

2018-06-22

PRESS RELEASE

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Monthly business survey – June 2018

Slight rise in business confidence in June

- **The business barometer has recovered a little in June**
- **The business climate has firmed up, for the first time in four months, in the manufacturing industry, and, very slightly in business-related services too. By contrast, business confidence has dropped sharply in the building industry and trade**

The renewed confidence in the manufacturing industry stems from a more favourable assessment of stock levels and an upward revision of job prospects.

As for the marginal improvement observed in the business-related services sector, this is based on a slightly brighter appraisal of current activity and more optimistic expectations regarding general market demand.

In the building industry, the drop in the indicator is above all attributable to a sharp contraction in order books, the level of which has also been given a more negative evaluation.

Lastly, in the trade sector, the business cycle remains hesitant. After having picked up last month, retailers' business morale has dropped again in June. They are expecting a reduction in employment and are also considering cutting back their orders with suppliers.

The smoothed overall synthetic curve, which mirrors the underlying economic trend, is still pointing downwards.

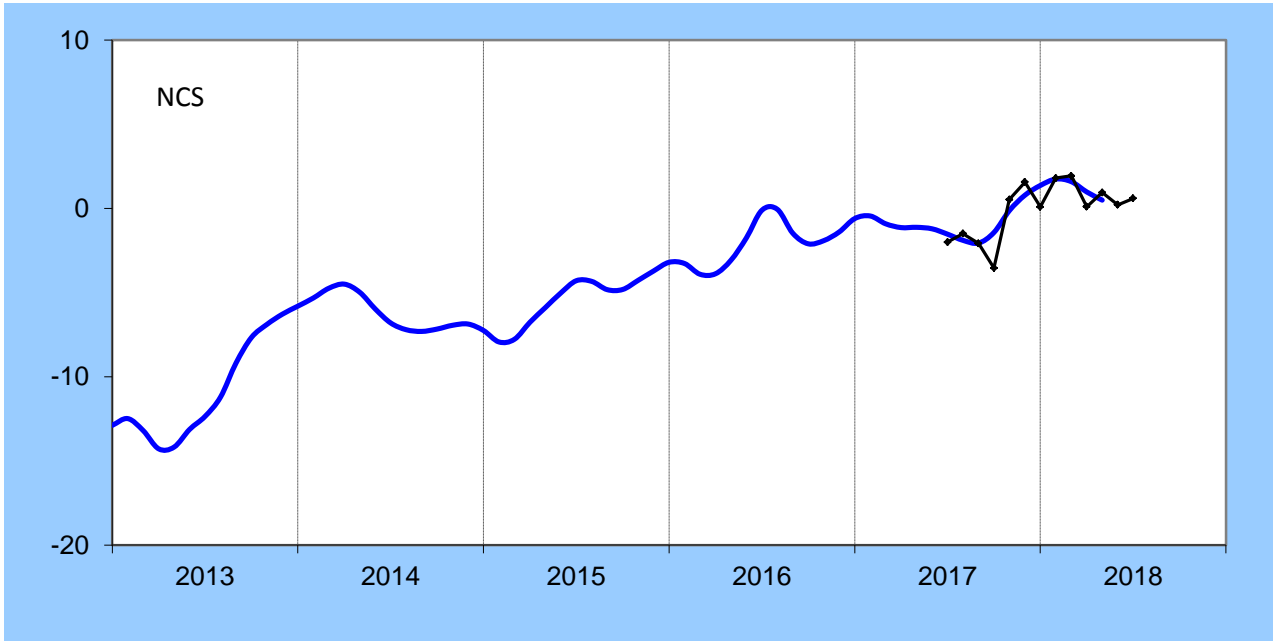
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	May 2018	June 2018	Variation in points	Variation in points
Manufacturing industry	-3.0	-1.4	1.6	-0.3
Business-related services	9.3	9.7	0.4	0.1
Building industry	6.8	3.0	-3.8	0.9
Trade	-5.0	-8.3	-3.3	-0.8
Overall synthetic curve	0.2	0.6	0.4	-0.5

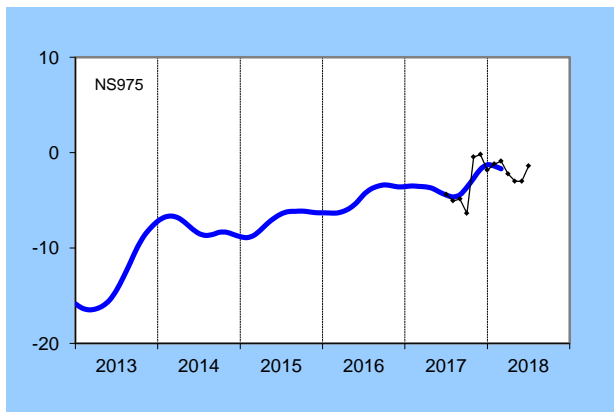
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

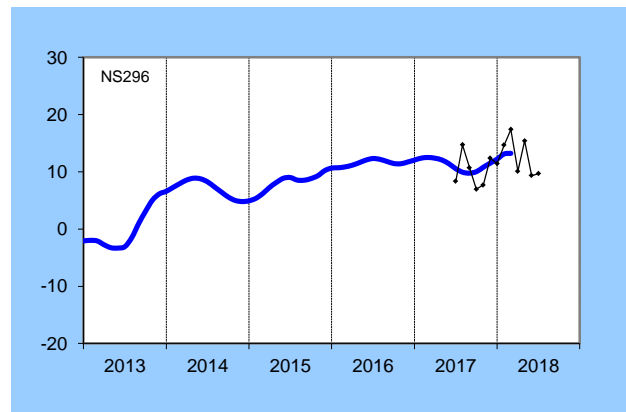
OVERALL SYNTHETIC CURVE



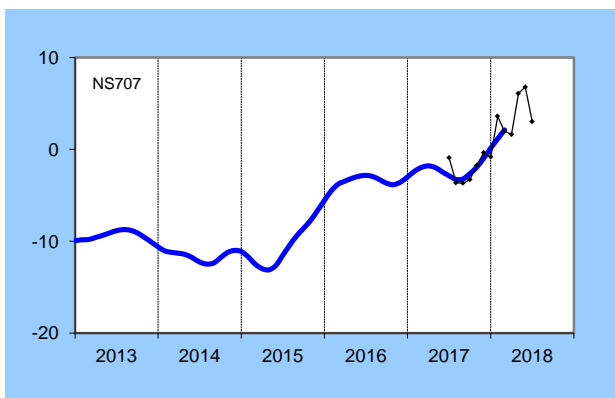
MANUFACTURING INDUSTRY



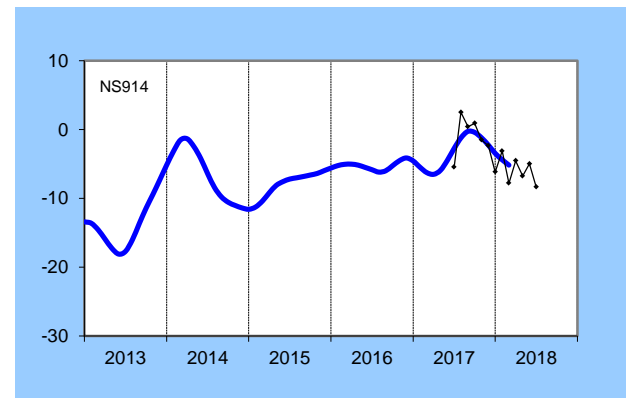
BUSINESS-RELATED SERVICES



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"(-).	1980-2018 ¹			Adjusted series				Smoothed series			
				2018				2018			
	Min.	Max.	Avg.	March	April	May	June	Jan.	Feb.	March	April
Overall synthetic curve	- 31.8	+ 9.2	- 7.2	+ 0.1	+ 1.0	+ 0.2	+ 0.6	+ 1.7	+ 1.6	+ 1.0	+ 0.5
Manufacturing industry curve	- 34.3	+ 6.0	- 10.2	- 2.2	- 3.0	- 3.0	- 1.4	- 1.4	- 1.7	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.4	- 7.0	- 6.5	- 8.4	- 9.0	- 7.1	- 6.8	.	.
Assessment of level of stocks ²	- 12.9	+ 25.0	+ 6.0	- 1.4	+ 5.3	+ 2.7	- 0.2	+ 2.9	+ 2.9	.	.
Employment expectations	- 36.0	+ 8.0	- 8.6	- 6.1	- 2.7	- 4.6	- 0.2	- 0.2	- 1.0	.	.
Demand expectations	- 37.0	+ 15.0	- 4.9	+ 2.8	+ 2.6	+ 3.6	+ 3.5	+ 3.1	+ 3.0	.	.
Business-related services curve	- 41.7	+ 34.0	+ 10.6	+ 10.1	+ 15.4	+ 9.3	+ 9.7	+ 13.1	+ 13.2	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.6	+ 2.0	- 0.9	+ 1.9	+ 2.7	+ 1.1	+ 1.7	.	.
Activity expectations	- 32.0	+ 51.7	+ 23.2	+ 17.3	+ 33.2	+ 17.7	+ 15.4	+ 17.0	+ 17.3	.	.
Market demand expectations	- 43.0	+ 45.0	+ 14.4	+ 11.0	+ 14.0	+ 8.5	+ 11.0	+ 16.3	+ 15.3	.	.
Building industry curve	- 39.0	+ 24.3	- 7.4	+ 1.6	+ 6.1	+ 6.8	+ 3.0	+ 1.2	+ 2.1	.	.
Trend in orders	- 52.0	+ 40.0	- 4.6	+ 1.9	+ 12.4	+ 19.8	+ 7.9	+ 4.6	+ 5.1	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	+ 0.6	+ 4.2	+ 4.6	+ 3.0	+ 0.5	+ 1.3	.	.
Assessment of order books	- 74.0	+ 30.0	- 23.4	+ 0.6	+ 1.6	- 1.0	- 4.5	- 1.0	- 0.2	.	.
Demand expectations	- 39.0	+ 21.0	- 3.2	+ 3.5	+ 6.2	+ 3.9	+ 5.6	+ 2.7	+ 3.5	.	.
Trade curve	- 28.6	+ 16.0	- 2.1	- 4.6	- 6.8	- 5.0	- 8.3	- 4.4	- 5.2	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.8	- 2.7	- 4.8	- 2.9	- 8.7	- 1.1	- 1.9	.	.
Demand expectations	- 40.0	+ 29.0	+ 0.1	- 1.9	- 5.6	- 5.0	- 3.8	- 3.6	- 3.9	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 9.1	- 9.9	- 7.0	- 12.6	- 8.6	- 9.3	.	.

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"(-).	1980-2018 ¹			Adjusted series				Smoothed series			
				2018				2018			
	Min.	Max.	Avg.	March	April	May	June	Jan.	Feb.	March	April
Manufacturing industry											
Trend in production rate	- 33.0	+ 20.0	- 0.8	- 10.9	- 1.7	- 4.6	- 0.9	+ 3.3	+ 1.9	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.8	- 9.4	- 9.1	- 6.2	- 2.8	- 3.3	- 4.4	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.6	- 1.9	- 7.8	+ 7.8	+ 0.5	+ 9.3	+ 7.8	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.8	- 9.5	- 8.0	- 11.1	- 11.4	- 5.2	- 6.0	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.1	+ 11.4	+ 8.0	+ 8.4	+ 4.4	+ 8.5	+ 9.0	.	.
Price expectations	- 24.0	+ 43.0	+ 6.8	+ 11.4	+ 8.2	+ 8.0	+ 5.5	+ 10.6	+ 10.3	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.0	-	80.7	-	-				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 38.0	+ 37.0	+ 10.1	- 0.9	+ 4.8	- 2.9	+ 32.6	+ 12.7	+ 8.5	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.1	+ 21.0	+ 12.7	+ 7.4	+ 14.3	+ 12.7	+ 12.6	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.8	+ 22.3	+ 25.7	+ 17.5	+ 16.8	+ 24.0	+ 24.3	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.8	+ 9.9	+ 5.6	+ 7.0	+ 5.1	+ 6.6	+ 6.9	.	.
Price expectations	- 13.0	+ 30.0	+ 6.5	+ 6.5	+ 10.7	+ 12.5	+ 17.8	+ 13.9	+ 12.7	.	.
Building industry											
Trend in activity	- 44.0	+ 34.7	- 4.6	- 15.4	+ 3.9	+ 15.5	+ 7.1	+ 3.8	+ 4.5	.	.
Trend in employment	- 38.0	+ 22.0	- 5.3	- 0.7	+ 4.7	+ 0.6	+ 5.6	- 1.7	- 0.5	.	.
Employment expectations	- 50.0	+ 30.0	- 5.2	+ 8.1	+ 18.5	+ 10.6	+ 11.5	+ 8.3	+ 8.9	.	.
Trend in prices	- 27.1	+ 32.0	- 2.1	+ 6.8	+ 6.1	+ 4.2	+ 6.2	+ 3.0	+ 4.4	.	.
Price expectations	- 20.6	+ 46.0	+ 5.1	+ 12.9	+ 15.8	+ 8.4	+ 10.4	+ 7.2	+ 8.2	.	.
Trade											
Trend in sales	- 47.9	+ 43.0	- 0.1	- 16.7	- 8.8	- 18.5	- 11.9	- 8.5	- 9.0	.	.
Assessment of sales	- 41.0	+ 28.0	- 9.0	- 9.5	- 12.0	- 23.7	- 12.1	- 15.1	- 14.1	.	.
Assessment of level of stocks ²	- 12.9	+ 32.0	+ 12.1	+ 10.4	+ 14.5	+ 14.3	+ 15.6	+ 10.7	+ 11.8	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 7.1	+ 3.4	+ 5.3	+ 16.2	- 1.1	+ 0.6	.	.
Price expectations	- 11.0	+ 66.2	+ 11.4	+ 12.1	+ 9.7	+ 7.5	+ 13.5	+ 10.3	+ 9.6	.	.

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.