

BUSINESS CONJUNCTURE NSI BUSINESS SURVEYS, NOVEMBER 2023

In November 2023, **the total business climate indicator** remains approximately to its October level (from 22.0% to 21.6%) (Annex, Figure 1). An increase of the indicator is observed in the construction and service sector, while in the industry, a decrease is observed. Only in the retail trade, the indicator preserves its level from the previous month.

Industry. The composite indicator ‘business climate in industry’ decreases by 2.9 percentage points (from 23.5% to 20.6%) (Annex, Figure 2), which is due to the more reserved industrial entrepreneurs’ assessments and expectations about the business situation of the enterprises. The inquiry reports certain decrease of the production assurance with orders, which is also accompanied with unfavourable expectations about the production activity over the next 3 months (Annex, Figure 3).

The most serious problems for the activity in the sector remain the uncertain economic environment and shortage of labour, pointed out respectively by 50.0% and 32.0% of the enterprises (Annex, Figure 4).

As regards the selling prices in the industry, the prevailing part of the managers foresee them to remain unchanged over the next 3 months (Annex, Figure 5).

Construction. In November, the composite indicator ‘business climate in construction’ increases by 3.5 percentage points (from 20.1% to 23.6%) (Annex, Figure 6) as a result of the improved construction entrepreneurs’ assessments and expectations about the business situation of the enterprises. At the same time, their forecasts are the construction activity over the next 3 months to keep the same level (Annex, Figure 7).

The main obstacles for business development are connected with the uncertain economic environment, costs of materials and shortage of labour (Annex, Figure 8).

According to the last inquiry, the managers’ share who continue to expect the selling prices in construction to increase over the next 3 months is 25.4% (Annex, Figure 9).

Retail trade. The composite indicator ‘business climate in retail trade’ preserves its October level (from 27.7% to 27.5%) (Annex, Figure 10). The retailers’ opinions about the volume of sales over the last 3 months, as well their expectations over the next 3 months (Annex, Figure 11) are positive.

The main factors limiting the activity of the enterprises remain the uncertain economic environment, competition in the branch and shortage of labour, as in the last month strengthening of their negative influence is observed (Annex, Figure 12).

The majority of the retailers foresee the selling prices to remain unchanged over the next 3 months (Annex, Figure 13).

Service sector¹. In November, the composite indicator ‘business climate in service sector’ increases by 0.8 percentage points (from 15.1% to 15.9%) (Annex, Figure 14) as a result of the more favourable managers’ assessments about the present business situation of the enterprises. Concerning the demand for services, the

¹ Excl. trade.



present tendency is assessed as improved (Annex, Figure 15), while the expectations over the next 3 months are shifting to the more moderate opinions.


The most serious difficulties for the business development continue to be the uncertain economic environment, competition in the branch and shortage of labour (Annex, Figure 16).

As regards selling prices in the service sector the managers' forecasts are for certain increase over the next 3 months (Annex, Figure 17).



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

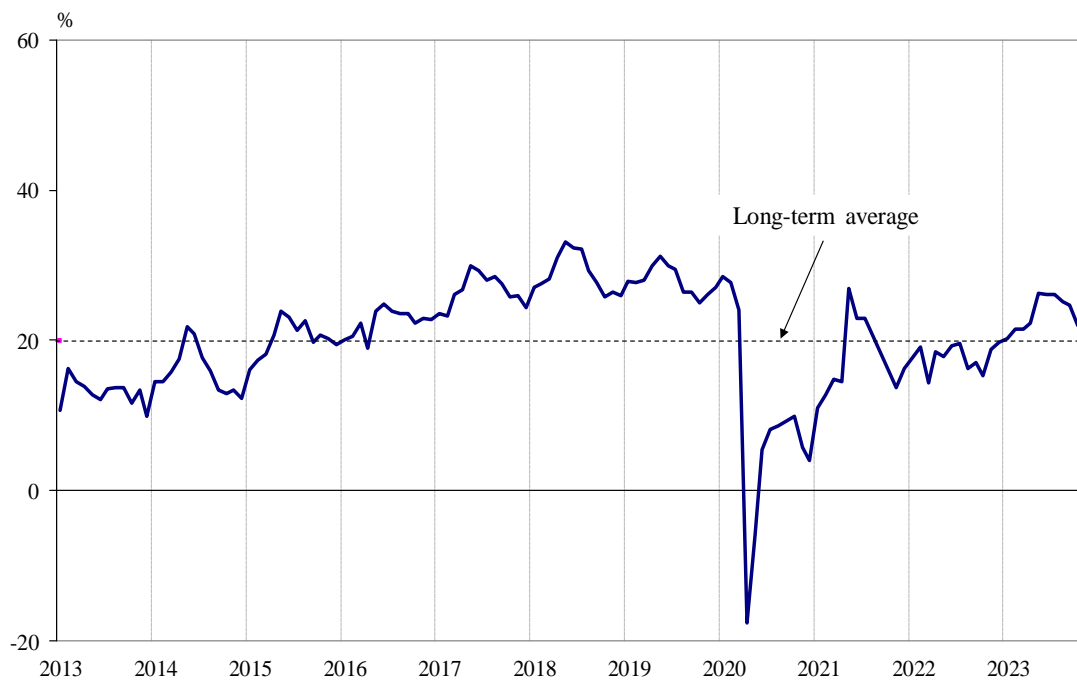


Figure 2. Business climate in industry

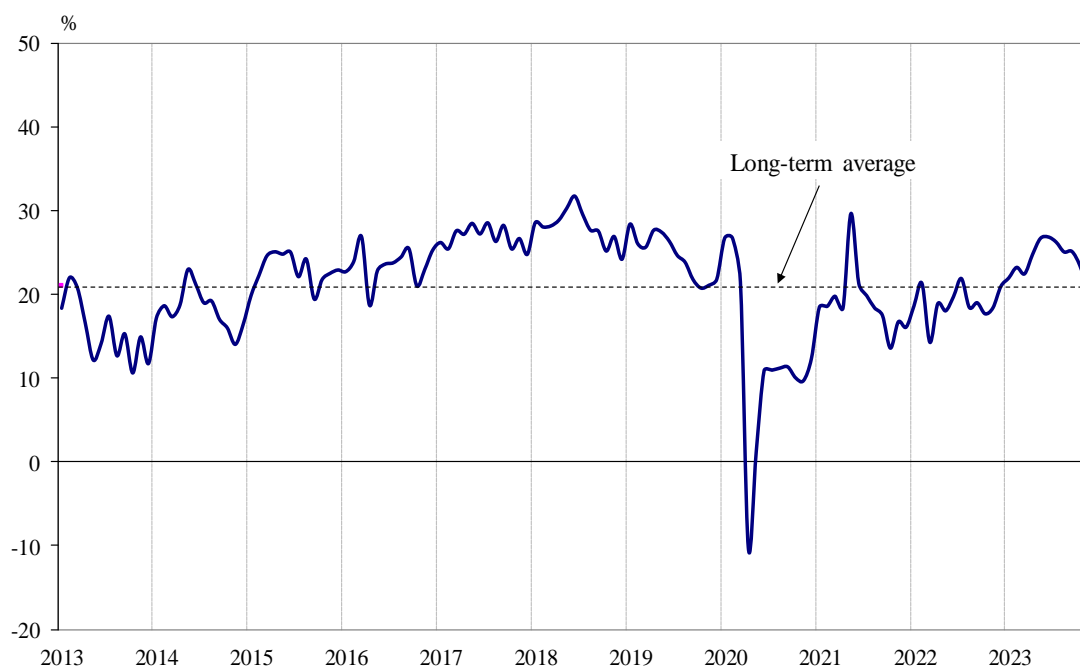


Figure 3. Expected production activity in industry over the next 3 months

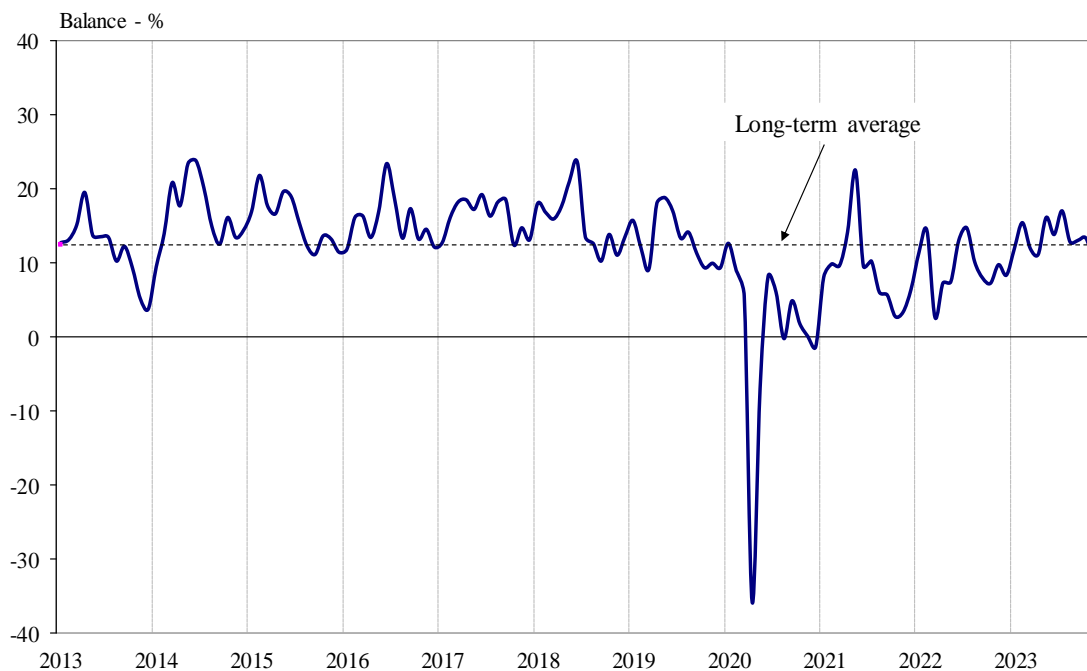


Figure 4. Limits to production in industry (Relative share of enterprises)

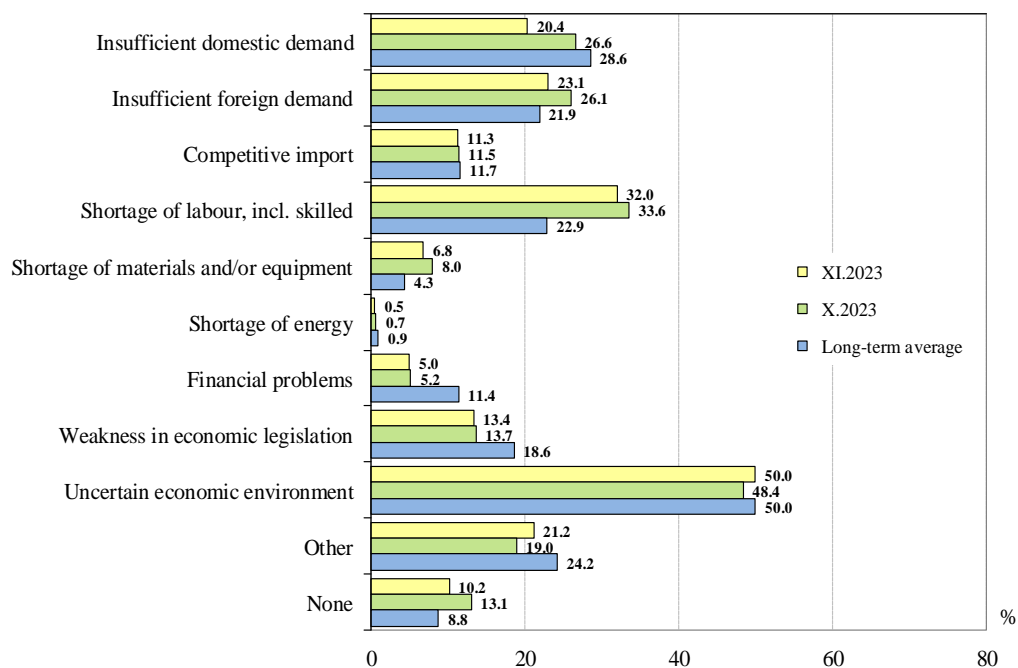


Figure 5. Selling prices expectations in industry over the next 3 months

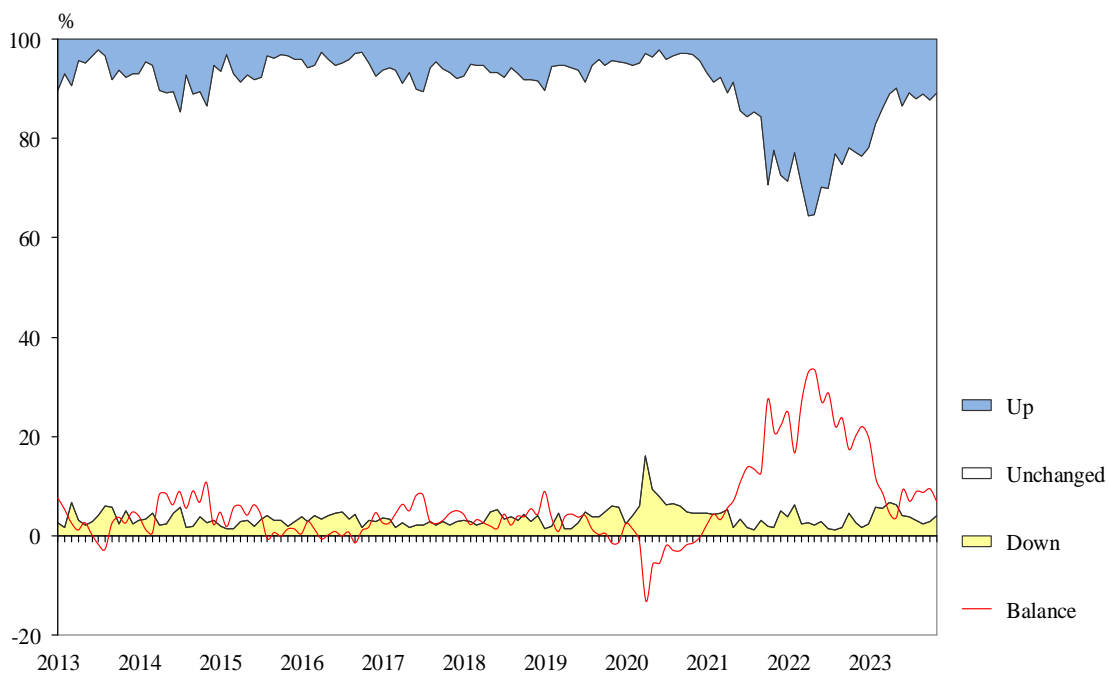


Figure 6. Business climate in construction

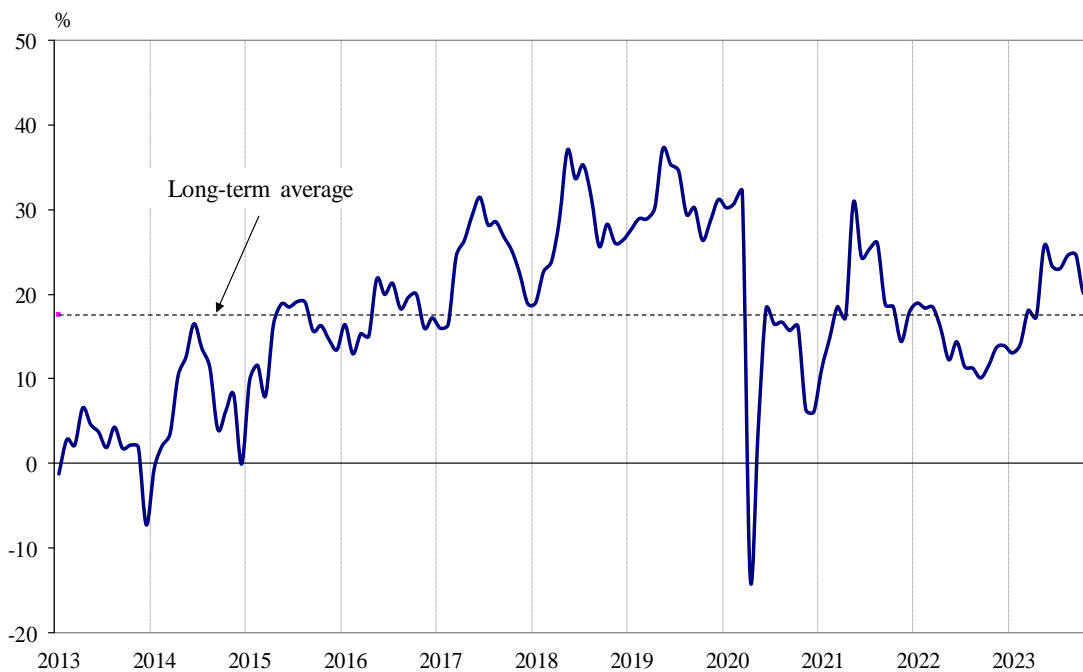


Figure 7. Expected construction activity over the next 3 months

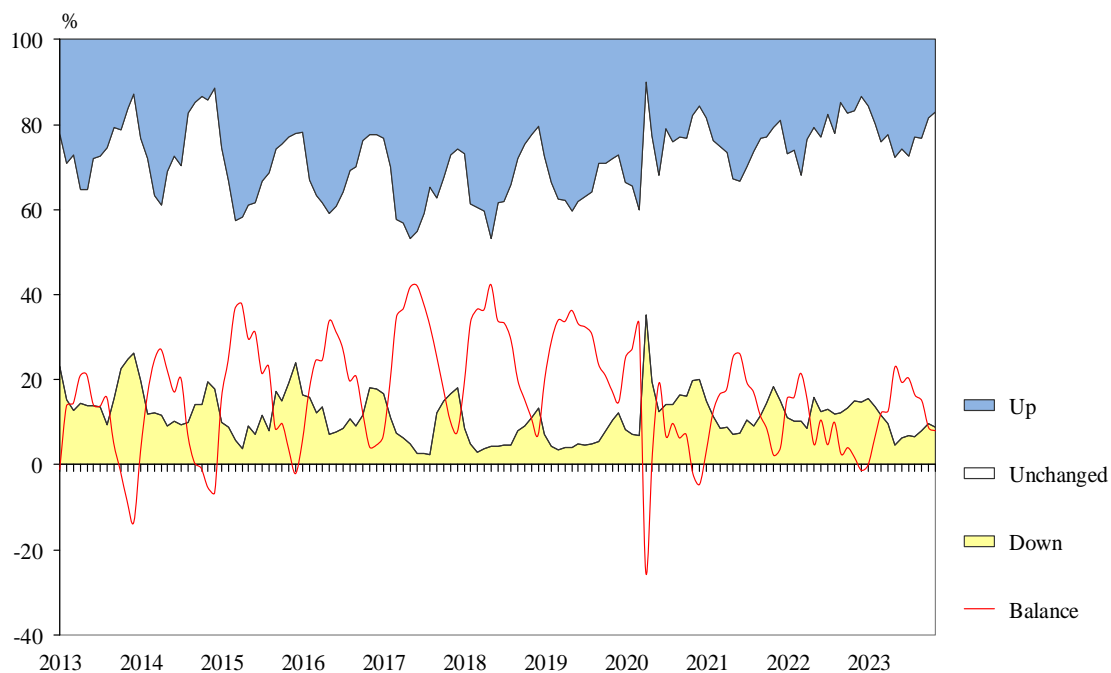


Figure 8. Limits to construction activity (Relative share of enterprises)

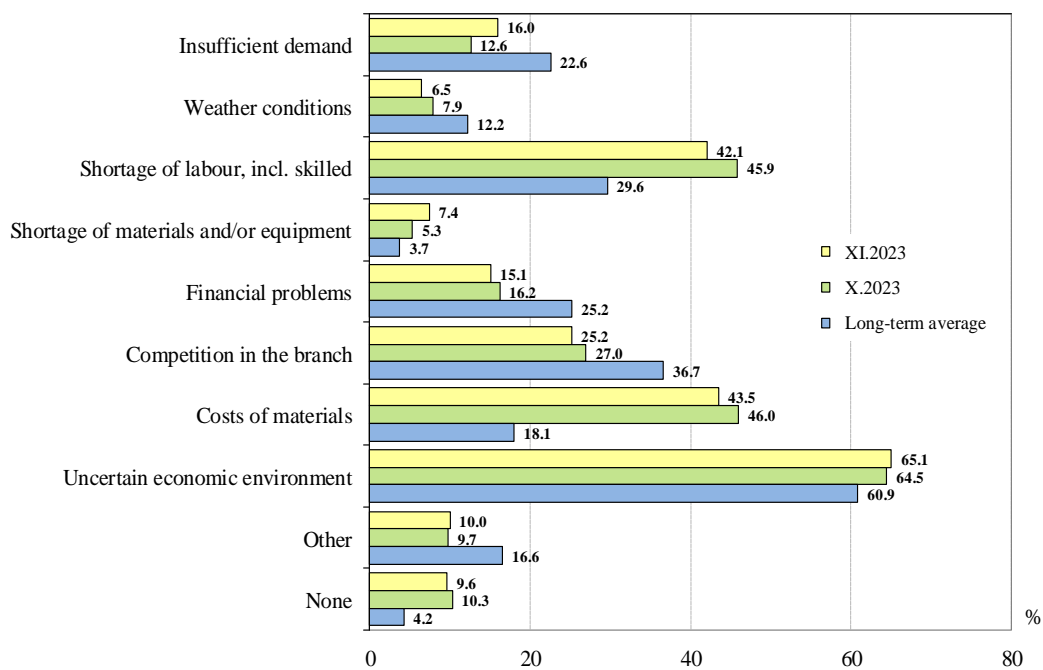


Figure 9. Selling prices expectations in construction over the next 3 months

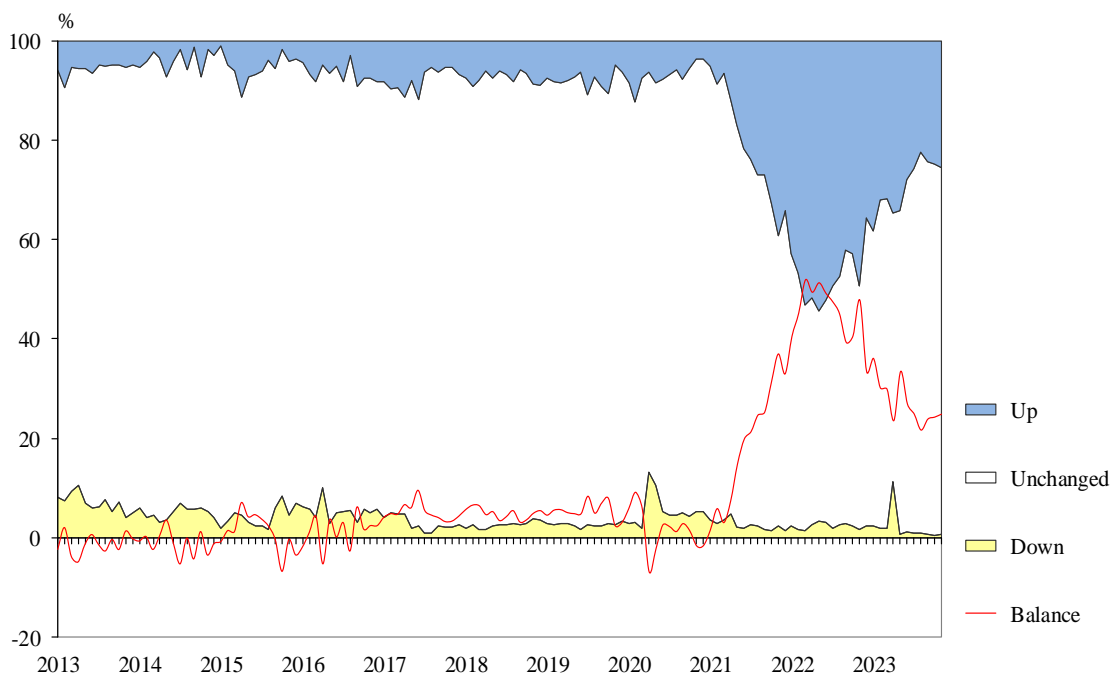


Figure 10. Business climate in retail trade

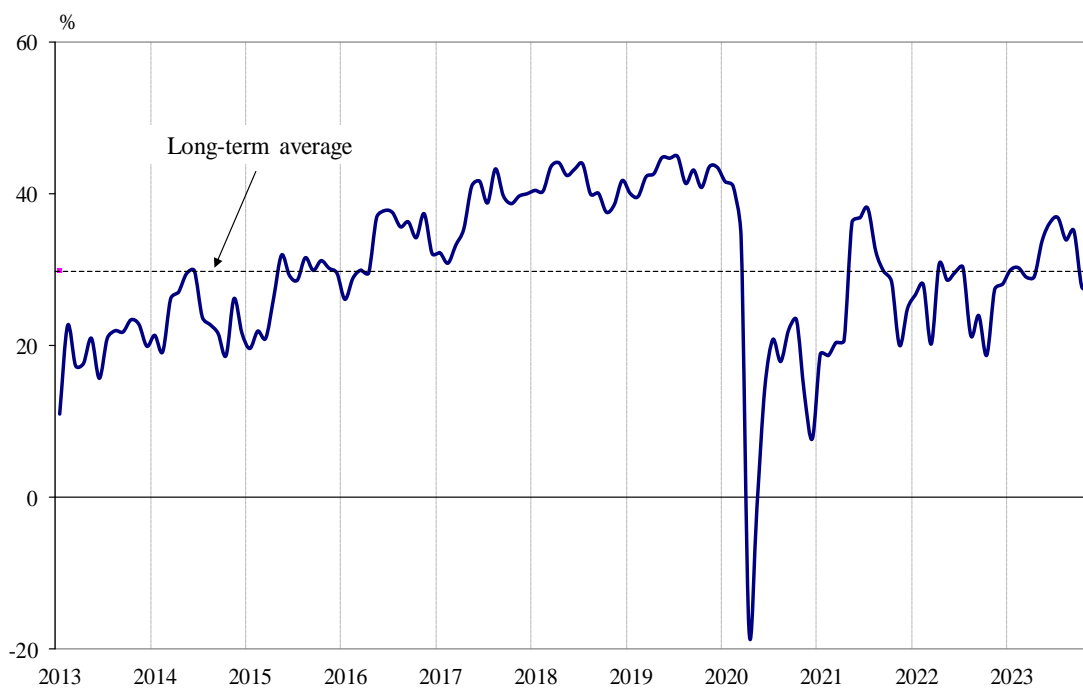


Figure 11. Sales expectations in retail trade over the next 3 months

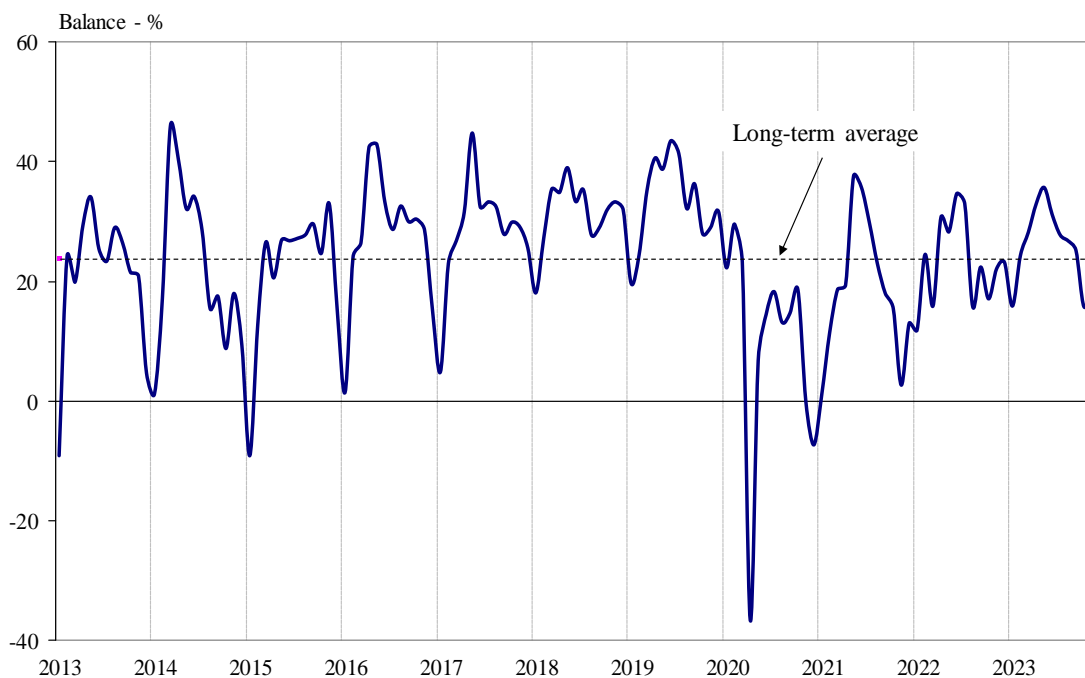


Figure 12. Factors limiting the improvement of the business situation in retail trade (Relative share of enterprises)

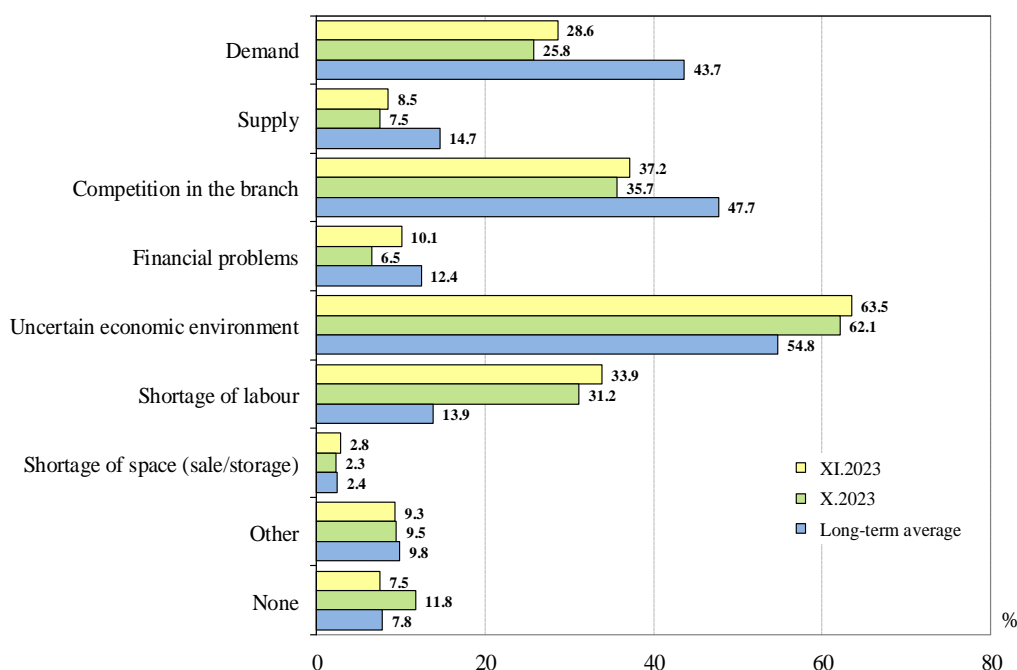


Figure 13. Selling prices expectations in retail trade over the next 3 months

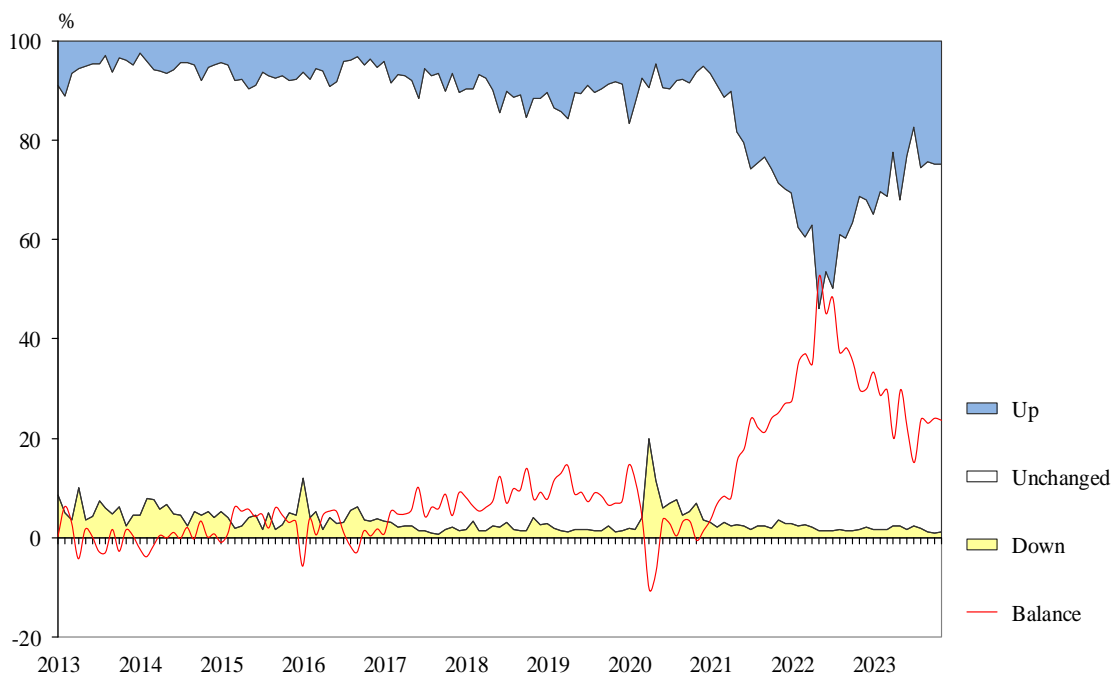


Figure 14. Business climate in service sector

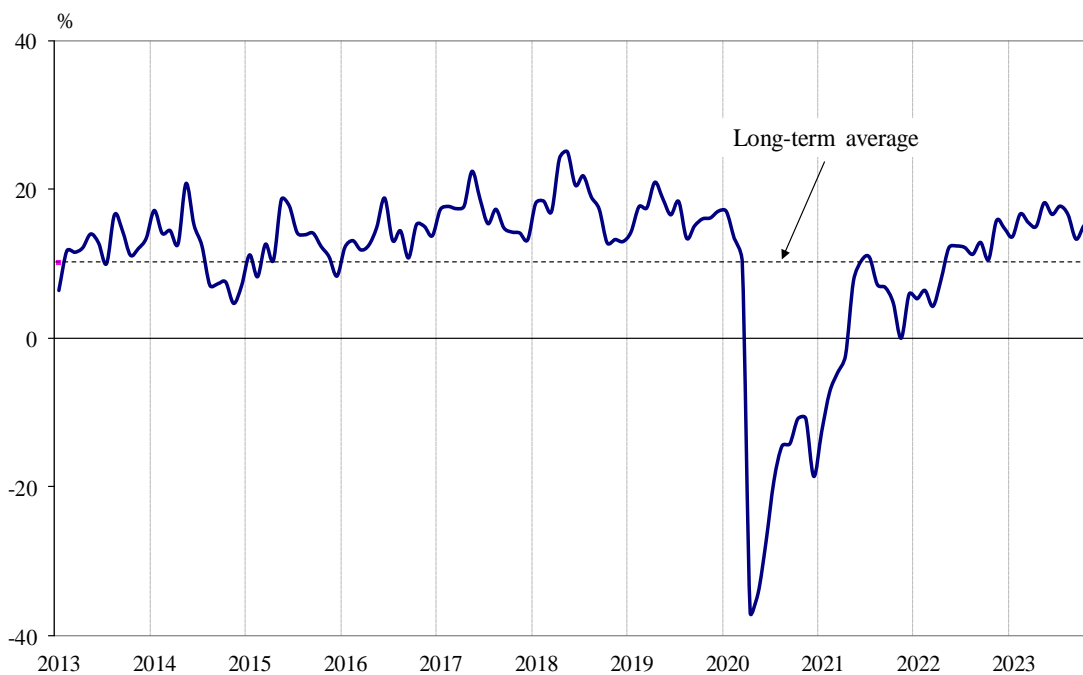


Figure 15. Demand in service sector over the last 3 months

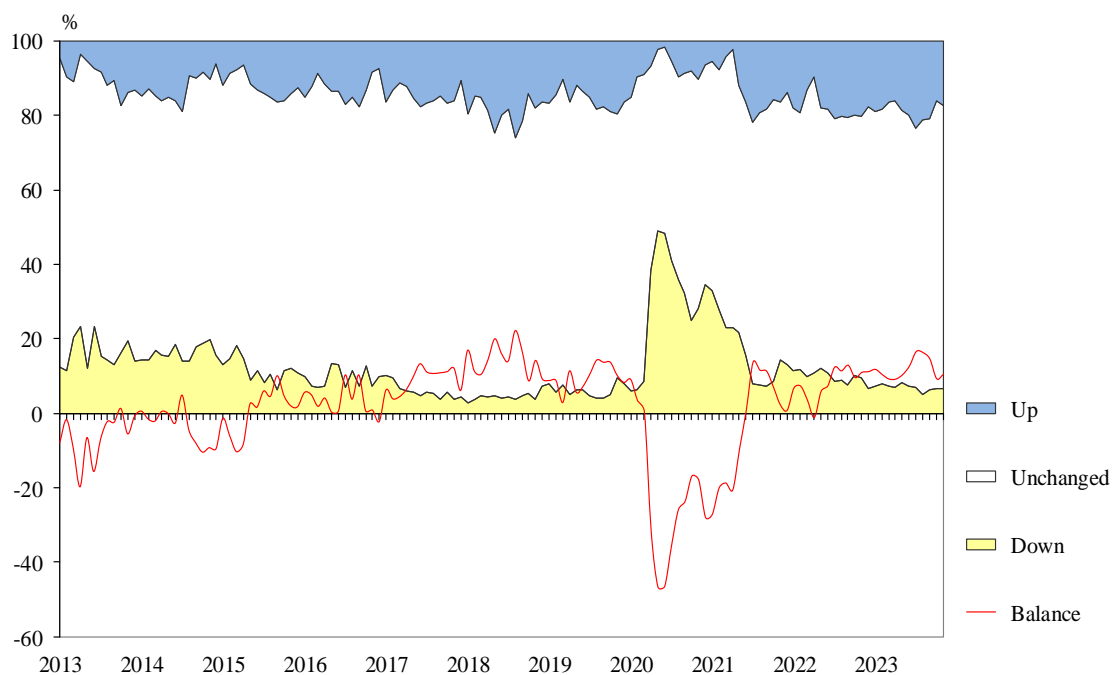


Figure 16. Factors limiting the activity in service sector (Relative share of enterprises)

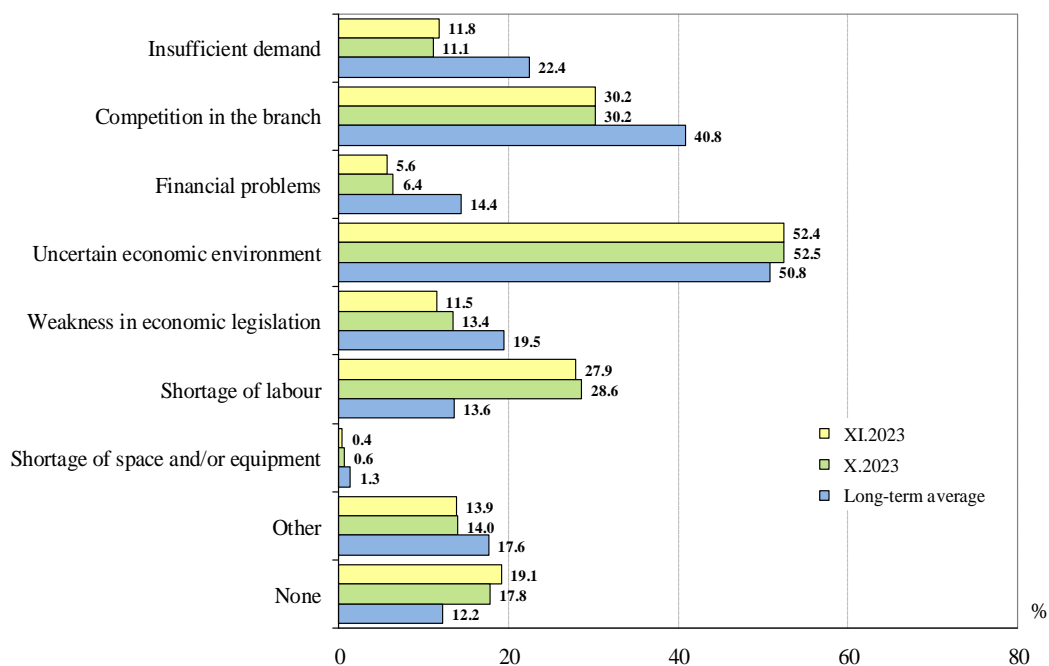


Figure 17. Selling prices expectations in service sector over the next 3 months

