Statistics Poland

Business tendency in manufacturing, construction, trade and services – November 2023

In-depth questions about the current economic issues and the impact of war in Ukraine – assessment and expectations
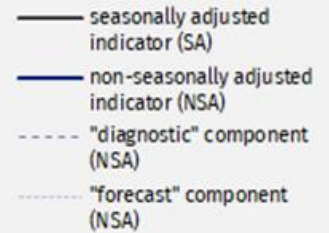
⟷ **-12.1**

General business climate indicator in manufacturing

In November the assessments of general business climate indicator in most of presented kinds of activities are at a similar or higher level as compared to the ones presented in October. In the case of seasonally adjusted data, majority of these kinds of activities assess it more favourably than in the previous month. In all areas, except for retail trade, the indicator is below the long-term mean[1]. In most of areas, month-to-month level of both "diagnostic" and "forecasting" components increases or remains unchanged.

Only entities from financial and insurance activities section (plus 17.8) as well as information and communication section (plus 13.5) assess business tendency as positive[2], however below the long-term mean (plus 25.7 and plus 18.1 respectively). The most pessimistic assessments are made by entities from manufacturing section (minus 12.1) along with construction section (minus 10.2).

In the current month – answers provided between 1st and 10th of each month – supplementary set of questions has been added to the survey. This particular set aims to additionally diagnose the impact of war in Ukraine on business tendency and raises the issue of investments (results in table 2).

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

— seasonally adjusted indicator (SA)

— non-seasonally adjusted indicator (NSA)

---- "diagnostic" component (NSA)

······ "forecast" component (NSA)

Manufacturing (graph 1)

In the current month general business climate indicator (NSA[3]) takes the value minus 12.1 (minus 12.9 in October).

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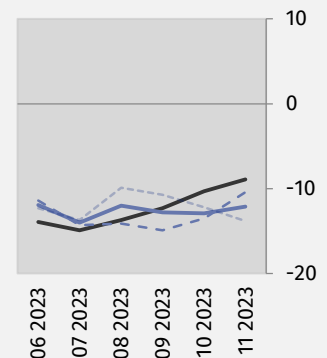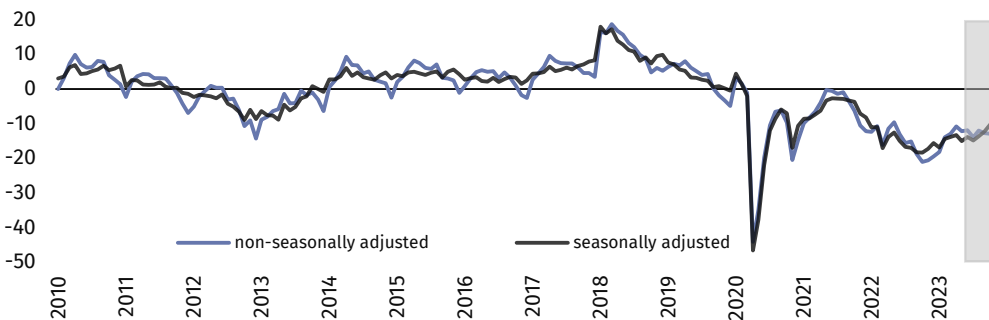
[1] Long-term mean (arithmetic mean for each general business climate indicator) covers time series since 2000, apart from services (since 2003) and wholesale trade (since 2011).
[2] By the phrase „positive" (positive value of the indicator) we consider a situation when percentage of entrepreneurs expecting improvement of their entities' economic situation in the next three months or observing such an improvement outweighs percentage of entrepreneurs expecting its deterioration.
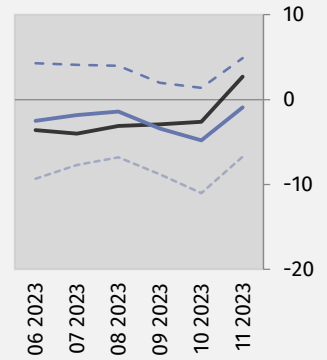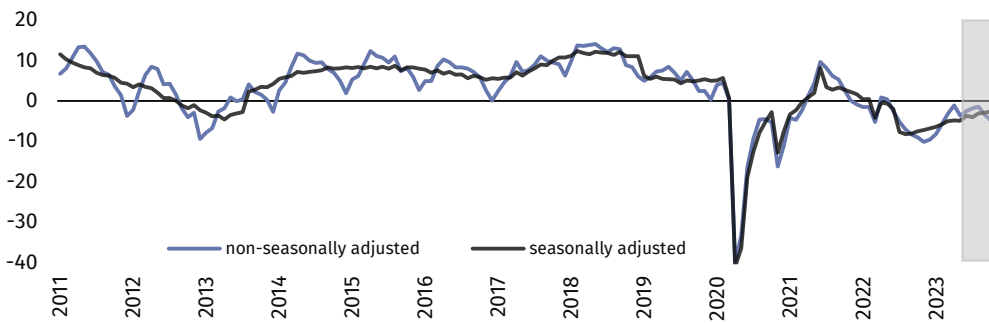[3] NSA – non-seasonally adjusted indicator, SA – seasonally adjusted indicator.

Construction (graph 2)

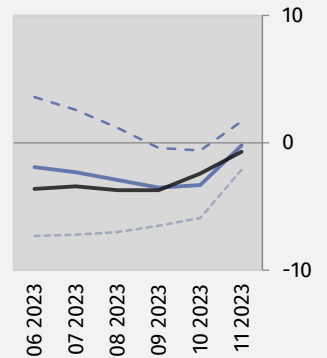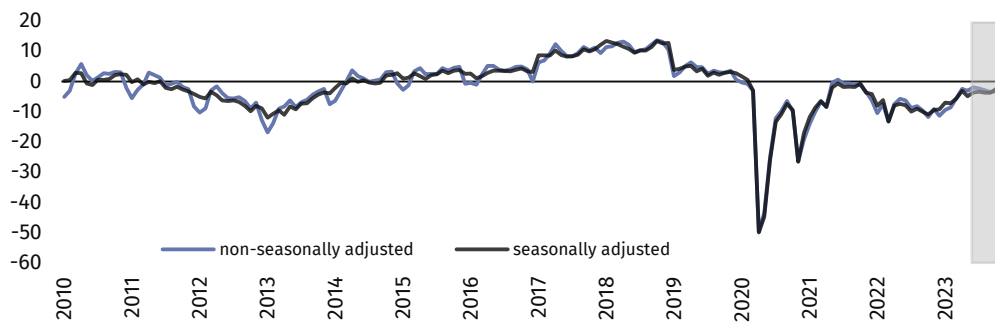In November general business climate indicator (NSA) takes the value minus 10.2 (minus 10.4 a month ago).
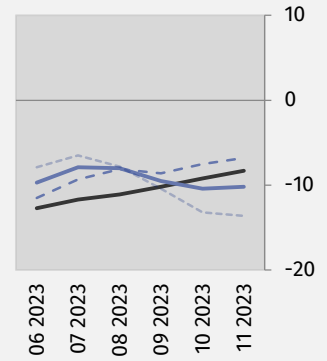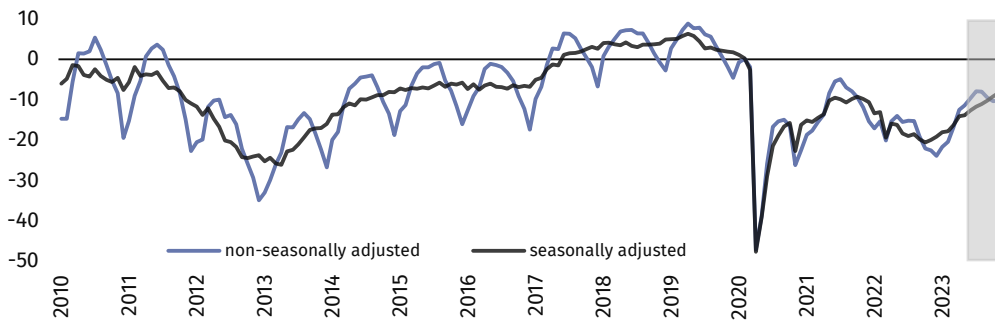
Wholesale trade (graph 3)

In the current month general business climate indicator (NSA) takes the value minus 0.9 (minus 4.8 in October).
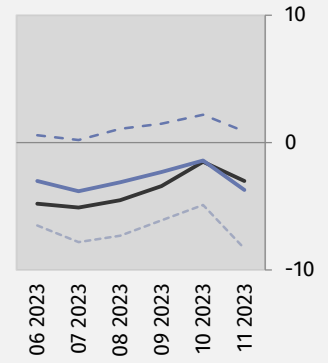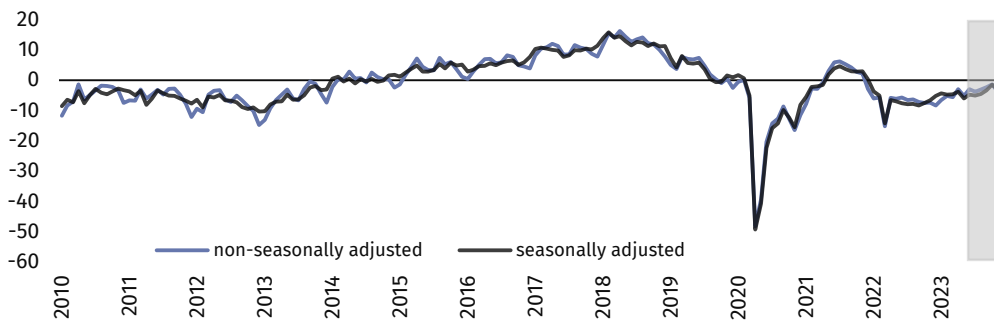

Retail trade (graph 4)

In November general business climate indicator (NSA) takes the value minus 0.2 (minus 3.3 in the previous month).
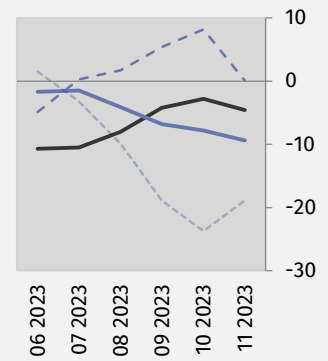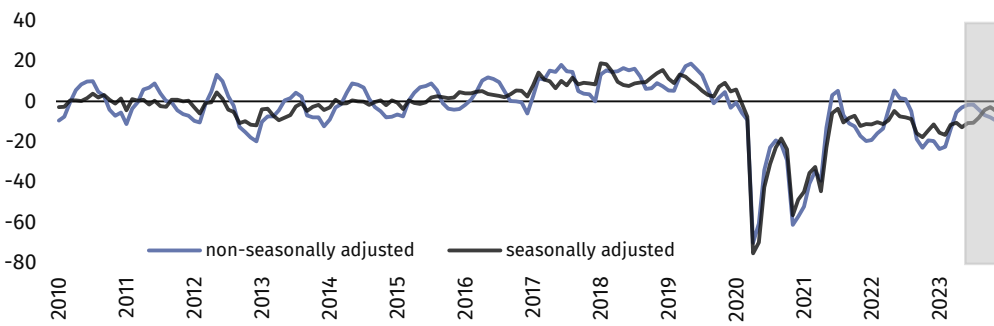

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Transportation and storage (graph 5)

In the current month general business climate indicator (NSA) takes the value minus 3.7 (minus 1.4 in October).
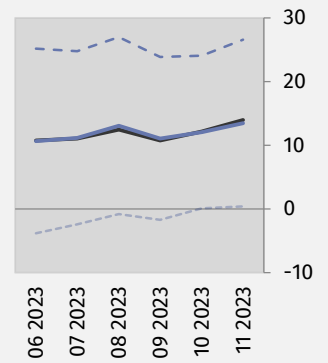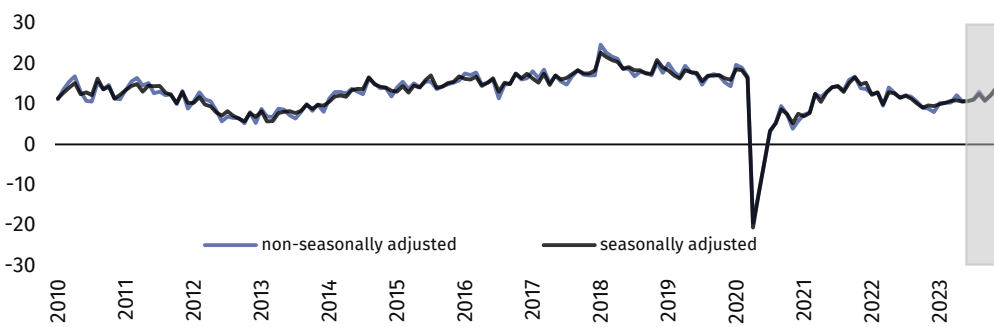

Accommodation and food service activities (graph 6)

In November general business climate indicator (NSA) takes the value minus 9.4 (minus 7.8 a month ago).

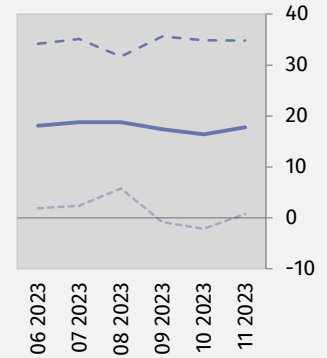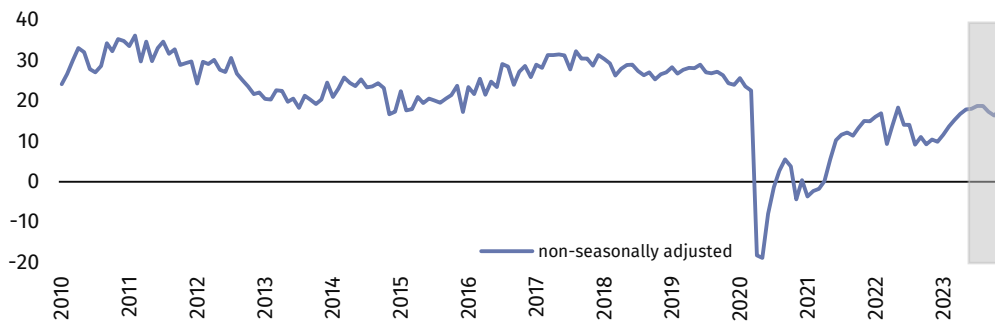## Information and communication (graph 7)

In the current month general business climate indicator (NSA) takes the positive value of 13.5 (plus 12.1 in October).

Financial and insurance activities (graph 8)[4]

In November general business climate indicator (NSA) takes the value plus 17.8 (plus 16.4 in October).

Table 1. General business climate indicators by kind of activity

	SPECIFICATION	Analogous month of the previous year	Previous month	**Current month**	Long-term mean
Manufacturing	seasonally adjusted indicator (SA)	-17,3	-10,3	**-8,9**	1,3
	non-seasonally adjusted indicator (NSA)	-20,6	-12,9	**-12,1**	1,3
	"diagnostic" component (NSA)	-13,5	-13,5	**-10,4**	-2,0
	"forecast" component (NSA)	-27,7	-12,2	**-13,8**	4,6
Construction	seasonally adjusted indicator (SA)	-20,0	-9,2	**-8,3**	-3,5
	non-seasonally adjusted indicator (NSA)	-22,6	-10,4	**-10,2**	-3,4
	"diagnostic" component (NSA)	-15,1	-7,5	**-6,8**	-6,4
	"forecast" component (NSA)	-30,1	-13,2	**-13,6**	-0,5
Wholesale trade	seasonally adjusted indicator (SA)	-7,2	-2,6	**2,7**	2,9
	non-seasonally adjusted indicator (NSA)	-10,1	-4,8	**-0,9**	2,9
	"diagnostic" component (NSA)	1,9	1,4	**4,9**	8,5
	"forecast" component (NSA)	-22,0	-11,0	**-6,7**	-2,7
Retail trade	seasonally adjusted indicator (SA)	-9,4	-2,4	**-0,7**	-4,3
	non-seasonally adjusted indicator (NSA)	-9,1	-3,3	**-0,2**	-4,3
	"diagnostic" component (NSA)	-2,3	-0,6	**1,7**	-3,4
	"forecast" component (NSA)	-15,8	-5,9	**-2,1**	-5,2
Transportation and storage	seasonally adjusted indicator (SA)	-6,7	-1,5	**-3,0**	-0,7
	non-seasonally adjusted indicator (NSA)	-7,4	-1,4	**-3,7**	-0,7
	"diagnostic" component (NSA)	1,2	2,2	**0,9**	0,7
	"forecast" component (NSA)	-16,0	-4,9	**-8,3**	-2,1
Accommodation and food service activities	seasonally adjusted indicator (SA)	-14,4	-2,8	**-4,6**	-0,9
	non-seasonally adjusted indicator (NSA)	-19,3	-7,8	**-9,4**	-0,9
	"diagnostic" component (NSA)	-6,6	8,2	**0,1**	-2,5
	"forecast" component (NSA)	-31,9	-23,7	**-18,9**	0,7
Information and communication	seasonally adjusted indicator (SA)	9,7	12,2	**14,0**	18,0
	non-seasonally adjusted indicator (NSA)	8,9	12,1	**13,5**	18,1
	"diagnostic" component (NSA)	24,7	24,1	**26,6**	25,9
	"forecast" component (NSA)	-6,9	0,1	**0,4**	10,1
Financial and insurance activities	seasonally adjusted indicator (SA)[4]	.	.	**.**	.
	non-seasonally adjusted indicator (NSA)	10,5	16,4	**17,8**	25,7
	"diagnostic" component (NSA)	25,6	34,9	**34,8**	32,9
	"forecast" component (NSA)	-4,6	-2,1	**0,8**	18,4

[4] 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.

In-depth questions about the current economic issues and the impact of war in Ukraine

Survey was conducted between 1st and 10th of the current month on a sample of entities operating in manufacturing, construction, trade as well as services. Questions were divided into two sections – questions regarding the impact of war in Ukraine and questions on investments. Answers to this additional set are provided by respondents on a voluntary basis. The table below presents the percentage (weighted) of respondents' answers to a given question variant. Data were aggregated according to methodology of aggregation (weighing) which is used by default in regular survey.

Table 2. In-depth questions about the current economic issues

Questions	Manufac- turing	Construc- tion	Wholesale trade	Retail trade	Transporta- tion and storage	Accommoda- tion and food service activities
THE IMPACT OF WAR IN UKRAINE						
1. Negative effects of the ongoing war in Ukraine and its impact on your business activity in the current month will be:						
lack of negative effects	24,1	33,1	33,4	34,0	23,5	32,4
minor	63,9	54,5	55,0	56,1	61,6	58,9
serious	10,6	8,8	7,9	7,1	10,7	6,3
a threat to company's stability	1,4	3,6	3,7	2,8	4,2	2,4
sum (lack of negative effects + minor)	88,0	87,6	88,4	90,1	85,1	91,3
sum (serious + a threat to company's stability)	12,0	12,4	11,6	9,9	14,9	8,7
2. Out of negative effects of the ongoing war in Ukraine reported in the previous month, which of them relate to your company the most:						
drop in sales – drop in revenues	25,2	15,2	24,1	19,6	21,3	19,2
increase in costs	59,5	78,5	58,1	70,5	70,2	77,6
disruption in supply chain	32,2	20,8	23,6	19,1	18,0	7,3
large organizational disturbances in company's functioning	0,8	2,6	1,5	1,2	4,9	3,9
problems with current financing	2,2	6,4	4,4	3,7	6,7	3,0
surplus stocks	4,6	2,1	5,0	5,4	0,7	1,5
terminating contracts with eastern contractors	14,3	2,0	11,0	4,9	9,3	0,8
3. If your company employs workers from Ukraine, did you report in the last month one of the following situations connected with the ongoing war:[5]						
outflow of workers from Ukraine	29,0	16,9	12,0	17,9	30,3	29,6
minor	28,0	15,7	11,6	17,8	28,7	25,7
serious	1,0	1,2	0,4	0,1	1,6	3,9
inflow of workers from Ukraine	27,3	15,1	11,5	19,0	29,1	28,6
minor	26,6	14,4	11,4	18,6	27,7	27,7
serious	0,7	0,7	0,1	0,4	1,4	0,9
does not concern	69,6	82,3	87,4	79,8	68,3	67,5

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[5] It is permissible to choose one answer for each of variants at once ("outflow" and "inflow"), therefore the sum of variants can exceed 100%. The answer "does not concern" is ticked when company does not employ workers from Ukraine or has not observed their "outflow" or "inflow" in the last month.

Table 2. In-depth questions about the current economic issues (cont.)

Questions	Manufac-turing	Construc-tion	Wholesale trade	Retail trade	Transporta-tion and storage	Accommoda-tion and food service activities
INVESTMENTS						
4. What are your current predictions on your company's level of investments in 2023 with reference to investments made in 2022?						
decrease in investments	32,6	35,5	27,0	30,5	28,9	35,6
significant	16,9	16,9	13,3	16,9	14,5	15,2
insignificant	15,7	18,6	13,7	13,6	14,4	20,4
maintenance of level of investments	44,5	50,5	59,3	56,0	52,3	48,6
increase in investments	22,9	14,0	13,7	13,5	18,8	15,8
insignificant	12,5	11,9	7,4	9,2	10,4	13,3
significant	10,4	2,1	6,3	4,3	8,4	2,5
5. What are the main investment directions of your company in the current year?						
organisational/business processes	14,8	7,8	17,1	17,1	9,2	8,9
staff training	13,9	15,2	15,3	17,3	16,4	18,4
copyrights, related proprietary rights, licenses, concessions (incl. software)	5,7	3,4	5,7	4,3	6,8	2,0
computer and telecommunications equipment	16,1	11,8	14,1	16,8	17,5	12,2
R&D (research and experimental development)	15,7	2,4	5,1	2,5	1,1	0,6
machinery, technical equipment and tools	75,8	40,1	22,9	23,3	28,1	27,7
land, buildings and structures	19,4	13,1	13,6	23,1	15,0	14,6
means of transport	12,5	29,4	19,6	9,4	48,7	5,7
no investment plans	11,6	39,8	39,1	37,5	23,9	49,0
6. Which of the following factors have the biggest impact on limiting of your company's investments in the current year?						
high costs of investments	55,1	49,6	44,8	54,1	52,9	50,2
difficulties in obtaining external sources of financing	13,4	14,8	9,8	11,4	13,7	11,4
lengthy procedures for obtaining permission to invest	13,3	12,8	9,9	7,1	10,1	7,2
problems with employing personnel	10,8	16,1	6,6	8,9	16,6	13,7
broken supply chains	5,7	3,5	4,8	2,8	4,5	1,8
high inflation	41,5	54,2	45,6	52,7	50,2	54,9
unclear and unstable legal regulations	21,8	30,2	29,8	29,1	27,6	27,9
uncertain macroeconomic situation	37,0	31,7	33,0	31,8	29,4	29,9
insufficient demand on products/services offered by the company	17,9	12,4	11,7	12,9	13,1	17,6
none	10,9	9,8	15,2	12,5	11,3	12,8
7. How do current changes in the situation of your company as well as market environment affect the willingness to invest?						
positively	4,4	2,9	3,9	1,5	3,4	1,6
neutrally	63,4	59,5	64,7	66,6	64,1	62,1
negatively	32,2	37,6	31,4	31,9	32,5	36,3

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