



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, SEPTEMBER 2016

In September 2016 the **total business climate indicator**⁴ preserves its level from the previous month (Annex, Figure 1). The inquiry reports an improvement of the indicator in industry, construction and retail trade, while in the service sector a decrease is registered.

Industry. The composite indicator ‘business climate in industry’ increases by 1.0 percentage point in comparison with August (Annex, Figure 2) which is due to the more favourable industrial entrepreneurs’ expectations about the business situation of the enterprises over the next 6 months. As regards the present production activity their assessments are slight improved, as the expectations over the next 3 months are also for an increase of the activity (Annex, Figure 3).

The main factors limiting the business development remain connected with the uncertain economic environment and insufficient domestic demand (Annex, Figure 4).

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

Construction. In September the composite indicator ‘business climate in construction’ increases by 1.4 percentage points (Annex, Figure 6) as a result of the optimistic construction entrepreneurs’ assessments about the present business situation of the enterprises (Annex, Figure 7). In their opinion the present construction activity is improved in comparison with the previous month, as their forecasts the next 3 months remain favourable.

The most serious problem limiting the activity of the enterprises continues to be the uncertain economic environment, followed by competition in the branch and financial problems (Annex, Figure 8).

As regards the selling prices in the construction, the majority of the managers foresee preservation their level over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 0.6 percentage points in comparison with August (Annex, Figure 10) which is due to the improved retailers’ assessments about

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.



the present business situation of enterprises (Annex, Figure 11). However, their expectations about the volume of sales and orders placed with suppliers over the next 3 months are more reserved.

The main factors for the business development remain the competition in the branch, insufficient demand and uncertain economic environment, as the inquiry registers strengthen of the negative impact of the second factor (Annex, Figure 12).

Concerning the selling prices, the retailers' expectations are them to remain unchanged over the next 3 months (Annex, Figure 13).

Service sector¹. In September the composite indicator 'business climate in service sector' decreases by 3.6 percentage points (Annex, Figure 14) as a result of the shifting of the managers' assessments and expectations about the business situation of the enterprises from 'better' towards preserving 'the same' (Annex, Figure 15). With regard to the demand for services the present tendency is assessed as improved, while the expectations over the next 3 months are more reserved.

In the last month is registered strengthen of the unfavourable influence of the factor 'uncertain economic environment', which shifts to the second place the difficulties connected with the competition in the branch (Annex, Figure 16).

As regards the selling prices in the sector managers foresee preservation of their level over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

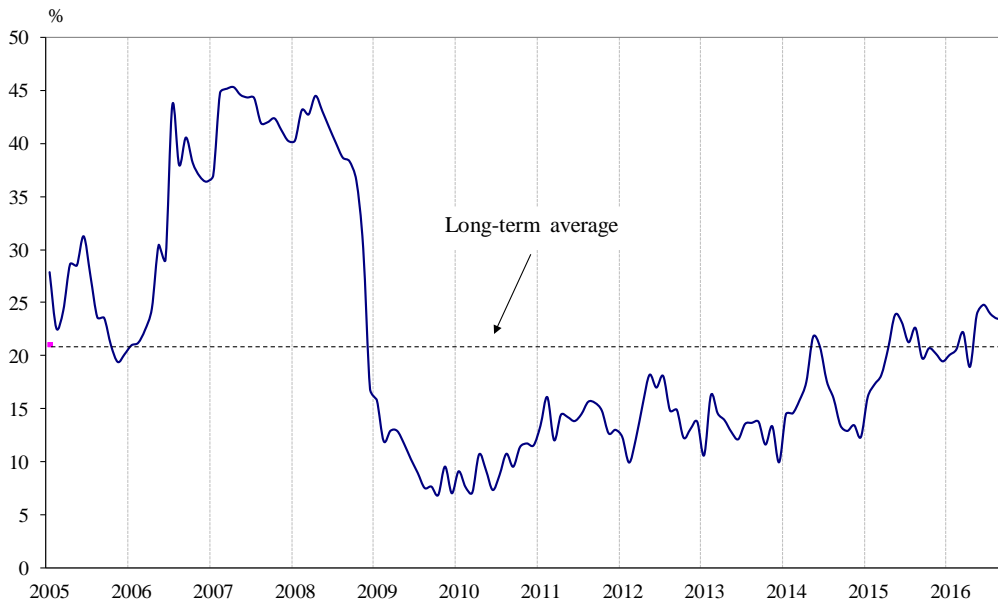


Figure 2. Business climate in industry

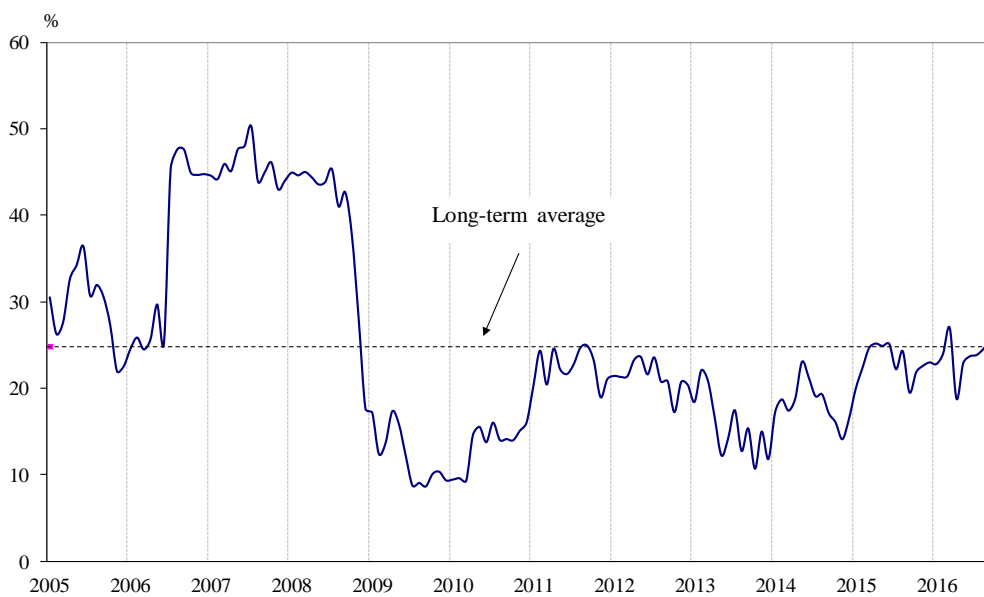




Figure 3. Expected production activity in industry over the next 3 months

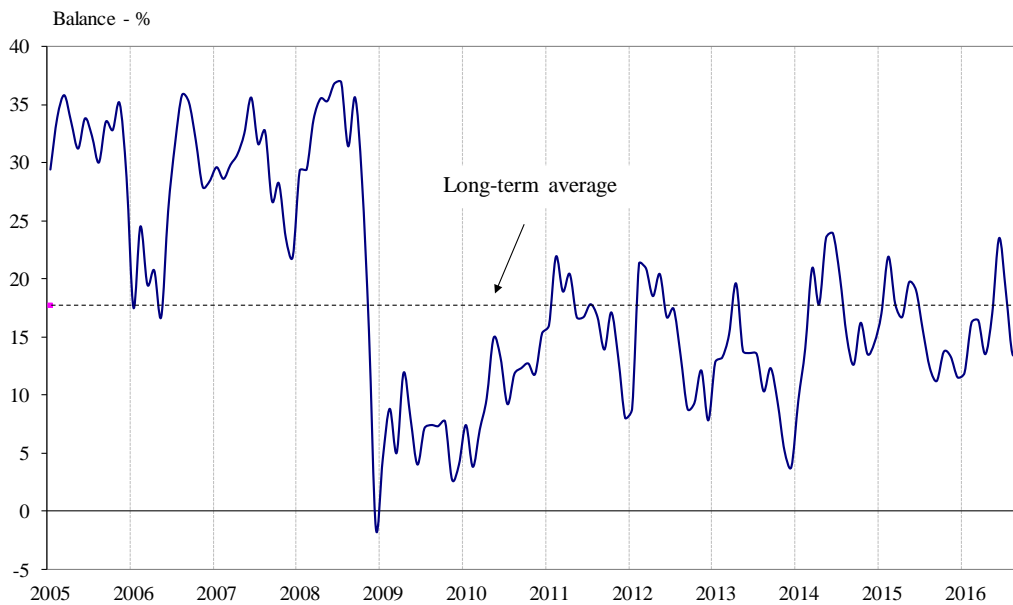


Figure 4. Limits to production in industry (Relative share of enterprises)

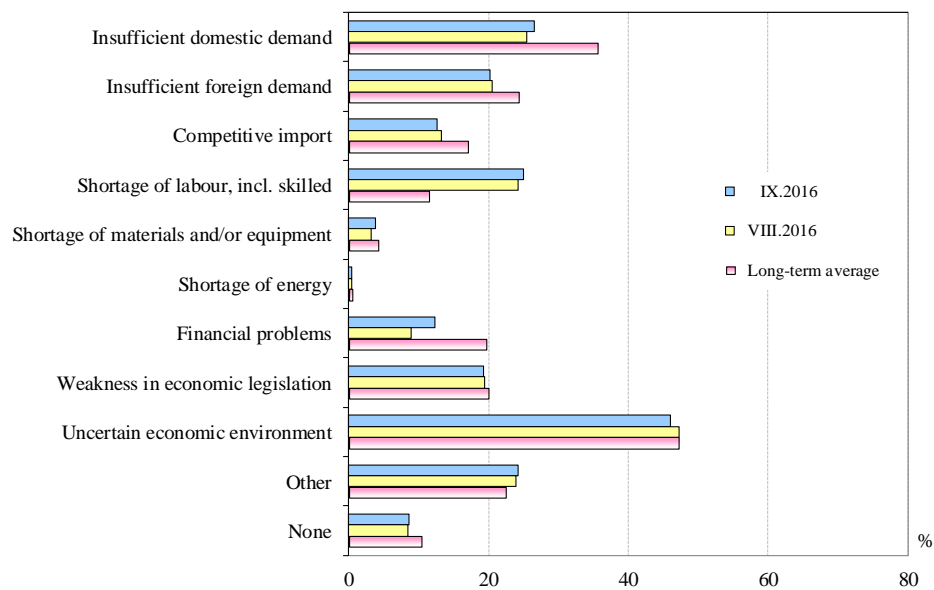




Figure 5. Selling prices expectations in industry over the next 3 months

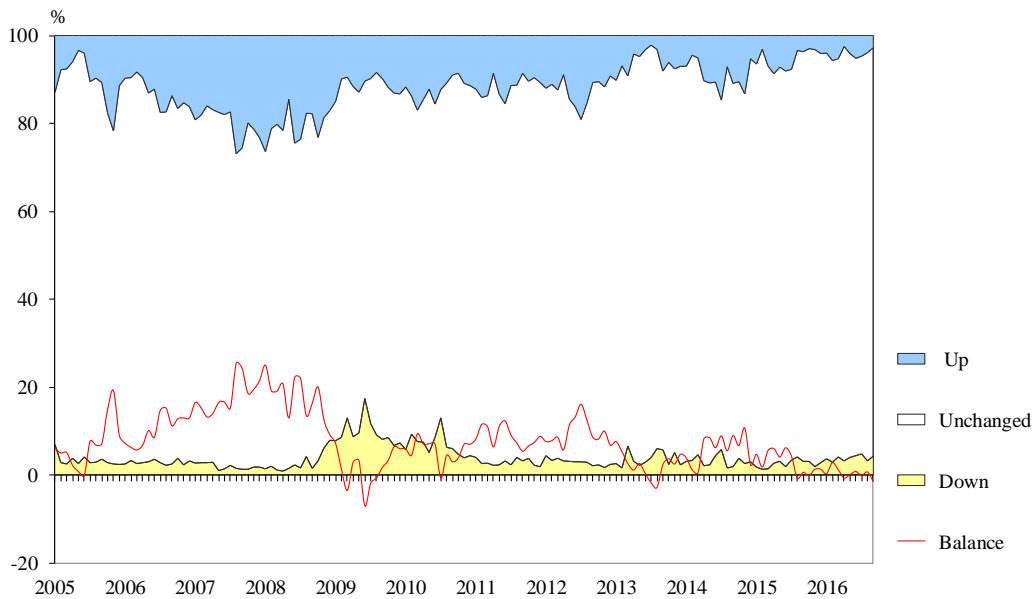


Figure 6. Business climate in construction

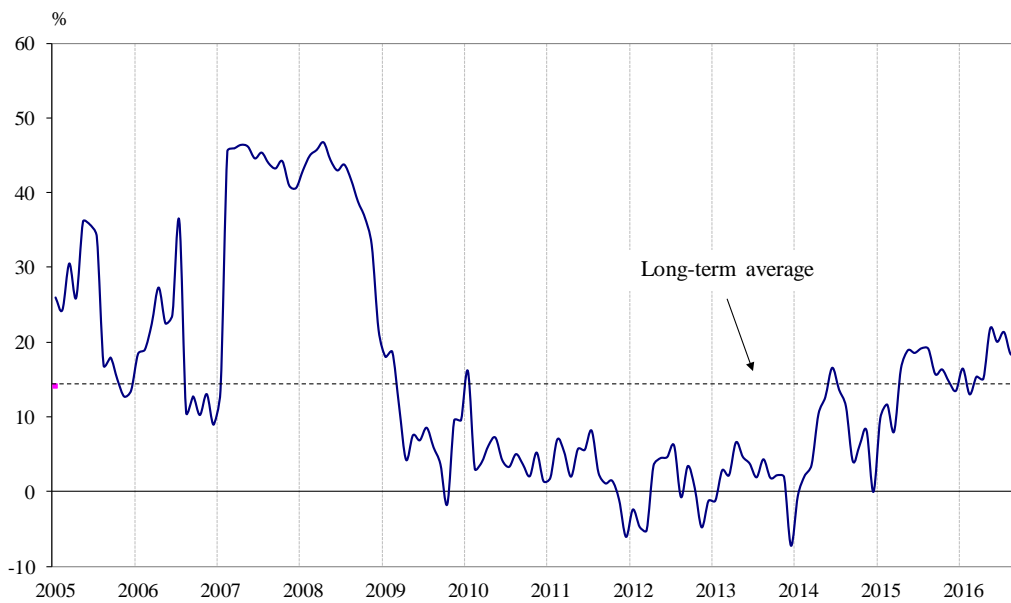
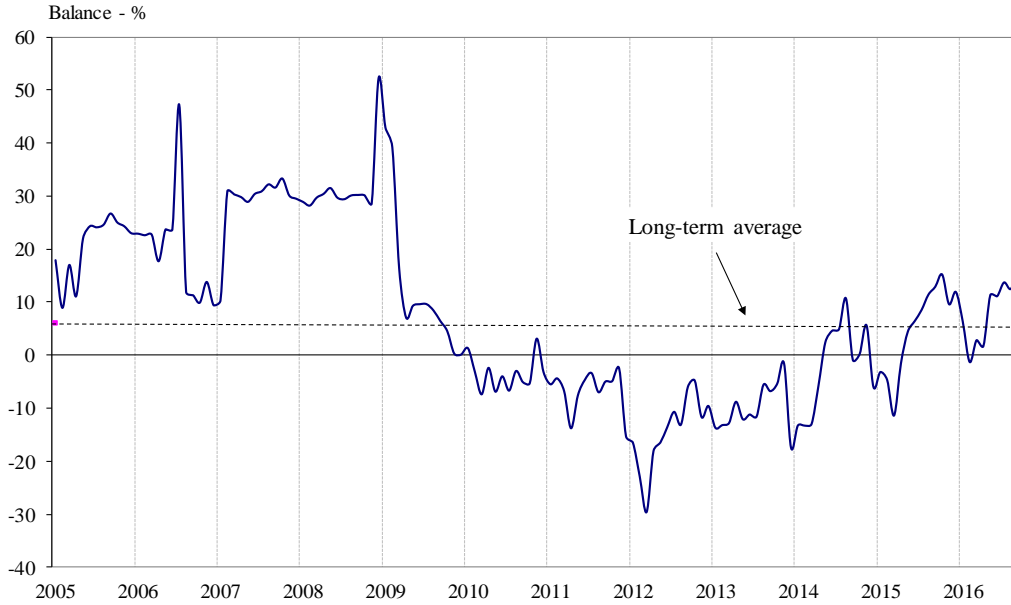




Figure 7. Present business situation in construction



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

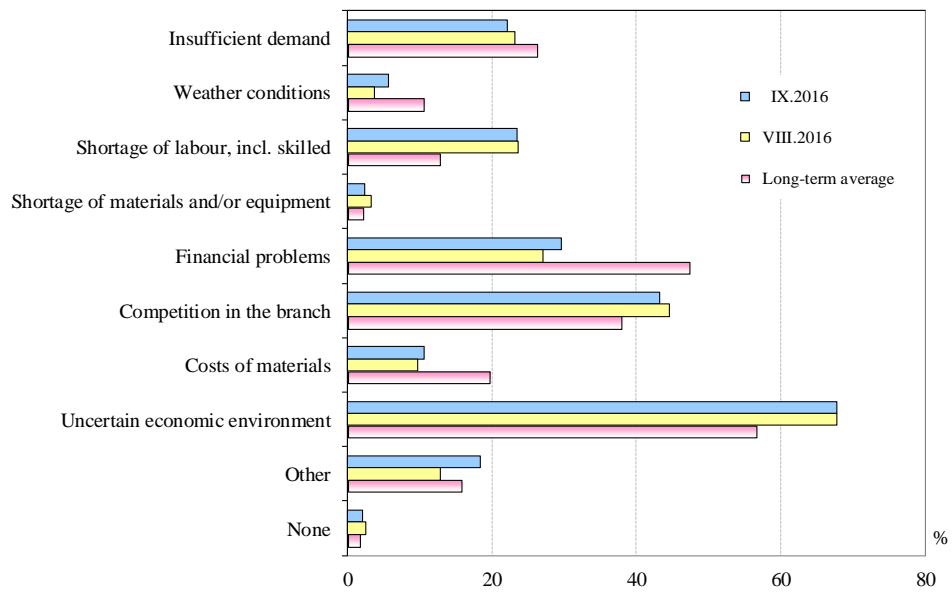




Figure 9. Selling prices expectations in construction over the next 3 months

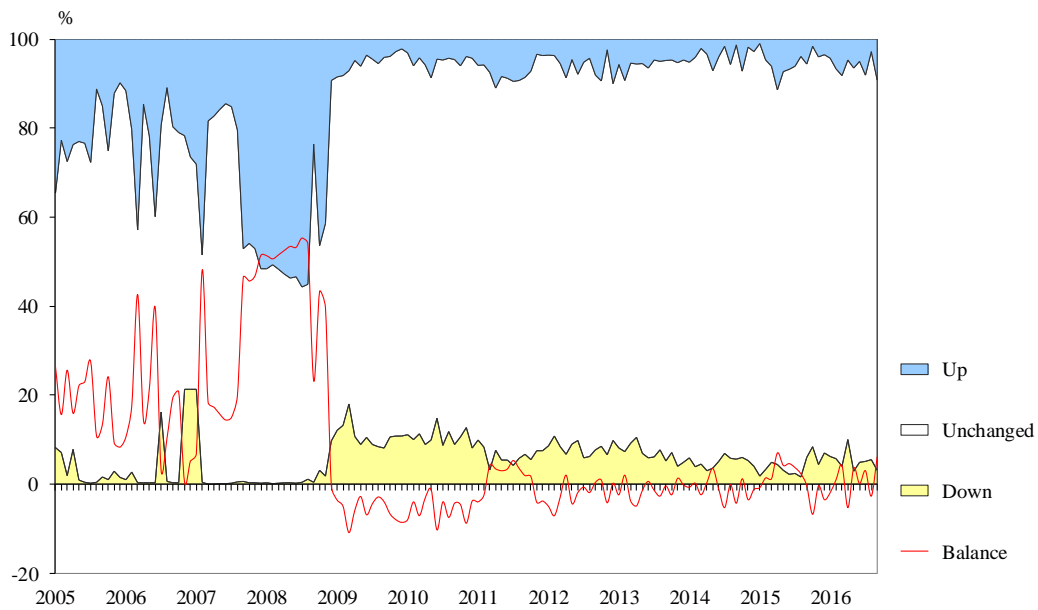


Figure 10. Business climate in retail trade

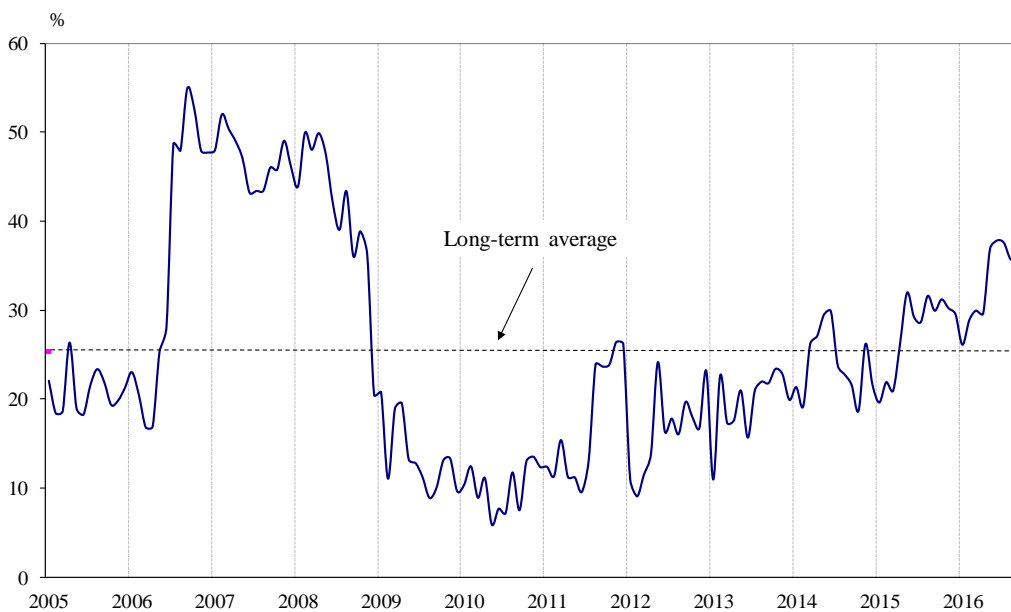




Figure 11. Present business situation in retail trade

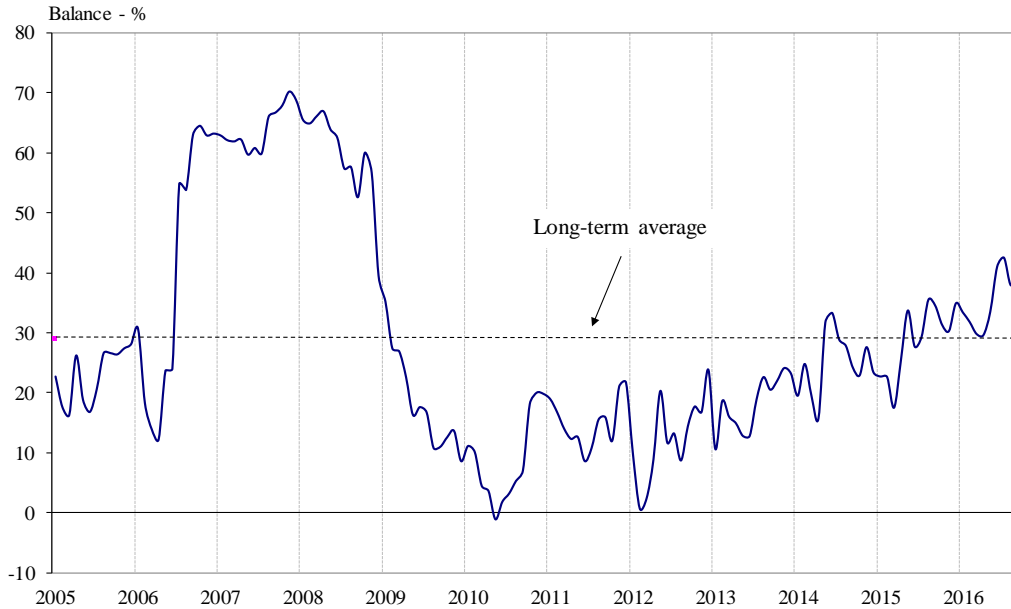


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

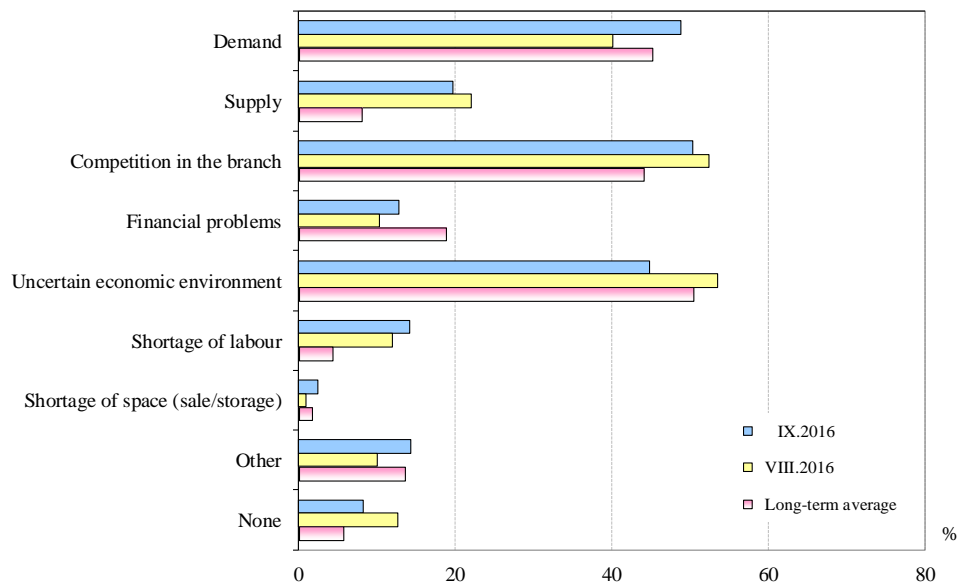




Figure 13. Selling prices expectations in retail trade over the next 3 months

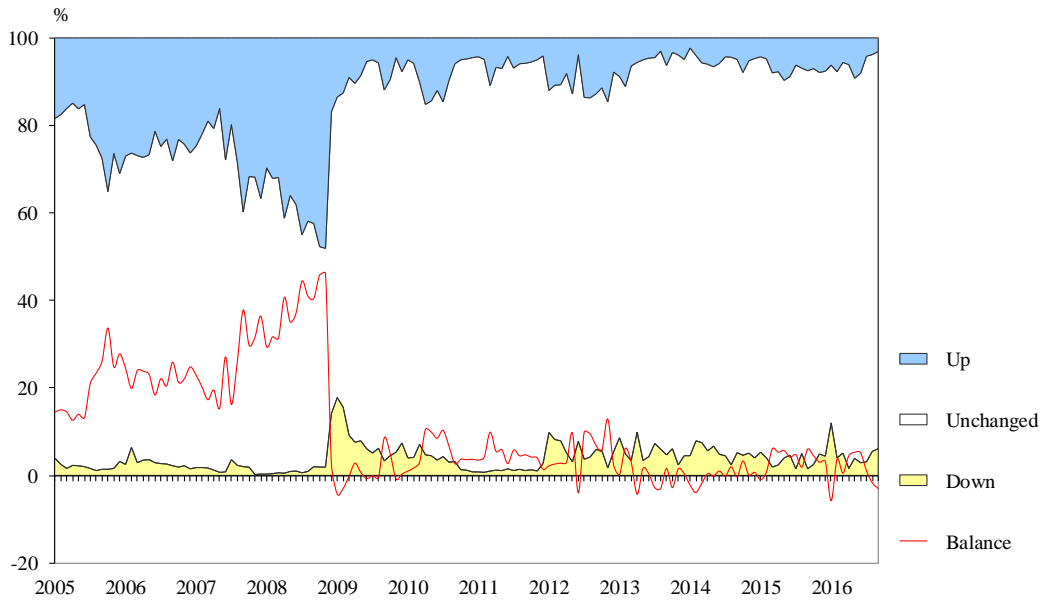


Figure 14. Business climate in service sector

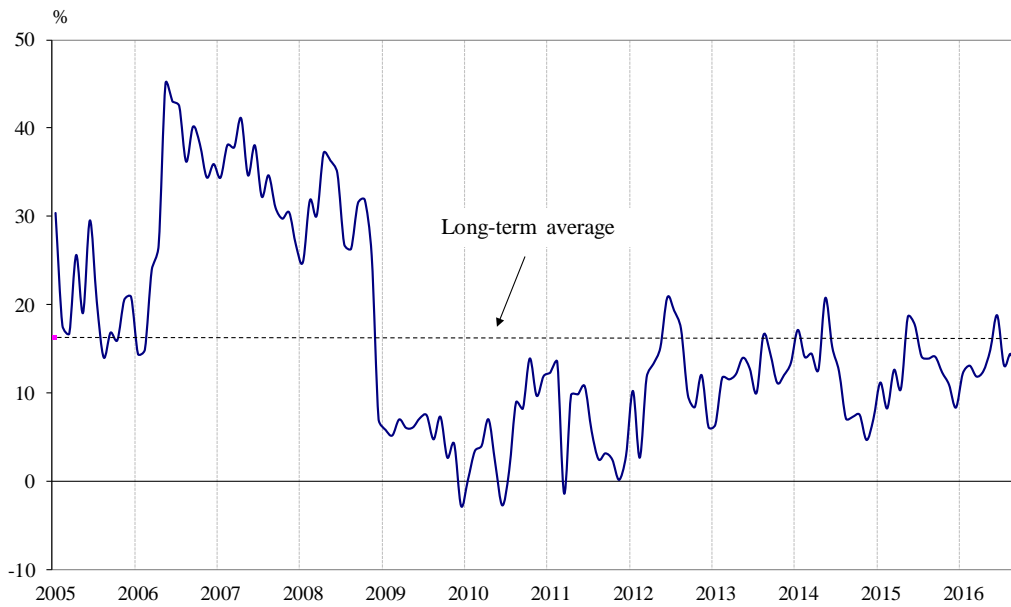




Figure 15. Expected business situation in service sector over the next 6 months

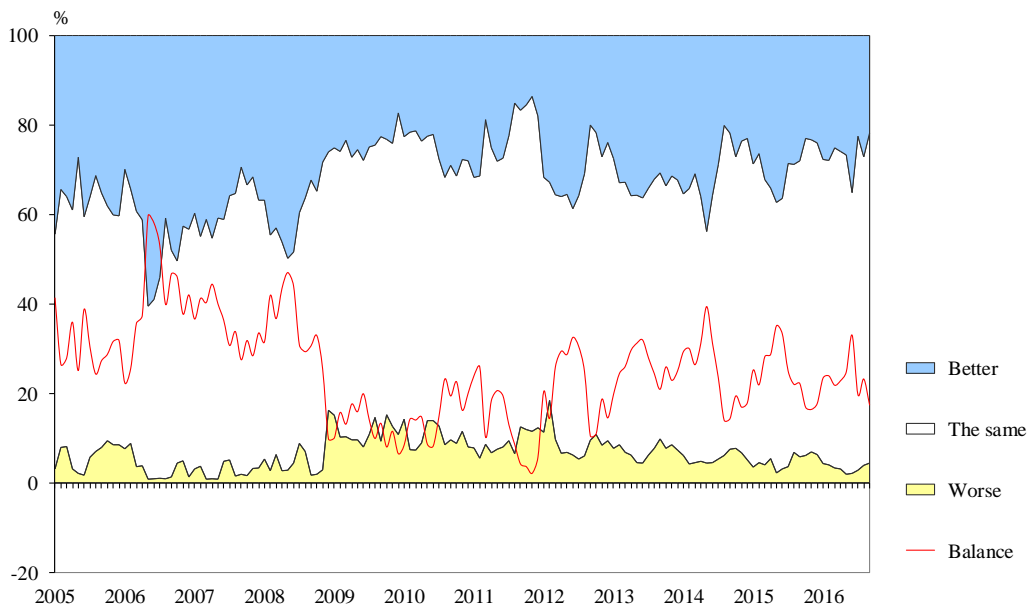


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

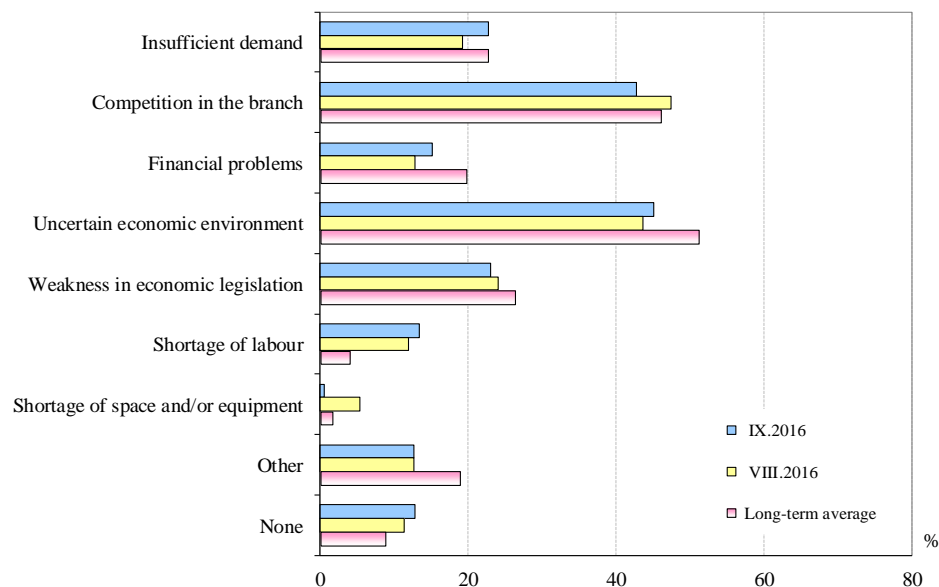




Figure 17. Selling prices expectations in service sector over the next 3 months

