

BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, APRIL 2024

In April 2024, **the total business climate indicator** increases by 1.8 percentage points in comparison with March (from 23.0% to 24.8%) (Annex, Figure 1), as a growth of the indicator is registered in all observed sectors - industry, construction, retail trade and services.

Industry. The composite indicator ‘business climate in industry’ increases by 1.2 percentage points (from 23.5% to 24.7%) (Annex, Figure 2) as a result of the optimistic industrial entrepreneurs’ assessments about the present business situation of the enterprises. The present production activity is also improved (Annex, Figure 3), as an increase in the new orders inflow over the last 3 months is reported. In April, the average capacity utilization is by 0.3 percentage points below its January level and it reaches 74.9%. At the same time, the expectations about the business situation and the activity over the next months are more moderate compared to the previous month.

The uncertain economic environment and shortage of labour continue to be the main problems for the business development, as in the last month strengthen of their negative impact is observed (Annex, Figure 4).

Regarding the selling prices in the industry, the majority of the managers expect them to preserve their level over the next 3 months (Annex, Figure 5).

Construction. In April, the composite indicator ‘business climate in construction’ increases by 1.1 percentage points (from 25.5% to 26.6%) (Annex, Figure 6), which is due to the more favourable construction entrepreneurs’ assessments and expectations about the business situation of the enterprises.

The production is assured with contracts for a longer time period in comparison with 3 months earlier - 6.5 months against 6.1 in January. At the same time, the expectations about the new orders over the next 6 months are improved (Annex, Figure 7).

The most serious difficulties for the activity of the enterprises remain the uncertain economic environment, shortage of labour and costs of materials, as compared to March, an increase of the negative influence of the first factor is reported (Annex, Figure 8).

Concerning the selling prices in the construction, the managers foresee them to remain unchanged over the next 3 months (Annex, Figure 9).

Retail trade. The composite indicator ‘business climate in retail trade’ increases by 3.6 percentage points (from 26.1% to 29.7%) (Annex, Figure 10), mainly due to the improved retailers’ expectations about the business situation of the enterprises over the next 6 months. Their forecasts about both the volume of sales (Annex, Figure 11) and orders placed with suppliers over the next 3 months remain optimistic.

The uncertain economic environment continue to be the main factor limiting with the most extent the business development, pointed out by 62.6% of the enterprises. In the background remain the difficulties connected with the competition in the branch, shortage of labour and insufficient demand (Annex, Figure 12).

Regarding the selling prices, the retailers’ expectations are for preservation of their level over the next 3 months (Annex, Figure 13).



Service sector¹. In April, the composite indicator ‘business climate in service sector’ increases by 1.8 percentage points (from 16.5% to 18.3%) (Annex, Figure 14), which is due to the positive managers’ assessments and expectations about the business situation of the enterprises. However, their forecasts about the demand for services over the next 3 months are more unfavourable (Annex, Figure 15).

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


Concerning the selling prices in the service sector, the managers’ expectations are them to remain unchanged over the next 3 months (Annex, Figure 17).

¹ Excl. trade.



Methodological notes

The business surveys in industry, construction, retail trade and service sector gather information about the entrepreneurs' opinions about the situation and development of their business.

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.

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.

The replies to questions from the inquiries are presented in a three-option ordinal scale of the following type: 'up', 'unchanged', 'down' or 'above normal', 'normal', and '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.

The total business climate indicator is a weighted average of four branch business climate indicators in: industry, construction, retail trade and service sector. The last indicator of the business climate in the service sector has been included in the total time series since May 2002.

Annex

Figure 1. Business climate - total

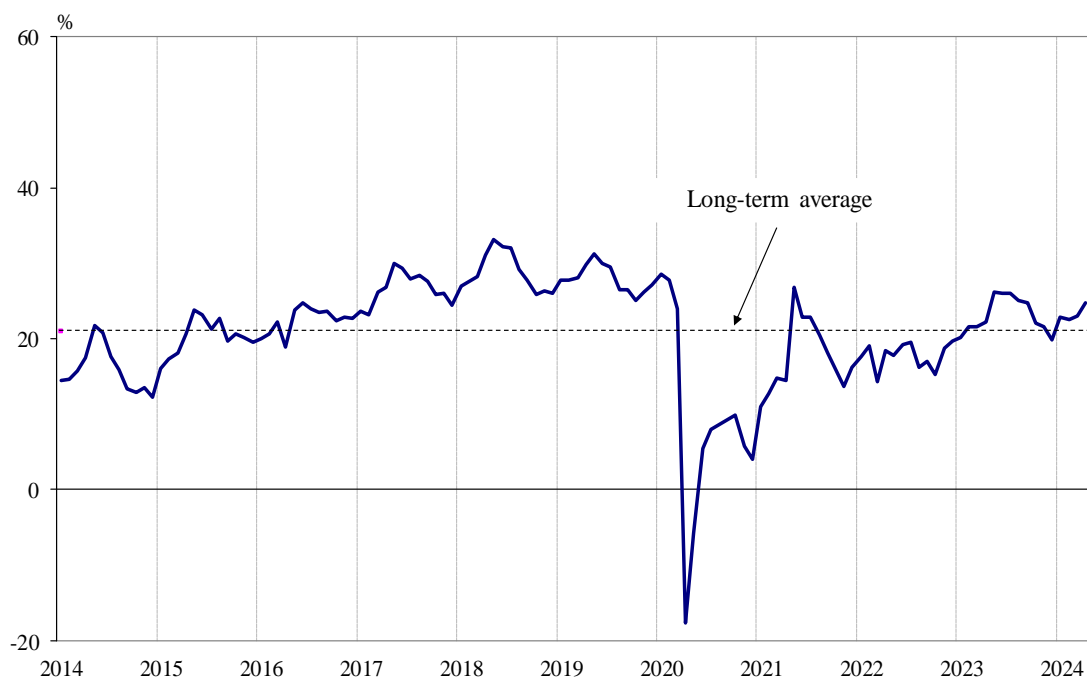


Figure 2. Business climate in industry

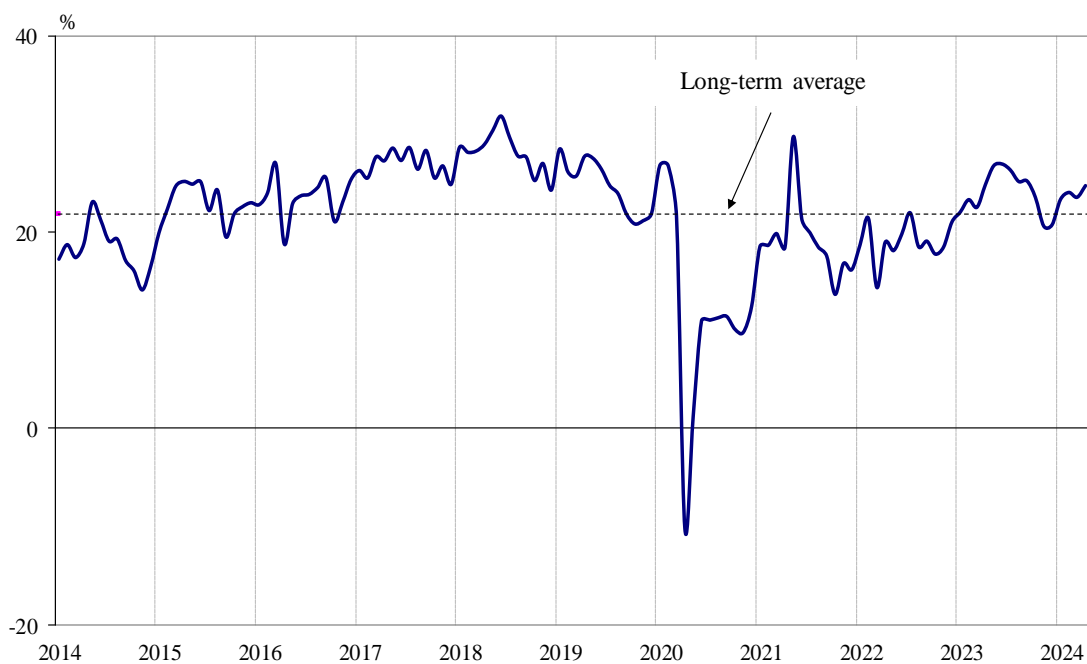
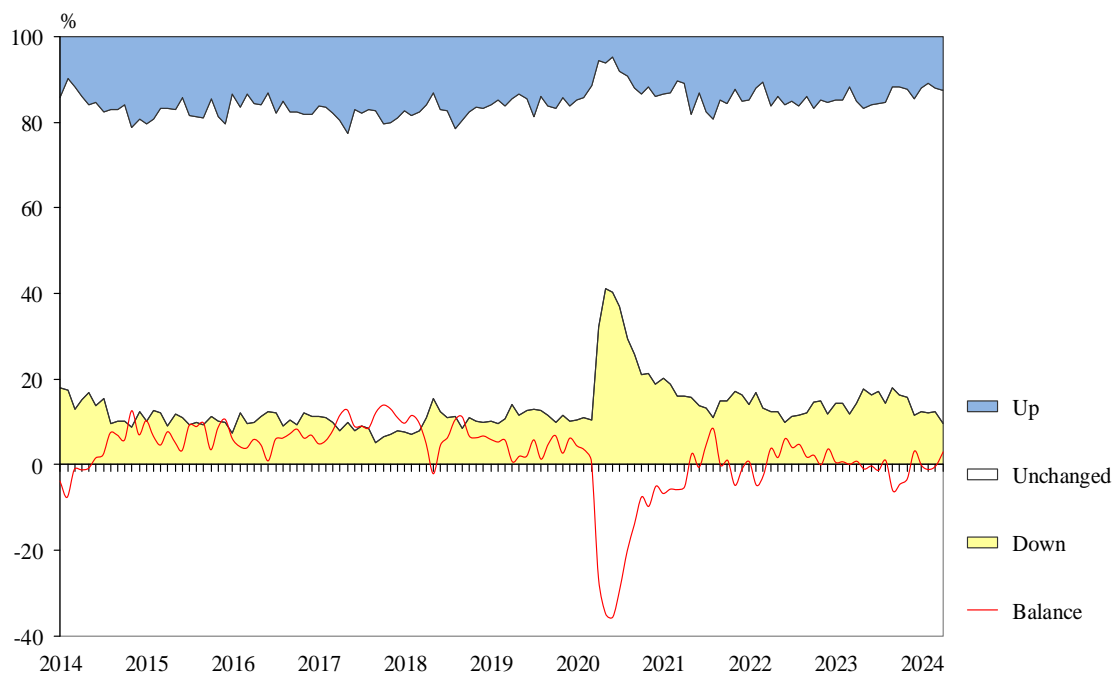


Figure 3. Present production activity in industry



**Figure 4. Factors limiting the activity in industry
(Relative share of enterprises)**

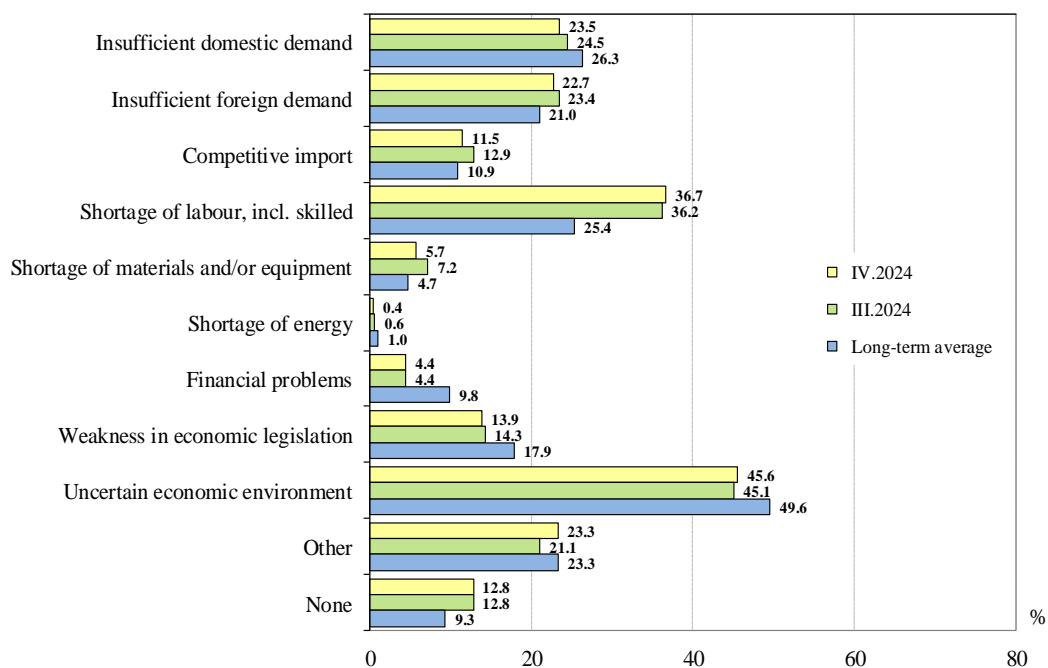


Figure 5. Selling prices expectations in industry over the next 3 months

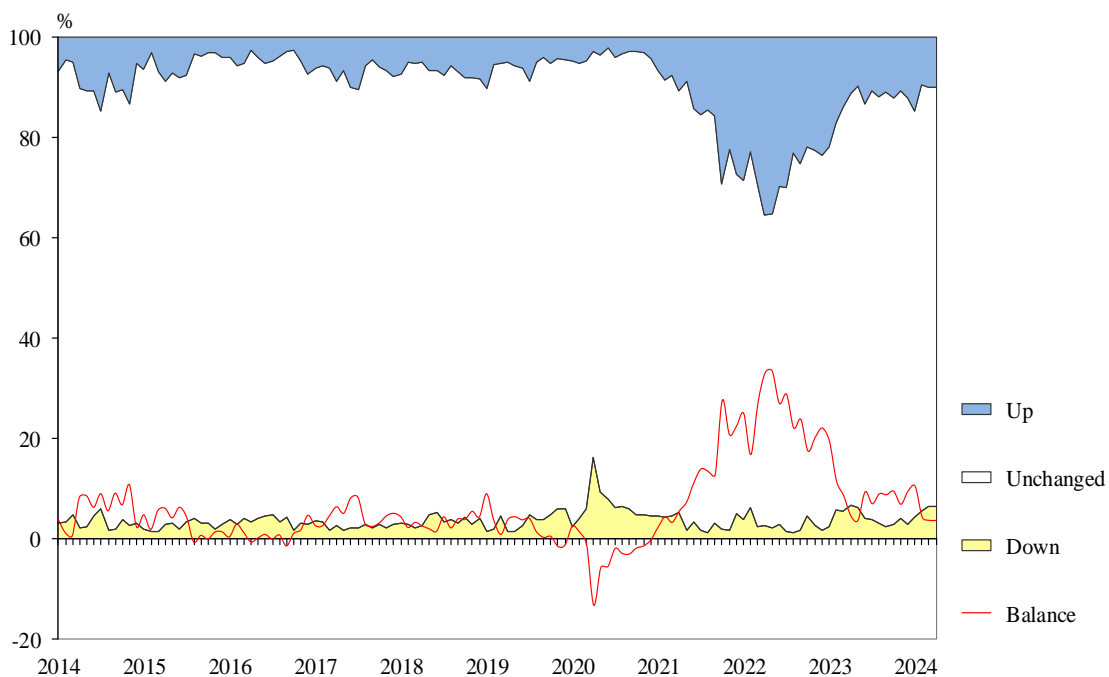


Figure 6. Business climate in construction

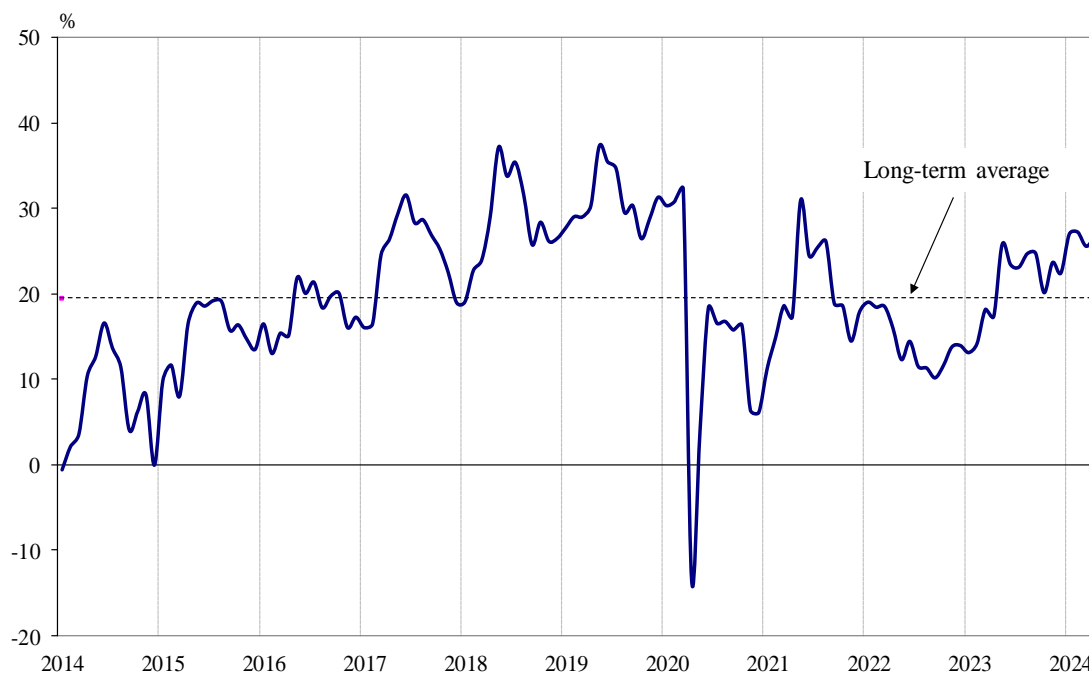


Figure 7. New orders expectations in construction over the next 6 months

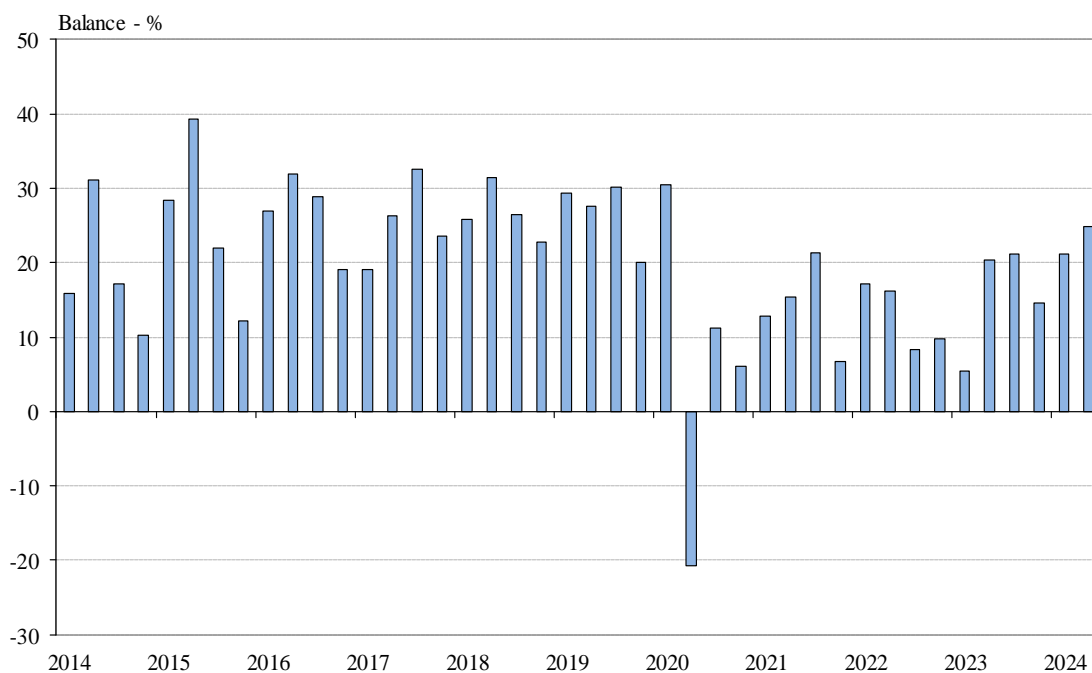


Figure 8. Factors limiting the activity in construction (Relative share of enterprises)

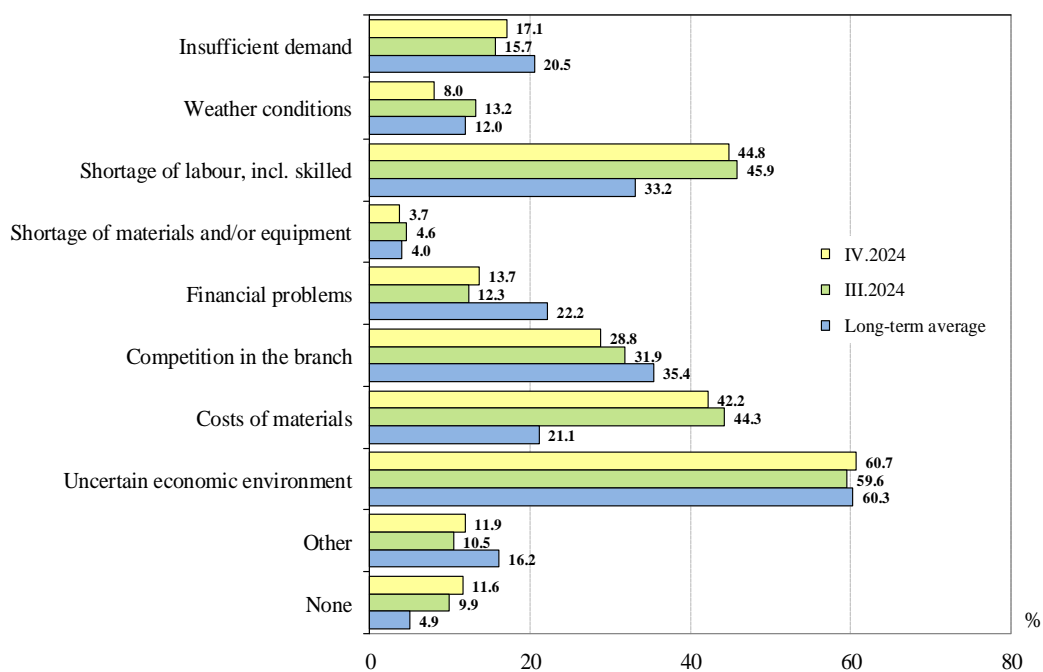


Figure 9. Selling prices expectations in construction over the next 3 months

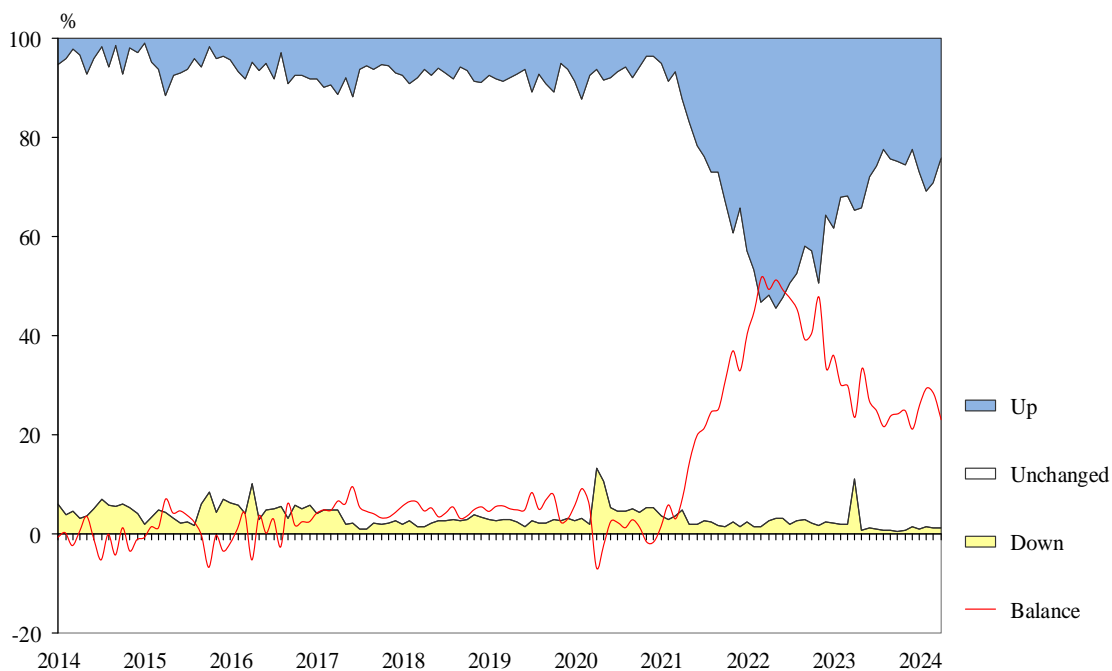


Figure 10. Business climate in retail trade

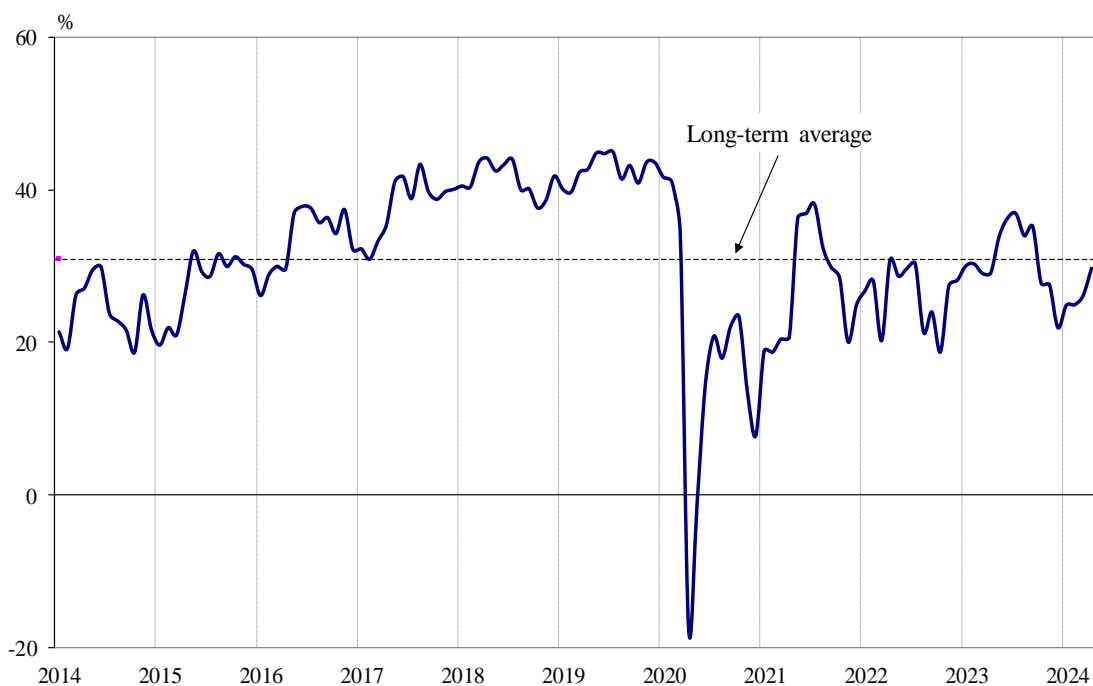


Figure 11. Sales expectations in retail trade over the next 3 months

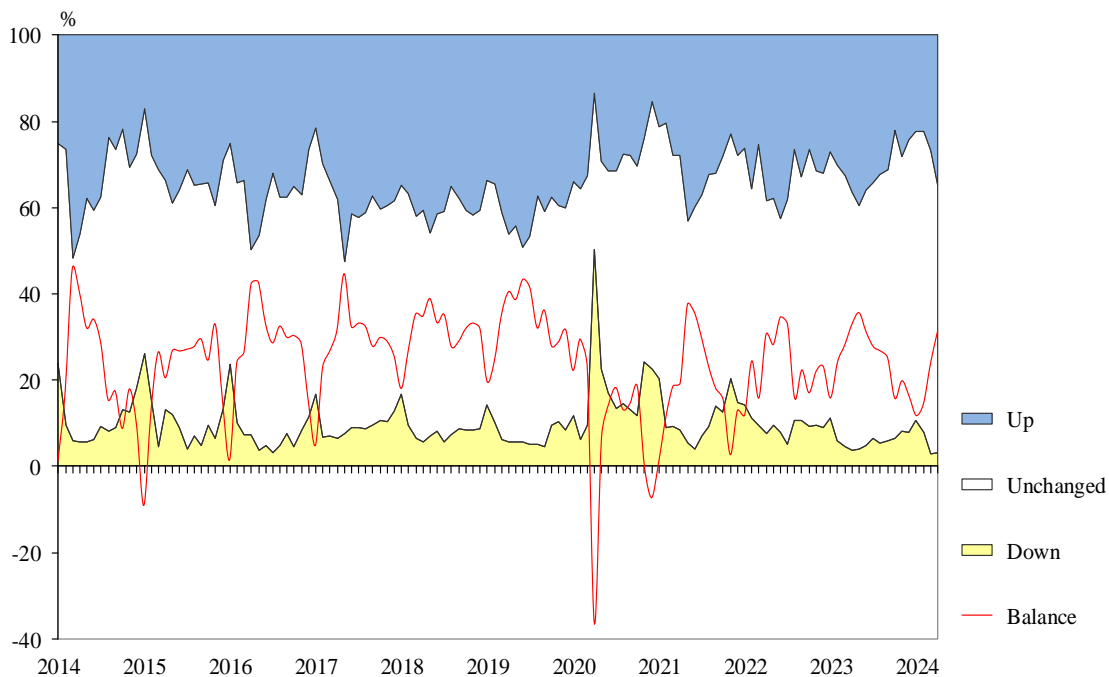


Figure 12. Factors limiting the activity in retail trade (Relative share of enterprises)

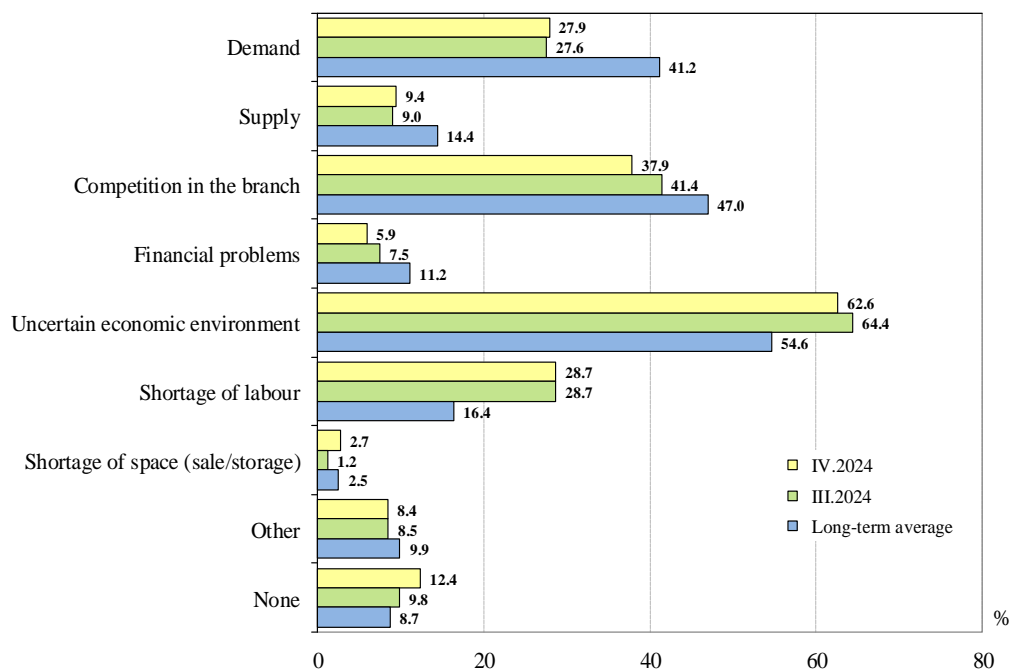


Figure 13. Selling prices expectations in retail trade over the next 3 months

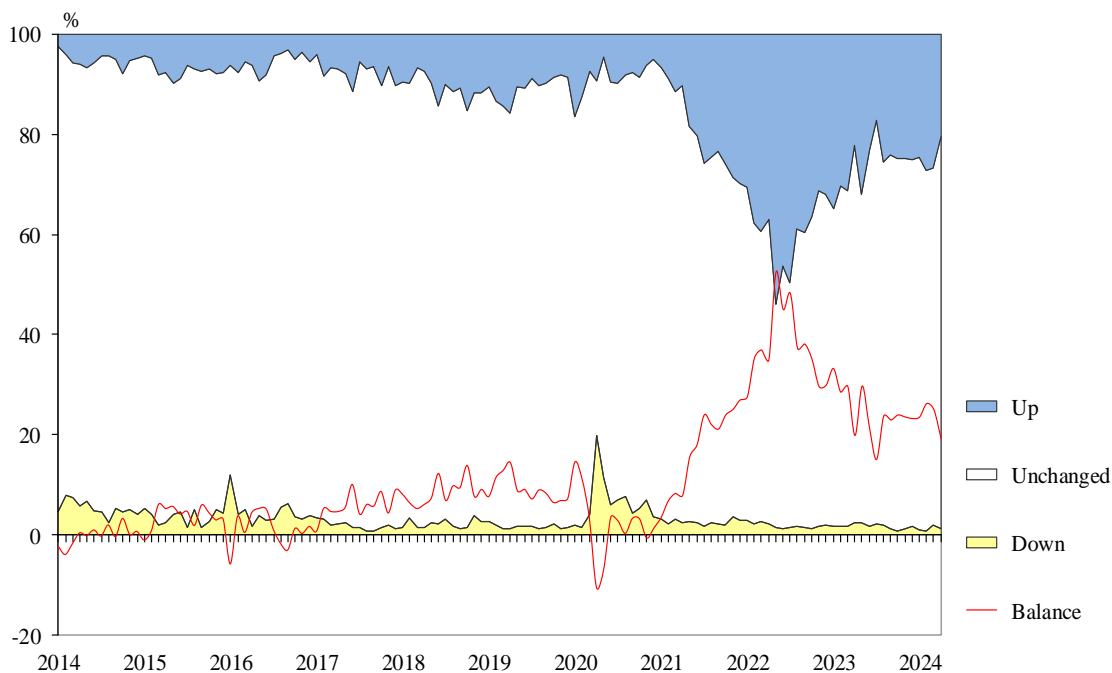


Figure 14. Business climate in service sector

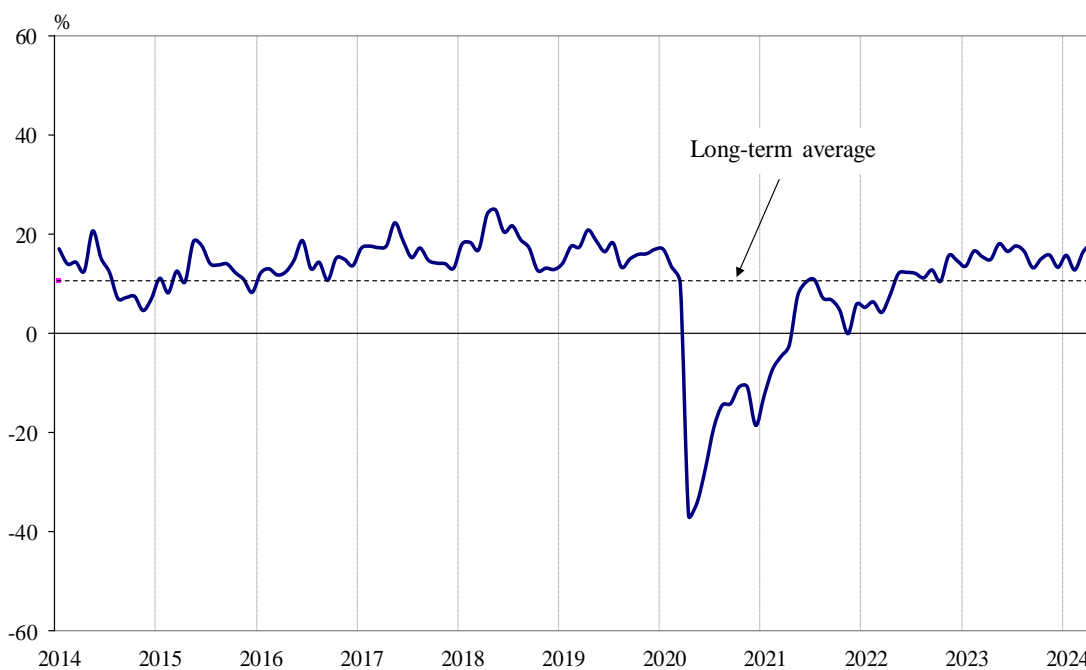


Figure 15. Expected demand in service sector over the next 3 months

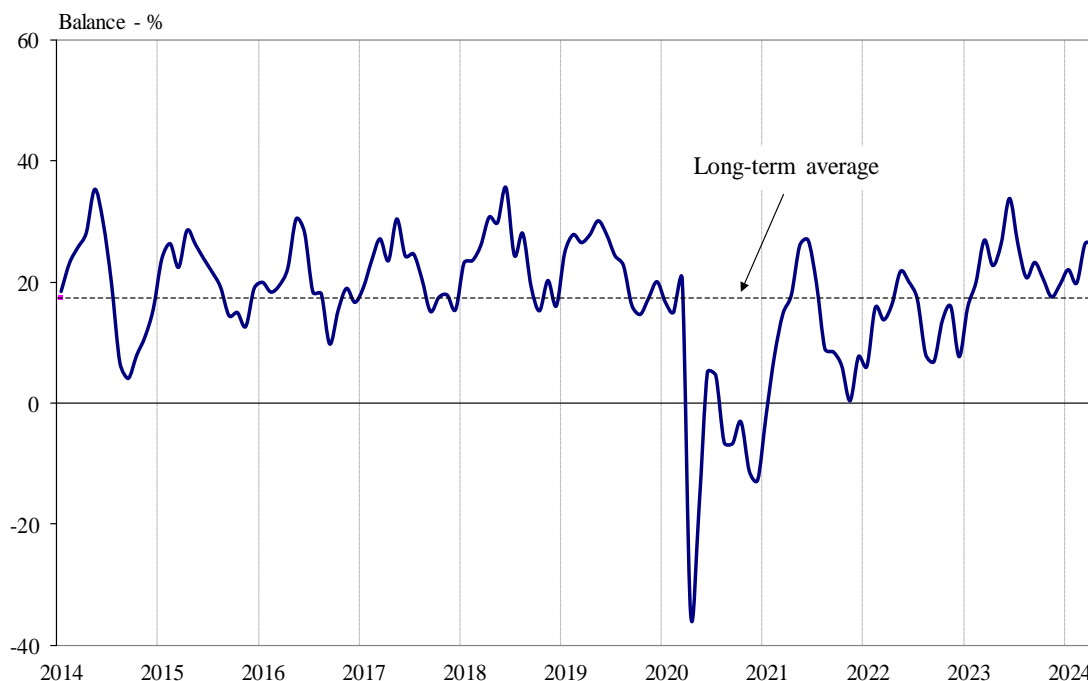


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

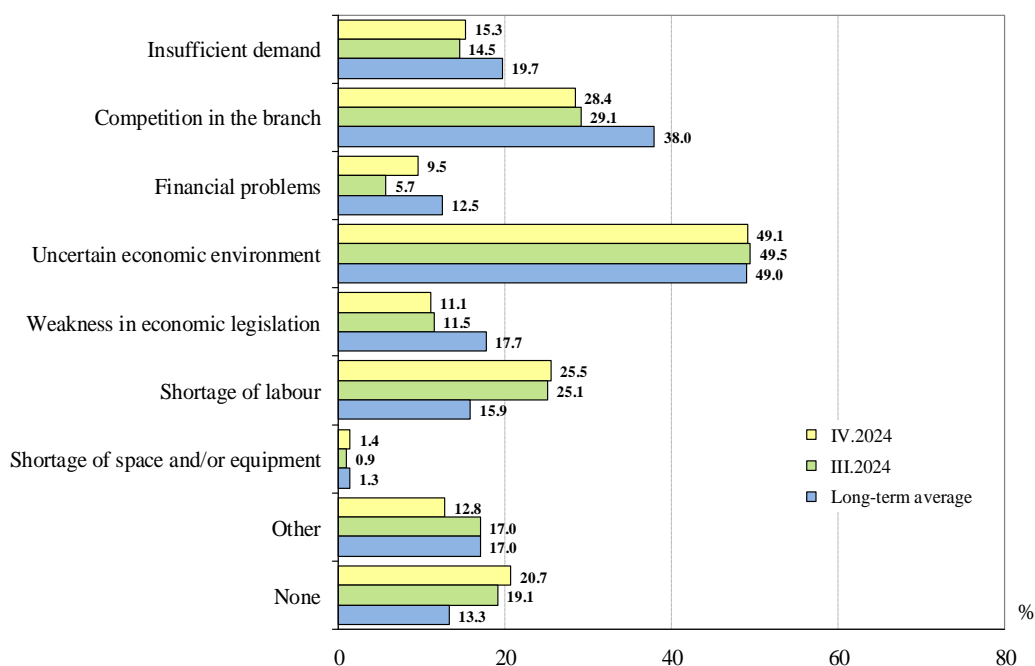


Figure 17. Selling prices expectations in service sector over the next 3 months

