



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, SEPTEMBER 2015

In September 2015 the **total business climate indicator**⁴ decreases by 2.9 percentage points compared to August (Annex, Figure 1) due to the more unfavourable business climate in industry, construction and retail trade.

Industry. The composite indicator ‘business climate in industry’ decreases by 4.8 percentage points in comparison with to the previous month (Annex, Figure 2) which is due to the more reserved industrial entrepreneurs’ assessments and expectations (Annex, Figure 3) about the business situation of the enterprises. The inquiry also registers a decrease of the production assurance with orders, which is accompanied with more unfavourable expectations about the enterprises’ activity over the next 3 months.

The uncertain economic environment continues to be the main obstacle for the business development in the branch, followed by the insufficient domestic demand and weakness in economic legislation (Annex, Figure 4).

Concerning the selling prices in industry the 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’ drops by 3.4 percentage points (Annex, Figure 6) due to the worsening construction entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months (Annex, Figure 7). Their forecasts regarding the construction activity over the next 3 months are also more pessimistic, as the inquiry reports an increase in the number of clients with delay in payments (Annex, Figure 8).

The main factor limiting the activity in the branch remains the uncertain economic environment, though in the last month a decrease of its negative impact is observed. In the second and third place are the factors ‘competition in the branch’ and ‘financial problems’ (Annex, Figure 9).

As regards the selling prices in construction the majority of the managers foresee them to remain unchanged over the next 3 months (Annex, Figure 10).

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, and 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.



Retail trade. The composite indicator ‘business climate in retail trade’ decreases by 1.7 percentage points compared to the previous month (Annex, Figure 11) which is due to the shifting of retailers’ assessments and expectations about the business situation of the enterprises from ‘better’ towards preserving ‘the same’ (Annex, Figure 12). Their forecasts about the volume of sales and orders placed with suppliers over the next 3 months are also more moderate.

The uncertain economic environment, competition in the branch and insufficient demand continue to be the main factors limiting the business development in the branch (Annex, Figure 13).

Concerning the selling prices the retailers’ expectations are for preservation of their level over the next 3 months (Annex, Figure 14).

Service sector¹. In September the composite indicator ‘business climate in service sector’ preserves approximately its level from August (Annex, Figure 15). As regards to the demand for services the present tendency is assessed as slight improved, but the expectations over the next 3 months are more reserved.

The main obstacle for the development of the activity in the branch remains the uncertain economic environment, followed by competition in the branch. At the same time in the last month the inquiry also registers strengthen of the negative impact of the factor ‘weakness in economic legislation’ (Annex, Figure 16).

The prevailing managers’ expectations are the selling prices in the service sector to preserve unchanged over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

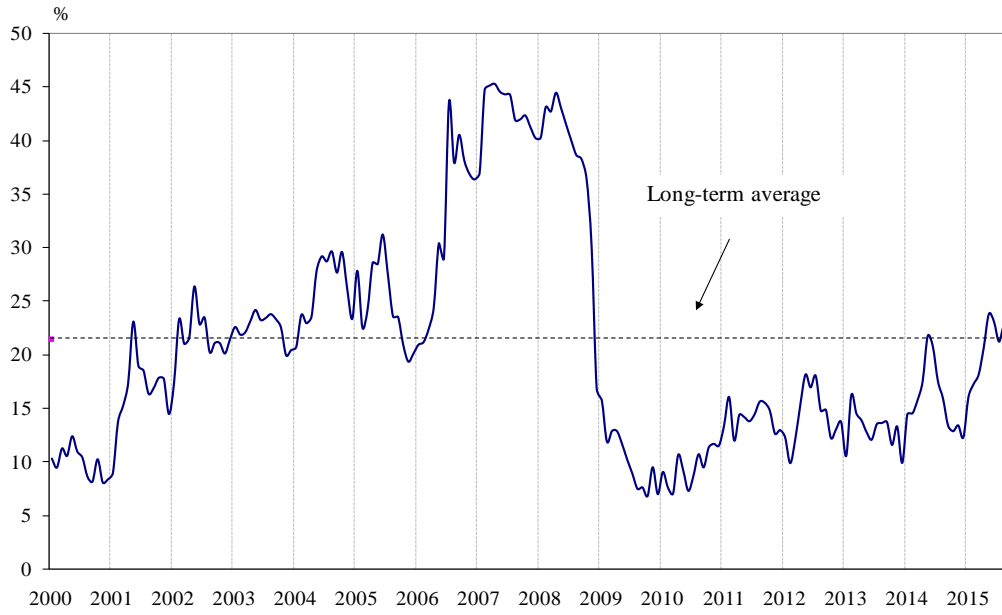


Figure 2. Business climate in industry

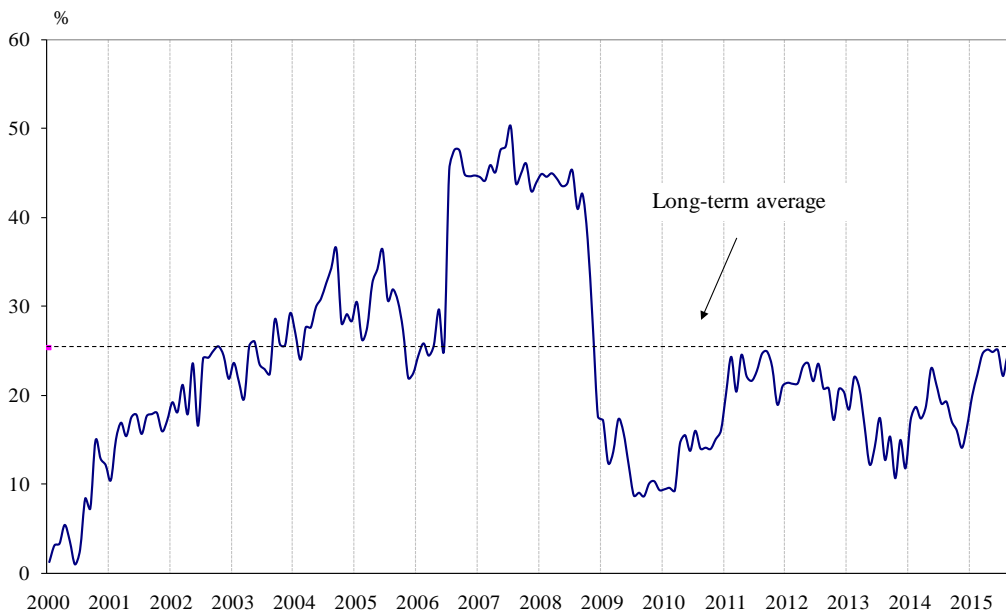




Figure 3. Expected business situation in industry over the next 6 months

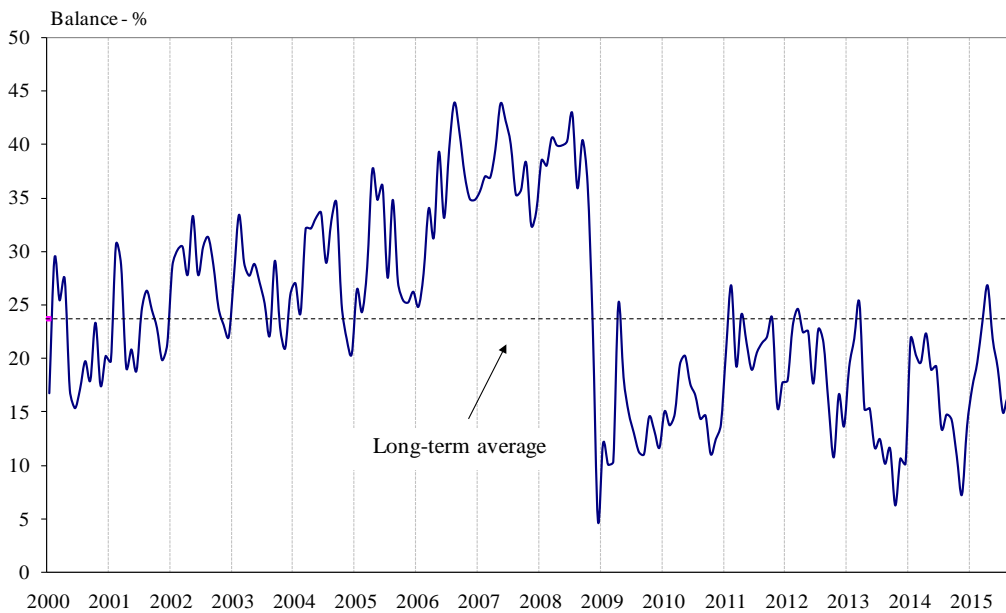


Figure 4. Limits to production in industry (Relative share of enterprises)

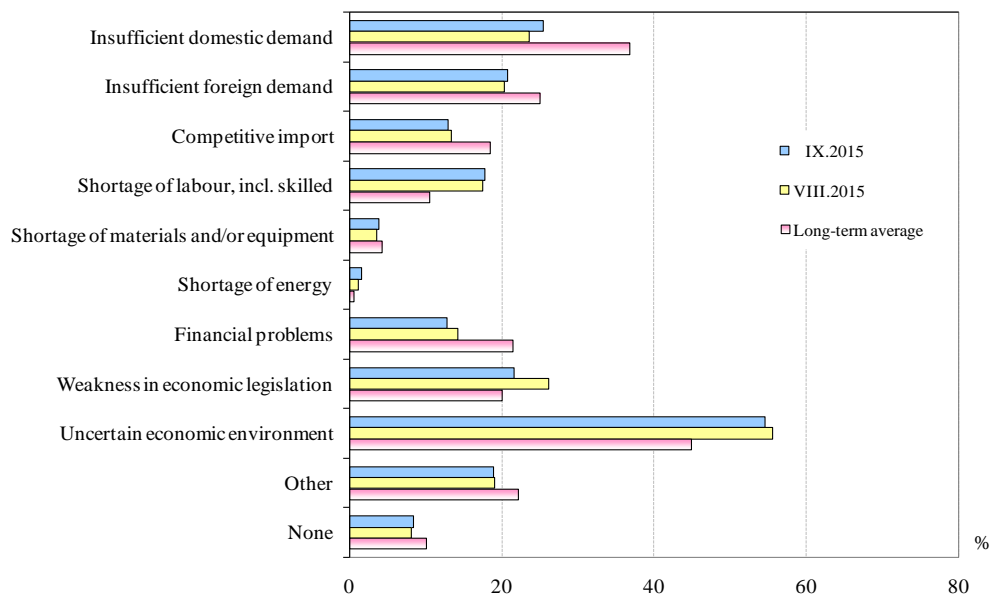




Figure 5. Selling prices expectations in industry over the next 3 months

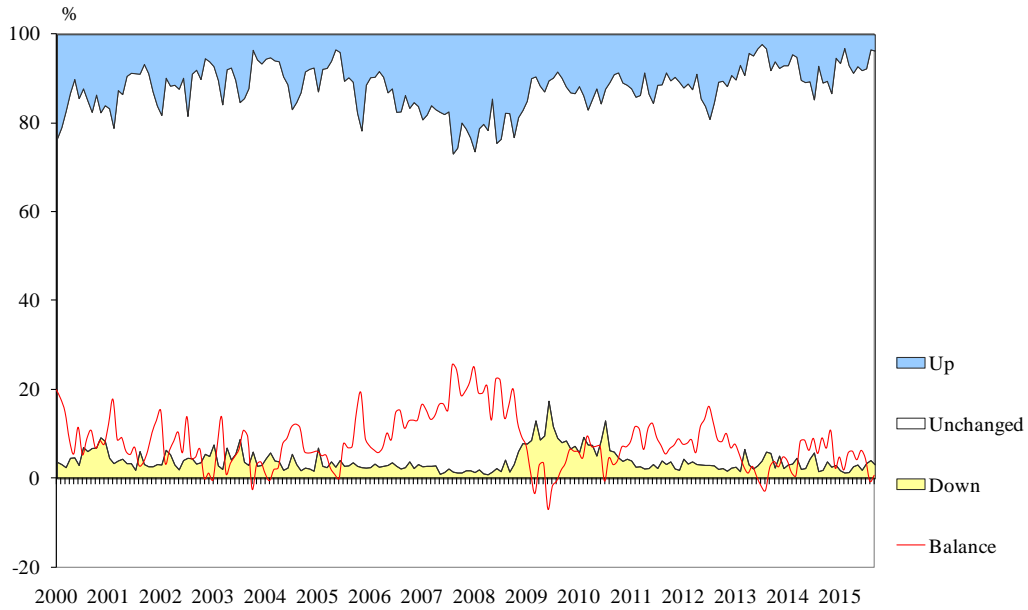


Figure 6. Business climate in construction

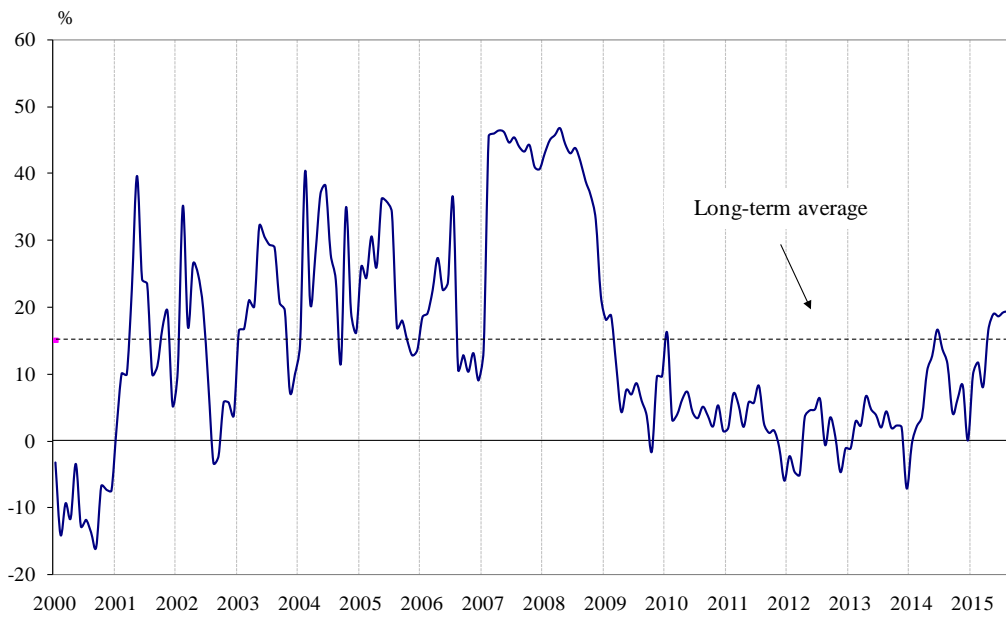




Figure 7. Expected business situation in construction over the next 6 months

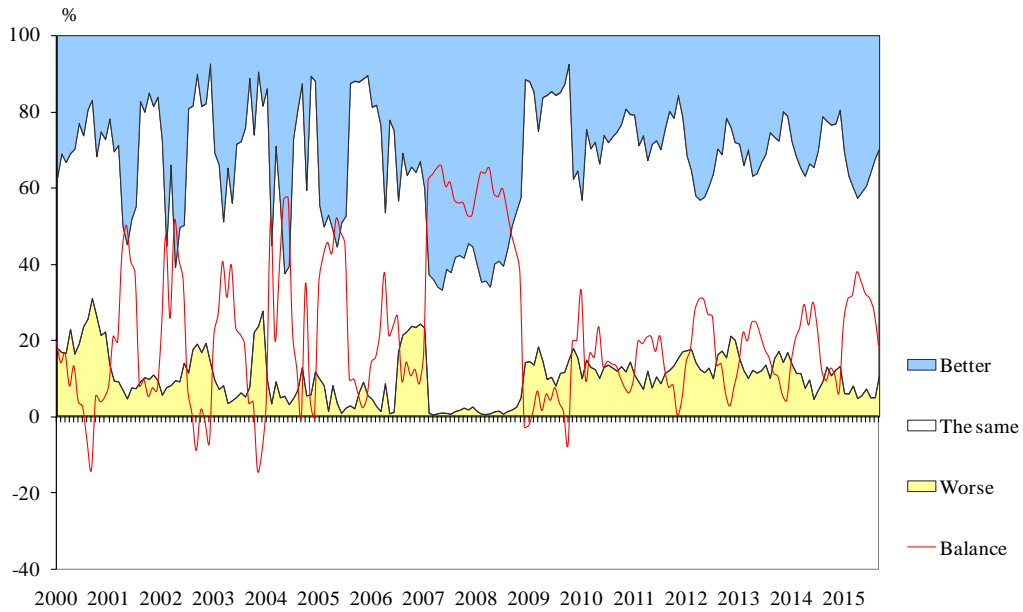
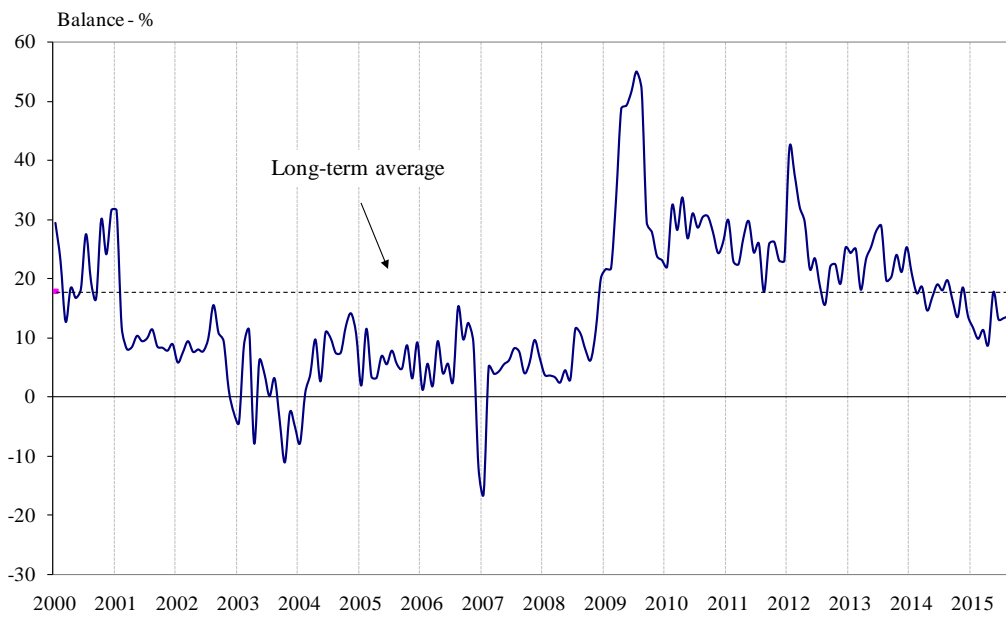
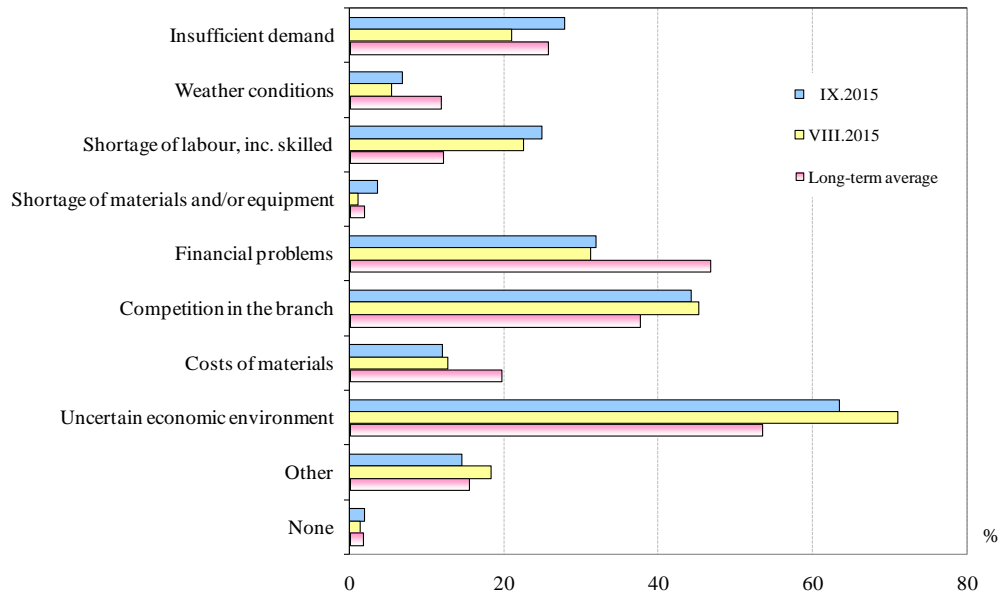


Figure 8. Clients with delay in payments in construction





**Figure 9. Limits to construction activity
(Relative share of enterprises)**



**Figure 10. Selling prices expectations in construction
over the next 3 months**

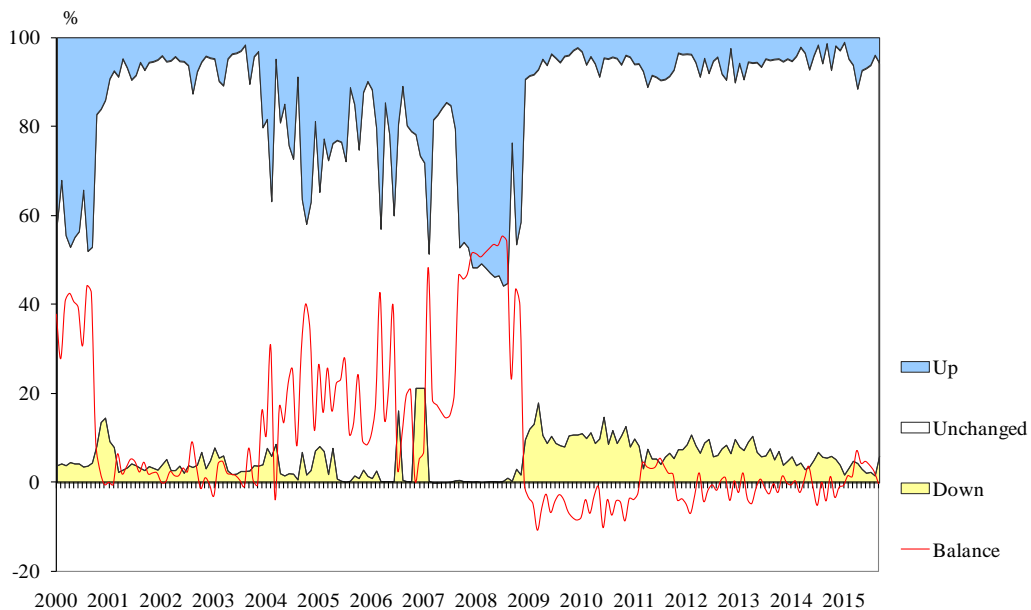




Figure 11. Business climate in retail trade

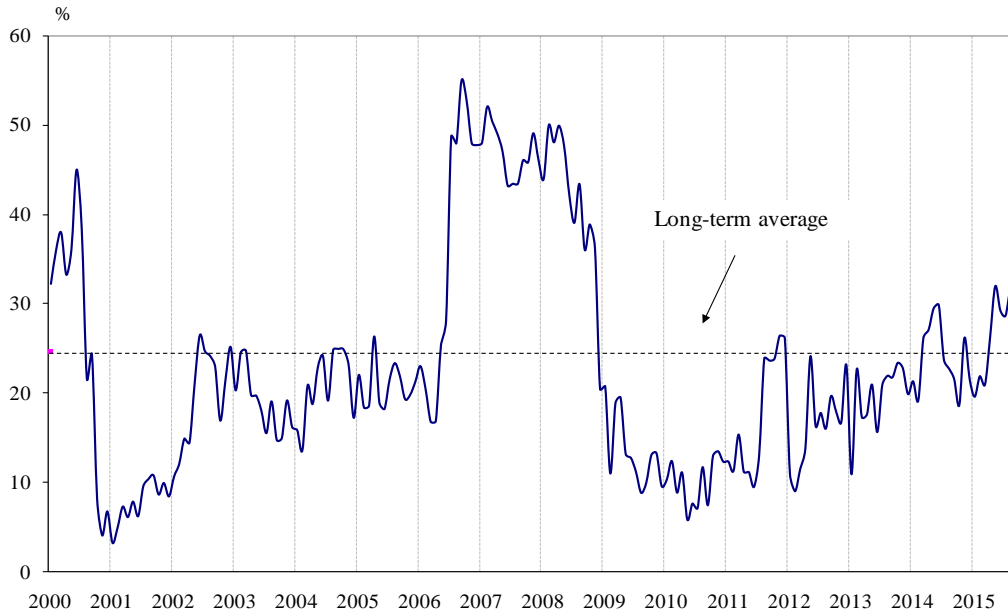


Figure 12. Expected business situation in retail trade over the next 6 months

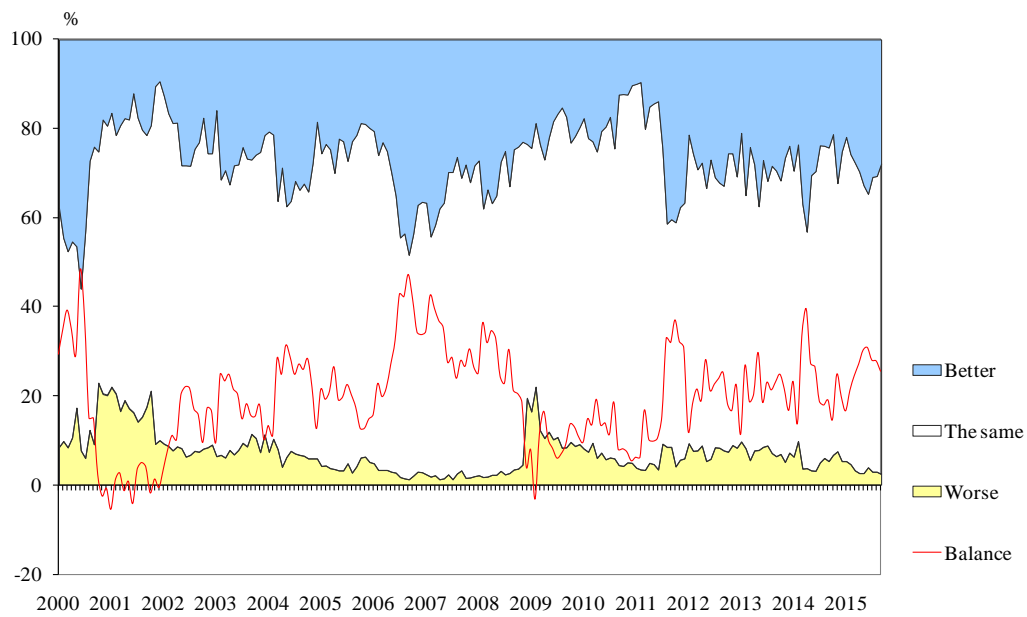




Figure 13. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

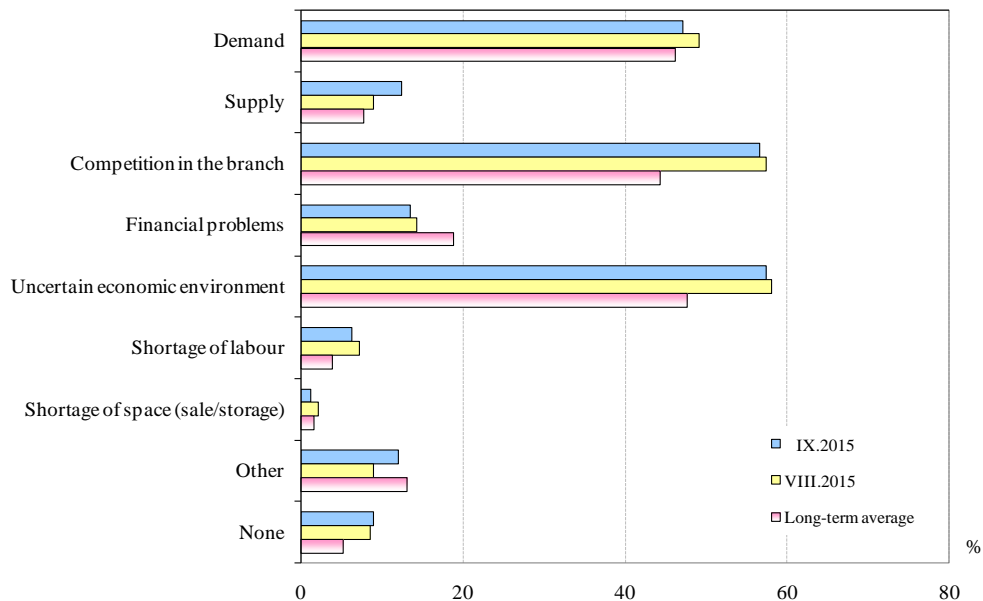


Figure 14. Selling prices expectations in retail trade over the next 3 months

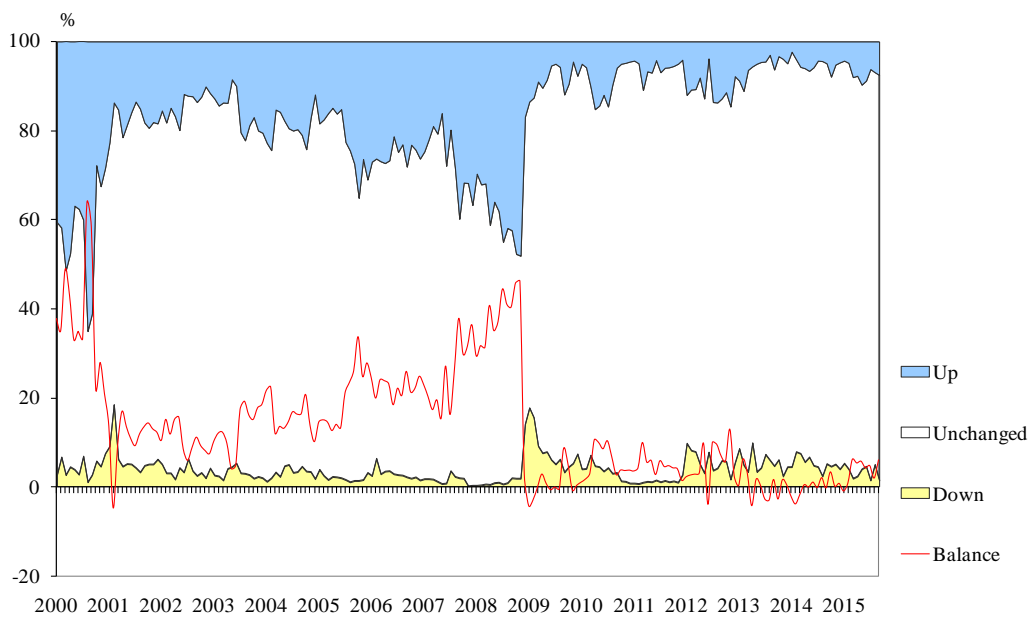




Figure 15. Business climate in service sector

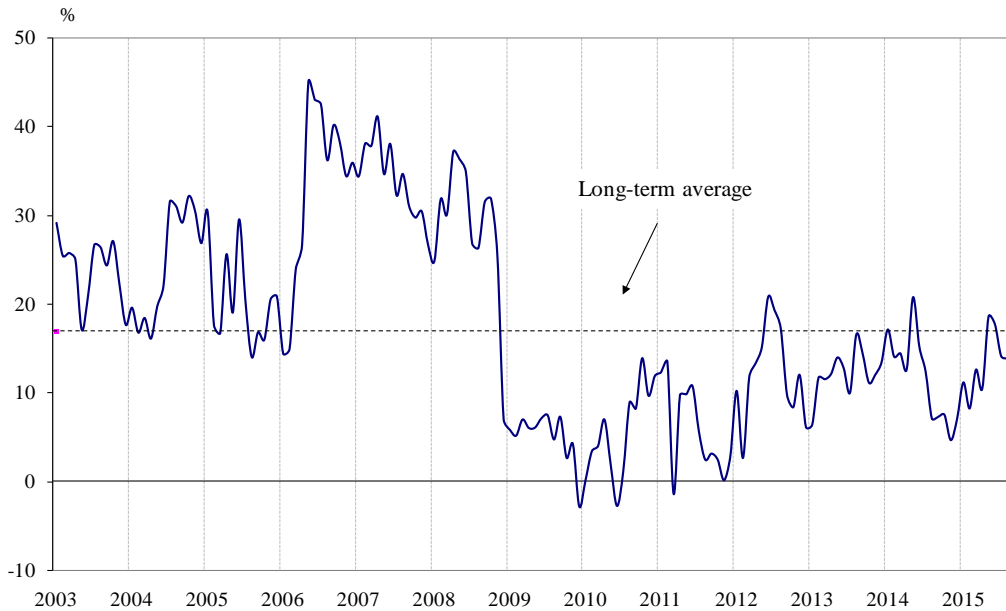


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

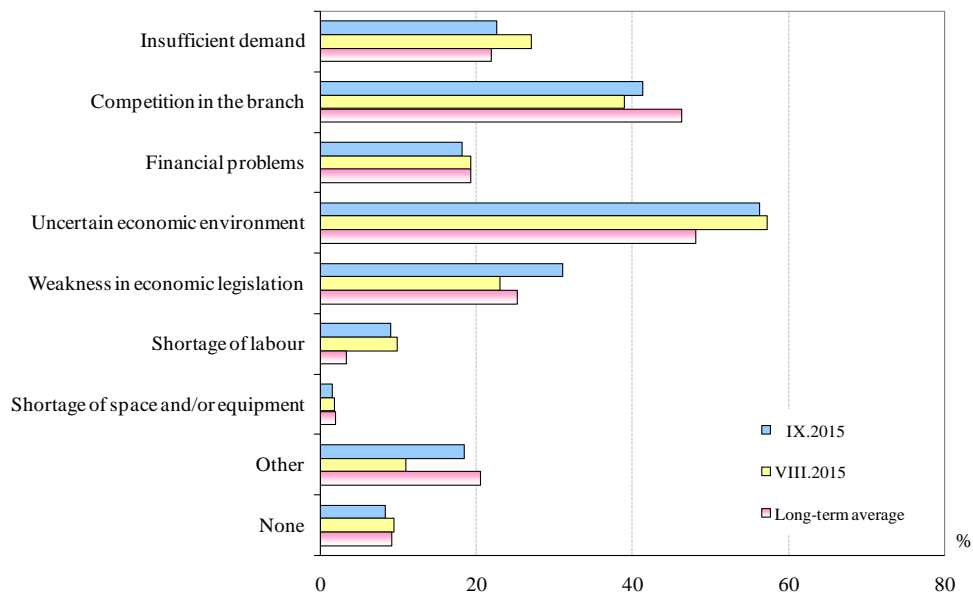




Figure 17. Selling prices expectations in service sector over the next 3 months

