



## PRESS RELEASE

No. 174 of August 30, 2010

### Trends in the evolution of economic activity during August – October 2010

For the correct interpretation of the results, kindly see the “Methodological notes” at page 2 of the present Press release.

#### General Trends

According to estimates given by company managers in August 2010, a **relative stability of the activity in the manufacturing industry and services and a moderate fall in the construction sector and retail trade** shape for the period August-October 2010 compared to the three previous months.

Evolutions	Manufacturing industry		Construction		Retail trade		Services	
	Jul. 10- Sep. 10	Aug. 10- Oct. 10	Jul. 10- Sep. 10	Aug. 10- Oct. 10	Jul. 10- Sep. 10	Aug. 10- Oct. 10	Jul. 10- Sep. 10	Aug. 10- Oct. 10
Economic situation	↘	→	↘	↘	↘	↘	↘	→
Number of employees	↘	↘	↘	↘	↘	↘	↘	↘
Prices	↗	↗	↗	↗	↗	↗	↗	↗

#### Manufacturing Industry

*Trend of relative stability of the activity*

In the August 2010 short term survey, managers in the manufacturing industry foresee a relative stability of the production volume (short term balance account -5%) for the next three months.

As to the number of employees, a decrease is foreseen, the short term balance account being -16% per total manufacturing industry (-23% with very large units, of 500 employees and more).

For some of the activities, a much more accentuated decrease tendency than that of the total will be registered: coking products and products obtained from crude petroleum processing; metallurgy and the manufacture of other transport means (short term balance accounts -46%, -45% and -32%, respectively).

As to the prices of the industrial products, a moderate increase is foreseen in the next three months (short term balance account +11%).

#### Construction

*Trend of moderate fall of the activity*

According to the estimates of August 2010, the construction activity will register a moderate decrease of the production volume (short term balance account -11%) and a decrease of the contract and order stock (short term balance account -18%) in the next three months.

Managers estimate a decrease of the number of employees (short term balance account -16%), this tendency being characteristic especially for small units, with less than 50 employees.

As to the prices of the construction works, a moderate increase is foreseen (short term balance account +9%).

## Retail trade

### *Trend of moderate fall of the activity*

In August 2010, managers from retail trade estimated a moderate decrease of the economic activity for the next three months (short term balance account -14%).

The total sale volume of goods will have a tendency of moderate decrease (short term balance account -13%). The order volume given by the commercial units to the suppliers of goods will register a decrease (short term balance account -16%).

Employers foresee a moderate decrease of the number of employees in this sector (short term balance account -6%) for the next three months.

The managers of the commercial units estimate that the retail prices will increase (short term balance account +35%) in the next three months.

## Services

### *Trend of relative stability of the activity*

According to the estimates of August 2010, the services demand (turnover) will be relatively constant (short term balance account -5%).

In the next three months, the number of employees will moderately decrease (short term balance account -13%) in the services sector. This trend is particularly given by large units, with 250-499 employees (short term balance account -20%).

According to the managers' estimates, the sale or invoice prices of services will moderately increase (short term balance account +8%).

## Methodological notes

The results presented in the present press release have been obtained from the **short term surveys**, following the estimations of the companies' managers regarding the evolution trends of the economic activity.

Short term surveys are **qualitative** surveys, whose purpose is to analyze the evolution trend of short and medium term economic indicators. These surveys are complementary to quantitative statistical surveys, which are different by method and use. The specificity of the short term surveys consists in the fact that instead of exact figures, the usual response is an appreciation of the respondent to the level "over normal/ normal/ under normal", in case of **level** questions, or such as: "increased/ the same/ decreased" or "will grow/ the same/ will fall", in case of questions indicating **an evolution in time** of a phenomenon.

Received responses (managers of enterprises in the sample of statistical survey choose only one response alternative for this type of questions) are later processed, while the final result is obtained as a percentage **short term balance**, obtained as difference between the percentage of those who chose the positive alternative of the phenomenon and the percentage of those who indicated the negative alternative.

**Consequently, the short term balance indicates the perception of respondents over the dynamics of one phenomenon, but it should not be interpreted as the intensity of growth or fall for one statistical indicator value.**

**The following thresholds interpreting the short term balances were set up:**

**up to  $\pm 5\%$  relative stability;**

**from  $\pm 6\%$  to  $\pm 15\%$  moderate growth, respectively moderate fall;**

**from  $\pm 16\%$  to  $\pm 40\%$  growth, respectively fall;**

**over  $\pm 40\%$  accentuated growth, respectively moderate fall.**

Short term balances are calculated based on the data processed and aggregated according to

### **NACE Rev2.**

The surveys were carried out based on samples representative for manufacturing (2151 economic units), construction (1671), retail (2110) and services (2546). The size of samples was set up so that maximum admitted estimation error should be  $\pm 5\%$  at level of total sector.

Simple random stratified Survey was used and stratification variables represent the main activity and the size of the enterprise.

Short term surveys are carried out due to common financing, with the contribution of the European Commission - DGECFIN (Brussels).

*The next press release will be issued on September 28, 2010*