

2020-01-24

PRESS RELEASE

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Monthly business survey – January 2020

Business confidence picks up further in January

- **In January, the business barometer has continued its upward trend seen since last September.**
- **The business climate has improved in all branches of activity, with the exception of the building industry.**
- **The production capacity utilisation rate in the manufacturing industry has declined slightly.**

The fourth consecutive improvement in the manufacturing industry is mainly due to a more favourable assessment of both total order books and stock levels.

In business-related services, where last month's loss of confidence was more than offset by a sharp increase in business confidence, all components of the indicator improved. In particular, the current level of business activity was assessed considerably more favourably and a more positive outlook for general market demand was recorded.

In the building industry, the fall in the indicator is mainly due to a sharp downward revision of the demand outlook.

In the trade sector, the regained optimism was mainly reflected in significantly more optimistic employment expectations.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, remains on an upside path, reflecting the positive developments of recent months.

Finally, the production capacity utilisation rate in the manufacturing industry is down slightly on the previous quarter, falling from 79.4 % in October 2019 to 78.6 % in January 2020.

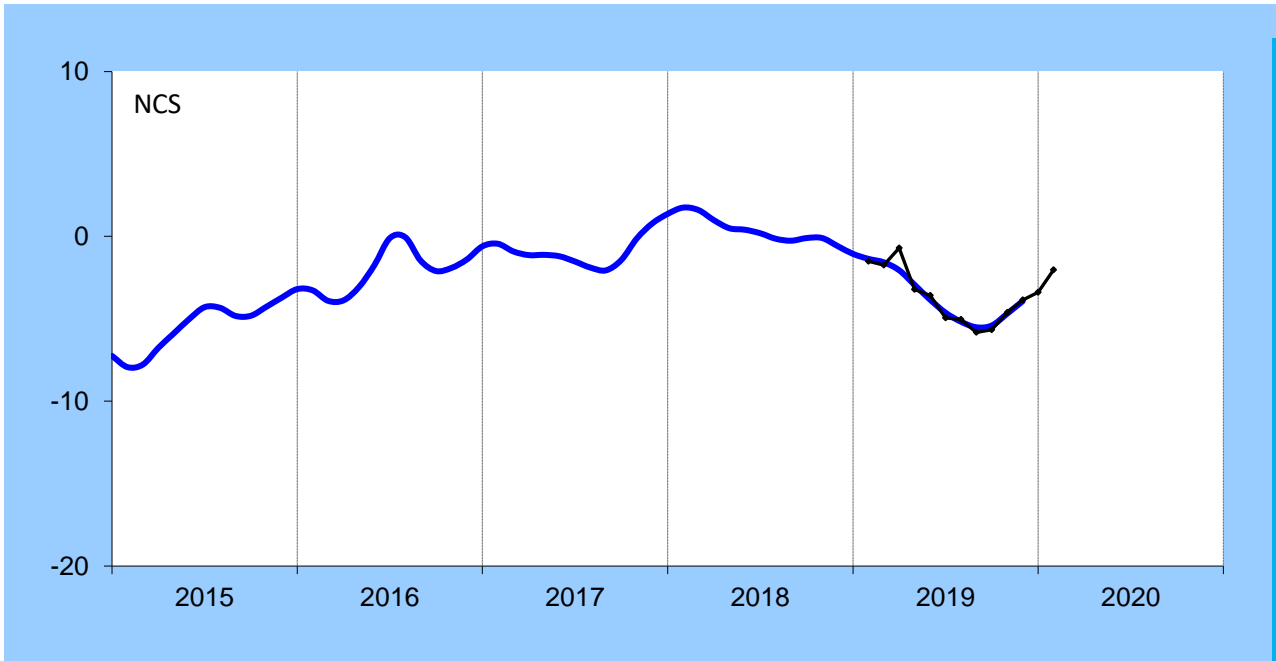
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	December	January	Variation in	Variation in
	2019	2020	points	points
Manufacturing industry	-6.3	-4.9	1.4	0.2
Business-related services	3.7	7.8	4.1	0.7
Building industry	3.8	2.2	-1.6	0.0
Trade	-8.3	-6.3	2.0	-0.4
Overall synthetic curve	-3.4	-2.0	1.4	0.8

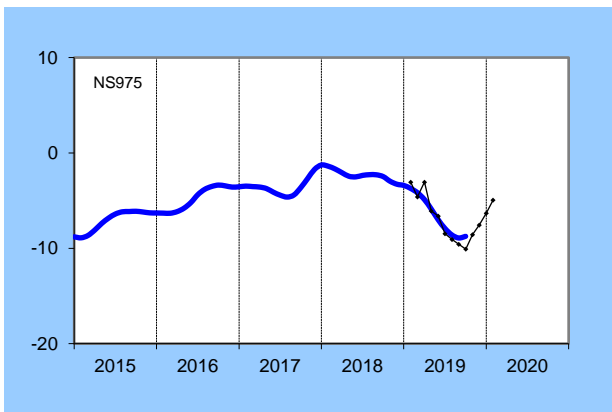
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

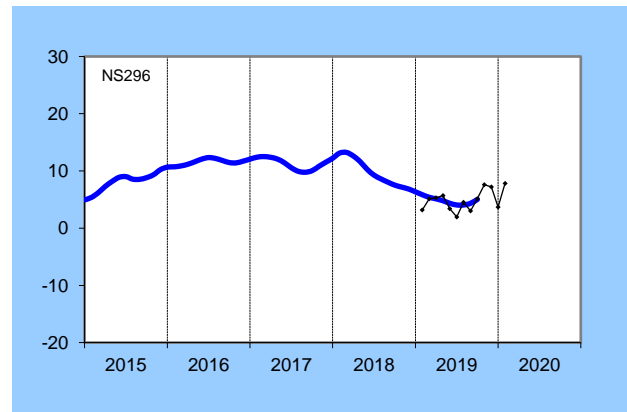
OVERALL SYNTHETIC CURVE



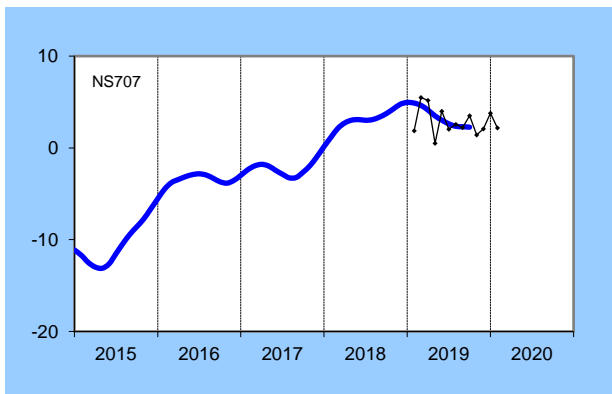
MANUFACTURING INDUSTRY



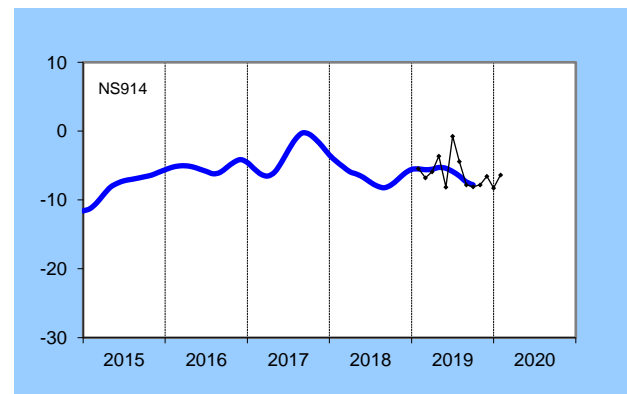
BUSINESS-RELATED SERVICES



BUILDING INDUSTRY



TRADE



Seasonally adjusted and smoothed series

Seasonally adjusted series

Source: NBB

SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2020 ¹			Adjusted series				Smoothed series			
				2019		2020	2019				
	Min.	Max.	Avg.	Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.
Overall synthetic curve	- 31.8	+ 9.2	- 7.0	- 4.6	- 3.9	- 3.4	- 2.0	- 5.5	- 5.4	- 4.7	- 3.9
Manufacturing industry curve	- 34.3	+ 6.0	- 10.1	- 8.6	- 7.6	- 6.3	- 4.9	- 8.9	- 8.7	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 22.2	- 20.2	- 20.0	- 16.7	- 20.9	- 21.0	.	.
Assessment of level of stocks ²	- 12.9	+ 25.0	+ 5.9	+ 6.7	+ 6.2	+ 4.9	+ 3.5	+ 6.2	+ 6.5	.	.
Employment expectations	- 36.0	+ 8.0	- 8.4	- 1.9	- 2.9	- 3.2	- 2.6	- 4.8	- 4.2	.	.
Demand expectations	- 37.0	+ 15.0	- 4.7	- 3.4	- 0.9	+ 2.8	+ 3.1	- 2.9	- 2.9	.	.
Business-related services curve	- 41.7	+ 34.0	+ 10.3	+ 7.6	+ 7.2	+ 3.7	+ 7.8	+ 4.3	+ 5.0	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 6.8	- 6.0	- 6.5	- 0.2	- 5.2	- 5.8	.	.
Activity expectations	- 32.0	+ 51.7	+ 22.6	+ 19.9	+ 19.0	+ 14.2	+ 15.6	+ 13.0	+ 14.5	.	.
Market demand expectations	- 43.0	+ 45.0	+ 13.9	+ 9.6	+ 8.6	+ 3.4	+ 8.0	+ 6.2	+ 7.1	.	.
Building industry curve	- 39.0	+ 24.3	- 6.9	+ 1.4	+ 2.1	+ 3.8	+ 2.2	+ 2.3	+ 2.3	.	.
Trend in orders	- 52.0	+ 40.0	- 4.2	+ 3.2	- 0.5	+ 0.6	+ 0.2	+ 4.6	+ 3.8	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	+ 0.5	+ 0.4	+ 3.0	+ 1.7	+ 0.7	+ 0.9	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.5	- 5.2	- 1.0	+ 0.0	- 0.6	+ 0.1	- 0.1	.	.
Demand expectations	- 39.0	+ 21.0	- 2.9	+ 7.1	+ 9.4	+ 11.5	+ 7.3	+ 4.0	+ 5.0	.	.
Trade curve	- 28.6	+ 16.0	- 2.2	- 7.8	- 6.5	- 8.3	- 6.3	- 7.4	- 7.8	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.6	- 4.0	- 6.6	- 5.4	+ 2.0	- 5.4	- 6.0	.	.
Demand expectations	- 40.0	+ 29.0	- 0.2	- 8.4	- 1.5	- 8.2	- 7.4	- 6.1	- 6.7	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 11.0	- 11.5	- 11.2	- 13.6	- 8.8	- 10.0	.	.

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

² 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"(-).	1980-2020 ¹			Adjusted series				Smoothed series			
				2019		2020	2019				
	Min.	Max.	Avg.	Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.
Manufacturing industry											
Trend in production rate	- 33.0	+ 20.0	- 0.9	+ 1.3	+ 2.1	- 5.1	- 6.1	- 1.0	- 0.9	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.6	+ 0.8	- 11.2	- 17.2	- 9.1	- 10.7	- 10.9	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.6	+ 3.8	+ 3.8	- 17.8	+ 1.4	- 5.3	- 2.6	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.6	- 22.4	- 22.5	- 24.6	- 17.9	- 21.9	- 22.3	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.0	- 6.9	- 6.3	- 2.8	+ 2.8	- 4.4	- 5.0	.	.
Price expectations	- 24.0	+ 43.0	+ 6.6	- 4.5	- 3.5	- 0.1	+ 4.2	- 0.8	- 2.0	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.0	79.4	-	-	78.6				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 38.0	+ 37.0	+ 10.0	+ 7.5	+ 17.8	+ 3.4	+ 11.7	+ 4.3	+ 5.2	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.2	+ 14.0	+ 2.0	- 0.5	+ 7.3	+ 12.9	+ 9.8	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.6	+ 17.7	+ 16.6	+ 18.5	+ 10.0	+ 14.9	+ 16.0	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 3.7	+ 3.2	- 0.4	+ 1.1	+ 2.9	+ 3.3	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 10.4	+ 3.9	- 2.8	+ 8.5	+ 9.6	+ 10.0	.	.
Building industry											
Trend in activity	- 44.0	+ 34.7	- 4.2	+ 2.2	- 1.2	+ 2.4	+ 7.4	+ 5.1	+ 4.3	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	- 4.3	- 6.0	- 0.6	+ 3.2	- 3.3	- 3.7	.	.
Employment expectations	- 50.0	+ 30.0	- 4.6	+ 6.4	+ 8.6	+ 9.0	+ 9.0	+ 7.5	+ 7.7	.	.
Trend in prices	- 27.1	+ 32.0	- 1.9	+ 3.6	- 0.2	- 1.5	+ 0.4	- 0.3	+ 0.2	.	.
Price expectations	- 20.6	+ 46.0	+ 5.2	+ 8.9	+ 5.7	+ 11.5	+ 6.8	+ 5.0	+ 5.7	.	.
Trade											
Trend in sales	- 47.9	+ 43.0	- 0.4	- 17.4	+ 0.2	- 10.4	- 7.1	- 7.7	- 8.8	.	.
Assessment of sales	- 41.6	+ 28.0	- 9.1	- 14.4	- 7.5	- 11.2	- 7.3	- 11.3	- 12.1	.	.
Assessment of level of stocks ²	- 12.9	+ 32.0	+ 12.1	+ 12.5	+ 11.1	+ 12.1	+ 11.3	+ 12.4	+ 11.8	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	- 11.0	- 9.7	+ 2.9	+ 7.5	- 0.4	- 4.1	.	.
Price expectations	- 11.0	+ 66.2	+ 11.3	+ 4.5	+ 4.8	+ 15.9	+ 13.7	+ 4.5	+ 5.2	.	.

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

² A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season.