

2019-01-25

## PRESS RELEASE

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### Monthly business survey – January 2019

## Business confidence weakens a little more in January

- **The business barometer has continued to fall back in January, albeit at a slower pace than in December**
- **The business climate has deteriorated in trade and, for the second month running, in business-related services and the building industry too. On the other hand, the economic situation has improved marginally in the manufacturing industry, absorbing December's decline**
- **The production capacity utilisation rate in the manufacturing industry has risen slightly**

The decline observed in trade is mainly attributable to a downward revision of forecasts for demand and orders placed with suppliers.

In business-related services, all the components of the indicator have fallen back. So, entrepreneurs have once again given a more negative view of their current and future activities and are expecting to see general market demand contract to a greater extent.

The loss of confidence in the building industry stems exclusively from negative trends since the previous month, both in terms of order books and equipment used.

The slight upturn registered in the manufacturing industry is solely based on a more positive assessment of total order books.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, is now pointing slightly downwards.

Finally, the results of the quarterly survey of production capacity in the manufacturing industry point to a slight increase in production capacity utilisation rates compared with the previous quarter. The seasonally adjusted rate thus rose from 80.4 % in October 2018 to 81.0 % in January 2019.

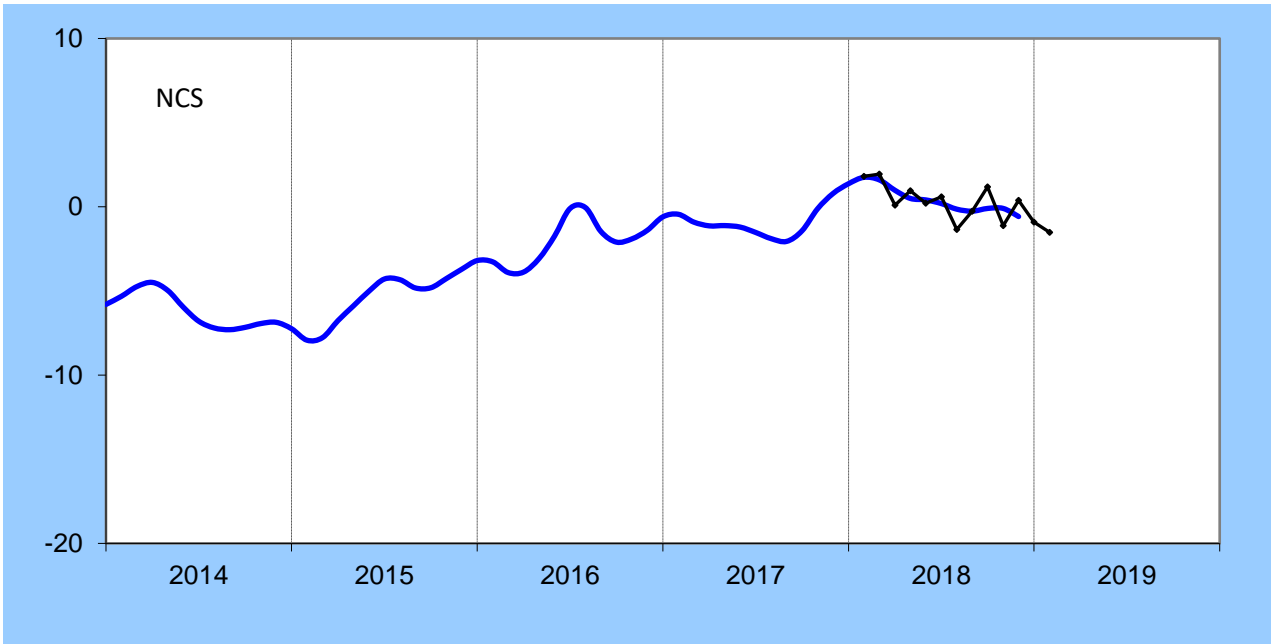
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	December	January	Variation in	Variation in
	2018	2019	points	points
Manufacturing industry	-4.0	-3.1	0.9	-0.2
Business-related services	6.6	3.2	-3.4	-0.5
Building industry	4.6	1.9	-2.7	0.3
Trade	0.6	-5.4	-6.0	0.4
<b>Overall synthetic curve</b>	<b>-0.9</b>	<b>-1.5</b>	<b>-0.6</b>	<b>-0.5</b>

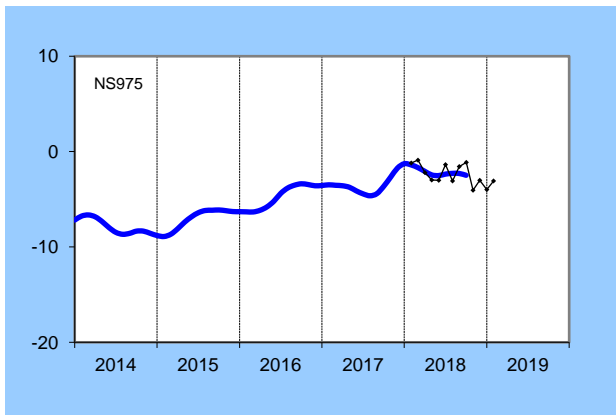
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

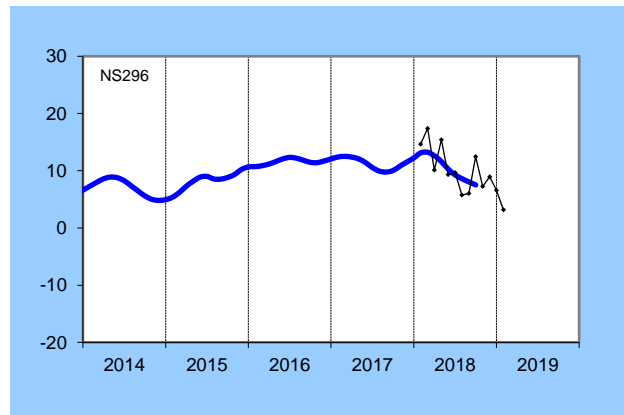
OVERALL SYNTHETIC CURVE



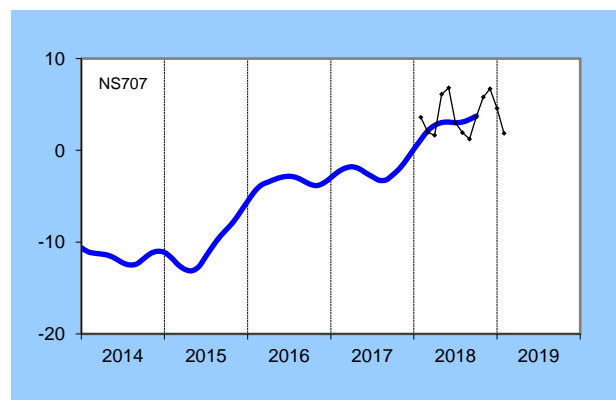
MANUFACTURING INDUSTRY



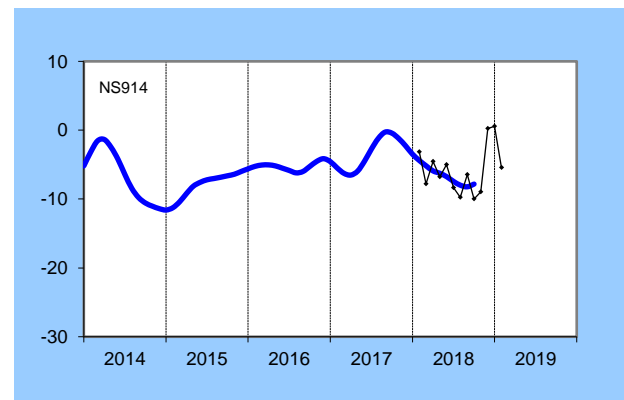
BUSINESS-RELATED SERVICES



BUILDING INDUSTRY



TRADE



— Seasonally adjusted and smoothed series  
 Source: NBB

◆ Seasonally adjusted series

## SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2019 <sup>1</sup>			Adjusted series				Smoothed series			
				2018		2019		2018			
	Min.	Max.	Avg.	Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.
<b>Overall synthetic curve</b>	- 31.8	+ 9.2	- 7.1	- 1.1	+ 0.4	- 0.9	- 1.5	- 0.3	- 0.1	- 0.1	- 0.6
<b>Manufacturing industry curve</b>	- 34.3	+ 6.0	- 10.1	- 4.0	- 3.0	- 4.0	- 3.1	- 2.3	- 2.5	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 15.9	- 9.9	- 12.3	- 4.9	- 8.9	- 9.2	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 6.0	+ 0.6	+ 1.3	+ 1.8	+ 2.8	+ 0.0	+ 0.3	.	.
Employment expectations	- 36.0	+ 8.0	- 8.5	- 2.2	- 2.5	- 0.9	- 1.8	- 3.1	- 2.9	.	.
Demand expectations	- 37.0	+ 15.0	- 4.8	+ 2.5	+ 1.6	- 0.9	- 2.8	+ 2.8	+ 2.6	.	.
<b>Business-related services curve</b>	- 41.7	+ 34.0	+ 10.5	+ 7.3	+ 8.9	+ 6.6	+ 3.2	+ 8.0	+ 7.5	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 3.7	+ 2.5	- 1.0	- 2.3	+ 1.7	+ 1.3	.	.
Activity expectations	- 32.0	+ 51.7	+ 23.0	+ 14.6	+ 13.5	+ 10.7	+ 7.2	+ 14.7	+ 14.2	.	.
Market demand expectations	- 43.0	+ 45.0	+ 14.3	+ 10.9	+ 10.8	+ 9.9	+ 4.6	+ 9.2	+ 9.6	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.2	+ 5.8	+ 6.7	+ 4.6	+ 1.9	+ 3.4	+ 3.7	.	.
Trend in orders	- 52.0	+ 40.0	- 4.4	+ 10.6	+ 12.0	+ 9.2	- 0.0	+ 8.9	+ 9.6	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	+ 3.7	+ 6.2	+ 7.0	- 0.3	+ 2.0	+ 2.3	.	.
Assessment of order books	- 74.0	+ 30.0	- 23.1	+ 4.7	+ 3.5	- 1.5	+ 2.7	- 0.4	+ 0.1	.	.
Demand expectations	- 39.0	+ 21.0	- 3.1	+ 4.3	+ 5.1	+ 3.5	+ 5.0	+ 3.1	+ 3.2	.	.
<b>Trade curve</b>	- 28.6	+ 16.0	- 2.1	- 9.0	+ 0.2	+ 0.6	- 5.4	- 8.2	- 7.8	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.8	- 5.3	+ 4.0	+ 5.0	+ 4.4	- 4.2	- 3.2	.	.
Demand expectations	- 40.0	+ 29.0	+ 0.0	- 11.2	- 1.1	+ 1.0	- 7.4	- 6.0	- 5.8	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 10.3	- 2.1	- 4.4	- 13.4	- 12.9	- 12.3	.	.

<sup>1</sup> Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

<sup>2</sup> A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season. When synthetic curves are calculated, the sign of this indicator is therefore reversed.

## OTHER BUSINESS SURVEY INDICATORS

TABLE 2

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2019 <sup>1</sup>			Adjusted series				Smoothed series			
				2018			2019	2018			
	Min.	Max.	Avg.	Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.
<b>Manufacturing industry</b>											
Trend in production rate	- 33.0	+ 20.0	- 0.8	- 3.6	+ 9.7	- 0.8	- 0.1	+ 1.6	+ 1.7	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.6	- 1.2	+ 2.6	- 4.0	+ 2.1	- 1.3	+ 0.2	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.5	- 3.4	+ 11.3	- 7.2	- 1.9	+ 5.1	+ 4.9	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.7	- 15.1	- 11.2	- 12.1	- 11.6	- 11.8	- 11.9	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.1	+ 10.2	+ 4.5	+ 1.5	+ 1.5	+ 5.6	+ 5.3	.	.
Price expectations	- 24.0	+ 43.0	+ 6.8	+ 10.5	+ 6.9	+ 0.3	+ 3.8	+ 9.4	+ 9.5	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	79.0	80.4	-	-	81.0				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 38.0	+ 37.0	+ 10.1	- 7.4	+ 21.5	+ 24.6	- 3.2	+ 3.9	+ 5.9	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.2	+ 14.2	+ 15.0	+ 25.1	+ 7.2	+ 10.3	+ 12.0	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.7	+ 12.2	+ 14.5	+ 12.9	+ 11.6	+ 14.4	+ 13.6	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 4.2	+ 8.8	+ 7.2	+ 3.4	+ 5.4	+ 5.5	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 15.7	+ 14.9	+ 17.6	+ 16.2	+ 14.5	+ 14.9	.	.
<b>Building industry</b>											
Trend in activity	- 44.0	+ 34.7	- 4.4	+ 4.8	+ 10.6	+ 3.8	+ 1.8	+ 6.1	+ 5.8	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	- 2.9	- 3.8	+ 12.3	- 2.3	+ 2.0	+ 0.9	.	.
Employment expectations	- 50.0	+ 30.0	- 4.9	+ 11.1	+ 15.6	+ 7.3	+ 9.1	+ 11.1	+ 11.1	.	.
Trend in prices	- 27.1	+ 32.0	- 2.0	+ 6.7	+ 6.9	+ 7.1	+ 2.2	+ 5.9	+ 6.3	.	.
Price expectations	- 20.6	+ 46.0	+ 5.1	+ 6.7	+ 7.1	+ 8.5	+ 8.5	+ 7.5	+ 7.2	.	.
<b>Trade</b>											
Trend in sales	- 47.9	+ 43.0	- 0.2	- 43.9	+ 5.3	+ 7.2	- 33.6	- 8.7	- 4.4	.	.
Assessment of sales	- 41.6	+ 28.0	- 9.1	- 41.6	- 9.5	+ 0.4	- 22.4	- 9.9	- 8.0	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 32.0	+ 12.1	+ 11.4	+ 13.0	+ 8.6	+ 13.0	+ 14.0	+ 13.2	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 8.5	+ 5.2	- 17.0	+ 0.1	+ 5.2	+ 4.6	.	.
Price expectations	- 11.0	+ 66.2	+ 11.3	+ 8.3	+ 4.7	+ 4.2	+ 6.2	+ 7.4	+ 6.6	.	.

<sup>1</sup> Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

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