

2019-07-24

## PRESS RELEASE

Links: [NBB.Stat](#) [General information](#)

### Monthly business survey – July 2019

## Business confidence stabilises in July

- **After the decline observed since April, the business barometer has now stabilised.**
- **The business climate has improved in business-related services and the building industry. By contrast, business confidence has shrunk in the trade sector and, to a limited extent, in the manufacturing industry too.**
- **The production capacity utilisation rate in the manufacturing industry has picked up a little.**

In the business-related services sector, all the components making up the indicator have improved, and especially that concerning prospects for business activity.

The slight improvement in the economic climate in the building industry is attributable to an increase in current order books and, to a lesser extent, to the improved demand forecasts and higher use of equipment.

In the manufacturing industry, the fourth consecutive decline in business confidence, although only small, is due to a more negative assessment of overall order books and, to a lesser extent, to the gloomier demand forecasts.

The loss of confidence observed in trade is due to a sharp deterioration in the outlook for employment and projections for orders placed with suppliers.

The smoothed overall synthetic curve, which reflects the underlying trend in economic activity, is continuing on its downward trend.

Lastly, the results of the quarterly survey of production capacities in the manufacturing industry reveal a slight increase in the production capacity utilisation rate compared with the previous quarter. The seasonally adjusted capacity utilisation rate has thus gone up from 80.1 % in April to 80.4 % in July.

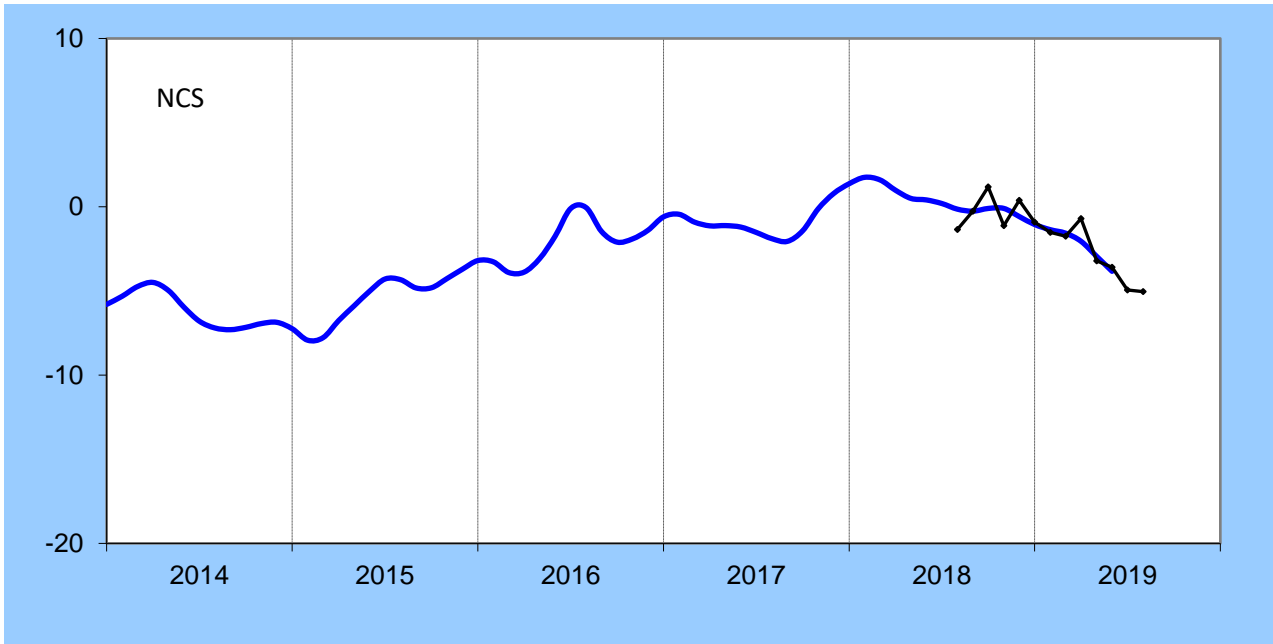
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	June 2019	July 2019	Variation in points	Variation in points
Manufacturing industry	-8.5	-9.1	-0.6	-0.7
Business-related services	2.0	4.5	2.5	-0.3
Building industry	2.1	2.6	0.5	-0.5
Trade	-0.7	-4.4	-3.7	0.1
<b>Overall synthetic curve</b>	<b>-4.9</b>	<b>-5.0</b>	<b>-0.1</b>	<b>-0.9</b>

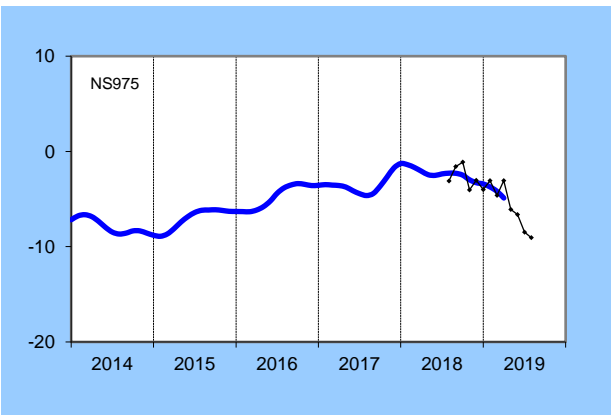
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

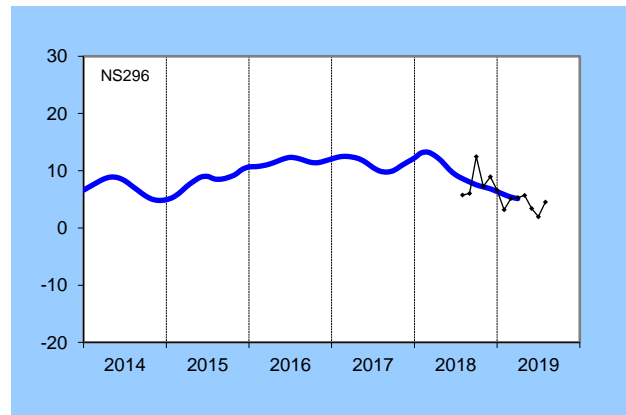
### OVERALL SYNTHETIC CURVE



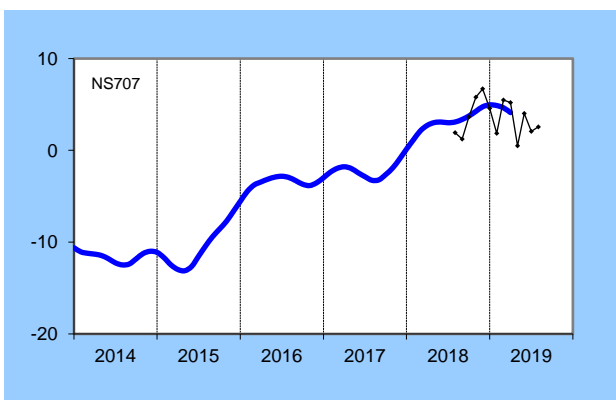
MANUFACTURING INDUSTRY



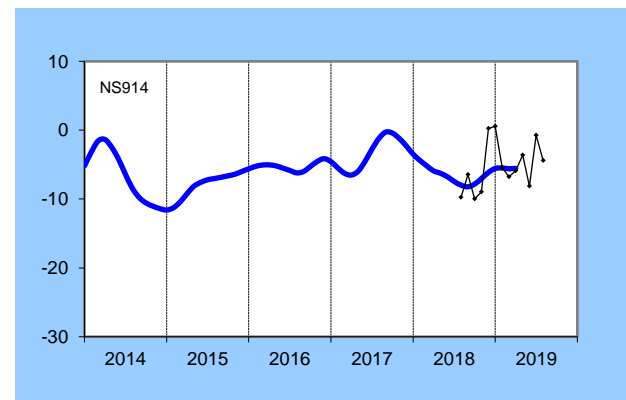
BUSINESS-RELATED SERVICES



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			
				2019				2019			
	Min.	Max.	Avg.	April	May	June	July	Feb.	March	April	May
<b>Overall synthetic curve</b>	- 31.8	+ 9.2	- 7.1	- 3.2	- 3.6	- 4.9	- 5.0	- 1.6	- 2.1	- 2.9	- 3.8
<b>Manufacturing industry curve</b>	- 34.3	+ 6.0	- 10.1	- 6.1	- 6.6	- 8.5	- 9.1	- 4.2	- 4.9	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 19.6	- 15.3	- 19.8	- 21.8	- 12.7	- 14.2	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 5.9	+ 0.1	+ 4.2	+ 5.6	+ 5.1	+ 0.7	+ 0.9	.	.
Employment expectations	- 36.0	+ 8.0	- 8.4	- 4.3	- 5.6	- 7.0	- 7.1	- 3.0	- 3.6	.	.
Demand expectations	- 37.0	+ 15.0	- 4.8	- 0.5	- 1.4	- 1.5	- 2.2	- 1.1	- 1.2	.	.
<b>Business-related services curve</b>	- 41.7	+ 34.0	+ 10.4	+ 5.7	+ 3.4	+ 2.0	+ 4.5	+ 5.4	+ 5.1	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 4.0	- 2.0	- 5.4	- 4.3	- 1.5	- 2.0	.	.
Activity expectations	- 32.0	+ 51.7	+ 22.7	+ 14.5	+ 6.6	+ 8.5	+ 13.1	+ 9.0	+ 8.7	.	.
Market demand expectations	- 43.0	+ 45.0	+ 14.1	+ 6.6	+ 5.6	+ 2.7	+ 4.7	+ 7.1	+ 6.2	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.1	+ 0.5	+ 4.0	+ 2.1	+ 2.6	+ 4.6	+ 4.1	.	.
Trend in orders	- 52.0	+ 40.0	- 4.3	- 0.5	+ 10.8	+ 4.8	+ 8.5	+ 5.2	+ 4.7	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	- 0.4	- 0.2	+ 1.0	+ 2.0	+ 1.7	+ 1.2	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.7	- 1.4	+ 3.5	+ 0.1	- 4.5	+ 3.3	+ 2.9	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	+ 4.3	+ 2.0	+ 2.3	+ 4.2	+ 5.0	+ 4.8	.	.
<b>Trade curve</b>	- 28.6	+ 16.0	- 2.2	- 3.6	- 8.1	- 0.7	- 4.4	- 5.6	- 5.5	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.7	+ 0.6	- 1.3	+ 0.8	- 7.5	+ 1.1	- 0.2	.	.
Demand expectations	- 40.0	+ 29.0	- 0.1	- 8.4	- 9.0	- 5.9	- 0.8	- 8.2	- 8.6	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 3.0	- 14.0	+ 2.9	- 4.9	- 4.8	- 4.9	.	.

<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			
				2019				2019			
	Min.	Max.	Avg.	April	May	June	July	Feb.	March	April	May
<b>Manufacturing industry</b>											
Trend in production rate	- 33.0	+ 20.0	- 0.8	- 2.8	+ 1.3	- 2.3	- 13.6	- 1.0	- 1.5	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.6	- 8.6	+ 4.6	- 10.2	- 14.9	- 1.8	- 2.8	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.6	- 12.4	- 10.7	- 4.0	- 18.3	- 5.3	- 7.1	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.6	- 17.6	- 20.2	- 17.2	- 24.1	- 12.9	- 14.3	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.1	- 0.9	- 2.7	- 0.7	- 3.7	+ 0.4	- 0.2	.	.
Price expectations	- 24.0	+ 43.0	+ 6.7	- 2.0	+ 5.7	+ 3.9	+ 1.4	+ 3.2	+ 3.2	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	79.0	80.1	-	-	80.4				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 38.0	+ 37.0	+ 10.0	+ 7.0	+ 22.4	+ 1.2	- 5.3	+ 12.4	+ 8.1	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.2	+ 9.9	+ 9.3	+ 14.8	+ 14.7	+ 9.7	+ 9.2	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.6	+ 17.2	+ 12.2	+ 14.1	+ 11.0	+ 16.0	+ 16.4	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 1.5	- 1.3	+ 0.2	+ 1.9	+ 4.0	+ 2.8	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 5.4	+ 6.6	+ 9.0	+ 6.8	+ 11.0	+ 9.0	.	.
<b>Building industry</b>											
Trend in activity	- 44.0	+ 34.7	- 4.3	+ 0.7	+ 8.9	+ 5.8	+ 5.8	+ 2.8	+ 3.0	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	- 2.4	- 2.6	+ 1.0	- 2.8	- 1.7	- 1.8	.	.
Employment expectations	- 50.0	+ 30.0	- 4.8	+ 3.4	+ 4.7	+ 7.3	+ 7.3	+ 7.8	+ 7.3	.	.
Trend in prices	- 27.1	+ 32.0	- 2.0	+ 1.9	- 1.5	- 1.8	- 1.8	+ 2.9	+ 1.7	.	.
Price expectations	- 20.6	+ 46.0	+ 5.2	+ 7.3	+ 5.4	+ 4.0	+ 3.2	+ 8.4	+ 7.8	.	.
<b>Trade</b>											
Trend in sales	- 47.9	+ 43.0	- 0.3	+ 1.0	- 6.1	- 9.5	- 6.6	- 14.6	- 12.8	.	.
Assessment of sales	- 41.6	+ 28.0	- 9.1	- 17.8	- 7.7	- 2.8	- 14.0	- 13.1	- 13.5	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 32.0	+ 12.1	+ 10.2	+ 22.4	+ 13.7	+ 15.8	+ 13.7	+ 14.1	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 0.7	+ 4.8	+ 9.4	+ 5.1	+ 0.8	+ 1.4	.	.
Price expectations	- 11.0	+ 66.2	+ 11.3	+ 12.1	+ 3.3	+ 13.3	+ 4.2	+ 6.2	+ 7.4	.	.

<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.