

# Business tendency in manufacturing, construction, trade and services – May 2020

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

22.05.2020

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

**↓ -34,9**

General business climate indicator for manufacturing (NSA)

In May business tendency is assessed less negative than in the previous month in most presented kinds of activities, although further deterioration of current assessments (“diagnosis”) and improvement of expectations (“forecast”) are observed. The latter, however, remain at historically negative levels.

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 – information and communication as well as financial and insurance activities.

In the current month – answers provided between 1 and 10 May – supplementary set of questions has been added to the survey. This particular set aims to additionally diagnose the impact of coronavirus SARS-CoV-2 pandemic on business tendency.

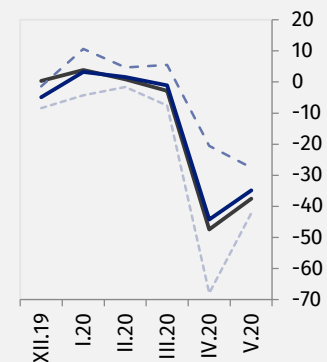
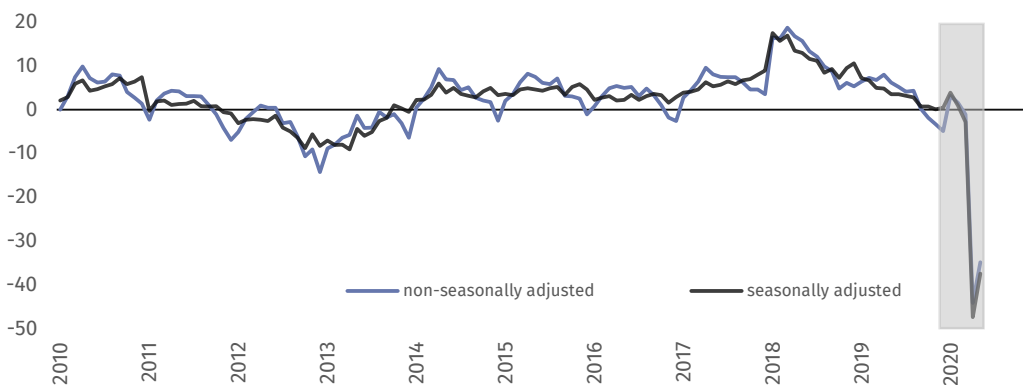
In May question on expected level of investments in 2020 was replaced by the one concerning “survival time” of the company in the event of continuation of current restrictions related to the pandemic. In manufacturing, wholesale trade as well as transportation and storage directors were assessing most frequently that their companies’ “survival time” can last more than 6 months, whereas in construction, retail trade as well as accommodation and food service activities – 2 to 3 months. In accommodation and food service activities section 14,7% of entities stated that they can survive less than 1 month.

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



### Manufacturing (graph 1)

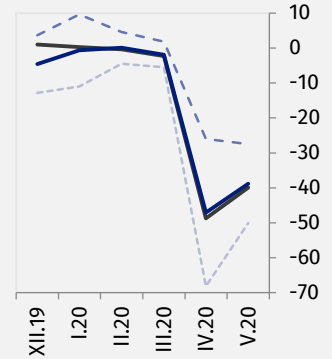
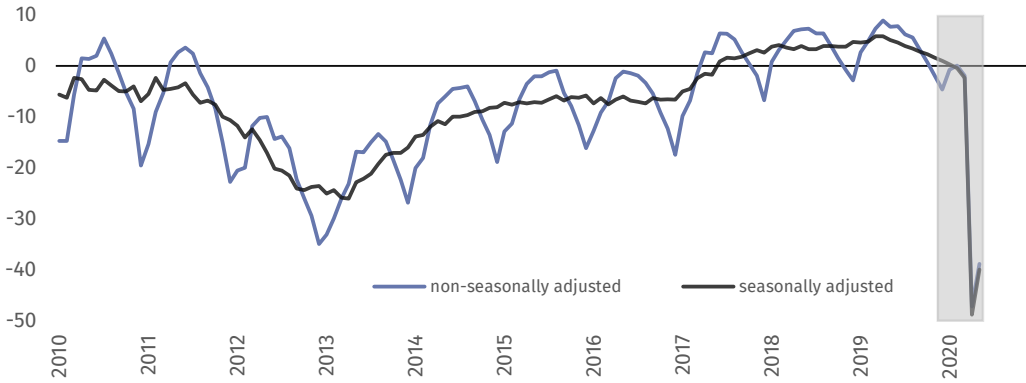
In May general business climate indicator (NSA) takes the value minus 34.9 and it is higher than in April (minus 44.2). The most pessimistic assessments are made by producers of wearing apparel as well as leather and related products, whereas the least pessimistic ones – manufacturers of pharmaceutical products.





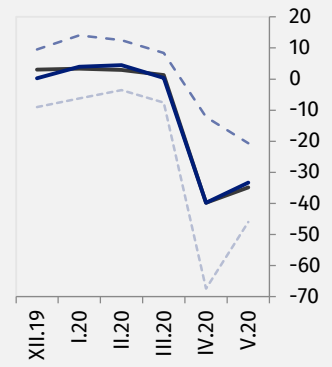
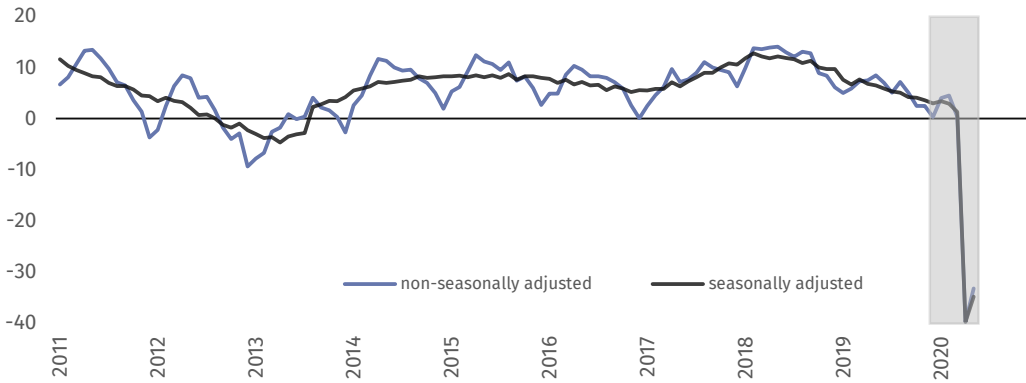
### Construction (graph 2)

In the current month general business climate indicator (NSA) takes the value minus 38.8 (minus 47.1 in April). 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.



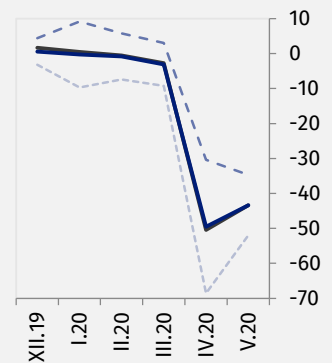
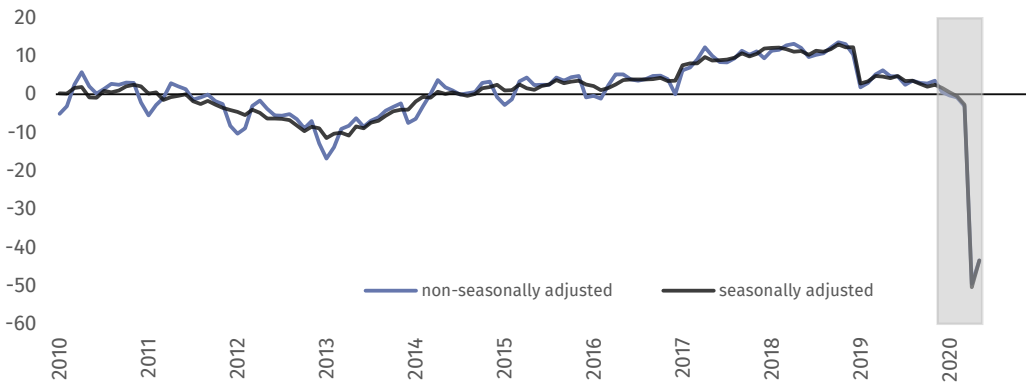
### Wholesale trade (graph 3)

In May general business climate indicator (NSA) takes the value minus 33.3 – slightly higher than in the previous month (minus 39.8).



### Retail trade (graph 4)

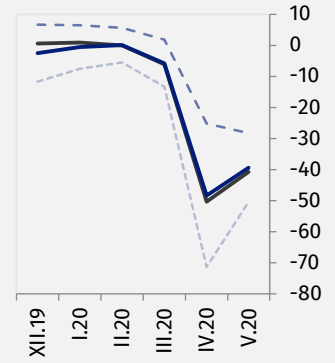
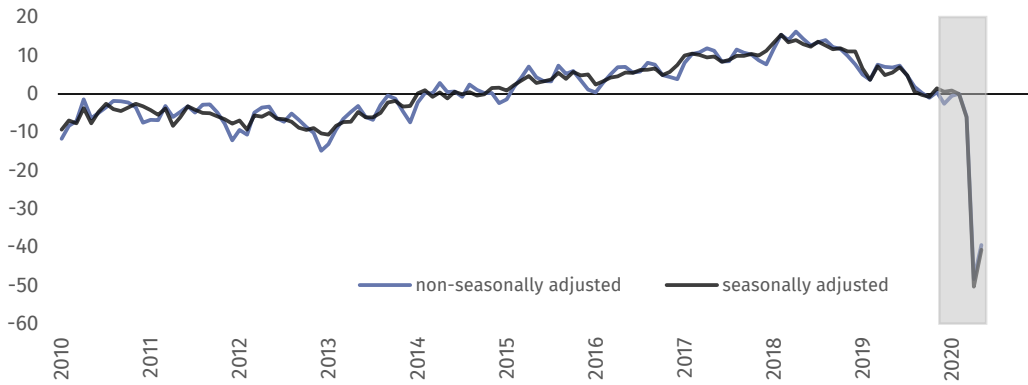
In the current month general business climate indicator (NSA) takes the value minus 43.4. As in wholesale trade, it is slightly higher than in April (minus 49.5). The most pessimistic assessments are made by firms selling clothing and footwear.





### Transportation and storage (graph 5)

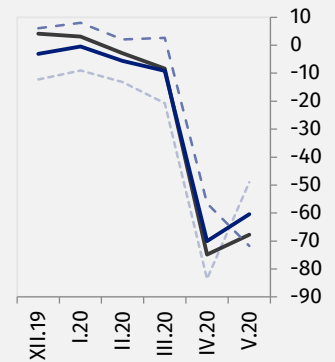
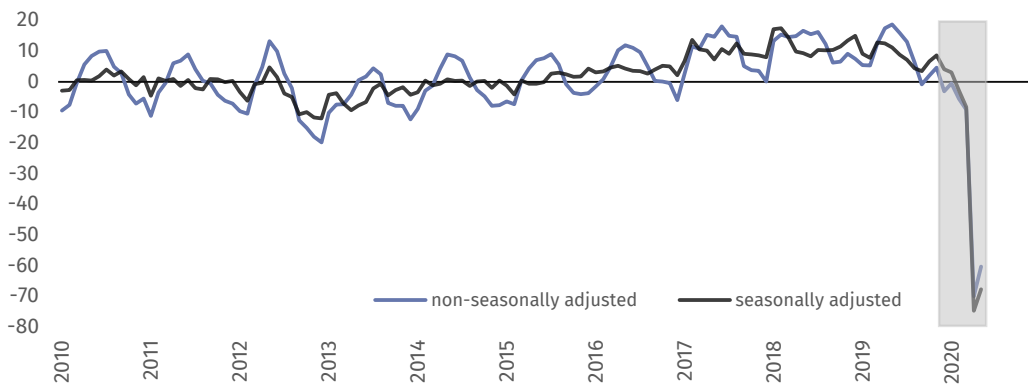
In May general business climate indicator (NSA) takes the value minus 39.4 (minus 48.3 in April). The most pessimistic assessments are made by entities with up to 49 persons employed.



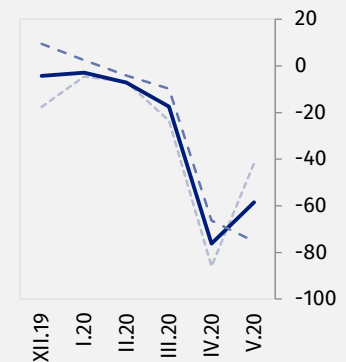
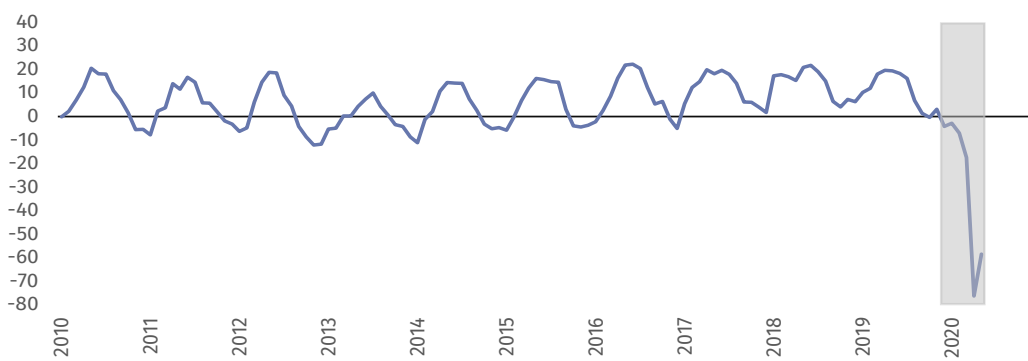
### Accommodation and food service activities (graph 6)



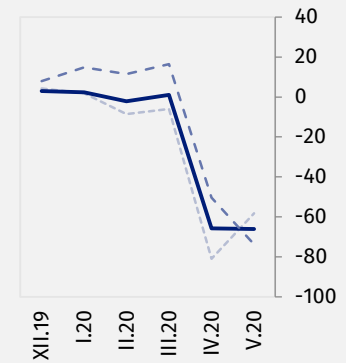
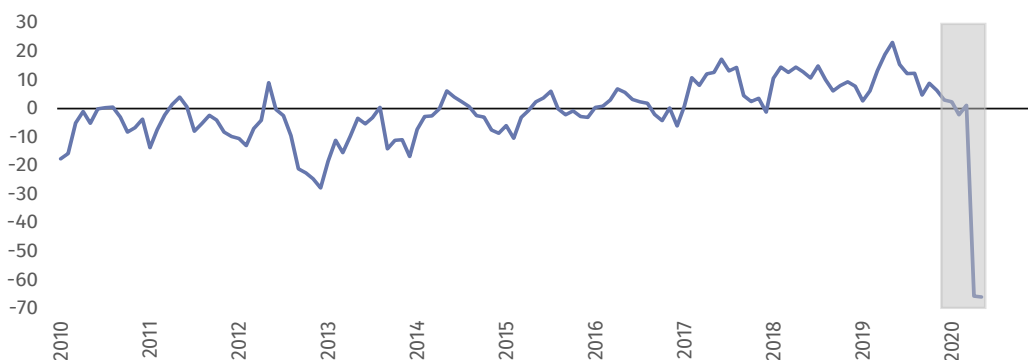
In the current month general business climate indicator (NSA) takes the value minus 60.4 versus minus 70.0 in April. Entities operating in food service activities assess business tendency more pessimistically (minus 66.0) than the ones of accommodation (minus 58.5).



### Accommodation (graph 6a)



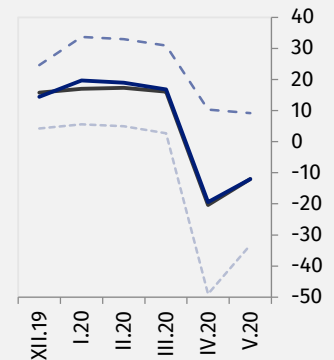
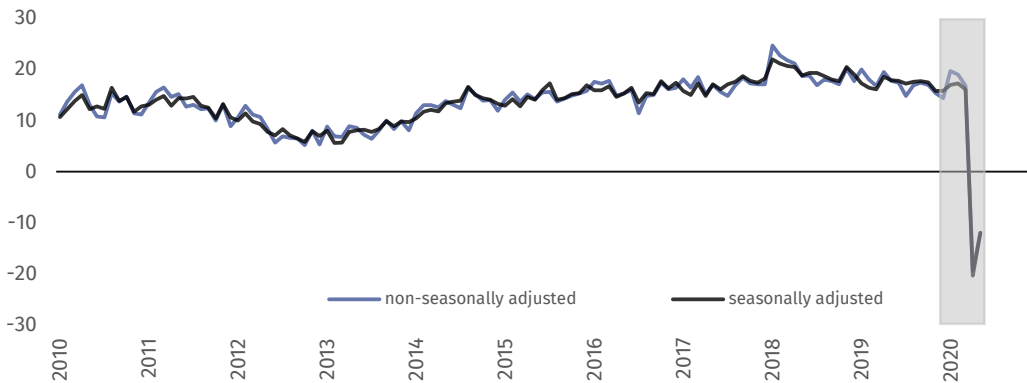
### Food service activities (graph 6b)





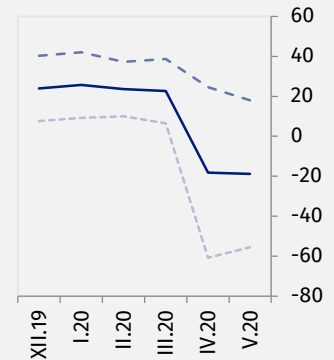
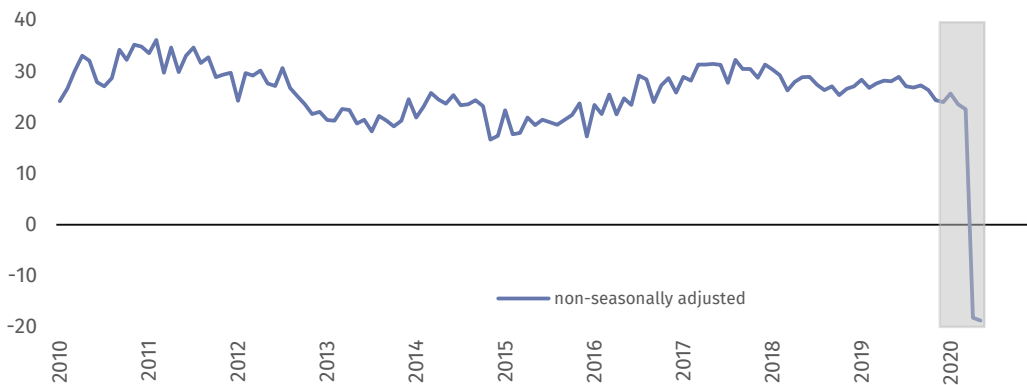
### Information and communication (graph 7)

In May general business climate indicator (NSA) takes the value minus 12.0 – higher than last month (minus 19.4). The most pessimistic assessments are made by entities dealing with publishing activities (minus 32.8). Only those of television programming and broadcasting activities assess business tendency as slightly positive (plus 2.4).











### Financial and insurance activities (graph 8)<sup>1</sup>

In the current month general business climate indicator (NSA) takes the value minus 18.8 – similar to the one reported in April (minus 18.2). Entities dealing with financial service activities, except insurance and pension funding formulate more pessimistic opinions (minus 25.8) in this regard than the ones of insurance, reinsurance and pension funding, except compulsory social security (minus 11.9).



<sup>1</sup> 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
 <b>Manufacturing</b>	seasonally adjusted indicator (SA)	3,5	-47,4	<b>-37,5</b>	3,4
	non-seasonally adjusted indicator (NSA)	6,2	-44,2	<b>-34,9</b>	3,5
	“diagnostic” component (NSA)	6,1	-20,5	<b>-27,6</b>	-0,7
	“forecasting” component (NSA)	6,3	-67,9	<b>-42,2</b>	7,7
 <b>Construction</b>	seasonally adjusted indicator (SA)	5,1	-48,7	<b>-39,9</b>	-1,5
	non-seasonally adjusted indicator (NSA)	7,7	-47,1	<b>-38,8</b>	-1,5
	“diagnostic” component (NSA)	5,8	-26,0	<b>-27,5</b>	-5,5
	“forecasting” component (NSA)	9,6	-68,1	<b>-50,1</b>	2,6
 <b>Wholesale trade</b>	seasonally adjusted indicator (SA)	6,5	-39,8	<b>-34,9</b>	5,2
	non-seasonally adjusted indicator (NSA)	8,5	-39,8	<b>-33,3</b>	5,2
	“diagnostic” component (NSA)	12,2	-12,2	<b>-20,6</b>	9,7
	“forecasting” component (NSA)	4,7	-67,4	<b>-46,0</b>	0,7
 <b>Retail trade</b>	seasonally adjusted indicator (SA)	4,2	-50,4	<b>-43,4</b>	-3,8
	non-seasonally adjusted indicator (NSA)	4,7	-49,5	<b>-43,4</b>	-3,8
	“diagnostic” component (NSA)	7,0	-30,4	<b>-34,7</b>	-3,6
	“forecasting” component (NSA)	2,3	-68,6	<b>-52,0</b>	-4,0
 <b>Transportation and storage</b>	seasonally adjusted indicator (SA)	5,6	-50,3	<b>-40,7</b>	0,2
	non-seasonally adjusted indicator (NSA)	6,9	-48,3	<b>-39,4</b>	0,2
	“diagnostic” component (NSA)	10,9	-25,2	<b>-28,3</b>	0,8
	“forecasting” component (NSA)	2,8	-71,3	<b>-50,4</b>	-0,5
 <b>Accommodation and food service activities</b>	seasonally adjusted indicator (SA)	11,2	-74,8	<b>-67,8</b>	2,3
	non-seasonally adjusted indicator (NSA)	18,7	-70,0	<b>-60,4</b>	2,3
	“diagnostic” component (NSA)	13,8	-56,5	<b>-71,7</b>	0,6
	“forecasting” component (NSA)	23,5	-83,5	<b>-49,0</b>	4,0
 <b>Information and communication</b>	seasonally adjusted indicator (SA)	17,9	-20,4	<b>-12,0</b>	19,5
	non-seasonally adjusted indicator (NSA)	17,8	-19,4	<b>-12,0</b>	19,6
	“diagnostic” component (NSA)	30,9	10,3	<b>9,2</b>	26,2
	“forecasting” component (NSA)	4,7	-49,0	<b>-33,2</b>	12,9
 <b>Financial and insurance activities</b>	seasonally adjusted indicator (SA) <sup>2</sup>	.	.	.	.
	non-seasonally adjusted indicator (NSA)	28,1	-18,2	<b>-18,8</b>	28,8
	“diagnostic” component (NSA)	43,1	24,5	<b>18,0</b>	34,4
	“forecasting” component (NSA)	13,1	-60,8	<b>-55,6</b>	23,1

<sup>2</sup> 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 – May 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. In May question on expected level of investments in 2020 was replaced by the one concerning "survival time" of the company in the event of continuation of current restrictions related to the pandemic.

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	
<b>1. Negative effects of "coronavirus" pandemic and its impact on your business activity were (in April) and will be (in May):</b>							
<b>April 2020</b>	minor	35,5	42,3	40,1	28,2	38,9	11,1
	serious	47,2	41,3	39,3	45,9	45,3	41,4
	a threat to company's stability	13,0	12,9	14,3	22,9	15,1	47,5
	lack of negative effects	4,3	3,5	6,3	3,0	0,7	0,0
<b>May 2020</b>	minor	31,9	37,2	36,3	25,8	23,4	11,1
	serious	49,7	42,5	44,2	51,6	53,4	38,1
	a threat to company's stability	15,1	17,1	16,4	19,9	22,5	50,8
	lack of negative effects	3,3	3,2	3,1	2,7	0,7	0,0
<b>2. Have you implemented (in April) and are you planning to implement (in May) some actions to reduce negative effects of above mentioned pandemic on your company?</b>							
<b>April 2020</b>	yes, the ones affecting activity insignificantly	51,2	55,8	53,2	48,3	41,7	34,2
	yes, the ones affecting strongly	39,6	24,2	28,9	39,3	36,6	55,2
	we have not taken any particular actions	9,2	20,0	17,9	12,4	21,7	10,6
<b>May 2020</b>	yes, the ones affecting activity insignificantly	50,6	55,5	53,8	47,6	47,1	36,7
	yes, the ones affecting strongly	43,0	25,9	32,5	40,6	38,7	53,6
	we are not planning any actions	6,4	18,6	13,7	11,8	14,2	9,7

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 April) and will be affected (in May) by each of the following situations:**

<b>April 2020</b>	remote work and similar forms of work	16,7	11,9	34,5	16,0	21,6	12,5
	unplanned absence due to holidays, childcare, looking after family member etc.	10,9	11,6	9,6	13,0	12,8	24,5
	absence of employees resulting from quarantine or other restrictions (e.g. no possibility to commute)	2,9	5,0	3,1	7,7	6,5	21,1
<b>May 2020</b>	remote work and similar forms of work	14,5	9,4	31,1	14,5	21,2	9,7
	unplanned absence due to holidays, childcare, looking after family member etc.	9,3	10,2	8,4	11,0	11,7	21,9
	absence of employees resulting from quarantine or other restrictions (e.g. no possibility to commute)	2,3	4,4	2,5	5,2	6,1	22,9

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

<b>April 2020</b>	change	-23,5	-26,7	-21,7	-28,7	-35,2	-71,8
<b>May 2020</b>	change	-20,1	-25,7	-22,6	-26,9	-34,4	-62,5

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

<b>April 2020</b>	change	-27,6	-25,6	-22,7	-28,9	-38,9	-68,1
<b>May 2020</b>	change	-24,4	-24,3	-23,4	-25,9	-37,1	-57,2

**6. If the current measures to combat coronavirus, such as closures of schools/universities/shops, home confinements, border restrictions, etc. persisted for a prolonged period, how many months could your enterprise survive?**

	less than a month	0,8	3,0	1,6	2,3	0,7	14,7
	circa 1 month	5,6	14,0	4,6	8,9	6,7	16,3
	2 – 3 months	29,8	30,8	30,1	34,2	27,2	38,0
	4 – 6 months	23,6	23,9	26,3	21,4	19,7	19,6
	more than 6 months	40,2	28,3	37,4	33,2	45,7	11,4

**7. Has your company experienced (in April) and is expecting (in May) the occurrence of payment gridlocks or their increase?**

<b>April 2020</b>	yes, minor	47,5	47,3	51,8	43,3	40,1	27,1
	yes, serious	20,5	22,7	19,2	24,8	31,3	28,4
	yes, threatening company's stability	3,9	4,5	5,8	7,1	6,2	23,4
	we have not experienced any	28,1	25,5	23,2	24,8	22,4	21,1
<b>May 2020</b>	yes, minor	43,7	42,8	47,7	41,3	33,4	22,2
	yes, serious	31,1	28,3	29,0	29,0	34,5	27,2
	yes, threatening company's stability	5,1	7,6	7,5	7,1	9,9	28,0
	we do not expect any	20,1	21,3	15,8	22,6	22,2	22,6

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