

2019-04-24

## PRESS RELEASE

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### Monthly business survey – April 2019

## Business confidence weakens in April

- **The business barometer was down in April following a small rise last month, dropping to its lowest level in 19 months**
- **The loss of confidence affected manufacturing industry, and to an even greater extent construction. Conversely, in trade the indicator was up for the second time in a row. In business-related services, the improvement was marginal**
- **In manufacturing industry, capacity utilisation declined, reflecting the slowdown in that branch of activity**

The deterioration in the business climate in manufacturing industry, more than negating last month's revival, is due to a decline in all components of the indicator, particularly the appraisal of total order books.

In construction, too, the decline was widespread with a particularly substantial contraction in order books, the level of which was viewed as significantly more unfavourable considering the time of year.

The further revival in trade was evident in all components of the indicator.

In business-related services, where there was a very small improvement, entrepreneurs were more optimistic about the outlook for their activity and for general market demand.

The smoothed overall synthetic curve, which reflects the underlying trend in activity, is still heading downwards.

Finally, the results of the quarterly survey of production capacity in manufacturing industry reveal a contraction in the rate of capacity utilisation, reflecting the slowdown in that branch of activity. The seasonally adjusted rate stood at 80.1 % in April, compared to 81.0 % in January.

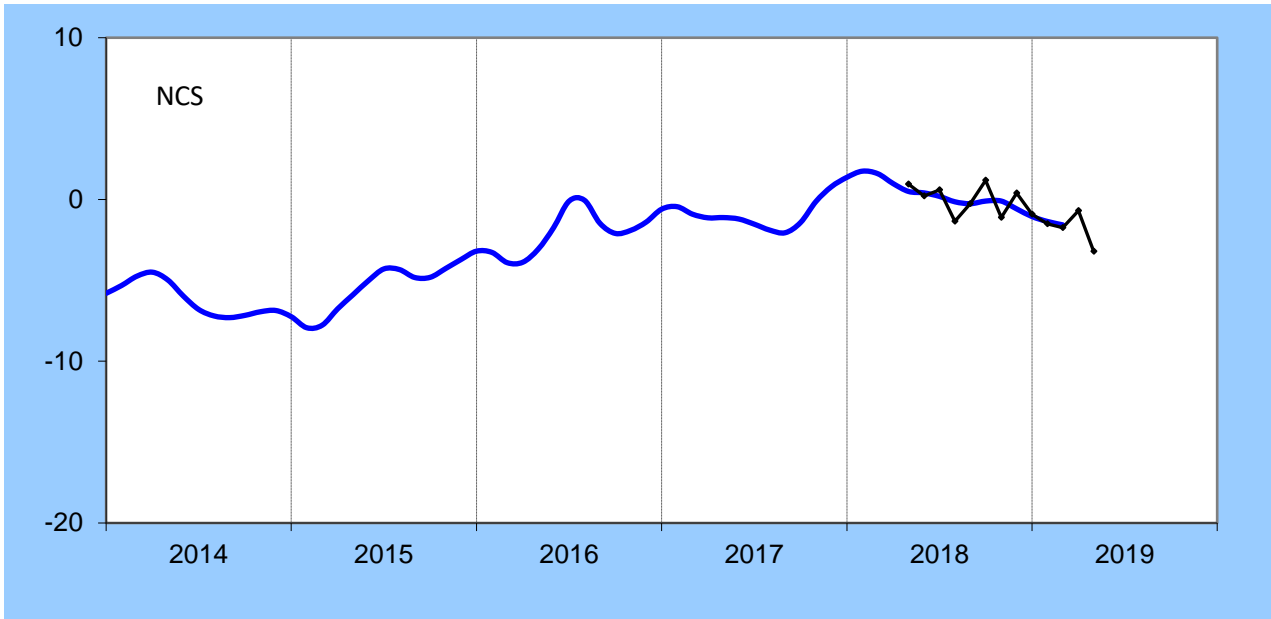
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	March	April	Variation in	Variation in
	2019	2019	points	points
Manufacturing industry	-3.1	-6.1	-3.0	-0.1
Business-related services	5.3	5.7	0.4	-0.4
Building industry	5.2	0.5	-4.7	0.2
Trade	-5.9	-3.6	2.3	0.5
<b>Overall synthetic curve</b>	<b>-0.7</b>	<b>-3.2</b>	<b>-2.5</b>	<b>-0.2</b>

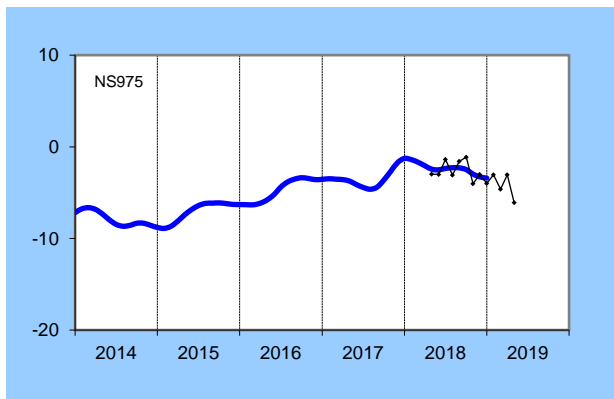
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

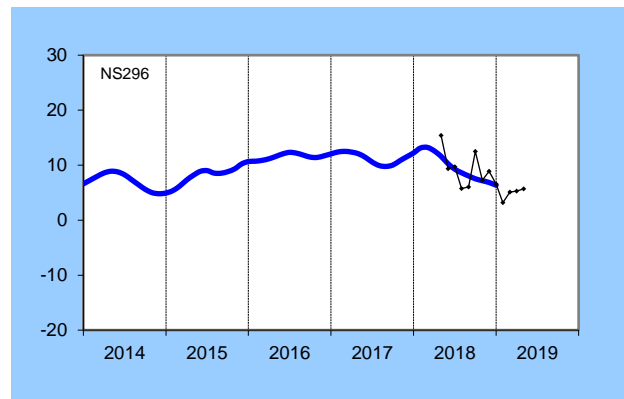
### OVERALL SYNTHETIC CURVE



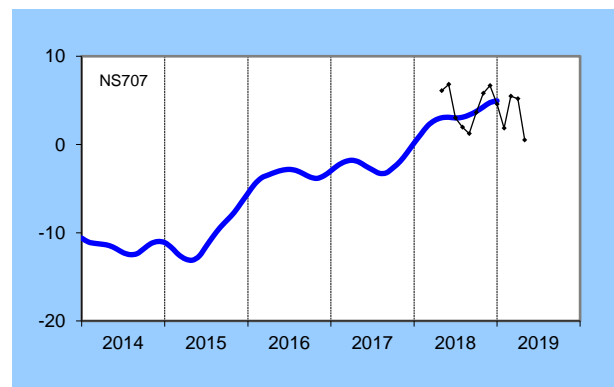
### MANUFACTURING INDUSTRY



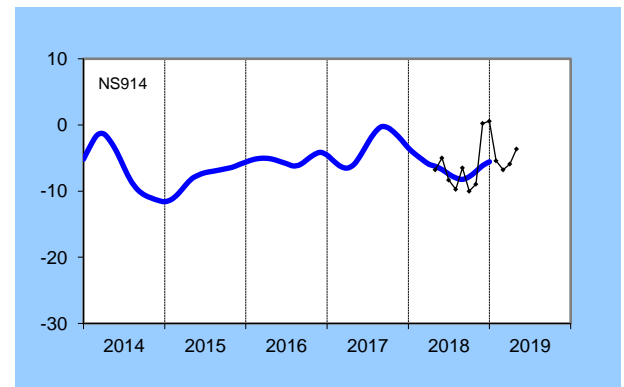
### BUSINESS-RELATED SERVICES



### 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			
	Min.	Max.	Avg.	2019				2018		2019	
				Jan.	Feb.	March	April	Nov.	Dec.	Jan.	Feb.
<b>Overall synthetic curve</b>	- 31.8	+ 9.2	- 7.1	- 1.5	- 1.7	- 0.7	- 3.2	- 0.6	- 1.1	- 1.4	- 1.6
<b>Manufacturing industry curve</b>	- 34.3	+ 6.0	- 10.1	- 3.1	- 4.6	- 3.1	- 6.1	- 3.3	- 3.4	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 4.9	- 14.0	- 10.4	- 19.6	- 10.5	- 11.0	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 5.9	+ 2.8	+ 0.3	- 0.3	+ 0.1	+ 1.0	+ 1.1	.	.
Employment expectations	- 36.0	+ 8.0	- 8.4	- 1.8	- 2.7	- 3.5	- 4.3	- 2.4	- 2.3	.	.
Demand expectations	- 37.0	+ 15.0	- 4.8	- 2.8	- 1.4	+ 1.5	- 0.5	+ 1.0	+ 0.1	.	.
<b>Business-related services curve</b>	- 41.7	+ 34.0	+ 10.5	+ 3.2	+ 5.1	+ 5.3	+ 5.7	+ 6.8	+ 6.4	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 2.3	- 1.5	+ 1.8	- 4.0	- 0.1	- 0.8	.	.
Activity expectations	- 32.0	+ 51.7	+ 22.9	+ 7.2	+ 8.5	+ 8.9	+ 14.5	+ 12.3	+ 11.1	.	.
Market demand expectations	- 43.0	+ 45.0	+ 14.2	+ 4.6	+ 8.3	+ 5.2	+ 6.6	+ 9.7	+ 9.1	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.1	+ 1.9	+ 5.5	+ 5.2	+ 0.5	+ 4.8	+ 5.0	.	.
Trend in orders	- 52.0	+ 40.0	- 4.4	- 0.0	+ 3.3	+ 7.1	- 0.5	+ 9.8	+ 8.4	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	- 0.3	+ 2.3	+ 2.5	- 0.4	+ 3.3	+ 3.2	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.9	+ 2.7	+ 9.7	+ 5.6	- 1.4	+ 1.9	+ 2.7	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	+ 5.0	+ 6.6	+ 5.6	+ 4.3	+ 4.2	+ 4.7	.	.
<b>Trade curve</b>	- 28.6	+ 16.0	- 2.1	- 5.4	- 6.8	- 5.9	- 3.6	- 6.1	- 5.6	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.8	+ 4.4	- 3.7	- 1.7	+ 0.6	+ 1.1	+ 2.6	.	.
Demand expectations	- 40.0	+ 29.0	- 0.0	- 7.4	- 12.5	- 9.7	- 8.4	- 5.9	- 6.7	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 13.4	- 4.2	- 6.2	- 3.0	- 8.5	- 6.6	.	.

<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				
	Min.	Max.	Avg.	2019				2018		2019		
				Jan.	Feb.	March	April	Nov.	Dec.	Jan.	Feb.	
<b>Manufacturing industry</b>												
Trend in production rate	- 33.0	+ 20.0	- 0.8	- 0.1	- 0.9	- 5.7	- 2.8	+ 0.5	- 0.4	.	.	
Trend in domestic orders	- 35.0	+ 16.0	- 7.6	+ 2.1	- 2.2	- 1.6	- 8.6	+ 0.3	- 0.5	.	.	
Trend in export orders	- 44.0	+ 30.0	- 2.5	- 1.9	+ 1.6	- 7.5	- 12.4	+ 1.9	- 1.3	.	.	
Assessment of export order books	- 61.0	+ 10.0	- 22.6	- 11.6	- 13.1	- 11.9	- 17.6	- 11.9	- 11.9	.	.	
Trend in prices	- 21.0	+ 24.0	+ 1.1	+ 1.5	- 1.2	+ 0.7	- 0.9	+ 3.7	+ 2.6	.	.	
Price expectations	- 24.0	+ 43.0	+ 6.8	+ 3.8	+ 1.3	+ 4.8	- 2.0	+ 6.9	+ 5.0	.	.	
<b>Production capacity</b>												
(in percentage of the total production capacity)	70.1	84.6	79.0	81.0	-	-	80.1					
Source: quarterly production capacity survey												
<b>Business-related services</b>												
Trend in activity	- 38.0	+ 37.0	+ 10.1	- 3.2	+ 24.3	+ 0.1	+ 7.0	+ 13.8	+ 15.6	.	.	
Trend in employment	- 49.4	+ 34.0	+ 7.2	+ 7.2	+ 9.1	+ 0.1	+ 9.9	+ 13.2	+ 12.3	.	.	
Employment expectations	- 35.0	+ 48.0	+ 17.7	+ 11.6	+ 18.2	+ 21.6	+ 17.2	+ 13.1	+ 13.7	.	.	
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 3.4	+ 6.2	+ 2.4	+ 1.5	+ 5.9	+ 5.6	.	.	
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 16.2	+ 8.7	+ 8.3	+ 5.4	+ 15.3	+ 14.5	.	.	
<b>Building industry</b>												
Trend in activity	- 44.0	+ 34.7	- 4.4	+ 1.8	- 3.7	+ 3.8	+ 0.7	+ 4.8	+ 4.0	.	.	
Trend in employment	- 38.0	+ 22.0	- 5.2	- 2.3	- 1.4	+ 1.3	- 2.4	- 1.2	- 1.6	.	.	
Employment expectations	- 50.0	+ 30.0	- 4.9	+ 9.1	+ 6.9	+ 9.0	+ 3.4	+ 10.3	+ 9.6	.	.	
Trend in prices	- 27.1	+ 32.0	- 2.0	+ 2.2	+ 3.3	+ 1.9	+ 1.9	+ 6.3	+ 5.3	.	.	
Price expectations	- 20.6	+ 46.0	+ 5.2	+ 8.5	+ 15.2	+ 9.7	+ 7.3	+ 7.6	+ 8.0	.	.	
<b>Trade</b>												
Trend in sales	- 47.9	+ 43.0	- 0.3	- 33.6	- 15.3	- 17.6	+ 1.0	- 4.0	- 7.6	.	.	
Assessment of sales	- 41.6	+ 28.0	- 9.1	- 22.4	- 8.5	- 17.0	- 17.8	- 7.0	- 9.2	.	.	
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 32.0	+ 12.1	+ 13.0	+ 16.3	+ 14.8	+ 10.2	+ 12.2	+ 12.4	.	.	
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 0.1	+ 2.2	- 14.0	+ 0.7	+ 2.6	+ 1.6	.	.	
Price expectations	- 11.0	+ 66.2	+ 11.3	+ 6.2	+ 4.9	+ 9.9	+ 12.1	+ 5.1	+ 5.0	.	.	

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

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