

PRESS RELEASE

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Monthly business survey – September 2023

Business confidence picks up slightly in September

- **The slight upturn masks contrasting sector-specific developments: a clear improvement in business-related services, near stabilisation in the manufacturing industry, a decline in trade, and an even more pronounced dip in the building industry.**

The sharp fall in the indicator in the business-related services sector witnessed since the summer has been halted, giving way to a clear upswing. All underlying components have improved, particularly activity expectations, which have been revised significantly upwards following last month's downturn.

For the second month running, business sentiment in the manufacturing industry held virtually stable due to diverging developments across the various components. This month, business leaders were more optimistic about employment expectations but more cautious about demand expectations and expressed more concern about current levels of both stock and order books.

In the trade sector, the deterioration in demand expectations offset last month's improvement. Intentions of placing orders with suppliers also fell, while employment expectations remained virtually unchanged. All in all, the indicator contracted.

Lastly, the most marked loss of confidence this month was seen in the building industry, which had already posted a decline in August. All components contributed to this downward trend, with the exception of demand expectations, which held up despite the prevailing gloom.

Influenced by the negative results of recent months, the smoothed synthetic curve, which reflects the underlying economic trend, continues to fall.

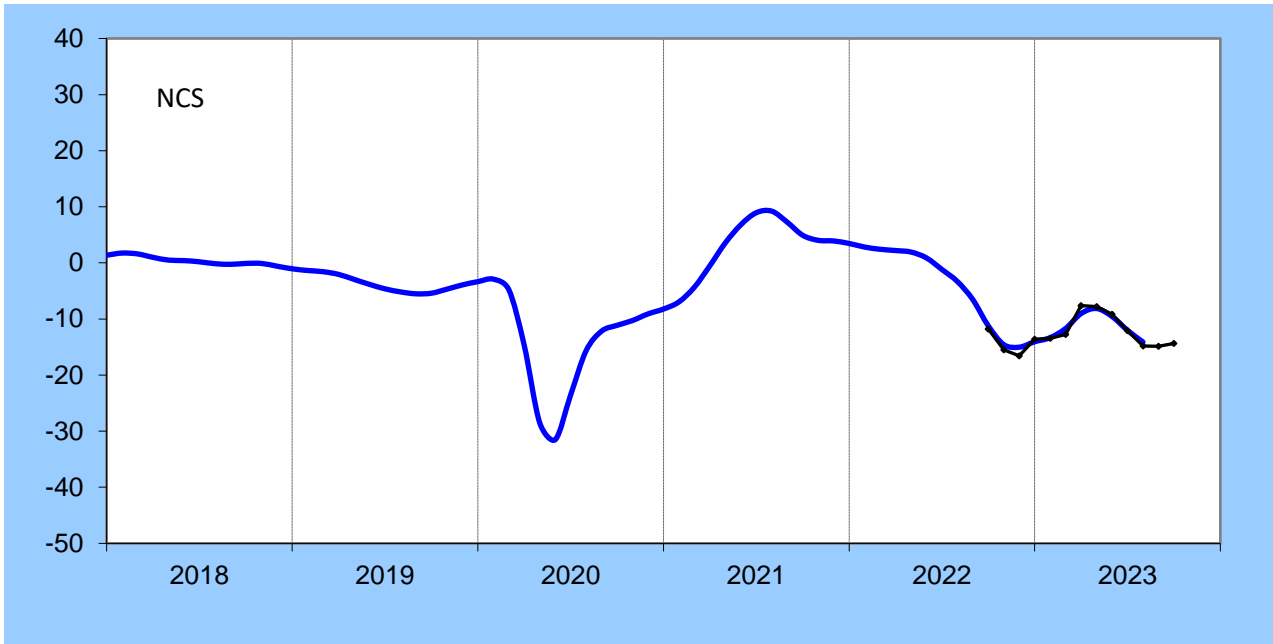
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	August 2023	September 2023	Variation in points	Variation in Points
Manufacturing industry	-18.0	-17.9	0.1	-0.6
Business-related services	-9.0	-0.9	8.1	-0.9
Building industry	-7.2	-11.7	-4.5	-0.2
Trade	-14.8	-16.7	-1.9	0.2
Overall synthetic curve	-14.9	-14.4	0.5	-2.1

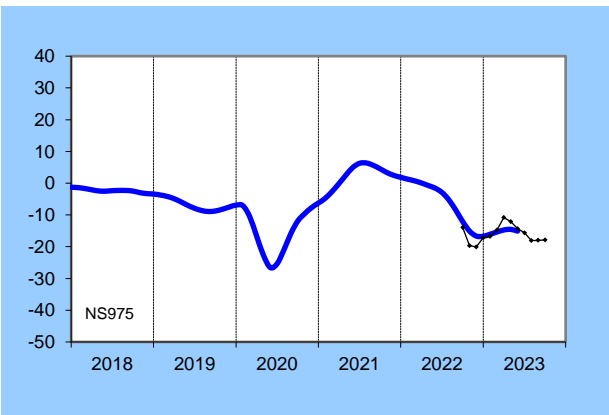
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

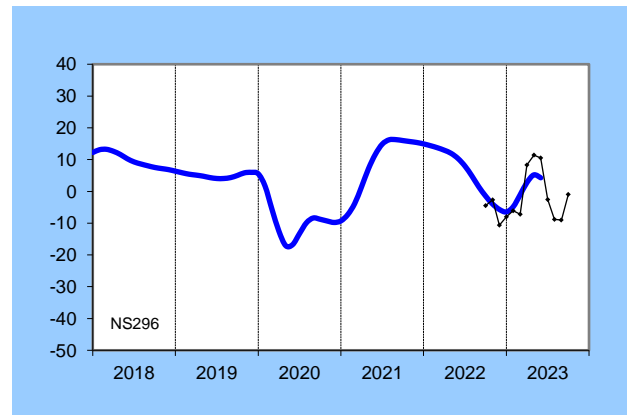
OVERALL SYNTHETIC CURVE



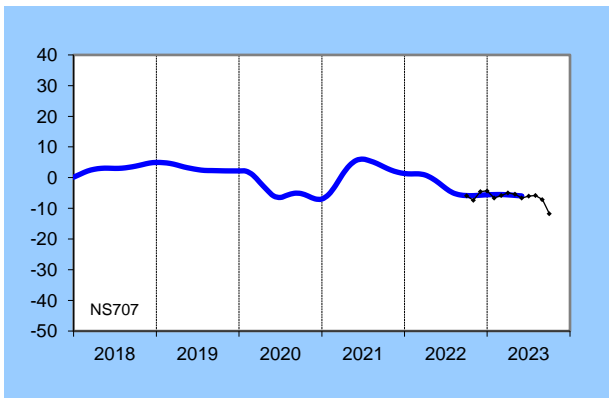
MANUFACTURING INDUSTRY



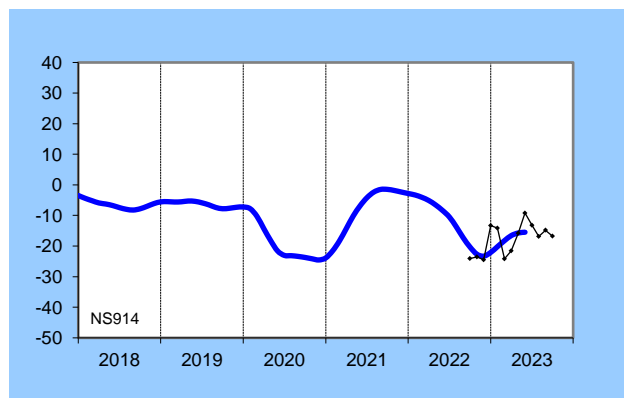
BUSINESS-RELATED SERVICES



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				2023			
				Jun	Jul	Aug	Sep	Apr	May	Jun	Jul
Overall synthetic curve	-36.1	+10.1	-5.2	-12.1	-14.8	-14.9	-14.4	-8.1	-9.6	-12.0	-14.1
Manufacturing industry curve	-36.0	+10.0	-8.6	-15.6	-18.1	-18.0	-17.9	-14.5	-15.1	.	.
Assessment of total order books	-57.7	+10.0	-19.2	-32.6	-33.1	-35.6	-36.3	-31.2	-31.6	.	.
Assessment of level of stocks ³	-19.0	+25.0	+4.7	+8.6	+7.6	+8.0	+9.1	+8.8	+8.3	.	.
Employment expectations	-41.4	+11.5	-7.1	-7.6	-13.2	-13.8	-9.8	-6.9	-7.3	.	.
Demand expectations	-37.9	+15.0	-3.2	-13.4	-18.4	-14.6	-16.3	-10.5	-12.2	.	.
Business-related services curve	-62.1	+34.0	+9.2	-2.5	-8.8	-9.0	-0.9	+5.2	+4.3	.	.
Assessment of activity	-71.6	+20.0	-6.4	-15.7	-20.7	-12.8	-11.2	-14.3	-14.3	.	.
Activity expectations	-70.7	+47.0	+21.2	+2.2	+2.2	-7.6	+11.5	+17.8	+15.6	.	.
Market demand expectations	-59.9	+44.0	+12.7	+5.9	-8.1	-6.7	-3.0	+12.3	+10.8	.	.
Building industry curve	-24.3	+24.3	-3.3	-6.0	-5.8	-7.2	-11.7	-5.8	-6.0	.	.
Trend in orders	-30.1	+33.0	-0.1	-7.0	-5.0	-2.6	-12.3	-3.1	-4.3	.	.
Trend in equipment	-38.4	+24.0	+1.6	-1.4	-0.3	-1.2	-7.2	-1.1	-1.4	.	.
Assessment of order books	-50.0	+30.0	-14.5	-3.7	-5.8	-8.1	-10.6	-3.4	-3.8	.	.
Demand expectations	-26.0	+18.0	-0.4	-11.8	-12.2	-17.0	-16.8	-13.8	-12.6	.	.
Trade curve	-41.8	+16.0	-3.6	-13.2	-16.8	-14.8	-16.7	-15.7	-15.5	.	.
Employment expectations	-33.0	+18.0	+1.1	-4.1	-6.6	-8.2	-8.0	-6.3	-5.0	.	.
Demand expectations	-56.0	+29.0	-3.1	-10.6	-19.7	-16.6	-21.5	-20.5	-19.2	.	.
Intentions of placing orders	-40.1	+15.0	-8.7	-24.8	-24.2	-19.6	-20.5	-23.7	-23.6	.	.

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				2023			
	Min. ¹	Max. ¹	Avg. ²	Jun	Jul	Aug	Sep	Apr	May	Jun	Jul
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 1.1	+ 1.3	- 9.9	- 19.2	- 4.6	- 1.6	- 4.0	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.4	- 15.3	- 18.6	- 16.9	- 16.4	- 15.9	- 16.4	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.6	- 6.2	- 14.1	- 19.9	- 11.7	- 6.3	- 7.8	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.1	- 30.3	- 29.8	- 35.1	- 35.5	- 29.7	- 29.9	.	.
Trend in prices	- 21.0	+ 34.3	+ 0.3	- 5.7	- 7.6	- 8.0	- 8.8	- 0.1	- 2.6	.	.
Price expectations	- 24.0	+ 54.2	+ 4.4	- 9.0	- 10.5	- 10.1	- 9.0	+ 3.3	- 1.7	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.6	-	75.3	-	-				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.4	- 3.7	- 2.3	- 6.8	+ 7.6	+ 6.2	+ 3.3	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.5	+ 0.2	- 0.5	- 15.3	- 0.3	+ 5.8	+ 3.5	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.8	+ 15.1	+ 11.6	+ 5.5	+ 21.8	+ 23.5	+ 20.8	.	.
Trend in prices	- 15.8	+ 25.6	+ 2.3	+ 4.2	+ 4.7	+ 4.4	+ 3.2	+ 6.9	+ 6.0	.	.
Price expectations	- 13.0	+ 46.9	+ 7.9	+ 13.8	+ 11.4	+ 11.5	+ 7.3	+ 24.2	+ 20.4	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 1.7	- 4.9	- 2.8	- 0.2	- 7.4	- 2.7	- 4.2	.	.
Trend in employment	- 27.0	+ 22.0	- 3.1	- 8.8	- 9.8	- 4.0	- 0.3	- 3.4	- 4.7	.	.
Employment expectations	- 31.0	+ 30.0	+ 1.0	+ 4.3	+ 4.9	+ 3.6	- 0.6	+ 10.3	+ 8.7	.	.
Trend in prices	- 27.1	+ 52.8	- 2.0	+ 11.0	+ 10.4	+ 10.6	+ 6.7	+ 20.9	+ 16.4	.	.
Price expectations	- 20.6	+ 64.0	+ 3.8	+ 16.6	+ 15.4	+ 20.1	+ 3.9	+ 31.6	+ 25.7	.	.
Trade											
Trend in sales	- 50.1	+ 43.0	- 2.0	- 2.0	+ 22.2	+ 2.7	+ 6.4	+ 5.0	+ 5.0	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.6	- 8.3	- 0.7	- 1.5	- 5.1	- 6.5	- 5.9	.	.
Assessment of level of stocks ³	- 17.1	+ 38.1	+ 10.9	+ 18.6	+ 12.8	+ 24.5	+ 23.1	+ 12.3	+ 14.4	.	.
Trend in prices	- 23.5	+ 55.3	+ 0.1	+ 23.2	+ 13.9	+ 9.2	+ 4.3	+ 24.0	+ 21.8	.	.
Price expectations	- 14.2	+ 69.5	+ 7.3	+ 24.5	+ 22.4	+ 19.0	+ 7.7	+ 37.7	+ 32.4	.	.

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