

Business tendency in manufacturing, construction, trade and services – April 2020

Impact of coronavirus SARS-CoV-2 pandemic on business tendency – assessment and expectations (Annex)

22.04.2020

General business climate indicator and its components in the last six months

↓ -44,2
General business climate indicator for manufacturing (NSA)

In April business tendency is assessed as the worst since the beginning of surveys in presented kinds of activities.

The most significant decrease is reported by entities operating in the field of accommodation and food service activities. The least significant deterioration is indicated by companies from two sections – financial and insurance activities as well as information and communication.

There are reported large declines of “diagnostic” components, but even larger for “prognostic” ones. It means that percentage of entrepreneurs expecting worsening of the economic situation of their entities in the next three months significantly outweighs the percentage of entrepreneurs expecting its improvement or stabilisation¹. In accommodation and food service activities section both components have dropped significantly.

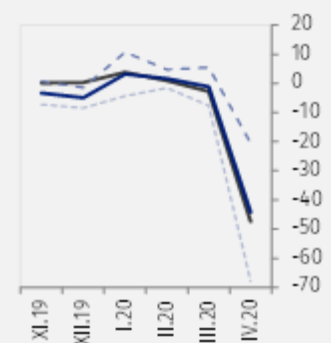
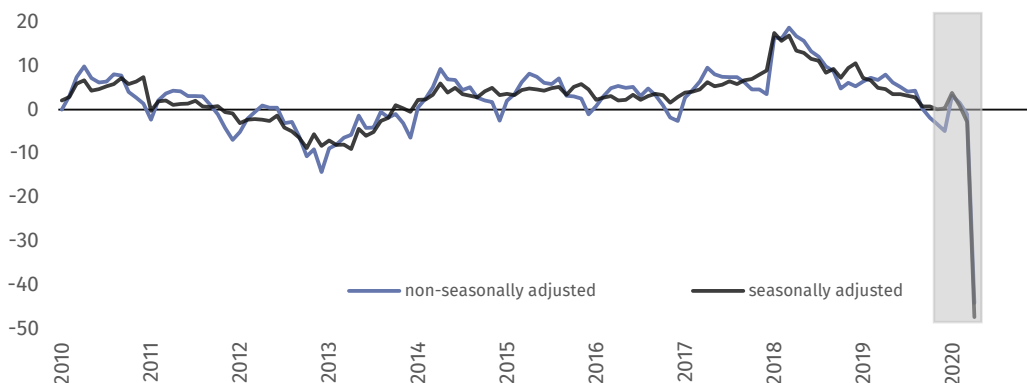
In the current month (answers provided between 1 and 10 April) supplementary set of questions has been added. This particular set aims to additionally diagnose the impact of coronavirus SARS-CoV-2 pandemic on business tendency. It contains questions on how big this impact on economic situation is, what are the changes in orders placed with suppliers or orders placed by clients, what is the access to employees, investment plans etc.

- seasonally adjusted indicator (SA)
- non-seasonally adjusted indicator (NSA)
- - - "diagnostic" component (NSA)
- · · "forecast" component (NSA)



Manufacturing – general business climate indicator (graph 1)

In April general business climate indicator (NSA) takes the value minus 44.2. The most pessimistic assessments are made by producers of leather and related products, furniture as well as wearing apparel, whereas the least pessimistic ones – manufacturers of pharmaceutical products.

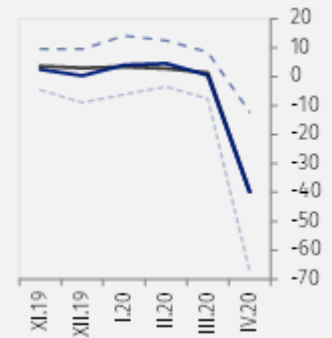
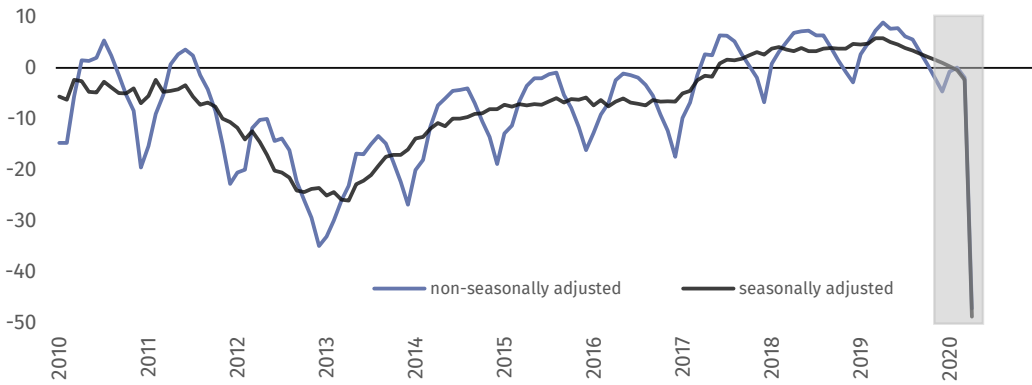


¹ Such a construction of indicators is typical for business tendency surveys (BTS) conducted with use of business tendency test method. It also means that changes of BTS indicators cannot be related to the scale of change of production, revenues or other variables for the company. Interpretation of survey results has to take into account its methodology and character.



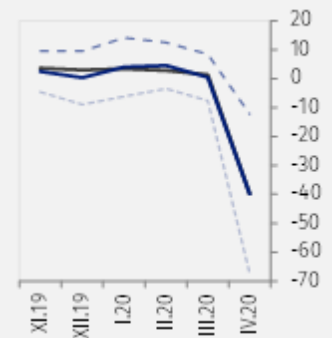
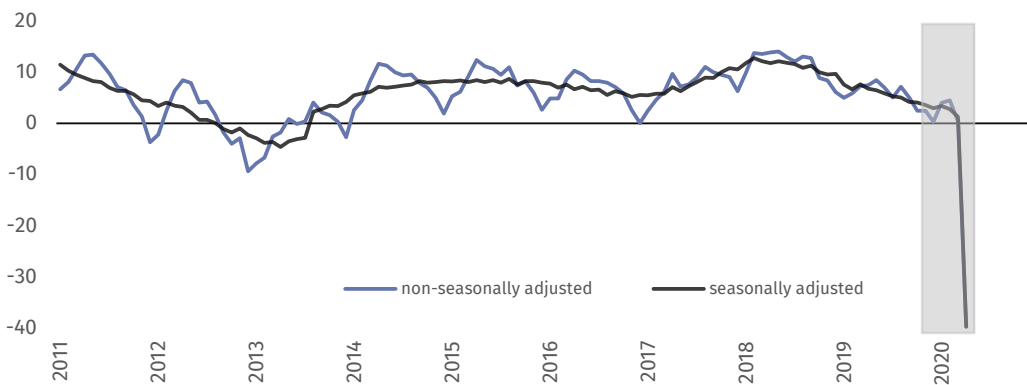
Construction – general business climate indicator (graph 2)

In the current month general business climate indicator (NSA) takes the value minus 47.1. The most pessimistic assessments are made by firms employing up to 49 persons, whereas the least pessimistic ones – companies with 250 or more persons employed.



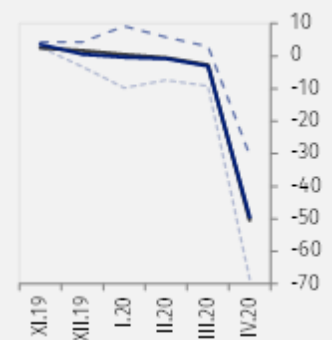
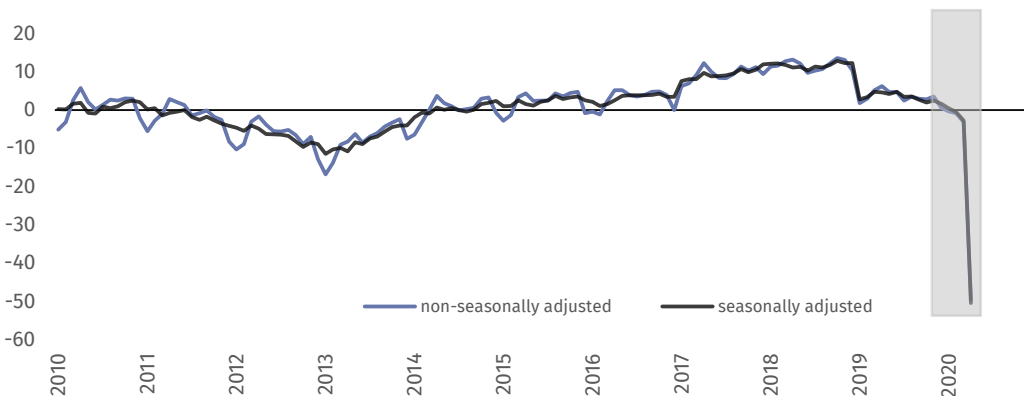
Wholesale trade – general business climate indicator (graph 3)

In April general business climate indicator (NSA) takes the value minus 39.8, the lowest ever noticed (starting from January 2011). The most pessimistic assessments are made by the smallest entities (up to 9 persons employed), whereas the least pessimistic ones – companies with 250 and more persons employed.



Retail trade – general business climate indicator (graph 4)

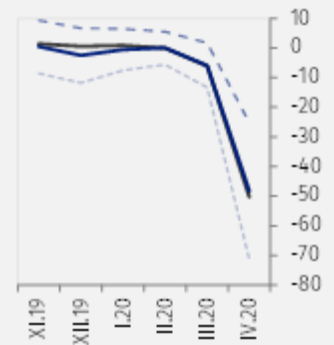
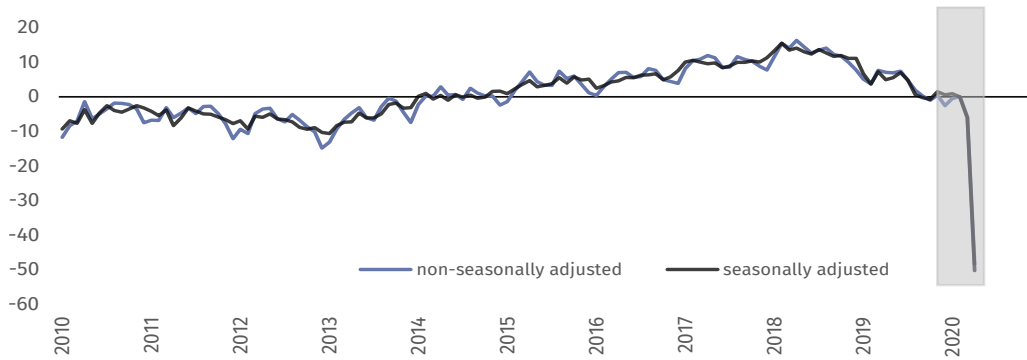
In the current month general business climate indicator (NSA) takes the value minus 49.5. The most pessimistic assessments are made by firms selling clothing and footwear, whereas the least pessimistic ones – food trading units.





Transportation and storage – general business climate indicator (graph 5)

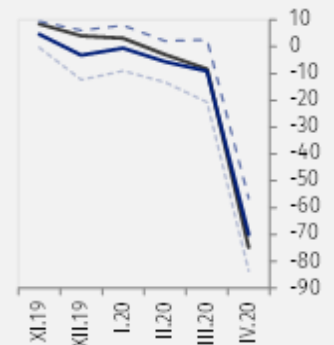
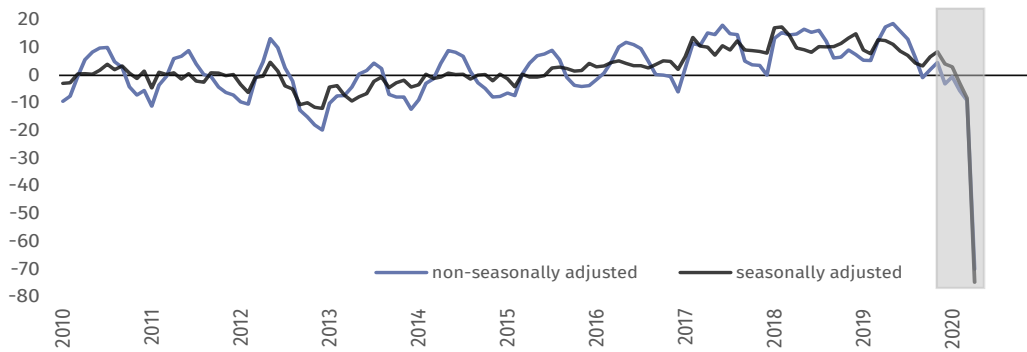
In April general business climate indicator (NSA) takes the value minus 48.3. The most pessimistic assessments are made by entities with up to 49 persons employed.



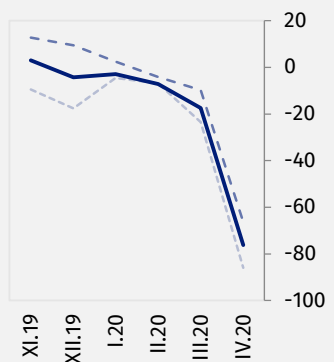
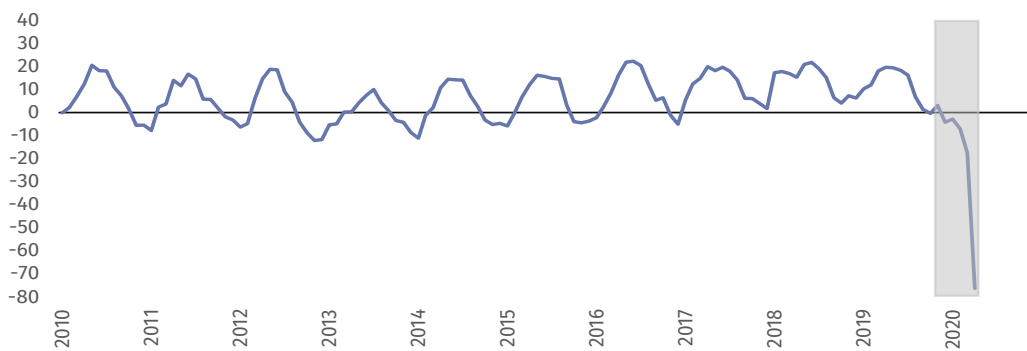
Accommodation and catering – general business climate indicator (graph 6)



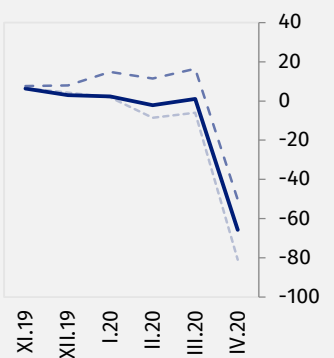
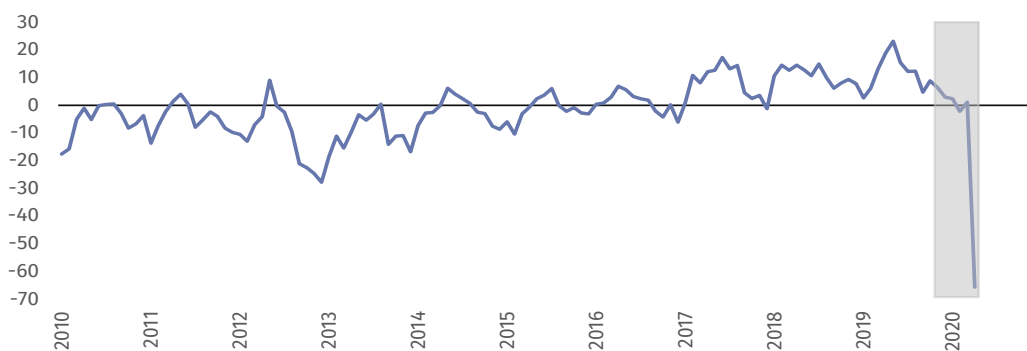
In the current month general business climate indicator (NSA) takes the value minus 70.0. Entities operating in accommodation assess business tendency more pessimistically (minus 76.2) than the ones of catering (minus 65.7).



Accommodation (graph 6a)



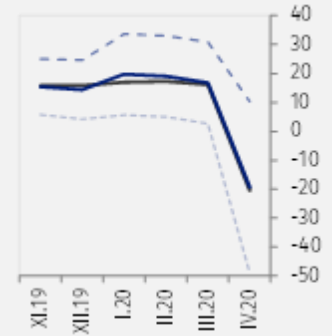
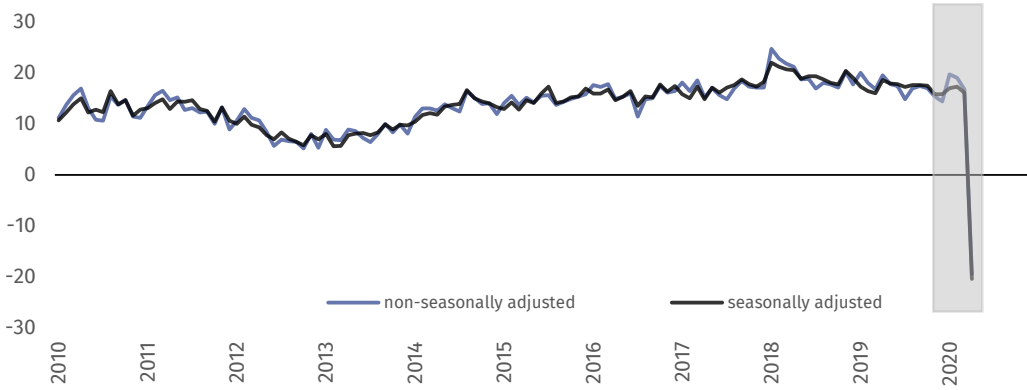
Catering (graph 6b)





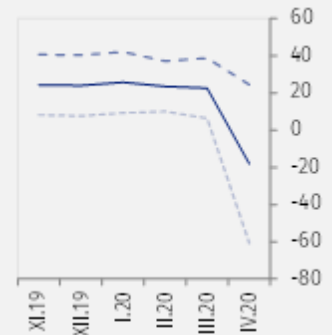
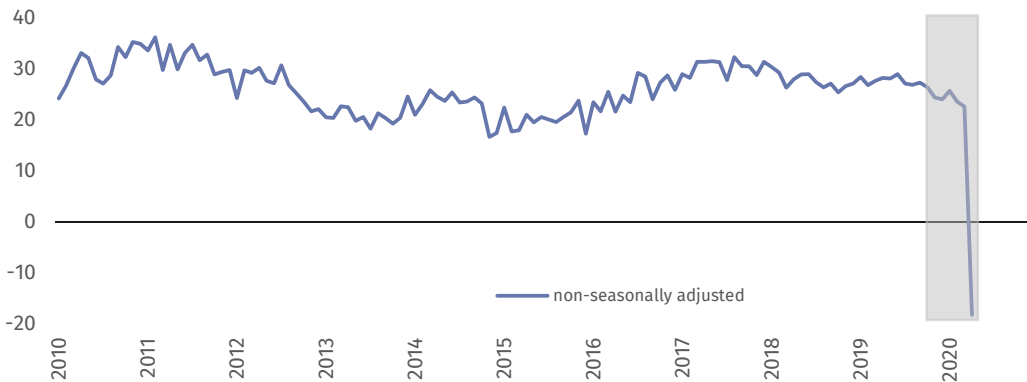
Information and communication – general business climate indicator (graph 7)

In April general business climate indicator (NSA) takes the value minus 19.4 – first negative one ever noticed. The least pessimistic assessments are made by entities dealing with television programming and broadcasting activities, whereas the most pessimistic ones – those of motion picture, video and television programme distribution activities.











Financial and insurance activities – general business climate indicator (graph 8)²

In the current month general business climate indicator (NSA) takes the value minus 18.6 and is negative for the first time. The most pessimistic assessments are made by entities dealing with financial service activities, except insurance and pension funding.



² Time series does not require to be seasonally adjusted. Non-seasonally adjusted data can be analyzed and interpreted in the same way as seasonally adjusted data.

Table 1. Business climate indicators by kind of activity

	SPECIFICATION	Analogous month of the previous year	Previous month	Current month	Long-term average
	seasonally adjusted indicator (SA)	4,8	-2,8	-47,4	3,6
	non-seasonally adjusted indicator (NSA)	8,0	-1,1	-44,2	3,6
	“diagnostic” component (NSA)	4,5	5,5	-20,5	-0,6
	“forecasting” component (NSA)	11,4	-7,6	-67,9	7,9
	seasonally adjusted indicator (SA)	5,8	-2,3	-48,7	-1,3
	non-seasonally adjusted indicator (NSA)	8,9	-1,9	-47,1	-1,3
	“diagnostic” component (NSA)	6,7	1,8	-26,0	-5,4
	“forecasting” component (NSA)	11,1	-5,5	-68,1	2,8
	seasonally adjusted indicator (SA)	6,8	1,3	-39,8	5,6
	non-seasonally adjusted indicator (NSA)	7,5	0,4	-39,8	5,6
	“diagnostic” component (NSA)	9,9	8,4	-12,2	10,0
	“forecasting” component (NSA)	5,0	-7,6	-67,4	1,1
	seasonally adjusted indicator (SA)	4,5	-2,7	-50,4	-3,6
	non-seasonally adjusted indicator (NSA)	6,3	-3,1	-49,5	-3,6
	“diagnostic” component (NSA)	6,6	3,0	-30,4	-3,4
	“forecasting” component (NSA)	5,9	-9,2	-68,6	-3,8
	seasonally adjusted indicator (SA)	5,0	-6,1	-50,2	0,4
	non-seasonally adjusted indicator (NSA)	7,1	-5,8	-48,3	0,4
	“diagnostic” component (NSA)	11,6	1,8	-25,2	0,9
	“forecasting” component (NSA)	2,5	-13,3	-71,3	-0,2
	seasonally adjusted indicator (SA)	12,5	-8,1	-74,8	2,7
	non-seasonally adjusted indicator (NSA)	17,5	-9,1	-70,0	2,6
	“diagnostic” component (NSA)	9,8	2,6	-56,5	1,0
	“forecasting” component (NSA)	25,1	-20,7	-83,5	4,3
	seasonally adjusted indicator (SA)	18,5	16,1	-20,4	19,7
	non-seasonally adjusted indicator (NSA)	19,5	16,8	-19,4	19,7
	“diagnostic” component (NSA)	33,5	30,9	10,3	26,3
	“forecasting” component (NSA)	5,5	2,7	-49,0	13,1
	seasonally adjusted indicator (SA) ³
	non-seasonally adjusted indicator (NSA)	28,2	22,6	-18,2	29,0
	“diagnostic” component (NSA)	41,6	38,7	24,5	34,5
	“forecasting” component (NSA)	14,7	6,4	-60,8	23,5

³ Time series does not require to be seasonally adjusted. Non-seasonally adjusted data can be analyzed and interpreted in the same way as seasonally adjusted data.

Impact of coronavirus SARS-CoV-2 pandemic on business tendency – April 2020

Survey was conducted between 1 and 10 April 2020 on a sample of entities operating in industry, construction, trade as well as services. As opposed to regular part of surveys, answers to additional set of questions were provided voluntarily. In questions 1, 2 & 7 structure of answers is presented (percent of respondents' answers to a given variant). In other questions it is average of values given. Data were aggregated according to methodology of aggregation (weighing) which is used by default in regular survey.

Table 2. Impact of coronavirus SARS-CoV-2 pandemic on business tendency







Questions							
	Manufacturing	Construction	Wholesale trade	Retail trade	Transportation and storage	Accommodation and food service activities	
1. Your company has probably faced (in March) and is expecting (in April) some negative effects on your business activity as a consequence of "coronavirus" pandemic. Were they/will they be:							
March 2020	minor	65,3	63,7	62,6	48,2	42,3	20,5
	serious	29,4	28,4	28,3	35,3	41,9	44,4
	a threat to company's stability	5,3	7,9	9,1	16,5	15,8	35,1
April 2020	minor	27,6	29,7	26,4	20,4	18,5	13,6
	serious	55,4	46,4	56,1	46,7	45,9	19,7
	a threat to company's stability	17,0	23,9	17,5	32,9	35,6	66,7
2. Have you implemented (in March) and are you planning to implement (in April) some actions to reduce negative effects of pandemic on your company?							
March 2020	yes, the ones affecting activity insignificantly	56,0	55,7	52,8	52,7	53,2	22,7
	yes, the ones affecting strongly	33,0	15,8	25,6	28,9	32,5	47,4
	we have not taken any particular actions	11,0	28,5	21,6	18,4	14,3	29,9
April 2020	yes, the ones affecting activity insignificantly	37,9	52,0	43,4	42,5	45,0	30,9
	yes, the ones affecting strongly	58,1	34,8	46,7	47,2	47,3	53,1
	we are not planning any actions	4,0	13,2	9,9	10,3	7,7	16,0

Table 2. Impact of coronavirus SARS-CoV-2 pandemic on business tendency (cont.)

Questions	 Manufacturing	 Construction	 Wholesale trade	 Retail trade	 Transportation and storage	 Accommodation and food service activities
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3. Please, estimate what is the percentage of your employees (regardless of type of contract: employment contract, civil law agreement, self-employed, interns, agents etc.) who were affected (in March) and will be affected (in April) by each of the following situations:

March 2020	remote work and similar forms of work	15,0	14,5	33,6	17,0	22,3	7,7
	unplanned absence due to holidays, childcare, looking after family member etc.	10,8	11,1	13,0	15,3	14,7	23,1
	absence of employees resulting from quarantine or other restrictions (e.g. no possibility to commute)	3,2	7,6	3,5	8,2	5,3	14,2
April 2020	remote work and similar forms of work	16,0	14,9	35,5	18,5	24,5	5,5
	unplanned absence due to holidays, childcare, looking after family member etc.	13,0	13,8	14,4	16,2	17,8	23,1
	absence of employees resulting from quarantine or other restrictions (e.g. no possibility to commute)	4,8	11,2	4,4	9,3	5,9	18,7

4. What was (in March) and what will be (in April) an estimated change (in percentage) in orders placed with suppliers made by your company on semi-finished products, raw materials, goods or services etc.?

March 2020	change	-8,2	-20,2	-11,4	-19,5	-25,9	-51,3
April 2020	change	-22,4	-30,7	-27,1	-34,5	-39,0	-68,3

5. What was (in March) and what will be (in April) an estimated change (in percentage) in orders placed by customers on your company's semi-finished products, raw materials, goods or services etc.?

March 2020	change	-10,1	-19,9	-10,7	-21,6	-25,2	-54,1
April 2020	change	-25,7	-28,6	-26,9	-37,2	-37,9	-69,1

6. What are your current predictions on your company's level of investments in 2020 with reference to initial plans from the beginning of this year?

change	-31,6	-39,4	-28,0	-40,6	-41,0	-54,1
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7. Has your company experienced (in March) and is expecting (in April) the occurrence of payment gridlocks or their increase?

March 2020	yes, minor	38,8	41,5	48,1	39,9	30,1	22,8
	yes, serious	15,1	22,2	18,3	17,9	27,7	30,8
	yes, threatening company's stability	3,5	4,1	4,8	11,2	11,0	21,9
	we have not experienced any	42,6	32,2	28,8	31,0	31,2	24,5
April 2020	yes, minor	40,1	33,8	34,2	30,9	25,6	18,8
	yes, serious	37,0	38,3	42,3	29,7	40,2	27,4
	yes, threatening company's stability	10,0	12,1	12,2	19,9	20,0	38,0
	we do not expect any	12,9	15,8	11,3	19,5	14,2	15,8

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