

**PRESS RELEASE**

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### Trends in the evolution of economic activity during July – September 2010

For a correct interpretation of the results, please see „Methodological notes” from page 2 of the Press release

#### General trends

According to July 2010 opinions of the companies' managers, during July-September 2010, in comparison with the three previous months, a **moderate fall of activity in manufacturing, sector of construction and services and a fall in retail** is forecast.

Evolutions	Manufacturing		Construction		Retail		Services	
	June 10 - Aug. 10	July 10- Sep. 10	June 10- Aug. 10	July 10- Sep. 10	June 10- Aug. 10	July 10- Sep. 10	June 10- Aug. 10	July 10- Sep. 10
Economic situation	→	↘	→	↘	↘	↘	↘	↘
Number of employees	↘	↘	↘	↘	↘	↘	↘	↘
Prices	→	↗	→	↗	↘	↘	→	↘

#### Manufacturing

*Trend of moderate fall of activity*

In July 2010 short term survey, managers from manufacturing foresee for the next three months a moderate fall of production volume (short term balance -6%).

Regarding the number of employees, a moderate fall is also foreseen, short term balance being -13% per total manufacturing (-16% for very big enterprises, with 500 employees and over).

For some of activities it will be registered a trend of much more accentuated fall than per total: coking products and products obtained from crude petroleum processing, metallurgy and other transport means (short term balances -45%, -40% and respectively -32%).

For prices of industrial products, it is forecast a growth in the next three months (short term balance +21%).

#### Construction

*Trend of moderate fall of activity*

According to July 2010 estimations, construction activity will register for the next three months a moderate fall of production volume (short term balance -10%) and a fall in the stock of contracts and orders (short term balance -17%).

Managers estimate a fall in the number of employees (short term balance -17%), this trend being especially registered by big enterprises, with 500 employees and over.

Regarding prices of construction works, it is foreseen a growth (short term balance +20%).

## Retail

### *Trend of activity fall*

Managers from retail sector estimated in July 2010, a fall of economic activity for the next three months (short term balance -24%).

Total sales of goods will register a trend of moderate fall (short term balance -15%).

Volume of orders addressed by trade units to suppliers of goods will register a fall (short term balance -16%).

Employers forecast for the next three months a moderate fall of employees' number (short term balance -14%).

Managers of trade companies estimate that retail sale prices will register an accentuated growth (short term balance +51%).

## Services

### *Trend of moderate fall of activity*

According to July 2010 estimations, demand of services (turnover) will register a moderate fall (short term balance -10%).

In the sector of services, for the next three months a fall in the number of employees is estimated (short term balance -16%). This trend is especially given by very big enterprises, with 500 employees and over (short term balance -27%).

According to the managers' opinion, sale or invoice prices of services delivery will have a moderate growth trend (short term balance +13%).

### Methodological notes

Results presented in this press release were obtained from the **short term surveys**, following the estimations of the companies' managers regarding the evolution trends of 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. Specificity of short term surveys is that instead of exact figures, the usual response is an appreciation of respondent against 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 over 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 final result is obtained as a percentage **short term balance**, obtained as difference between percentage of those who chose the positive alternative of the phenomenon and percentage of those who indicated the negative alternative.

**Consequently, short term balance indicates the perception of respondents over one phenomenon dynamics, 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

#### **CANE Rev2.**

The surveys were carried out based on samples representative for manufacturing (2151 economic units), construction (1671), retail (2110) and services (2546). 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 are main activity and enterprises size.

Short term survey are carried out in cofinancing with the contribution of European Commission - DGEFIN (Brussels).

*The next press release will be issued on August 30, 2010.*