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final data

## **Confidence indicators in retail trade, manufacturing and construction lower, in services the same**

Business tendency, Slovenia, April 2019

***In April 2019, retail trade, manufacturing and construction confidence indicators decreased. The services confidence indicator remained the same as in the previous month.***

### **Manufacturing confidence indicator lower at the monthly and annual level**

In April 2019 the manufacturing confidence indicator decreased by 3 percentage points (p.p.) compared to the previous month and by 8 p.p. compared to April 2018. The indicator fell to the value of the long-term average.

At the monthly level production expectations and the stocks of finished products indicators decreased (by 7 p.p. and 3 p.p., respectively). The overall order books indicator improved (by 3 p.p.).

### **After more than two years uncertain economic conditions again among more frequent limiting factors**

In April 2019 the current capacity indicator was 85%, 0.3 p.p. lower than in January 2019. In 64.2% of enterprises the capacity utilisation was over 80%.

Among the quarterly indicators, the new orders indicator worsened the most (by 17 p.p.). The competitive position on the EU market and the domestic market both worsened (by 3 p.p. and 2 p.p., respectively). The competitive position on the non-EU market stayed the same. The assessment of the current production capacity improved (by 2 p.p.).

The share of enterprises listing shortage of skilled labour as a factor limiting the production was again the highest (35% of enterprises). Insufficient domestic and foreign demand continue to be significant limiting factors (each by 23% of enterprises) as well as shortage of labour in general (in 15% of enterprises). They are followed by uncertain economic conditions (in 12% of enterprises), which has not been so high for more than two years. Compared to the previous quarter, 2 p.p. fewer enterprises experienced no limits in their activity (25% of enterprises).

### **Investment in manufacturing higher**

In 2019, 97% of enterprises are planning to invest, which is the same as they planned in November 2018. Enterprises assess that this year investment will increase on average by 7% compared to 2018. At the semi-annual level the present business situation indicator and the expected business situation indicator worsened (by 9 p.p. or 1 p.p., respectively).

### **Retail trade confidence indicator lower than in the previous month**

In April 2019 the retail trade confidence indicator was 11 p.p. lower than in March 2019. Compared to April 2018, it increased by 1 p.p. and was 1 p.p. above the long-term average. The decline of the confidence indicator was influenced by all three components: the sales indicator, the expected sales indicator and the volume of stocks indicator.

The values of the situation and expectation indicators decreased, except the expected sales prices indicator and the business situation indicator, which improved.

The most important factor limiting the enterprises in retail trade was competition in their own sector (59%), followed by high costs of labour (37%) and low demand (23%). On the other hand, 11% of enterprises experienced no limits in their activity.

### Construction confidence indicator lower at the monthly and at the annual level

In April 2019 the construction confidence indicator was lower at the monthly level by 3 p.p. and compared to April 2018 by 13 p.p. It remained above the long-term average (by 26 p.p.).

At the monthly level both indicators that influence the construction confidence indicator decreased, i.e. the employment expectations indicator by 5 p.p. and the overall order books indicator by 3 p.p.

Construction enterprises most frequently listed shortage of skilled labour as a limiting factor in their activities (42% of enterprises), followed by high cost of labour and competition in their own sector (each by 34% of enterprises). 14% of enterprises experienced no limits in their activity, 3 p.p. more than in the previous quarter.

### Services confidence indicator the same as in the previous month

In April 2019 the services confidence indicator was the same as in March 2019, 2 p.p. lower than in April 2018 and 12 p.p. above the long-term average.

The values of the expected demand indicator, the employment indicator and the capacity utilisation indicator remained the same as in the previous month, while the demand indicator and the expected employment indicator decreased.

The most important factor limiting the enterprises in services was insufficient demand (30%), followed by shortage of labour force (18%) and financial constraints (15%). The percentage of enterprises that experienced no limits in their activity was 35%.

### Monthly changes in the value of confidence indicators, Slovenia, April 2019



Source: SURS

### Methodological note

Data are seasonally adjusted.

### Attachments

 [Business tendency, Slovenia, April 2019](#), 487kB

### Detailed data

 Detailed data and time series are available on the [SI-STAT data portal](#), which enables simple browsing and exporting of data in various formats. Registered users have the possibility to store tables for later browsing and to sign up to be informed when data are updated.

**Author/s:** [Barbara Čertanec](#), [Branka Savičič Krstevski](#)

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#### **Statistical Office of the Republic of Slovenia**

Litostrojska cesta 54, 1000 Ljubljana, Slovenia

Information Centre:

phone: +386 1 241 64 04

fax: +386 1 241 53 44

[info.stat@gov.si](mailto:info.stat@gov.si)

[www.stat.si/en](http://www.stat.si/en)

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