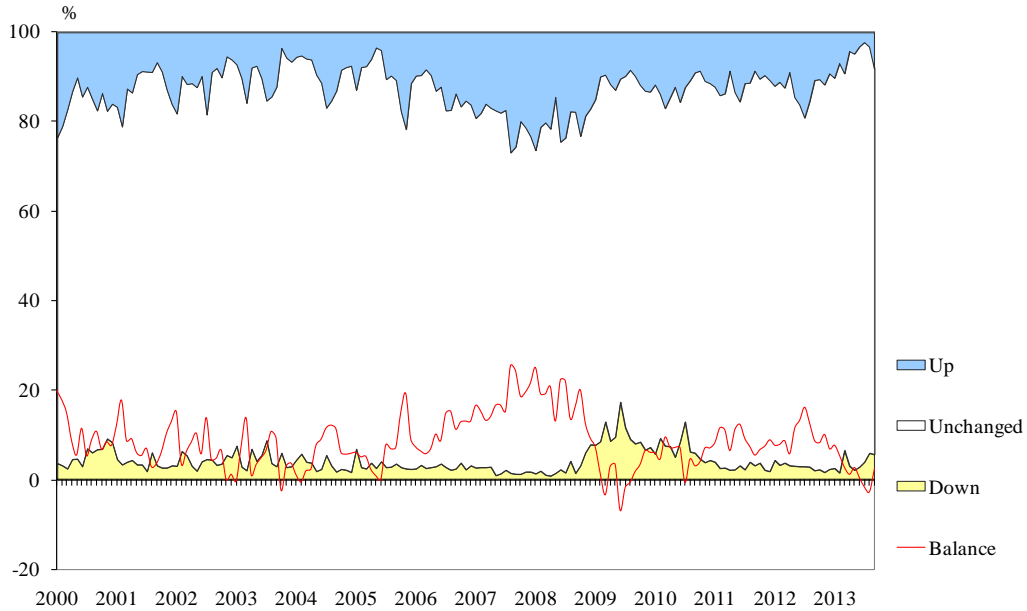


Figure 6. Business climate in construction

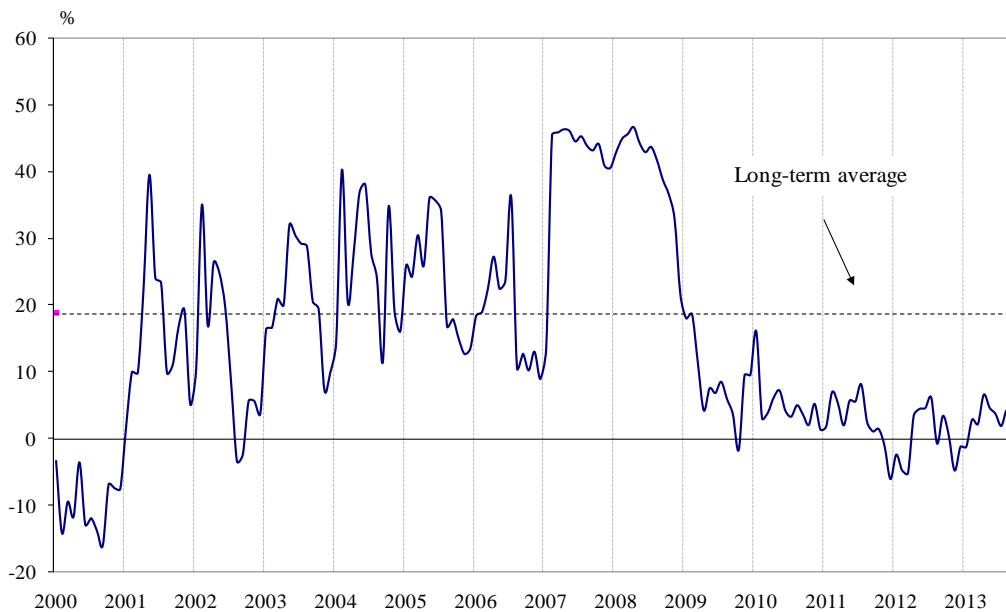




Figure 7. Expected business situation in construction over the next 6 months

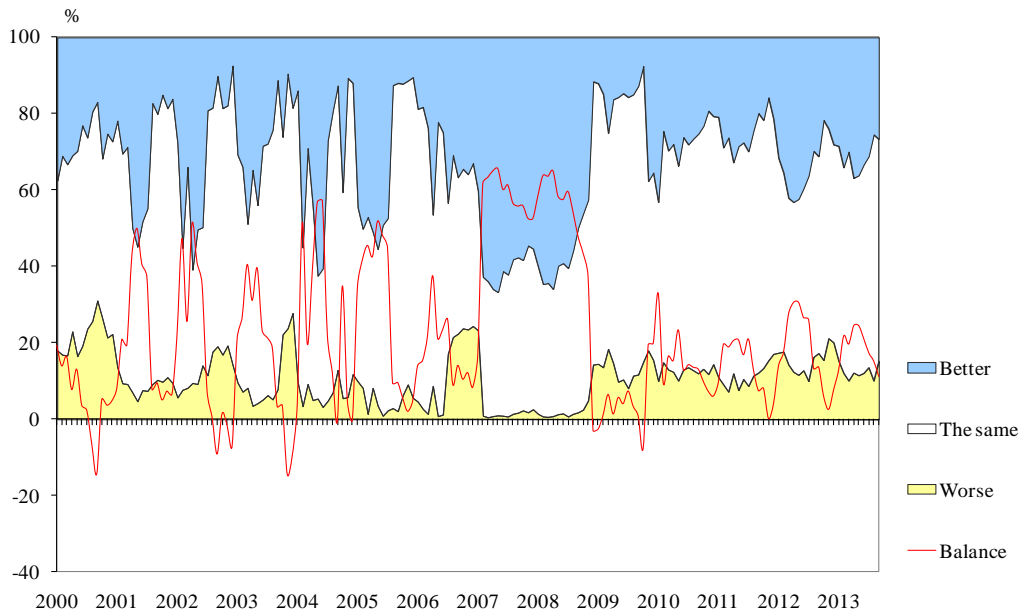


Figure 8. Limits to construction activity (Relative share of enterprises)

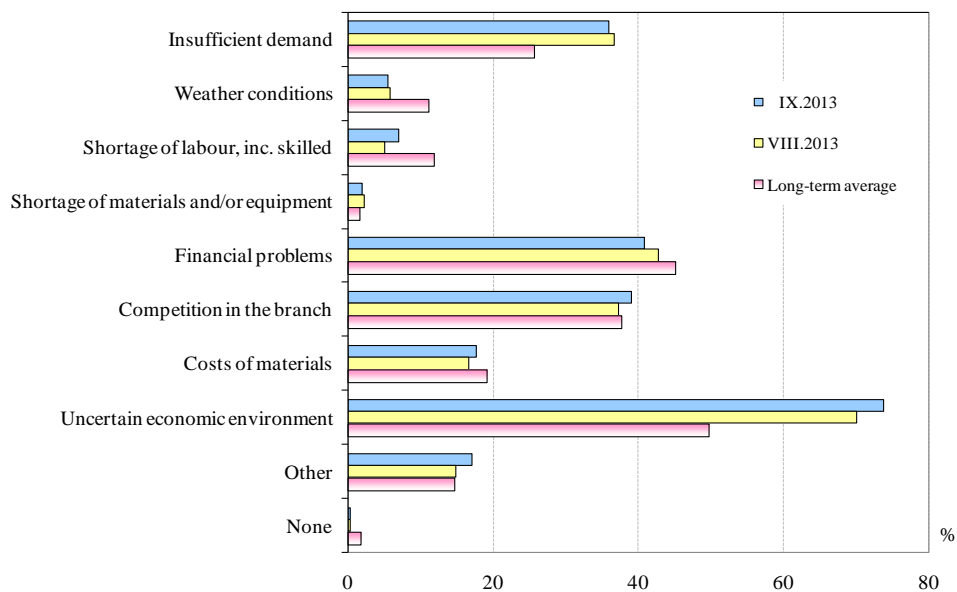




Figure 9. Selling prices expectations in construction over the next 3 months

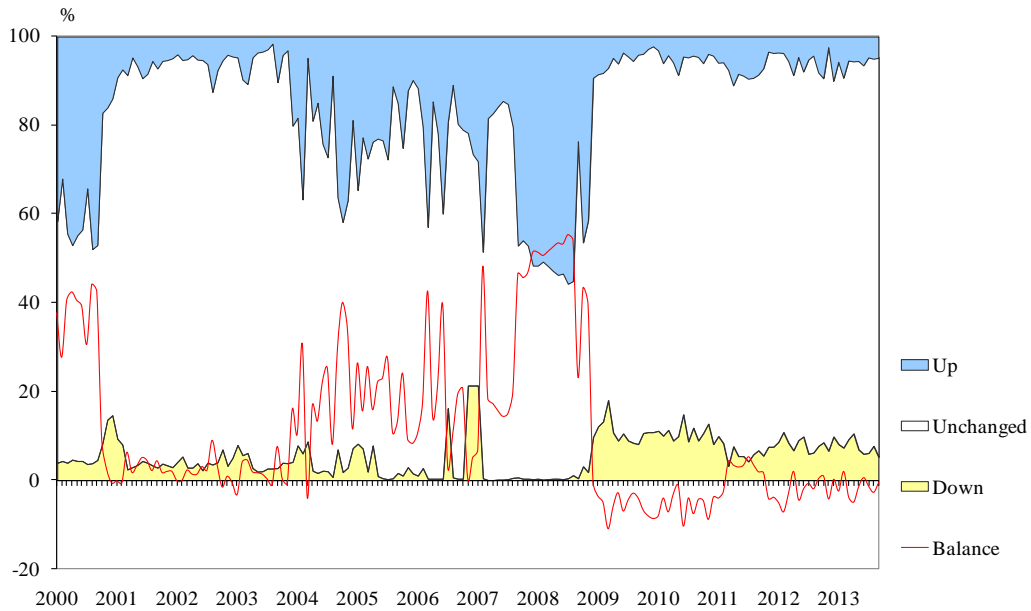


Figure 10. Business climate in retail trade

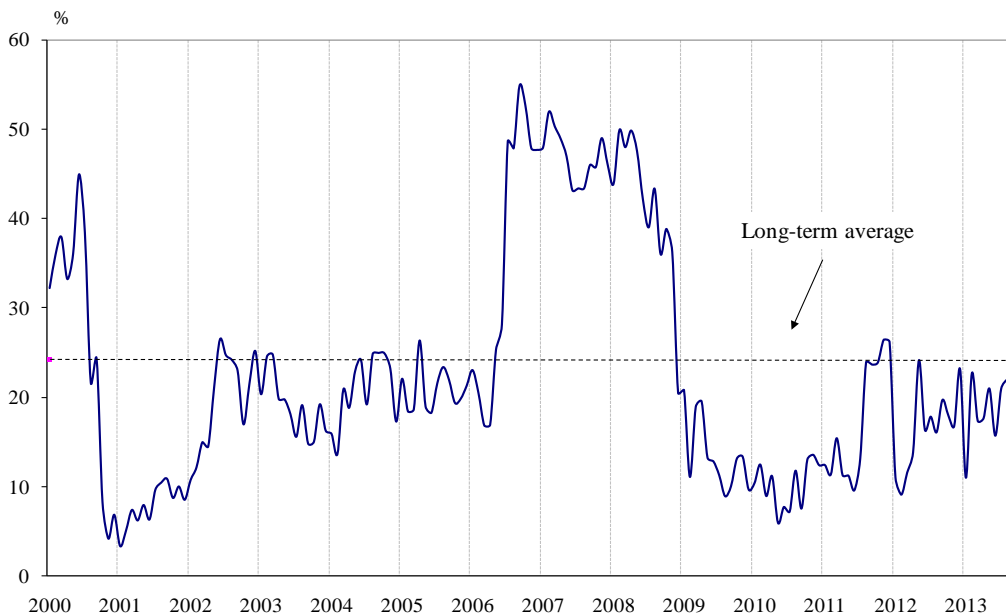




Figure 11. Expected business situation in retail trade over the next 6 months

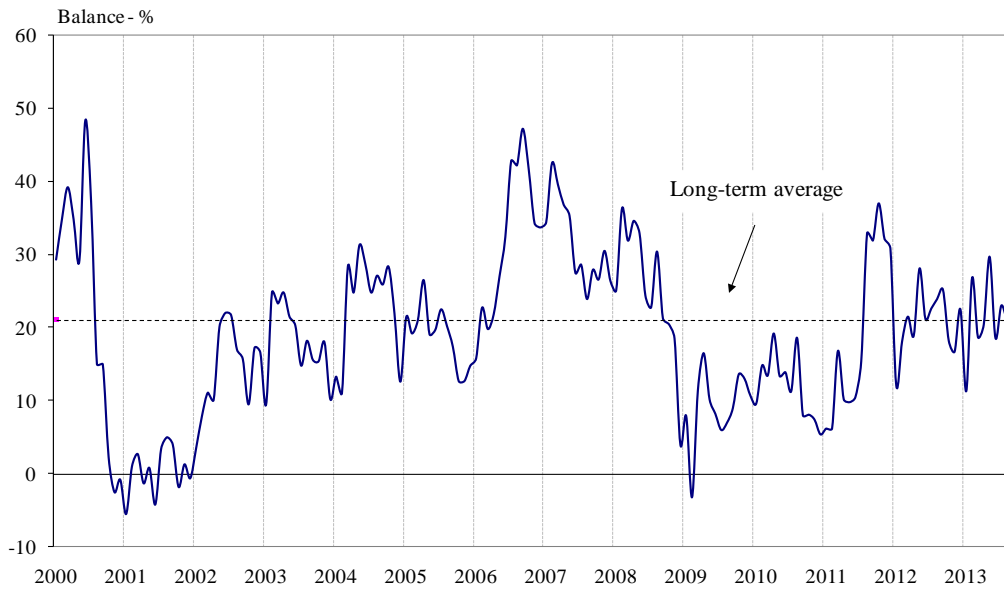


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

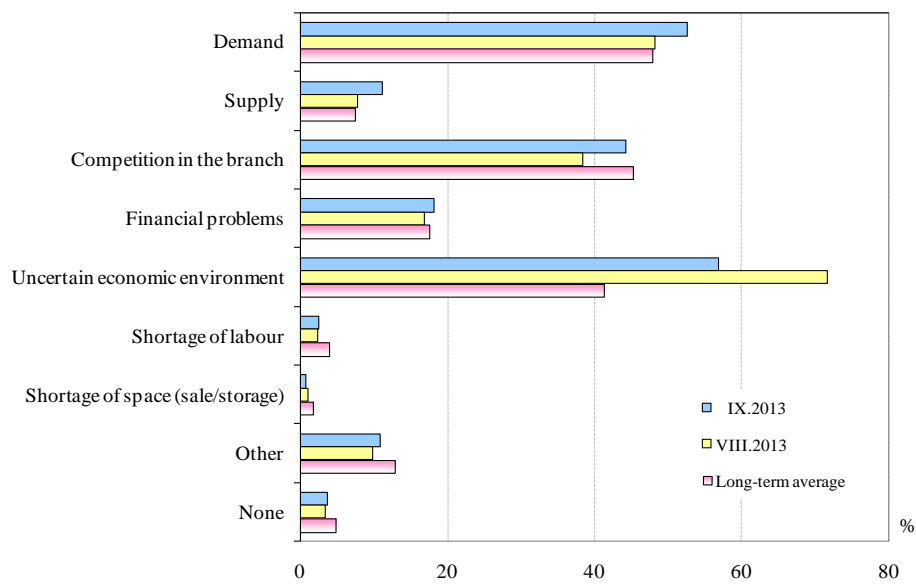




Figure 13. Selling prices expectations in retail trade over the next 3 months

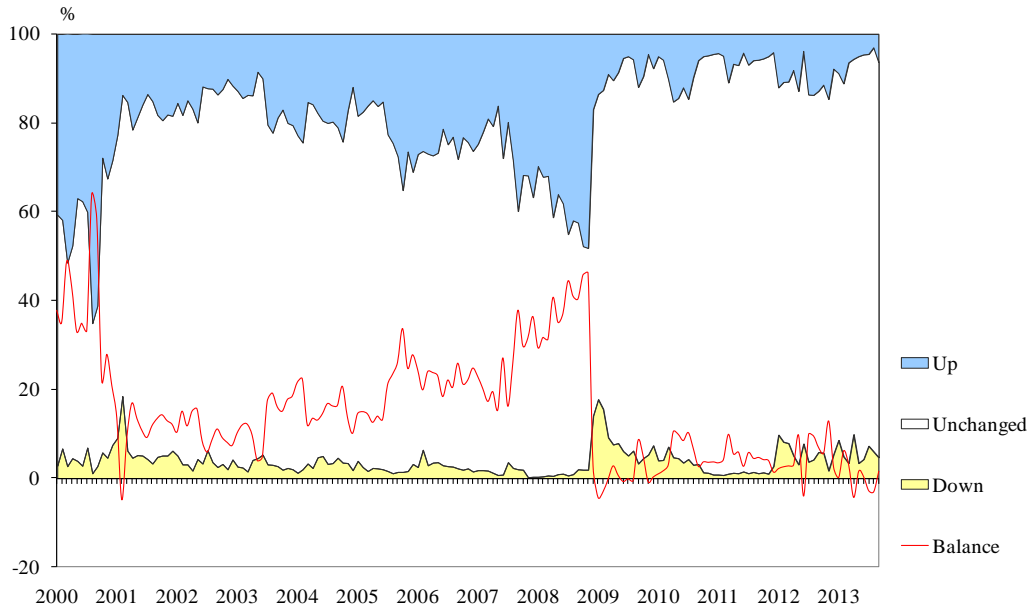


Figure 14. Business climate in service sector

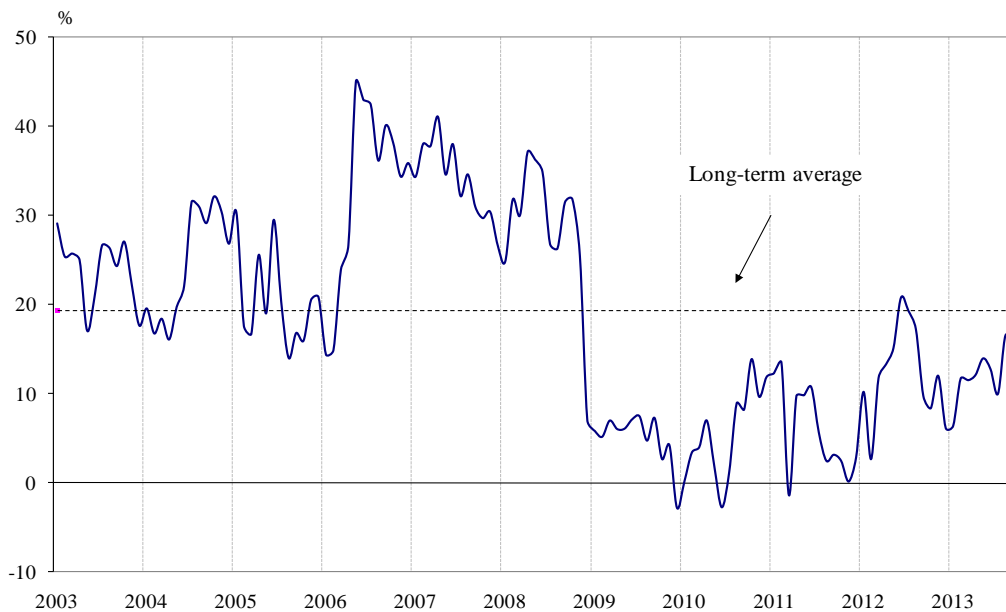




Figure 15. Expected demand in service sector over the next 3 months

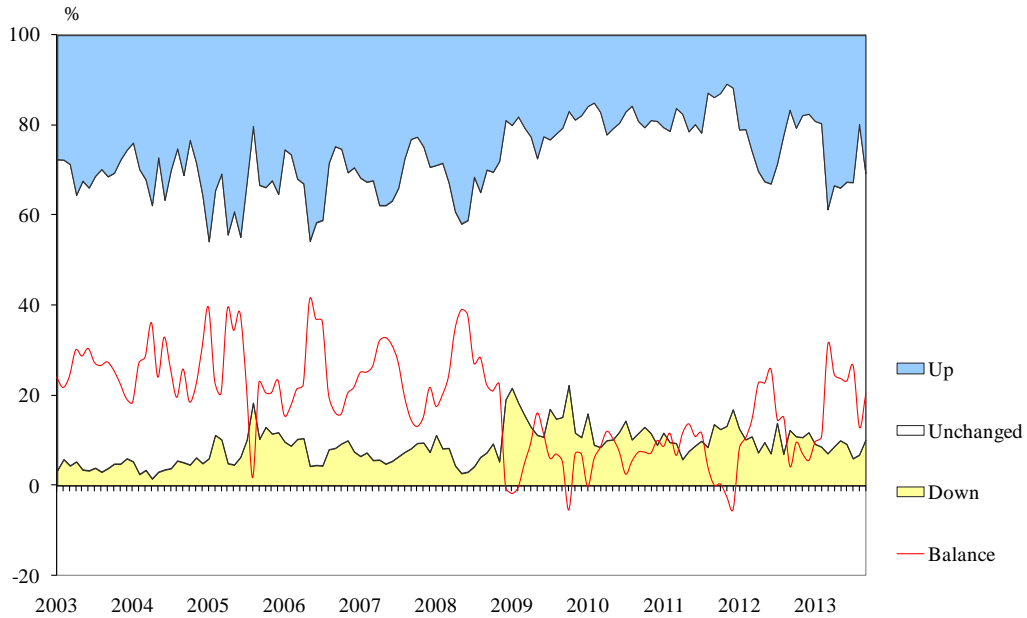


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

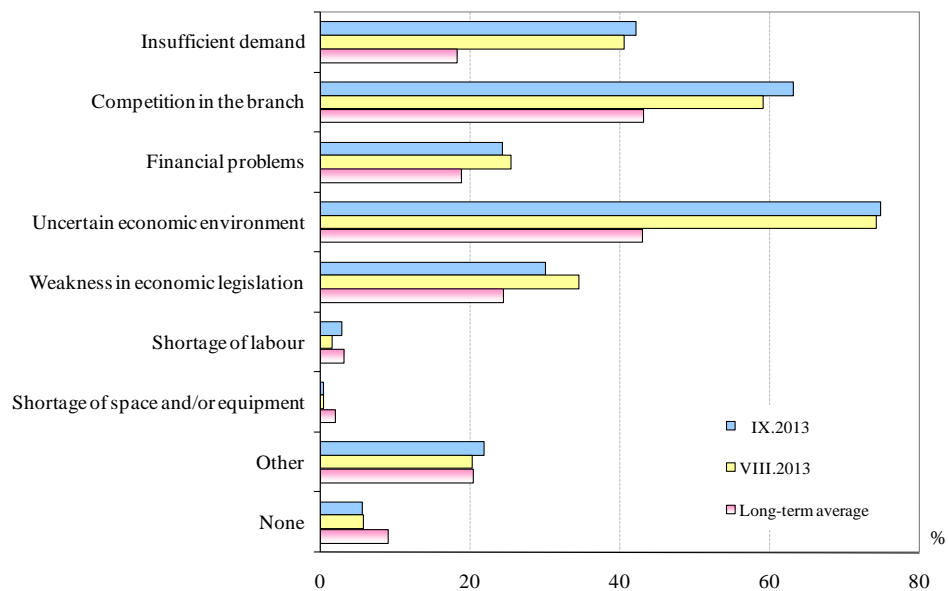




Figure 17. Selling prices expectations in service sector over the next 3 months

