



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

In November 2016 **the total business climate indicator**⁴ increases by 0.6 percentage points in comparison with October (Annex, Figure 1) which is due to the improved business climate in industry and retail trade.

Industry. The composite indicator ‘business climate in industry’ increases by 1.9 percentage points compared to the previous month (Annex, Figure 2) as a result of the improved industrial entrepreneurs’ assessments and expectations about the business situation of the enterprises. The present production activity is assessed as a decreased, while the expectations about the activity over the next 3 months are more favourable (Annex, Figure 3).

The factor, limiting with the most extent the business development remains the uncertain economic environment, as in the last month strengthen of its negative impact is observed (Annex, Figure 4).

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

Construction. In November the composite indicator ‘business climate in construction’ decreases by 4.0 percentage points (Annex, Figure 6) which is due to the more unfavourable construction entrepreneurs’ assessments and expectations about the business situation of the enterprises. In their opinion the inflow of new orders over the last month decreased, as well their expectation about construction activity over the next 3 months are pessimistic (Annex, Figure 7).

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

As regards the selling prices in the construction 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 3.2 percentage points in comparison with October (Annex, Figure 10) as a result of the more optimistic retailers’ assessments (Annex, Figure 11) and expectations about the business situation of enterprises. However, their opinion

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.



about the volume of sales over the last 3 months, as well their expectations over the next 3 months are more unfavourable.

The uncertain economic environment, competition in the branch and insufficient demand continue to be the most serious obstacles for the business development (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 November the composite indicator 'business climate in service sector' remains approximately to its level from the previous month (Annex, Figure 14). The managers' assessments and expectations about the business situation of enterprises are shifting to the more moderate opinions (Annex, Figure 15). At the same time their forecasts about the demand for services over the next 3 months are improved.

The uncertain economic environment and the competition in the branch remain the main factors the limiting the activity in the sector. In the last month the inquiry registers strengthen of the negative impact of the factor 'insufficient demand' (Annex, Figure 16).

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

¹ Excl. trade.



Annex

Figure 1. Business climate - total

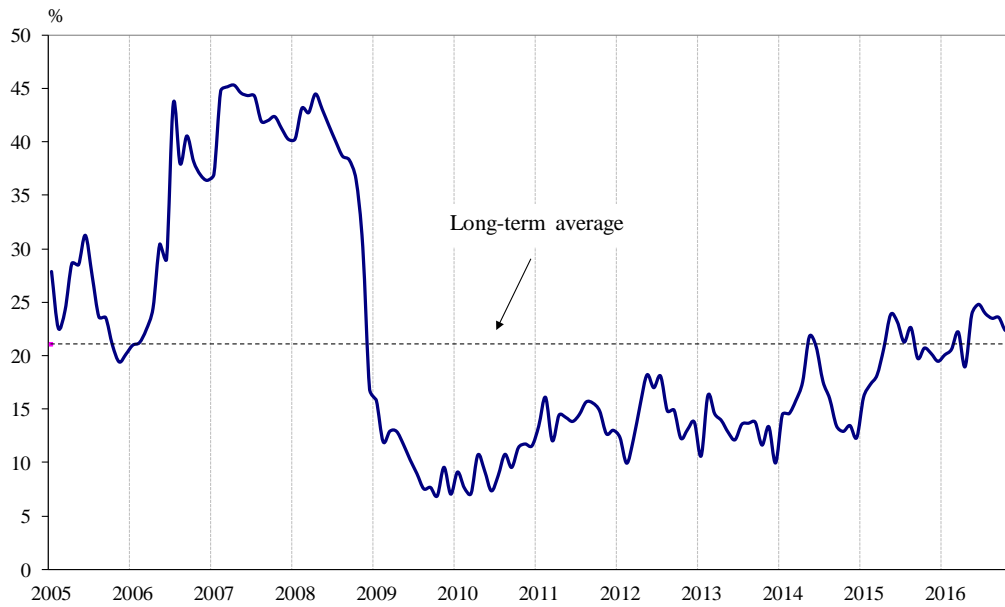


Figure 2. Business climate in industry

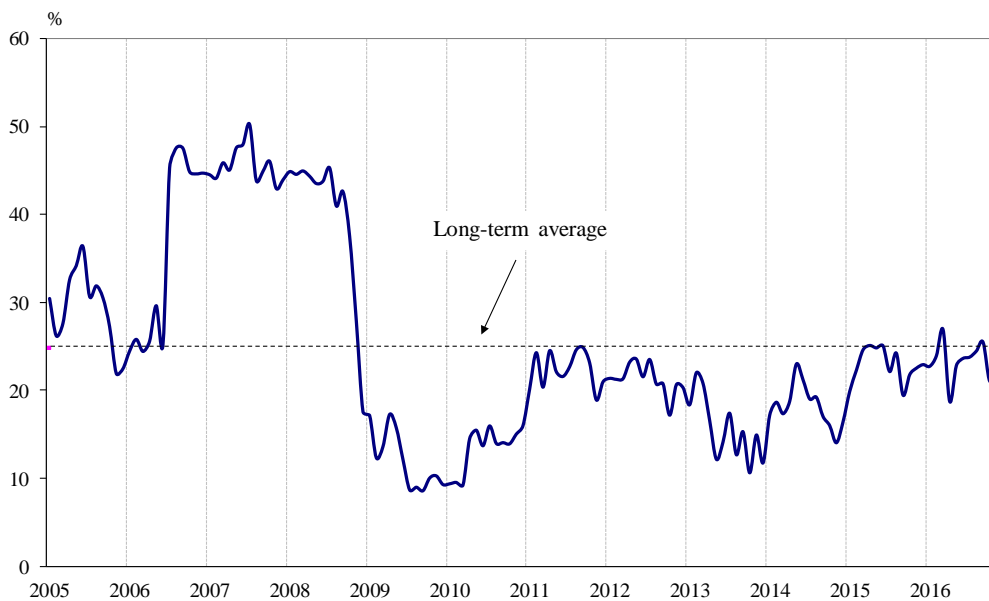




Figure 3. Expected production activity in industry over the next 3 months

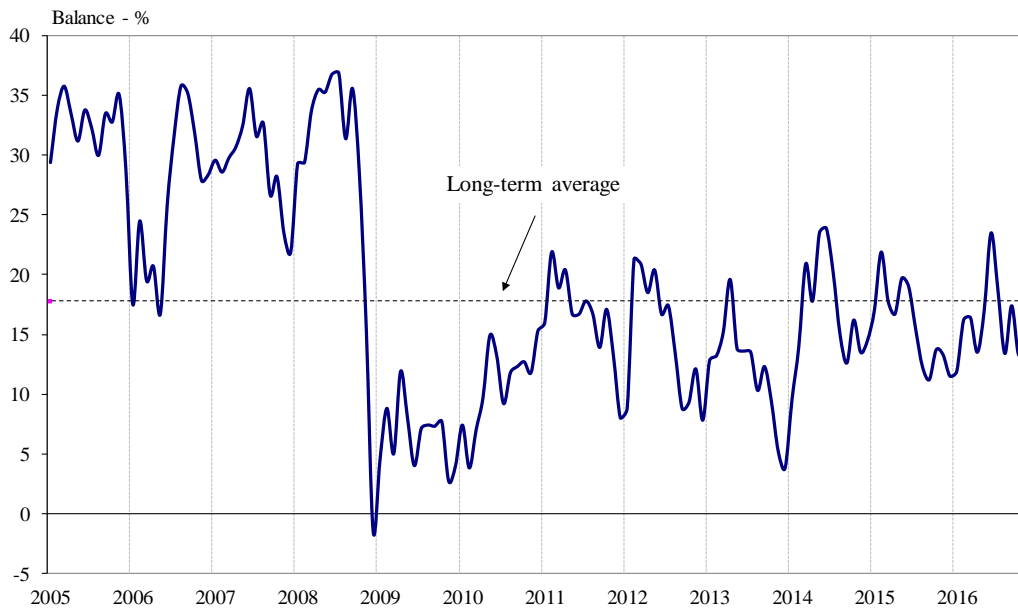


Figure 4. Limits to production in industry (Relative share of enterprises)

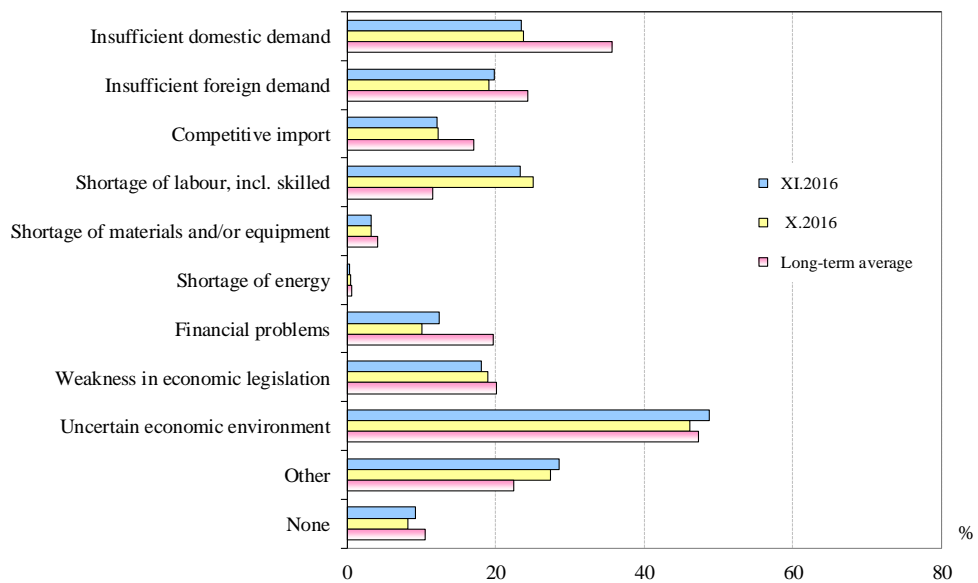




Figure 5. Selling prices expectations in industry over the next 3 months

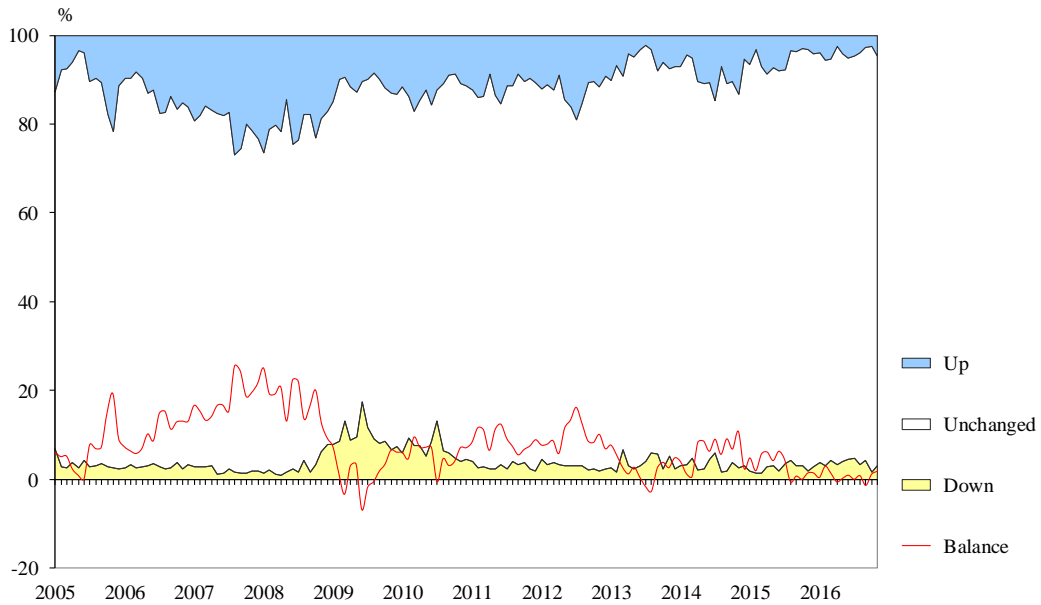


Figure 6. Business climate in construction

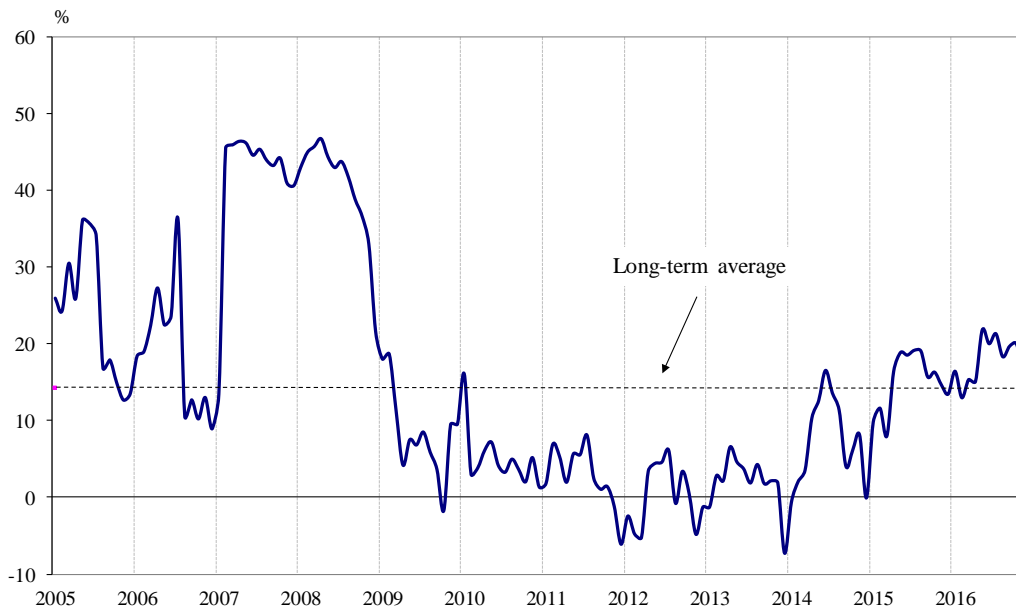




Figure 7. Expected construction activity over the next 3 months

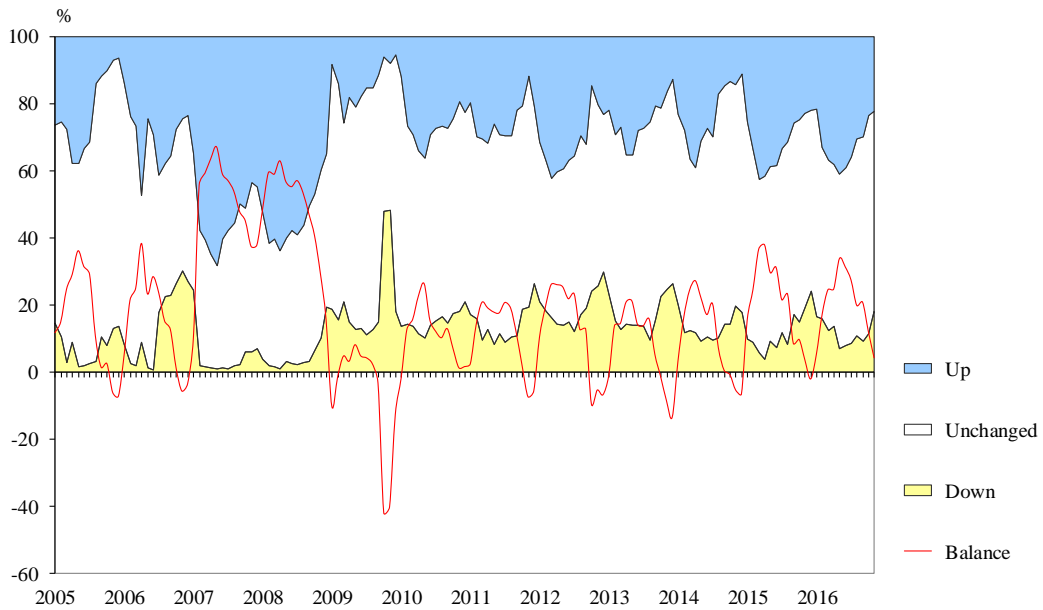


Figure 8. Limits to construction activity (Relative share of enterprises)

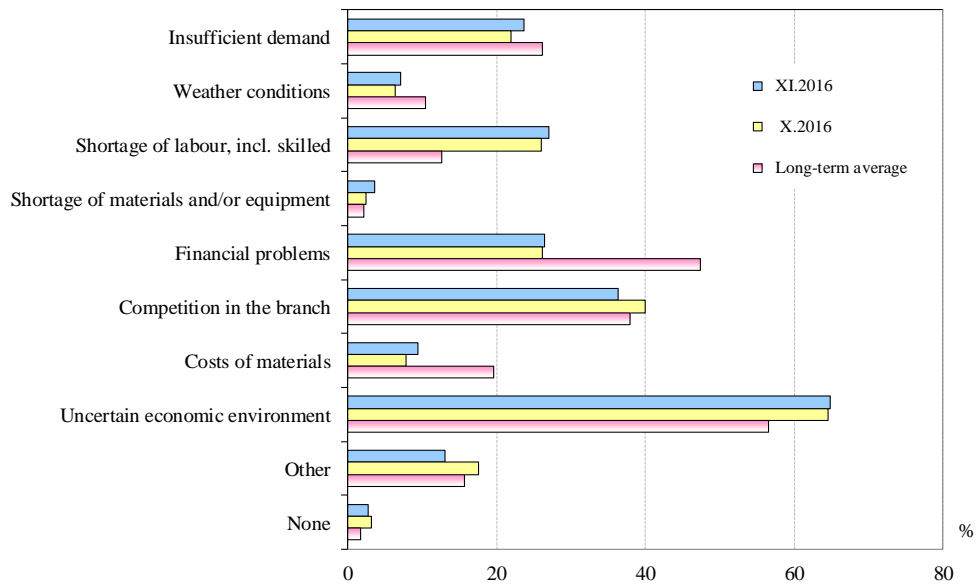




Figure 9. Selling prices expectations in construction over the next 3 months

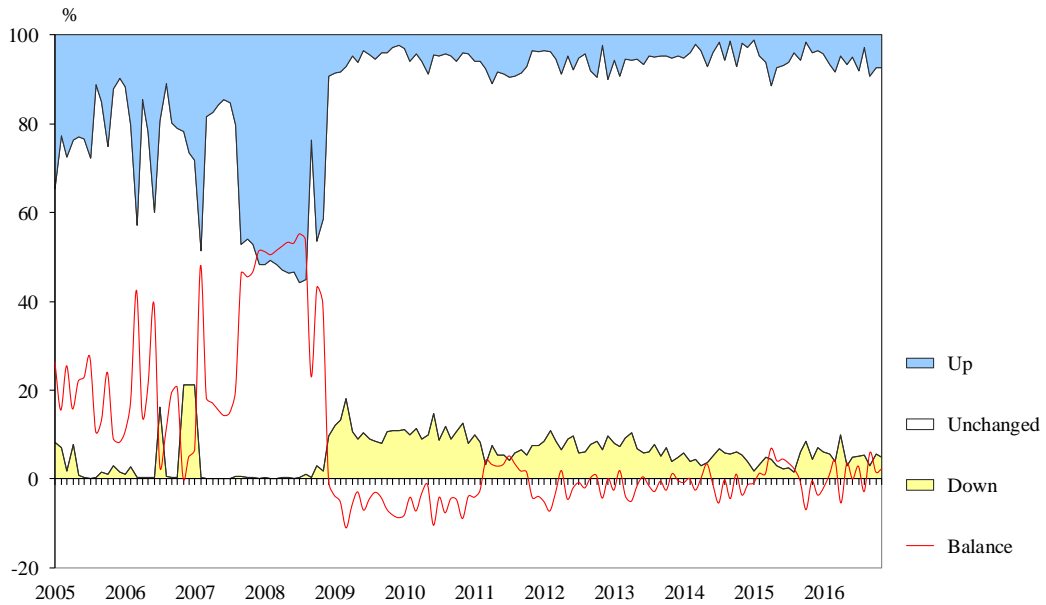


Figure 10. Business climate in retail trade

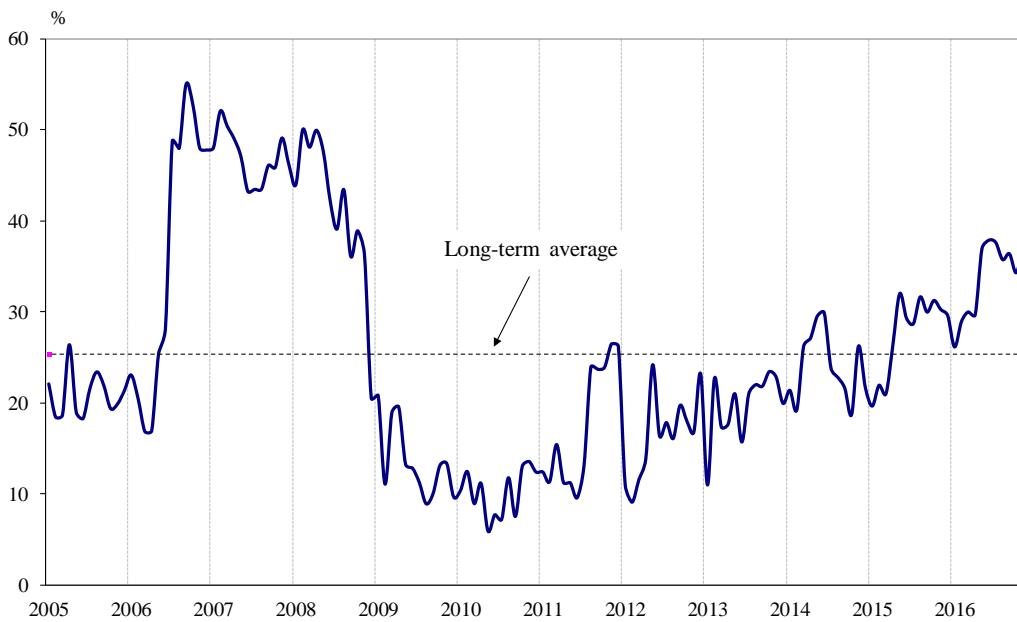




Figure 11. Present business situation in retail trade

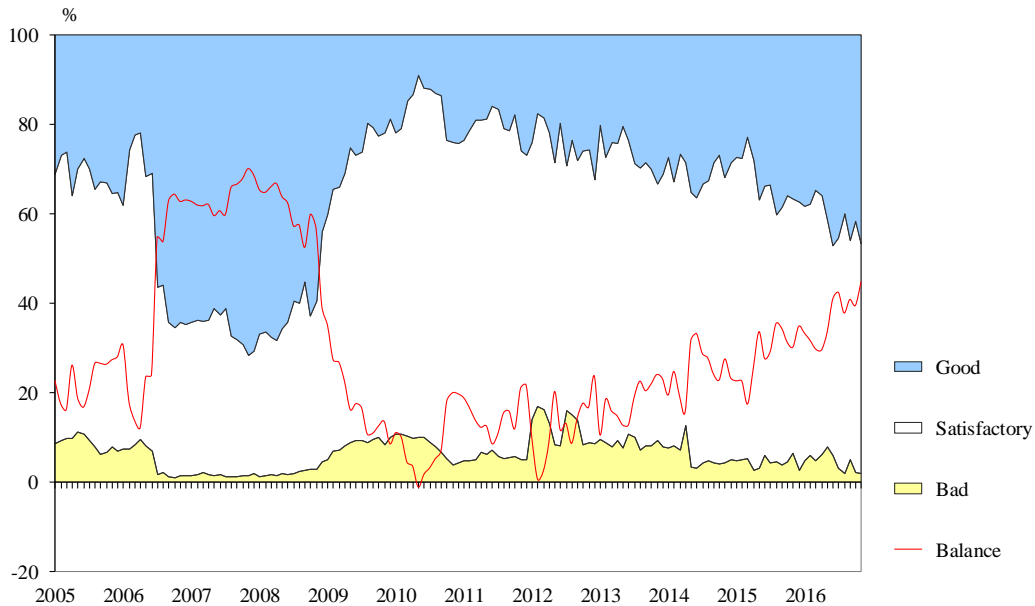


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

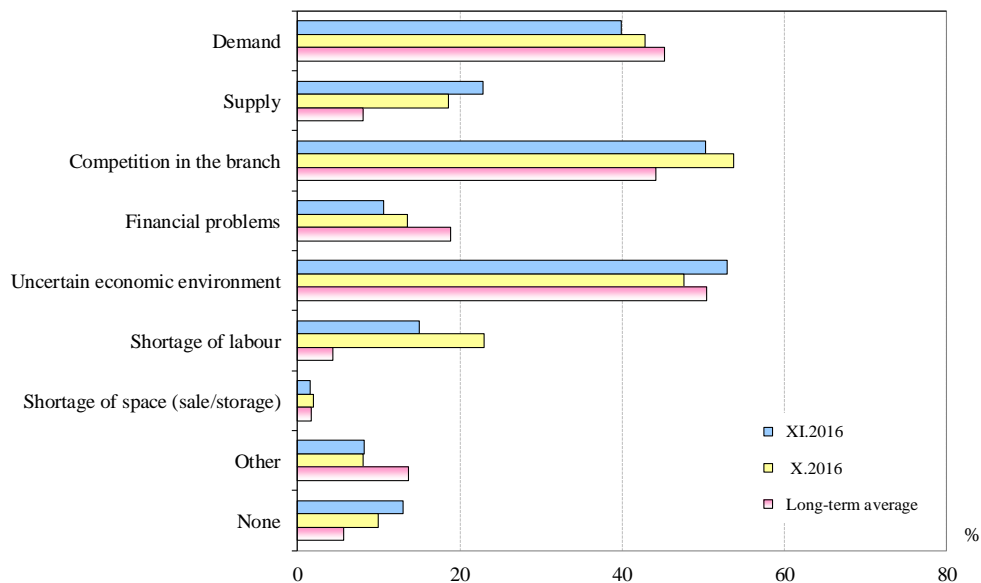




Figure 13. Selling prices expectations in retail trade over the next 3 months

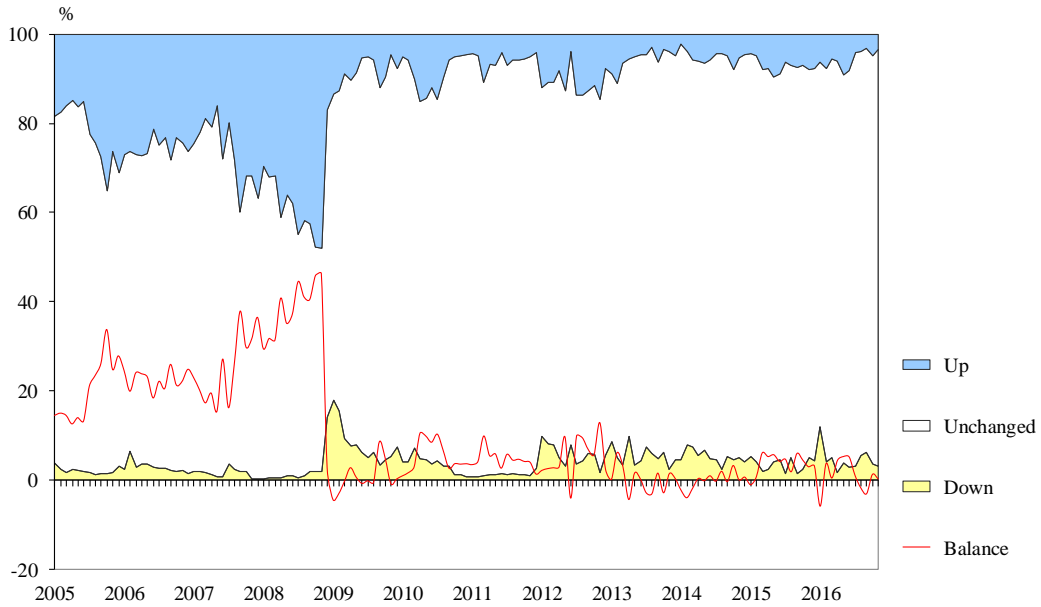


Figure 14. Business climate in service sector

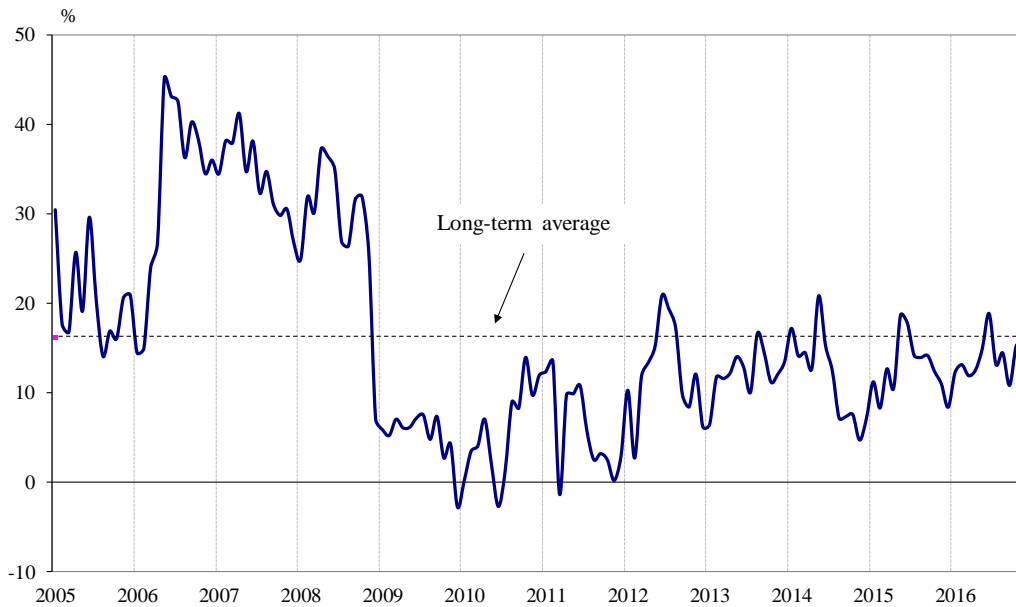




Figure 15. Expected business situation in service sector over the next 6 months

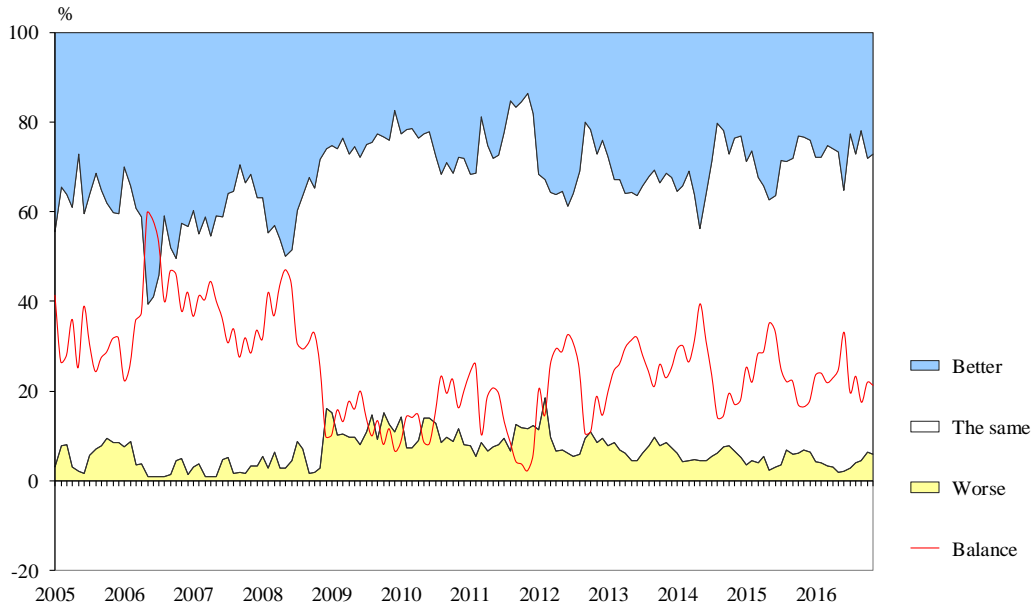


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

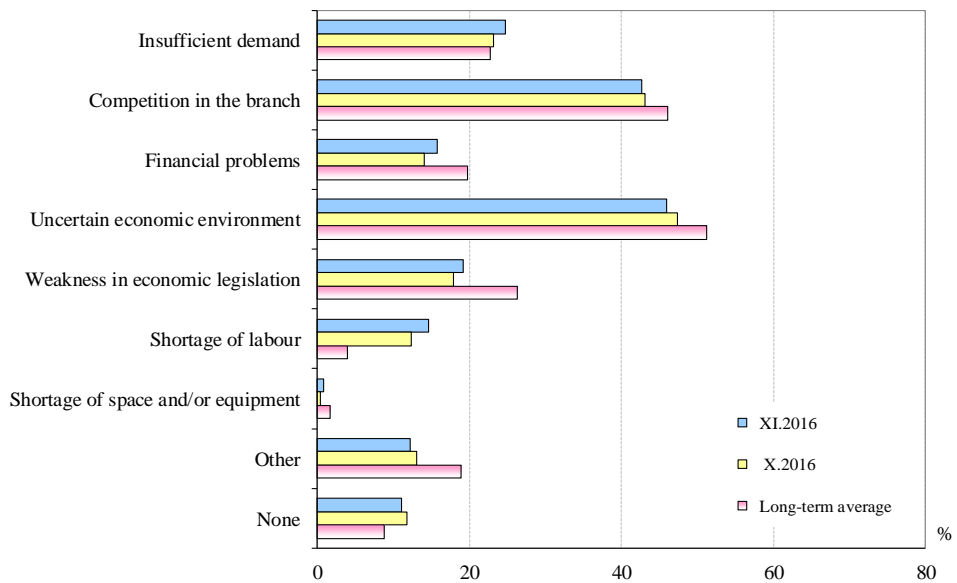




Figure 17. Selling prices expectations in service sector over the next 3 months

