



BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS^{1,2,3}, NOVEMBER 2019

In November 2019, the **total business climate indicator**⁴ increases by 1.2 percentage points in comparison with October (Annex, Figure 1) which is due to the improved conjuncture in construction and retail trade.

Industry. The composite indicator ‘business climate in industry’ preserves approximately its level from the previous month (Annex, Figure 2). The inquiry registers certain managers’ optimism about the business situation of the enterprises over the next 6 months (Annex, Figure 3) which is also accompanied by favourable expectations about their activity over the next 3 months.

The uncertain economic environment and the shortage of labour continue to be the main obstacles for the business development (Annex, Figure 4).

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

Construction. In November the composite indicator ‘business climate in construction’ increases by 2.3 percentage points (Annex, Figure 6) which is due to the more favourable construction entrepreneurs’ assessments and expectations about the business situation of the enterprises. In their opinion, the present production assurance with orders is increased (Annex, Figure 7), while their forecasts about the activity over the next 3 months are slightly worsened.

The most serious difficulties for the activity in the sector remain the shortage of labour, uncertain economic environment and competition in the branch (Annex, Figure 8).

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

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 2.7 percentage points (Annex, Figure 10) as a result of the improved retailers’ assessments and expectations about the business

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.



situation of the enterprises. Their forecasts about the volume of sales over the next 3 months are also more favourable (Annex, Figure 11).

The competition in the branch, insufficient demand and uncertain economic environment continue to be the main factors, limiting the business development, as in the last month strengthen of their negative influence is observed (Annex, Figure 12).

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

Service sector¹. In November, the composite indicator 'business climate in service sector' preserves its October level (Annex, Figure 14). The managers' forecasts about the business development in the sector over the next 6 months are optimistic (Annex, Figure 15), as their expectations about the demand for services over the next 3 months are also improved.

The most serious obstacle for the activity of the enterprises remains the competition in the branch, followed by uncertain economic environment and shortage of labour (Annex, Figure 16).

As regards the selling prices in the service sector, the prevailing managers' expectations are for preservation of their level over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Annex

Figure 1. Business climate - total

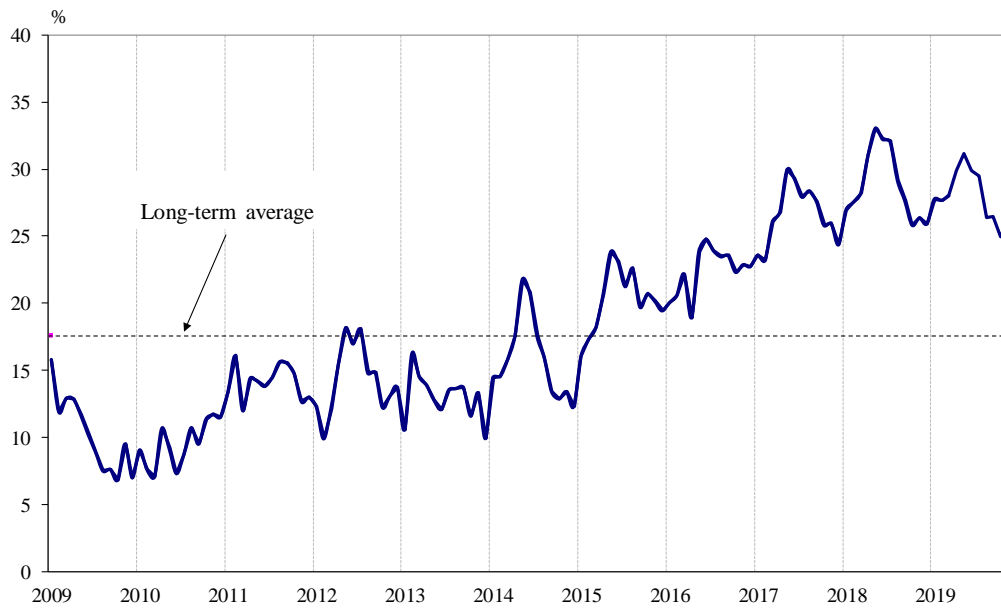


Figure 2. Business climate in industry

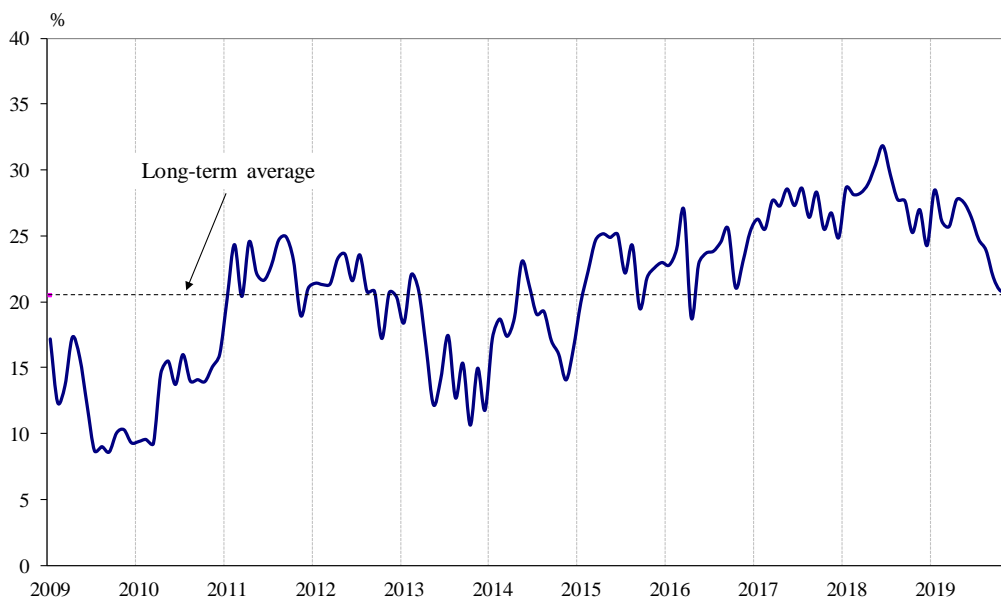




Figure 3. Expected business situation in industry over the next 6 months

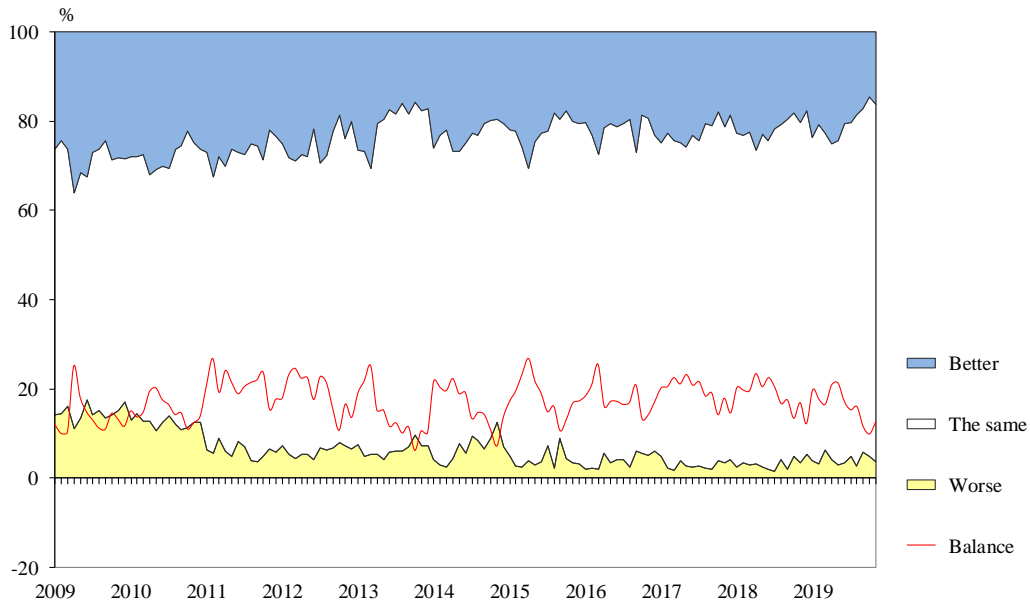


Figure 4. Limits to production in industry (Relative share of enterprises)

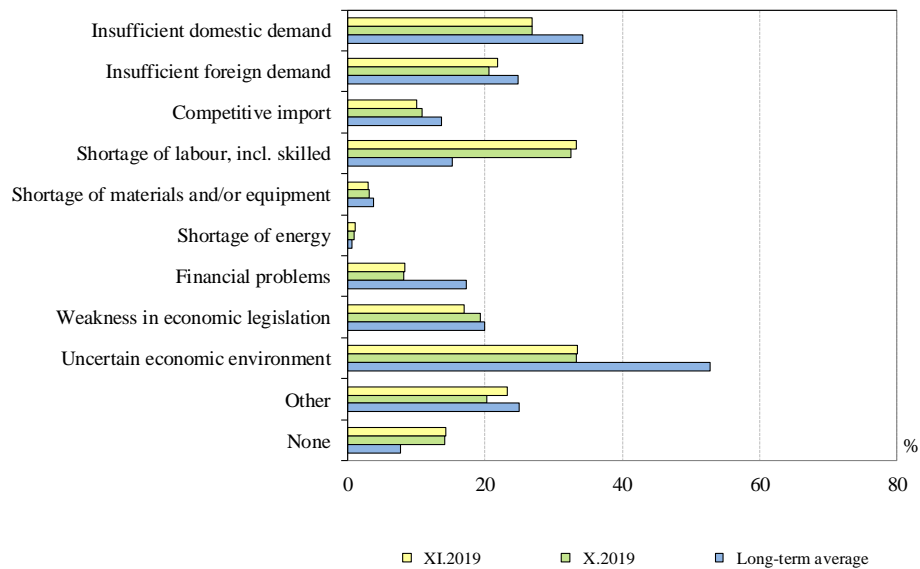




Figure 5. Selling prices expectations in industry over the next 3 months

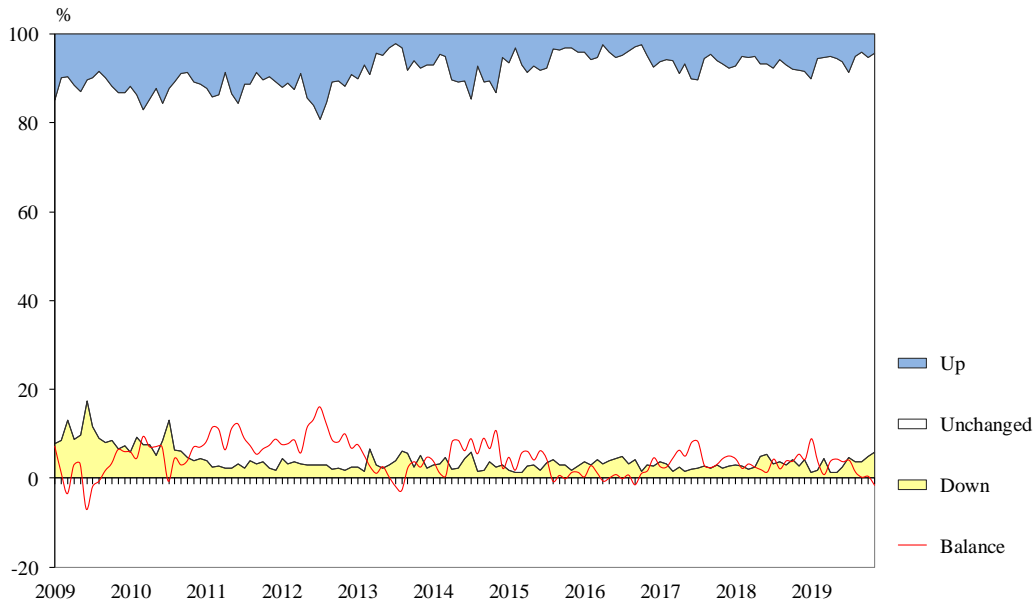


Figure 6. Business climate in construction

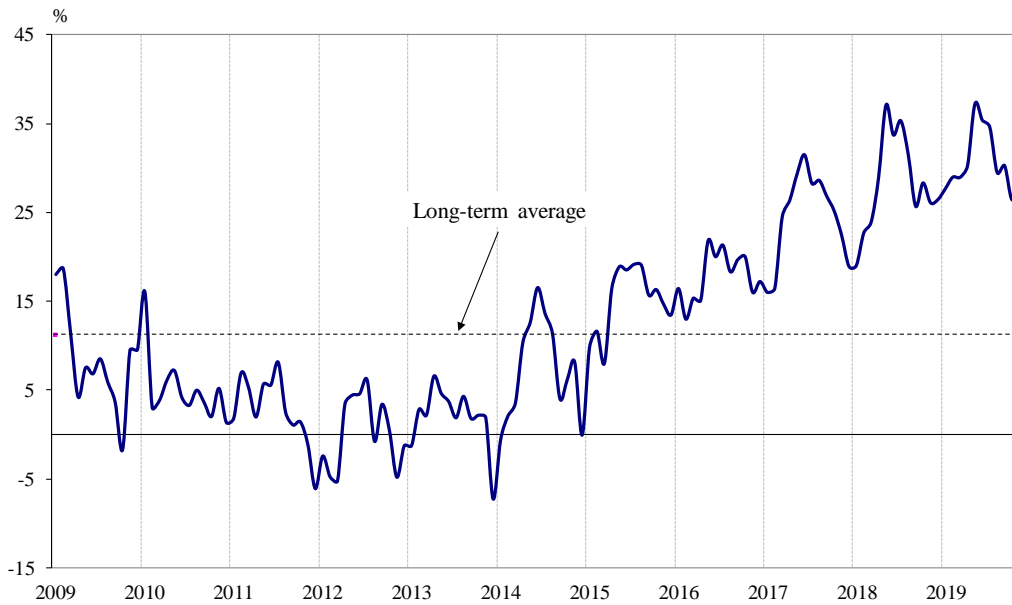




Figure 7. Production assurance with orders in construction

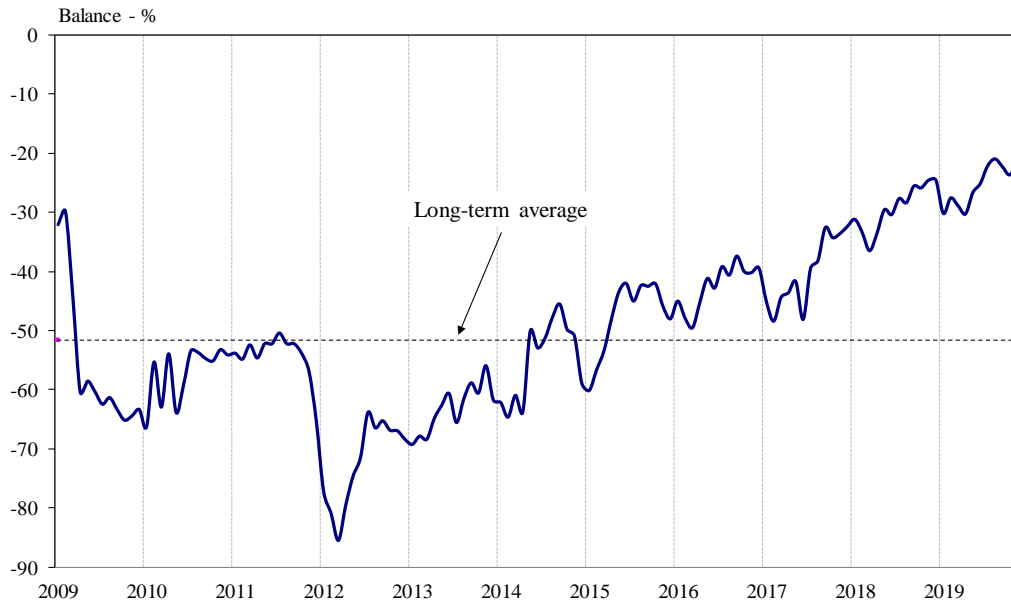


Figure 8. Limits to construction activity (Relative share of enterprises)

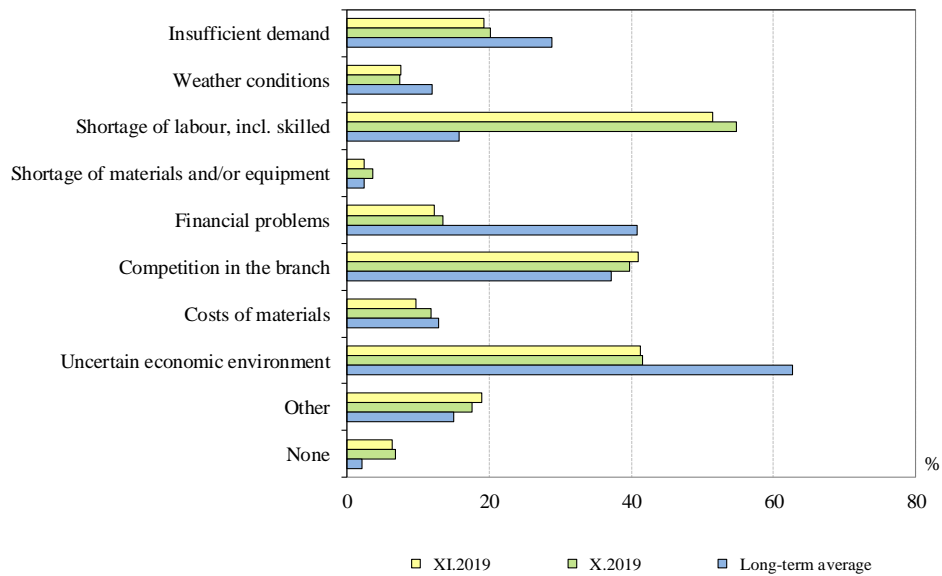




Figure 9. Selling prices expectations in construction over the next 3 months

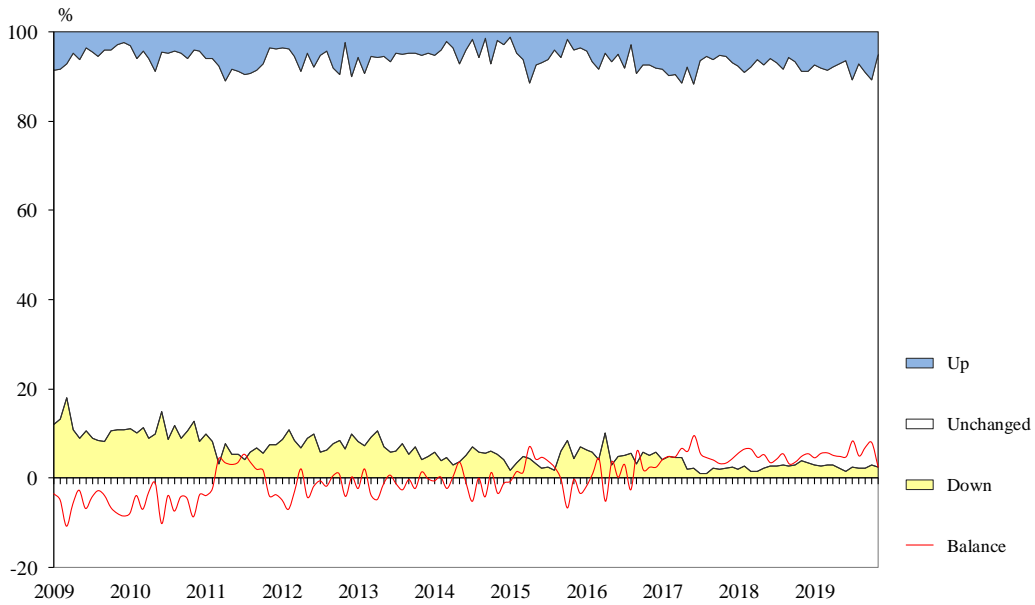


Figure 10. Business climate in retail trade

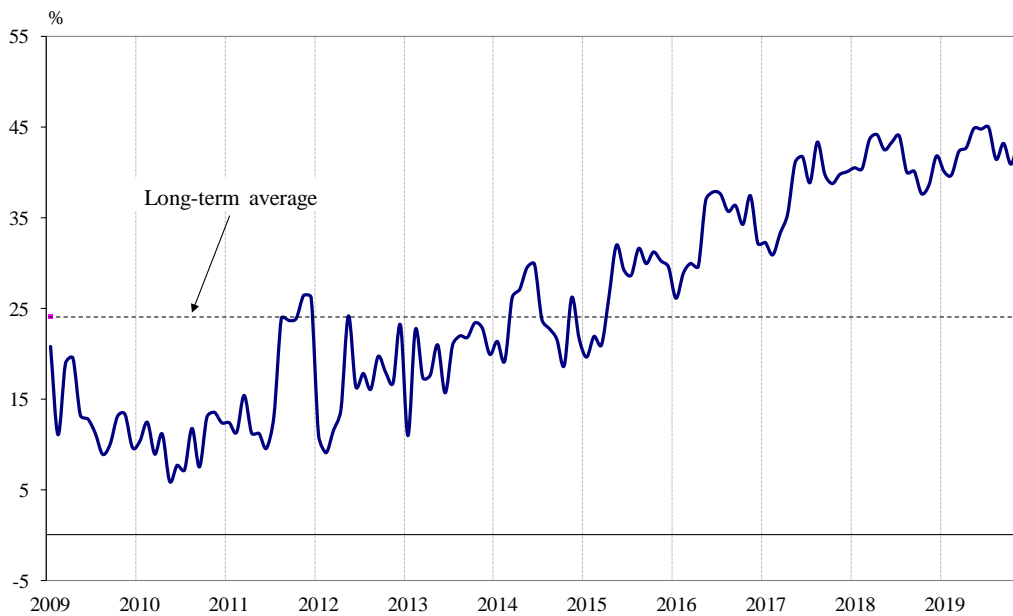




Figure 11. Sales expectations in retail trade over the next 3 months

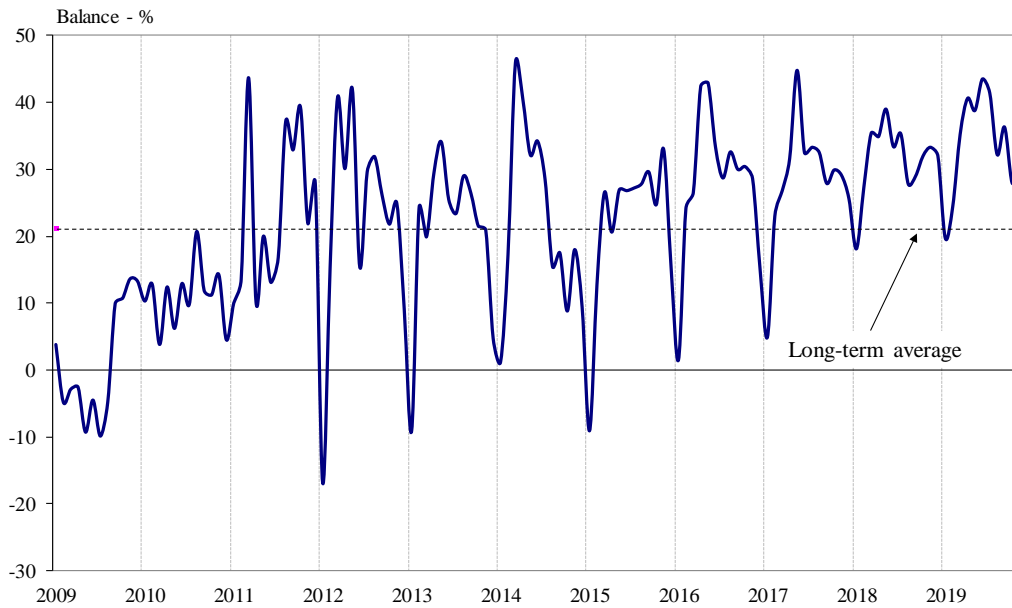


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

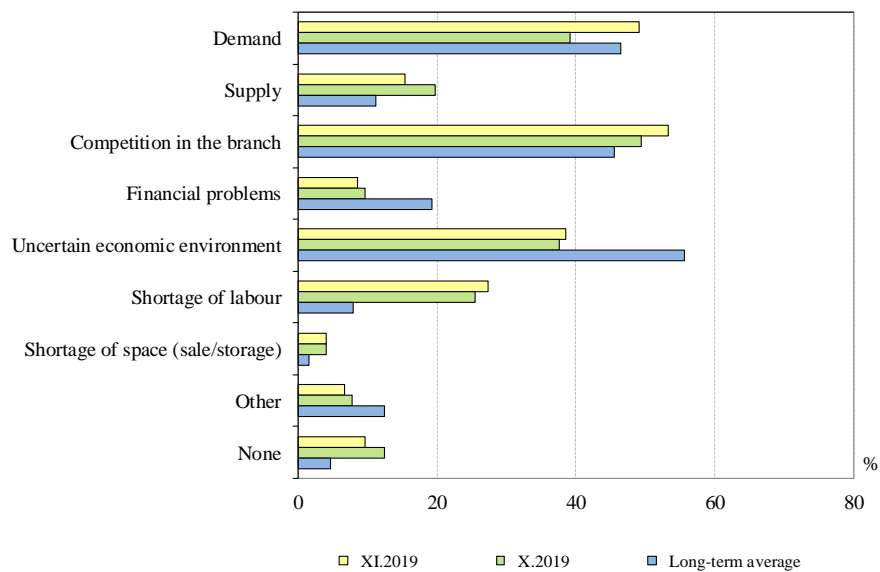




Figure 13. Selling prices expectations in retail trade over the next 3 months

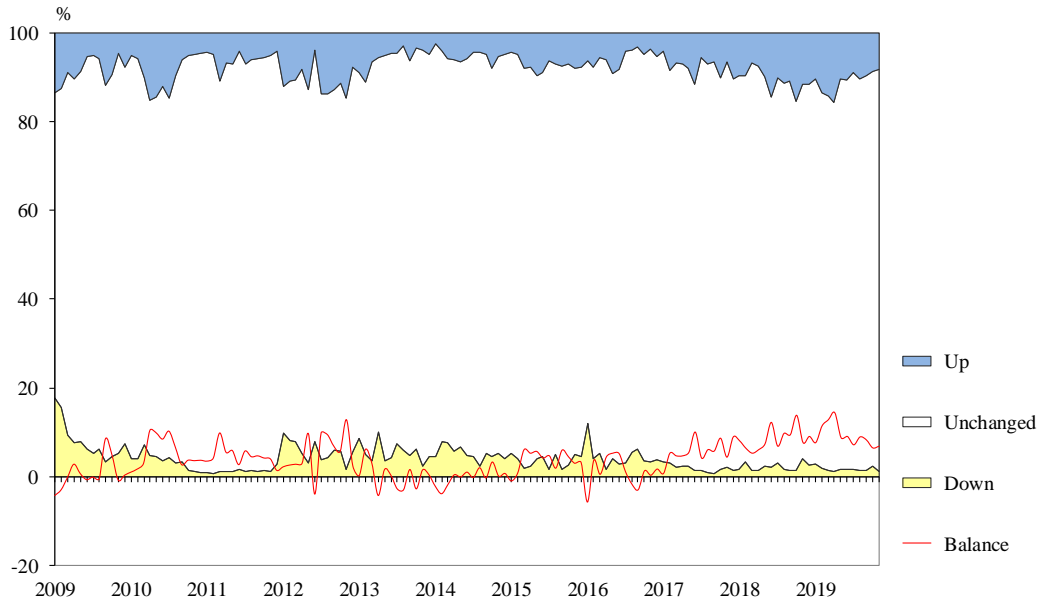


Figure 14. Business climate in service sector

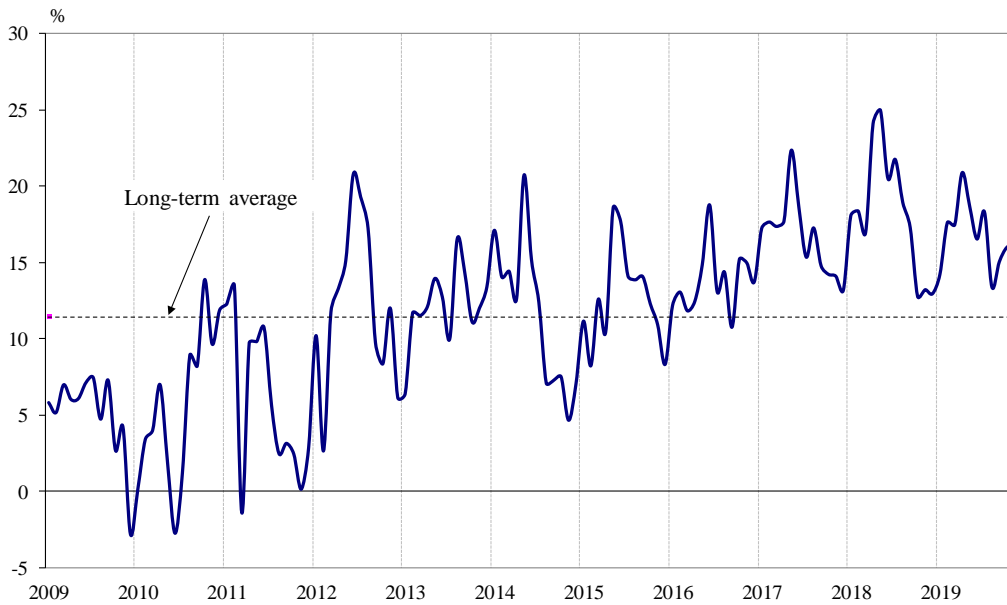




Figure 15. Expected business situation in service sector over the next 6 months

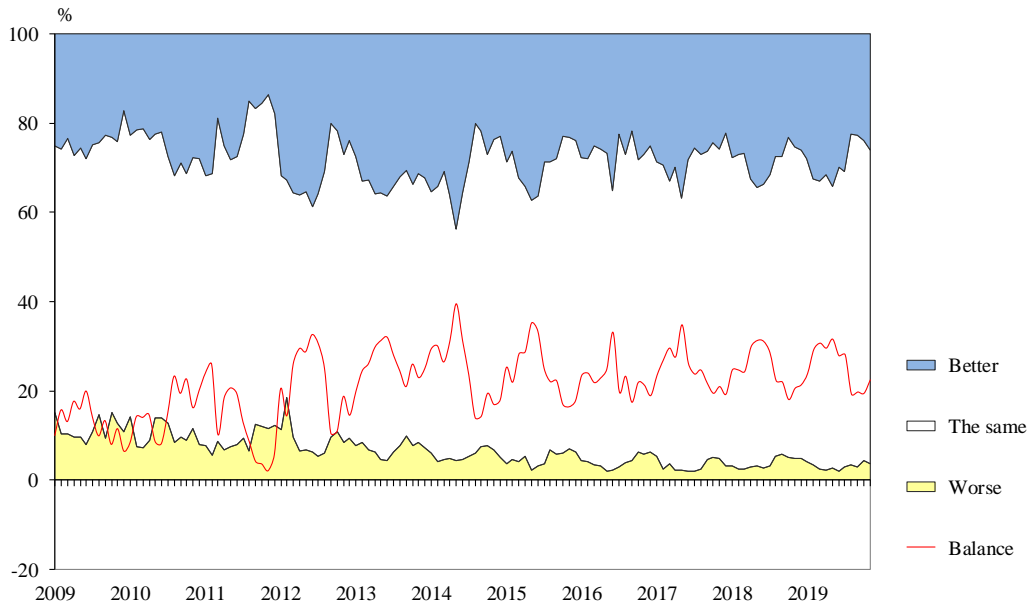


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

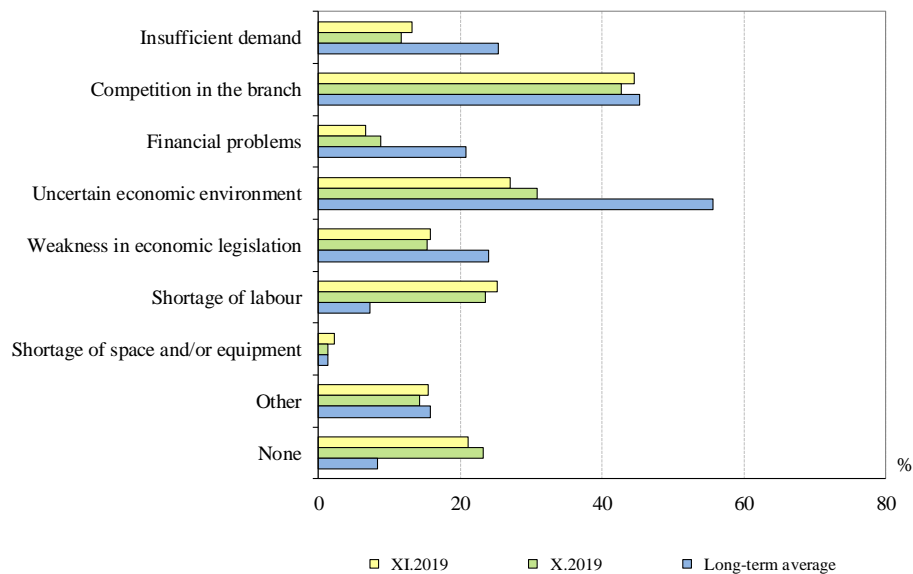




Figure 17. Selling prices expectations in service sector over the next 3 months

