

PRESS RELEASE

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Monthly business survey – July 2024

Business confidence weakens in July

- **After several months of near stability, the business confidence indicator dropped to a level close to that recorded in February.**
- **The downturn was most pronounced in the manufacturing industry and in business-related services. A downswing was also seen in the indicator for trade, albeit to a lesser degree. In contrast, confidence in the business climate improved in the building industry.**
- **The capacity utilisation rate in the manufacturing industry rose slightly.**

In the manufacturing industry, business leaders were more negative in their assessments of the current level of total order books, and also assessed stock levels less favourably. Moreover, their employment expectations worsened again, after having risen robustly last month. Conversely, demand expectations improved significantly this month.

In business-related services, there was a gloomier assessment of current activity in contrast to last month, with business leaders exhibiting much more caution regarding their activity expectations.

In trade, more pessimism concerning suppliers' intentions to place orders and worsened demand expectations were partly offset by a significant improvement in employment expectations.

In the building industry, the modest rise recorded this month was mainly due to a sharp improvement in the assessment of order books, even though the trend in orders was assessed more negatively for the current season.

The overall synthetic smoothed curve, which reflects the underlying economic trend, is leaning towards a stabilisation.

Finally, the results of the quarterly manufacturing capacity survey point to a slight increase in the capacity utilisation rate quarter-on-quarter. The seasonally adjusted capacity utilisation rate thus rose from 73.8% in April to 74.2% in July.

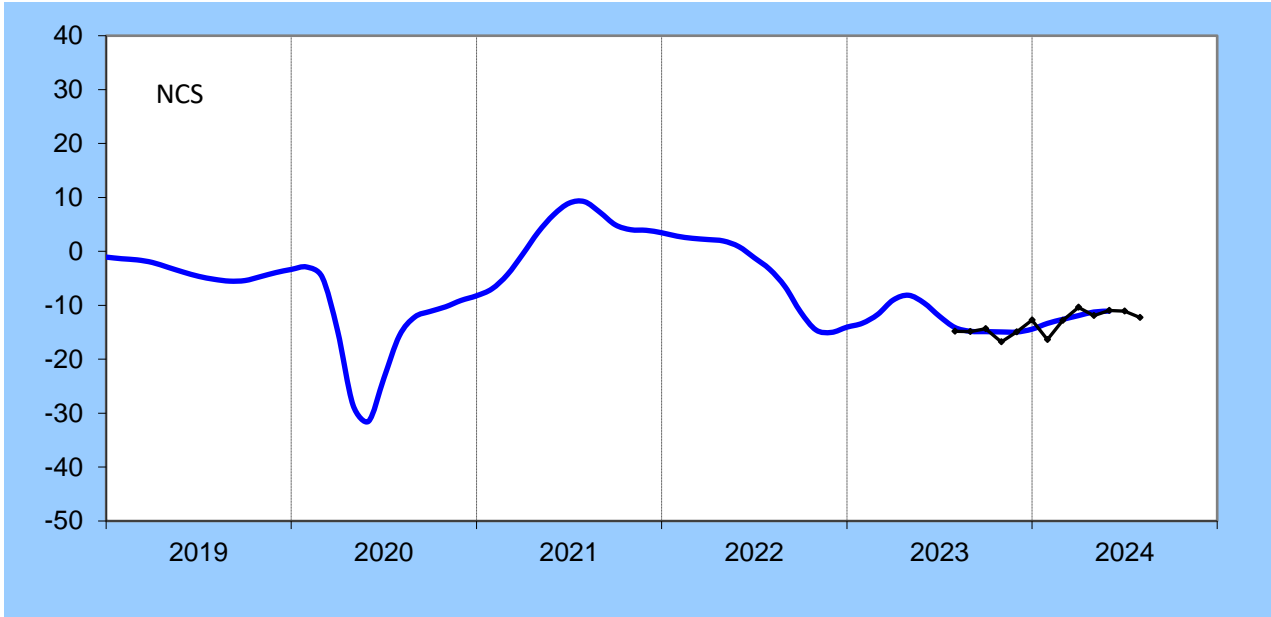
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	June 2024	July 2024	Variation in points	Variation in Points
Manufacturing industry	-13.1	-14.9	-1.8	1.1
Business-related services	1.4	0.0	-1.4	-0.6
Building industry	-11.4	-9.6	1.8	0.5
Trade	-21.5	-22.2	-0.7	-0.1
Overall synthetic curve	-11.1	-12.3	-1.2	0.1

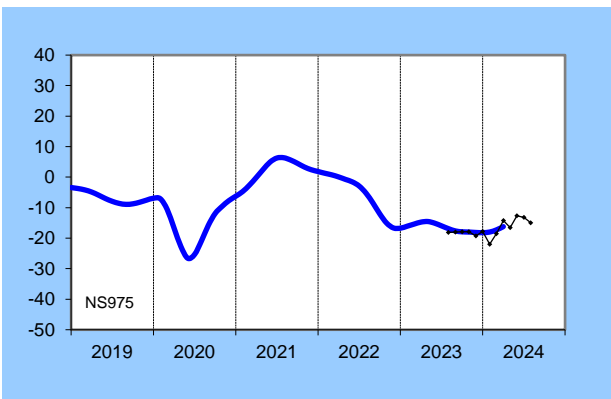
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the sectors. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per sector.

Source: NBB.

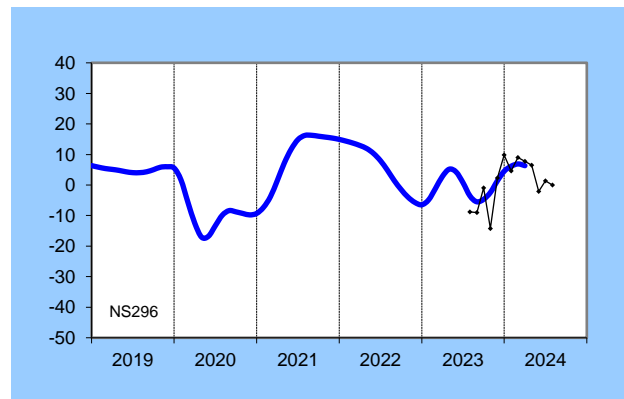
OVERALL SYNTHETIC CURVE



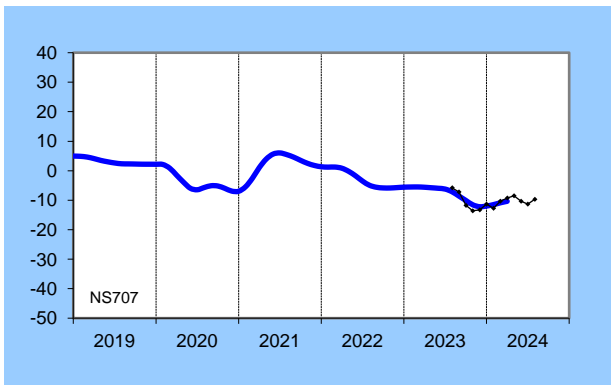
MANUFACTURING INDUSTRY



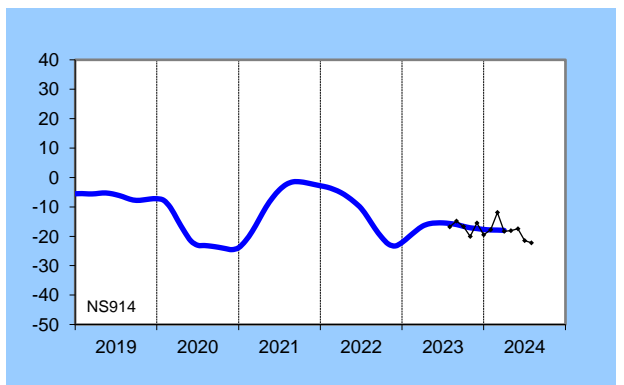
BUSINESS-RELATED SERVICES



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. ¹	Max. ¹	Avg. ²	2024				2024			
				Apr	May	Jun	Jul	Feb	Mar	Apr	May
Overall synthetic curve	-36.1	+10.1	-5.4	-11.9	-11.0	-11.1	-12.3	-12.6	-11.9	-11.2	-11.1
Manufacturing industry curve	-36.0	+10.0	-8.8	-16.5	-12.7	-13.1	-14.9	-17.3	-16.2	.	.
Assessment of total order books	-57.7	+10.0	-19.7	-38.8	-32.1	-32.9	-37.3	-39.5	-39.0	.	.
Assessment of level of stocks ³	-19.0	+25.0	+4.9	+1.0	+0.4	+1.7	+5.3	+1.8	+0.9	.	.
Employment expectations	-41.4	+11.5	-7.2	-11.5	-8.1	-3.2	-6.2	-12.8	-11.4	.	.
Demand expectations	-37.9	+15.0	-3.5	-14.8	-10.1	-14.8	-11.0	-14.3	-14.1	.	.
Business-related services curve	-62.1	+34.0	+8.8	+6.5	-2.1	+1.4	+0.0	+6.9	+6.3	.	.
Assessment of activity	-71.6	+20.0	-6.7	-7.8	-3.2	-0.2	-3.3	-4.3	-4.3	.	.
Activity expectations	-70.7	+47.0	+20.8	+18.3	+0.5	+4.6	+0.9	+17.7	+16.5	.	.
Market demand expectations	-59.9	+44.0	+12.4	+9.0	-3.6	-0.2	+2.4	+8.6	+8.2	.	.
Building industry curve	-24.3	+24.3	-3.5	-8.5	-10.3	-11.4	-9.6	-10.9	-10.4	.	.
Trend in orders	-30.1	+33.0	-0.3	-4.2	-6.3	-10.5	-5.4	-7.8	-6.8	.	.
Trend in equipment	-38.4	+24.0	+1.5	-3.3	-6.6	-1.1	+0.2	-6.0	-5.6	.	.
Assessment of order books	-50.0	+30.0	-14.3	-11.2	-15.4	-18.3	-19.6	-9.6	-10.5	.	.
Demand expectations	-26.0	+18.0	-0.9	-15.3	-13.0	-15.6	-13.8	-19.2	-17.8	.	.
Trade curve	-41.8	+16.0	-4.0	-18.1	-17.4	-21.5	-22.2	-17.9	-18.0	.	.
Employment expectations	-33.0	+18.0	+0.8	-4.9	-2.3	-12.9	-4.3	-9.4	-8.8	.	.
Demand expectations	-56.0	+29.0	-3.6	-26.3	-28.5	-26.5	-30.3	-20.0	-22.7	.	.
Forecasts of orders to suppliers	-40.1	+15.0	-9.1	-22.9	-21.4	-25.2	-32.0	-22.9	-22.5	.	.

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 2023.

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			
				2024				2024			
	Min. ¹	Max. ¹	Avg. ²	Apr	May	Jun	Jul	Feb	Mar	Apr	May
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 1.2	- 10.9	- 3.2	- 2.0	- 1.3	- 8.2	- 7.0	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.7	- 8.5	- 6.7	- 19.0	- 19.9	- 11.4	- 10.4	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.8	- 12.0	- 0.2	- 4.6	- 3.5	- 13.7	- 11.5	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.5	- 36.0	- 30.6	- 30.8	- 33.1	- 42.7	- 40.5	.	.
Trend in prices	- 21.0	+ 34.3	+ 0.2	- 4.5	- 3.5	- 3.3	+ 0.6	- 6.0	- 5.0	.	.
Price expectations	- 24.0	+ 54.2	+ 4.3	+ 0.8	+ 3.4	+ 7.3	+ 7.3	- 2.4	- 0.9	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.5	73.8	-	-	74.2				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.2	- 11.2	+ 15.6	+ 7.7	- 2.0	+ 6.4	+ 7.2	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.4	- 2.4	+ 9.2	+ 6.5	- 5.2	+ 4.3	+ 3.8	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.8	+ 18.1	+ 17.3	+ 10.6	+ 13.9	+ 18.9	+ 18.1	.	.
Trend in prices	- 15.8	+ 25.6	+ 2.4	- 5.5	+ 7.7	- 0.9	+ 6.4	+ 2.0	+ 2.6	.	.
Price expectations	- 13.0	+ 46.9	+ 8.3	+ 14.9	+ 13.5	+ 16.3	+ 11.4	+ 16.3	+ 15.9	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 1.7	- 8.2	- 4.8	- 5.6	+ 0.4	- 5.5	- 5.1	.	.
Trend in employment	- 27.0	+ 22.0	- 3.0	+ 2.3	+ 3.4	- 9.5	- 5.2	+ 0.4	+ 0.6	.	.
Employment expectations	- 31.0	+ 30.0	+ 1.1	+ 1.0	- 0.0	+ 1.3	- 2.2	- 2.4	- 1.5	.	.
Trend in prices	- 27.1	+ 52.8	- 1.5	- 0.9	+ 1.7	- 1.3	- 1.0	+ 2.4	+ 1.5	.	.
Price expectations	- 20.6	+ 64.0	+ 4.3	+ 6.4	+ 7.9	- 1.8	- 4.3	+ 5.1	+ 6.3	.	.
Trade											
Trend in sales	- 50.1	+ 43.0	- 1.8	- 15.0	- 20.2	- 25.1	- 27.7	- 2.1	- 6.4	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.6	- 24.5	- 22.6	- 28.2	- 44.9	- 18.7	- 20.7	.	.
Assessment of level of stocks ³	- 17.1	+ 38.1	+ 11.0	+ 27.6	+ 24.9	+ 18.5	+ 19.8	+ 23.2	+ 24.4	.	.
Trend in prices	- 23.5	+ 55.3	+ 0.6	+ 7.2	- 1.9	- 8.3	+ 2.3	+ 3.6	+ 3.2	.	.
Price expectations	- 14.2	+ 69.5	+ 7.8	+ 13.6	+ 21.0	+ 12.0	+ 11.4	+ 13.0	+ 12.9	.	.

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