

PRESS RELEASE

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Monthly business survey – April 2023

Business confidence remains virtually stable in April

- **After rising sharply last month, the business confidence indicator held more or less steady this month, despite an uptick in trade and business-related services.**
- **In the manufacturing industry, the indicator fell.**

In the manufacturing industry, business sentiment waned after four consecutive months of improvement. The components of the synthetic indicator moved in opposite directions: the assessment of orders books and employment expectations deteriorated while stock levels were assessed more favourably and the demand outlook recovered slightly.

The business climate in the building industry remained virtually unchanged. Equipment use was less intensive, and the trend in orders worsened. On the other hand, assessment of the latter was more positive and demand expectations strengthened.

Last month, the indicator rose in the business-related services sector, and a further increase this month, while less marked, confirms the restoration of confidence. Both the assessment of activity levels and market demand expectations improved. However, business leaders maintained their assessment of future activity levels.

The strongest increase in the indicator was noted in trade. This month's improvement was widespread across all surveyed sectors. Employment expectations and intentions of placing orders were revised upwards while demand expectations were slightly downgraded.

The overall smoothed synthetic curve, which reflects the underlying economic trend, continues to point upwards.

Finally, the seasonally adjusted capacity utilisation rate in the manufacturing industry reached 77.7% in April, compared to 75.3% in January, reflecting the cyclical upturn observed in this sector during the first quarter.

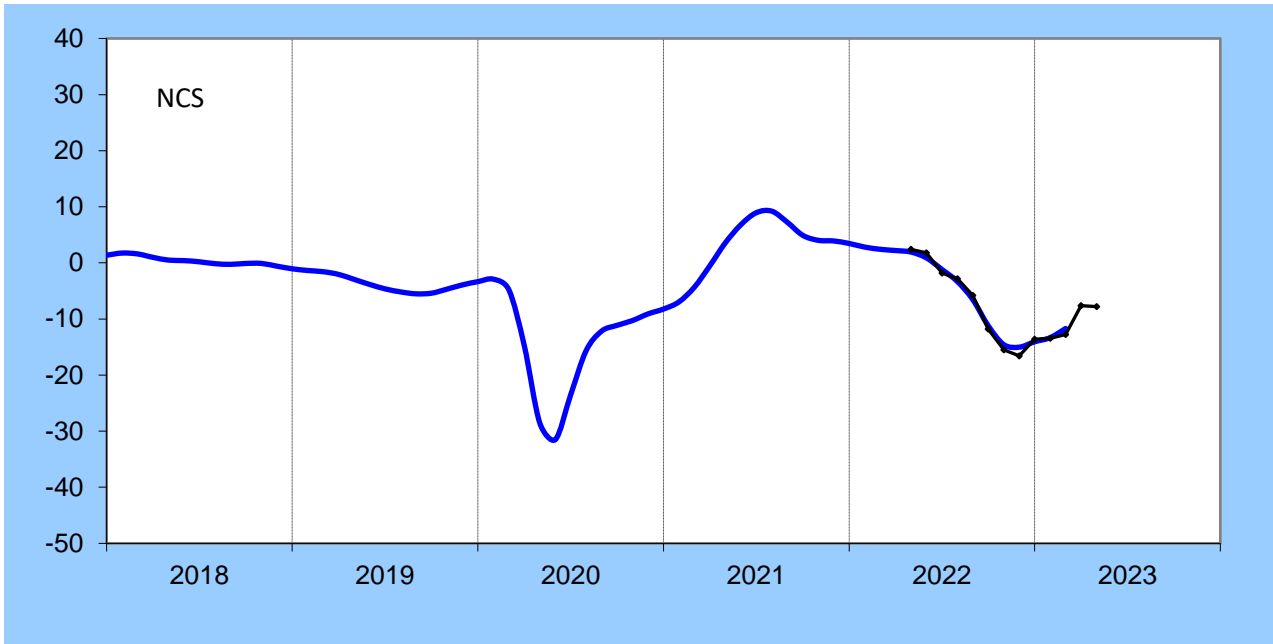
Business survey indicators

| | Gross synthetic curve | | | Smoothed synthetic curve ¹ |
|--------------------------------|-----------------------|---------------|------------------------|---------------------------------------|
| | March 2023 | April 2023 | Variation in points | Variation in Points |
| Manufacturing industry | -10.8 | -12.1 | -1.3 | 0.0 |
| Business-related services | 8.4 | 11.4 | 3.0 | -0.8 |
| Building industry | -5.0 | -5.4 | -0.4 | 0.1 |
| Trade | -21.6 | -15.9 | 5.7 | 1.2 |
| Overall synthetic curve | -7.6 | -7.8 | -0.2 | 1.6 |

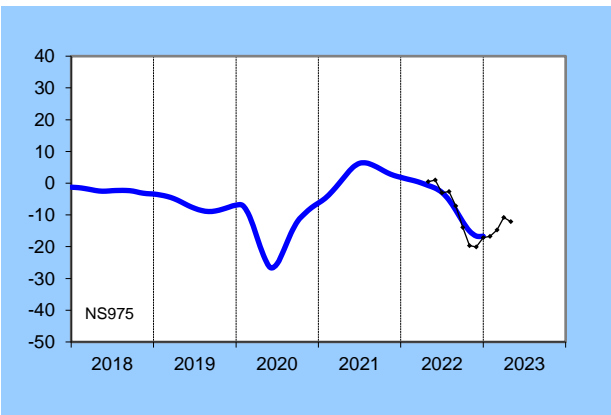
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

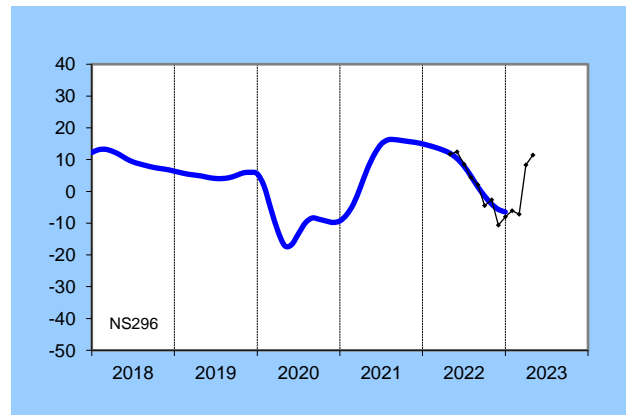
OVERALL SYNTHETIC CURVE



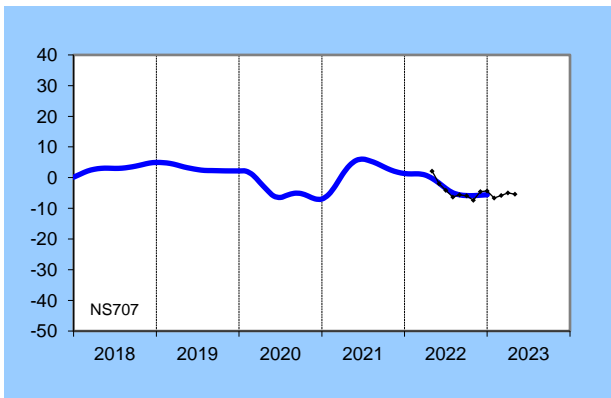
MANUFACTURING INDUSTRY



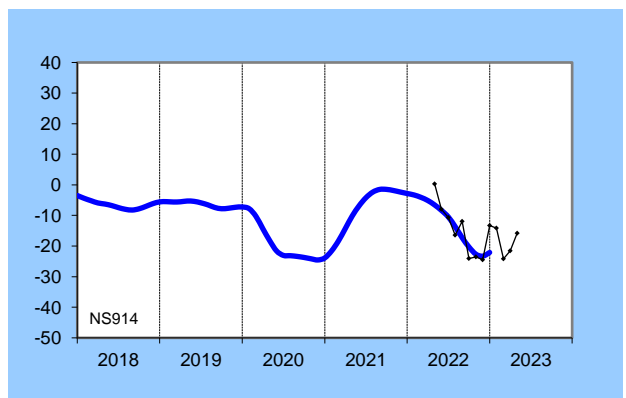
BUSINESS-RELATED SERVICES



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"(-). | Since 1990 | | | Adjusted series | | | | Smoothed series | | | |
|---|-------------------|-------------------|-------------------|-----------------|-------|-------|-------|-----------------|-------|-------|-------|
| | Min. ¹ | Max. ¹ | Avg. ² | 2023 | | | | 2022 - 2023 | | | |
| | | | | Jan | Feb | Mar | Apr | Nov | Dec | Jan | Feb |
| Overall synthetic curve | -36.1 | +10.1 | -5.2 | -13.5 | -12.8 | -7.6 | -7.8 | -15.0 | -14.1 | -13.3 | -11.7 |
| Manufacturing industry curve | -36.0 | +10.0 | -8.6 | -16.7 | -14.8 | -10.8 | -12.1 | -16.7 | -16.7 | . | . |
| Assessment of total order books | -57.7 | +10.0 | -19.2 | -33.9 | -32.6 | -26.0 | -30.9 | -27.1 | -28.7 | . | . |
| Assessment of level of stocks ³ | -19.0 | +25.0 | +4.7 | +14.8 | +10.6 | +9.8 | +7.8 | +14.0 | +13.9 | . | . |
| Employment expectations | -41.4 | +11.5 | -7.1 | -8.2 | -7.4 | +0.4 | -2.4 | -8.3 | -8.5 | . | . |
| Demand expectations | -37.9 | +15.0 | -3.2 | -10.0 | -8.4 | -8.0 | -7.5 | -16.7 | -14.6 | . | . |
| Business-related services curve | -62.1 | +34.0 | +9.2 | -6.1 | -7.2 | +8.4 | +11.4 | -5.7 | -6.5 | . | . |
| Assessment of activity | -71.6 | +20.0 | -6.4 | -11.3 | -20.0 | -17.9 | -12.8 | -10.6 | -11.9 | . | . |
| Activity expectations | -70.7 | +47.0 | +21.2 | -4.0 | -1.2 | +27.4 | +27.5 | -1.5 | -2.6 | . | . |
| Market demand expectations | -59.9 | +44.0 | +12.7 | -2.9 | -0.5 | +15.6 | +19.5 | -6.7 | -5.6 | . | . |
| Building industry curve | -24.3 | +24.3 | -3.3 | -6.6 | -5.8 | -5.0 | -5.4 | -5.7 | -5.6 | . | . |
| Trend in orders | -30.1 | +33.0 | -0.1 | +0.1 | -2.4 | -0.0 | -2.3 | -1.6 | -0.5 | . | . |
| Trend in equipment | -38.4 | +24.0 | +1.6 | -1.1 | +1.6 | +0.5 | -4.1 | -1.4 | -0.7 | . | . |
| Assessment of order books | -50.0 | +30.0 | -14.5 | -3.1 | -2.4 | -5.1 | -3.0 | -1.2 | -1.9 | . | . |
| Demand expectations | -26.0 | +18.0 | -0.4 | -22.3 | -20.0 | -15.4 | -12.1 | -19.1 | -19.0 | . | . |
| Trade curve | -41.8 | +16.0 | -3.6 | -14.2 | -24.2 | -21.6 | -15.9 | -23.3 | -22.1 | . | . |
| Employment expectations | -33.0 | +18.0 | +1.1 | -12.6 | -8.8 | -11.8 | -2.3 | -7.2 | -9.3 | . | . |
| Demand expectations | -56.0 | +29.0 | -3.1 | -6.8 | -34.4 | -21.6 | -22.9 | -33.1 | -29.7 | . | . |
| Intentions of placing orders | -40.1 | +15.0 | -8.7 | -23.1 | -29.4 | -31.4 | -22.4 | -29.9 | -28.9 | . | . |

¹ Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

² Average of each indicator (raw series) from January 1990 until end 2022.

³ A positive or negative balance, as the case may be, means that stock levels, according to the assessment of business leaders, are higher or lower, respectively, than normal for the season. When calculating the synthetic curve, 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"(-). | Since 1990 | | | Adjusted series | | | | Smoothed series | | | |
|---|-------------------|-------------------|-------------------|-----------------|--------|--------|--------|-----------------|--------|-----|-----|
| | | | | 2023 | | | | 2022 - 2023 | | | |
| | Min. ¹ | Max. ¹ | Avg. ² | Jan | Feb | Mar | Apr | Nov | Dec | Jan | Feb |
| Manufacturing industry | | | | | | | | | | | |
| Trend in production rate | - 53.0 | + 20.0 | - 1.1 | - 7.5 | + 4.3 | - 0.9 | + 0.3 | - 6.7 | - 4.7 | . | . |
| Trend in domestic orders | - 48.7 | + 16.0 | - 7.4 | - 13.2 | - 10.2 | - 16.8 | - 18.2 | - 14.4 | - 13.9 | . | . |
| Trend in export orders | - 56.3 | + 30.0 | - 2.6 | - 8.2 | - 5.3 | - 0.8 | - 10.9 | - 9.9 | - 7.8 | . | . |
| Assessment of export order books | - 61.0 | + 10.0 | - 20.1 | - 33.9 | - 30.7 | - 27.9 | - 28.8 | - 26.9 | - 27.6 | . | . |
| Trend in prices | - 21.0 | + 34.3 | + 0.3 | + 2.5 | + 4.4 | + 3.7 | + 1.2 | + 10.4 | + 7.8 | . | . |
| Price expectations | - 24.0 | + 54.2 | + 4.4 | + 17.0 | + 13.0 | + 9.1 | + 6.1 | + 26.3 | + 22.9 | . | . |
| Production capacity | | | | | | | | | | | |
| (in percentage of the total production capacity) | 70.1 | 84.6 | 79.6 | 75.3 | - | - | 77.7 | | | | |
| Source: quarterly production capacity survey | | | | | | | | | | | |
| Business-related services | | | | | | | | | | | |
| Trend in activity | - 73.0 | + 37.0 | + 9.4 | + 2.3 | + 9.2 | + 9.3 | + 2.9 | + 6.5 | + 7.3 | . | . |
| Trend in employment | - 49.4 | + 34.0 | + 6.5 | + 5.6 | + 19.8 | + 4.9 | + 20.1 | + 6.9 | + 7.1 | . | . |
| Employment expectations | - 35.0 | + 48.0 | + 17.8 | + 26.1 | + 13.7 | + 30.0 | + 25.8 | + 23.3 | + 23.4 | . | . |
| Trend in prices | - 15.8 | + 25.6 | + 2.3 | + 5.3 | + 25.6 | + 11.8 | + 1.4 | + 10.8 | + 9.9 | . | . |
| Price expectations | - 13.0 | + 46.9 | + 7.9 | + 36.9 | + 29.5 | + 25.1 | + 23.8 | + 36.7 | + 36.0 | . | . |
| Building industry | | | | | | | | | | | |
| Trend in activity | - 66.6 | + 34.7 | - 1.7 | + 2.1 | + 3.3 | + 0.5 | - 9.1 | + 2.5 | + 2.8 | . | . |
| Trend in employment | - 27.0 | + 22.0 | - 3.1 | + 2.6 | - 1.1 | - 0.5 | - 7.8 | + 0.9 | + 0.6 | . | . |
| Employment expectations | - 31.0 | + 30.0 | + 1.0 | + 4.5 | + 9.7 | + 15.6 | + 15.3 | + 8.1 | + 8.7 | . | . |
| Trend in prices | - 27.1 | + 52.8 | - 2.0 | + 38.8 | + 34.3 | + 22.8 | + 22.6 | + 39.0 | + 38.2 | . | . |
| Price expectations | - 20.6 | + 64.0 | + 3.8 | + 49.7 | + 42.2 | + 41.4 | + 31.9 | + 53.0 | + 51.2 | . | . |
| Trade | | | | | | | | | | | |
| Trend in sales | - 50.1 | + 43.0 | - 2.0 | + 5.8 | + 9.2 | - 9.4 | + 5.0 | - 0.3 | + 1.0 | . | . |
| Assessment of sales | - 50.0 | + 28.0 | - 8.6 | - 5.9 | - 5.6 | - 9.0 | + 1.5 | - 10.7 | - 8.7 | . | . |
| Assessment of level of stocks ³ | - 17.1 | + 38.1 | + 10.9 | + 11.1 | + 5.8 | + 10.2 | + 11.1 | + 2.4 | + 5.4 | . | . |
| Trend in prices | - 23.5 | + 55.3 | + 0.1 | + 40.0 | + 22.7 | + 28.7 | + 24.7 | + 41.6 | + 39.3 | . | . |
| Price expectations | - 14.2 | + 69.5 | + 7.3 | + 50.6 | + 44.5 | + 44.3 | + 40.6 | + 53.1 | + 50.4 | . | . |

¹ Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

² Average of each indicator (raw series) from January 1990 until end 2022.

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