

## PRESS RELEASE

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### Monthly business survey – January 2024

## Business confidence weakens in January

- **The downturn observed at the start of the year almost completely cancels out the improvement recorded in the last two months of 2023.**
- **All sectors of activity, apart from trade, are contributing to the decline.**

In the business-related services sector, the pessimism of business leaders was reflected in every component of the indicator, particularly with respect to expectations of activity levels which had risen sharply the month before.

In the manufacturing industry, the erosion of confidence was the result of worsening expectations in terms of demand and, to a lesser extent, employment. Order book assessments were also revised downwards, while stock levels were appraised more favourably, closer to normal levels.

Business leaders were also more cautious in the building industry, taking a more negative view of recent equipment use and order book trends. However, the level of the latter was judged slightly more positively, given the season.

The trade sector bucked the trend seen in other sectors, with confidence on the rise under the influence of growing demand and employment expectations, partially offset by a worsening outlook for orders with suppliers.

As an indicator of the underlying economic trend, the overall smoothed synthetic curve remained virtually unchanged.

Lastly, the results of the quarterly survey on manufacturing production capacity showed that the capacity utilisation rate has stabilised. Adjusted for seasonal variations, this rate remained at 74.4% between October 2023 and January 2024.

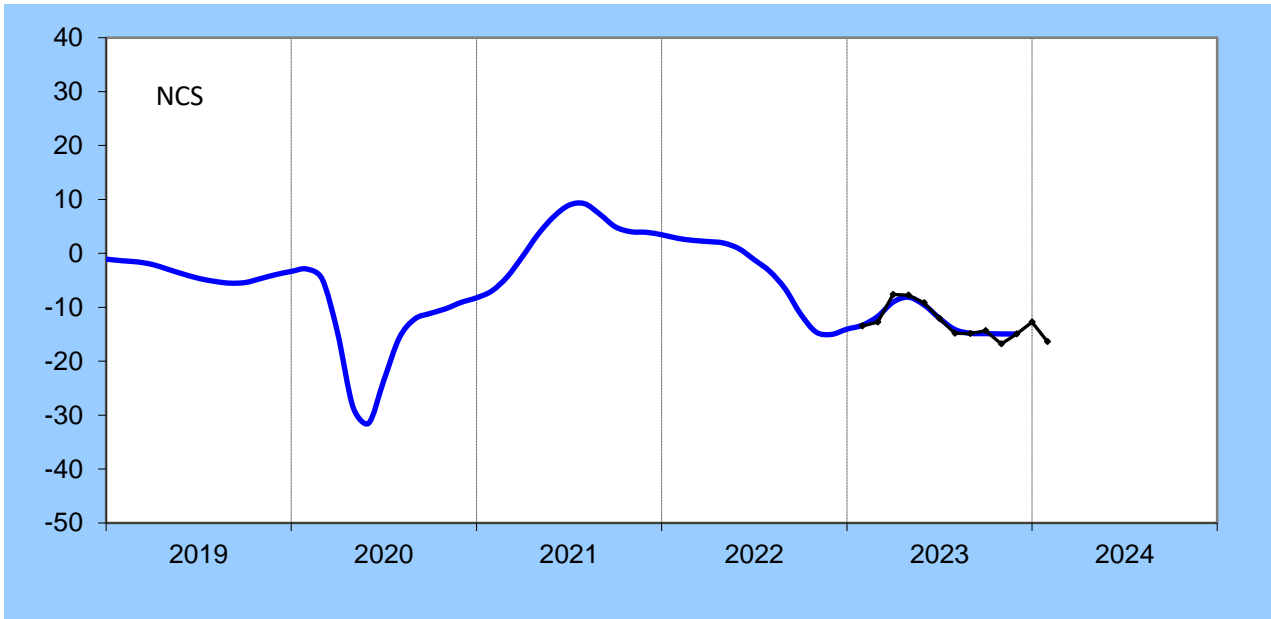
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	December 2023	January 2024	Variation in points	Variation in Points
Manufacturing industry	-17.8	-22.0	-4.2	-0.3
Business-related services	9.8	4.6	-5.2	0.8
Building industry	-11.3	-12.8	-1.5	-1.5
Trade	-19.5	-17.8	1.7	-0.6
<b>Overall synthetic curve</b>	<b>-12.7</b>	<b>-16.4</b>	<b>-3.7</b>	<b>-0.1</b>

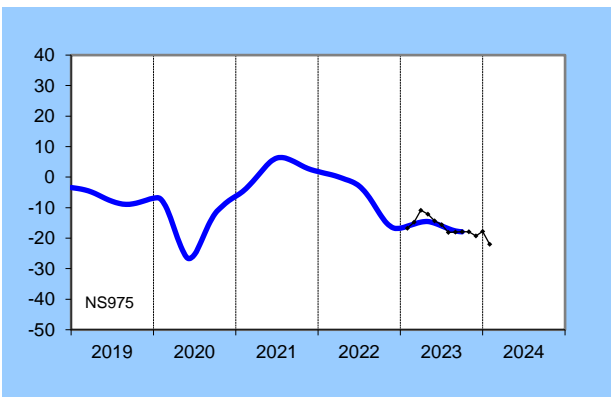
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the sectors. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per sector.

Source: NBB.

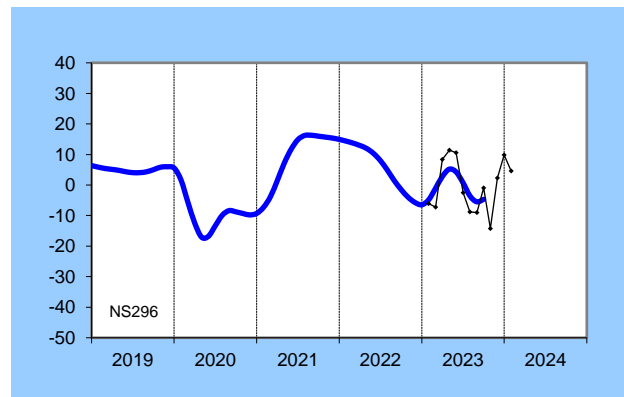
OVERALL SYNTHETIC CURVE



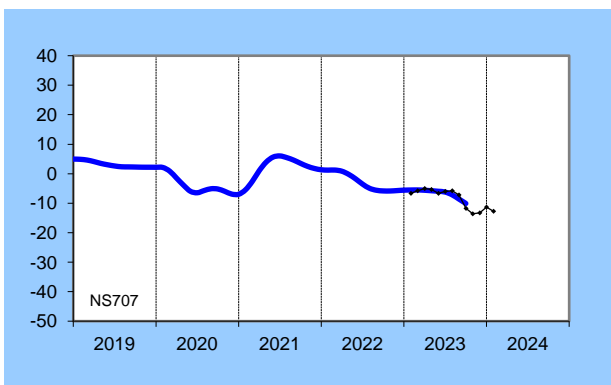
MANUFACTURING INDUSTRY



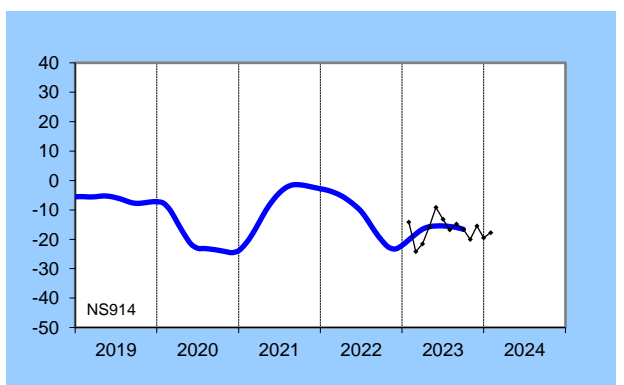
BUSINESS-RELATED SERVICES



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. <sup>1</sup>	Max. <sup>1</sup>	Avg. <sup>2</sup>	Oct	Nov	Dec	Jan	2023			
								Aug	Sep	Oct	Nov
<b>Overall synthetic curve</b>	-36.1	+10.1	-5.4	-16.8	-15.0	-12.7	-16.4	-14.8	-14.9	-14.9	-15.0
<b>Manufacturing industry curve</b>	-36.0	+10.0	-8.8	-17.9	-19.3	-17.8	-22.0	-17.6	-17.9	.	.
Assessment of total order books	-57.7	+10.0	-19.7	-36.6	-39.8	-38.6	-44.5	-34.9	-36.1	.	.
Assessment of level of stocks <sup>3</sup>	-19.0	+25.0	+4.9	+7.2	+10.7	+5.9	+2.7	+7.9	+7.9	.	.
Employment expectations	-41.4	+11.5	-7.2	-15.5	-13.9	-13.0	-17.3	-11.9	-13.2	.	.
Demand expectations	-37.9	+15.0	-3.5	-12.3	-12.7	-13.5	-23.4	-14.8	-14.4	.	.
<b>Business-related services curve</b>	-62.1	+34.0	+8.8	-14.2	+2.3	+9.8	+4.6	-5.5	-4.7	.	.
Assessment of activity	-71.6	+20.0	-6.7	-31.0	-1.8	-3.3	-5.5	-13.3	-12.2	.	.
Activity expectations	-70.7	+47.0	+20.8	-3.0	+5.3	+23.1	+14.1	+2.6	+4.2	.	.
Market demand expectations	-59.9	+44.0	+12.4	-8.6	+3.5	+9.6	+5.3	-3.7	-4.0	.	.
<b>Building industry curve</b>	-24.3	+24.3	-3.5	-13.6	-13.3	-11.3	-12.8	-8.6	-10.1	.	.
Trend in orders	-30.1	+33.0	-0.3	-13.7	-10.6	-9.8	-13.5	-8.1	-9.5	.	.
Trend in equipment	-38.4	+24.0	+1.5	-8.4	-5.4	-3.7	-7.1	-2.9	-4.1	.	.
Assessment of order books	-50.0	+30.0	-14.3	-12.4	-12.5	-10.7	-9.1	-7.9	-9.4	.	.
Demand expectations	-26.0	+18.0	-0.9	-19.8	-24.7	-21.2	-21.4	-15.5	-17.6	.	.
<b>Trade curve</b>	-41.8	+16.0	-4.0	-20.1	-15.5	-19.5	-17.8	-16.0	-16.6	.	.
Employment expectations	-33.0	+18.0	+0.8	-12.1	-8.4	-12.2	-9.2	-7.3	-8.2	.	.
Demand expectations	-56.0	+29.0	-3.6	-26.6	-12.2	-22.5	-15.4	-18.8	-20.0	.	.
Intentions of placing orders	-40.1	+15.0	-9.1	-21.6	-25.8	-23.8	-28.7	-22.0	-22.0	.	.

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

<sup>2</sup> Average of each indicator (raw series) from January 1990 until end 2023.

<sup>3</sup> 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 - 2024				2023			
	Min. <sup>1</sup>	Max. <sup>1</sup>	Avg. <sup>2</sup>	Oct	Nov	Dec	Jan	Aug	Sep	Oct	Nov
<b>Manufacturing industry</b>											
Trend in production rate	- 53.0	+ 20.0	- 1.2	- 6.6	- 4.5	- 7.3	- 18.9	- 7.8	- 7.0	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.7	- 19.4	- 14.7	- 10.6	- 15.8	- 16.7	- 16.6	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.8	- 10.3	- 20.3	- 11.7	- 16.6	- 12.2	- 12.3	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.5	- 36.5	- 43.0	- 40.9	- 45.2	- 33.5	- 35.7	.	.
Trend in prices	- 21.0	+ 34.3	+ 0.2	- 7.2	- 9.3	- 4.3	- 4.6	- 7.5	- 7.7	.	.
Price expectations	- 24.0	+ 54.2	+ 4.3	+ 0.5	- 3.4	- 3.8	- 4.9	- 8.4	- 7.1	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	79.5	74.4	-	-	74.4				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 73.0	+ 37.0	+ 9.2	+ 3.5	+ 1.4	+ 2.6	+ 5.7	- 0.7	+ 0.6	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.4	- 0.3	- 6.0	+ 4.0	+ 4.0	- 0.3	- 0.4	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.8	+ 12.3	+ 22.2	+ 24.4	+ 20.5	+ 14.6	+ 16.2	.	.
Trend in prices	- 15.8	+ 25.6	+ 2.4	- 0.0	- 0.8	+ 1.5	+ 0.5	+ 3.7	+ 2.8	.	.
Price expectations	- 13.0	+ 46.9	+ 8.3	+ 6.1	+ 12.2	+ 16.8	+ 17.6	+ 11.7	+ 11.5	.	.
<b>Building industry</b>											
Trend in activity	- 66.6	+ 34.7	- 1.7	- 12.1	- 10.3	- 7.7	- 4.8	- 5.9	- 6.6	.	.
Trend in employment	- 27.0	+ 22.0	- 3.0	- 0.0	+ 0.7	+ 0.1	- 0.7	- 3.0	- 1.6	.	.
Employment expectations	- 31.0	+ 30.0	+ 1.1	- 4.7	- 2.4	- 2.2	- 4.3	+ 2.2	+ 0.4	.	.
Trend in prices	- 27.1	+ 52.8	- 1.5	+ 5.8	+ 3.6	+ 8.1	+ 2.0	+ 9.1	+ 8.0	.	.
Price expectations	- 20.6	+ 64.0	+ 4.3	+ 0.2	- 0.7	+ 3.3	+ 0.5	+ 11.9	+ 7.8	.	.
<b>Trade</b>											
Trend in sales	- 50.1	+ 43.0	- 1.8	- 8.3	- 2.7	+ 9.4	+ 1.7	+ 3.6	+ 2.9	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.6	- 13.7	- 15.4	- 11.0	- 30.7	- 5.4	- 7.6	.	.
Assessment of level of stocks <sup>3</sup>	- 17.1	+ 38.1	+ 11.0	+ 26.9	+ 20.2	+ 19.1	+ 14.0	+ 21.5	+ 22.2	.	.
Trend in prices	- 23.5	+ 55.3	+ 0.6	- 2.4	- 1.5	+ 18.9	+ 6.6	+ 10.1	+ 6.8	.	.
Price expectations	- 14.2	+ 69.5	+ 7.8	+ 20.5	+ 0.2	+ 16.3	+ 8.6	+ 20.6	+ 17.8	.	.

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

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