ROMANIA

MATIONAL INSTITUTE OF STATISTICS
Press office
16, Libertății Avenue, sector 5, Bucharest
Tel/Fax: 318 18 69; Fax 312 48 75
e-mail: romstat@insse.ro; biroupresa@insse.ro

PRESS RELEASE
No. 128 of June 28, 2010

Trends in the evolution of economic activity during June – August 2010

To have a correct interpretation of results, kindly consult „Methodological notes" from page 2 of the press release

General trends

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

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

Manufacturing

Trend of relative stability of activity

In the short term survey of June 2010, manufacturing managers forecast for the next three months a relative stability of production volume (short term balance +2%).
Regarding number of employees, a moderate fall is estimated, short term balance being -14% per total manufacturing (-16% for very big enterprises with 500 employees and over).
Some of activities will register a decrease trend much more accentuated than per total: metallurgy; cocking products and products from crude petroleum processing and chemical substances and products (short term balances -54%, -50% and respectively -38%).
Prices of industrial products forecast a relative stability in the next three months (short term balance +4%).

Construction

Trend of relative stability of activity

According to June 2010 estimations, construction activity will register for the next three months a relative stability of production volume (short term balance -3%) and a moderate fall of stock of contracts and orders (short term balance -11%).
Managers estimate a moderate fall of number of employees (short term balance -12%), this trend being especially given by small enterprises, with less than 50 employees.
Regarding prices of construction works, a relative stability is forecast.

Retail

Trend of moderate fall of activity

Managers of retail sector estimated for June 2010 a moderate fall of economic activity for the next three months (short term balance -10%).
Total volume of sales of goods will have a moderate fall trend (short term balance -9%).
Volume of orders addressed by trade units to the suppliers of goods will register a moderate fall (short term balance -11%).
Employers forecast for the next three months a moderate fall of number of employees in this sector (short term balance -10%).
Managers of trade companies estimate that retail selling prices will rise (short term balance +25%).

Services

Trend of moderate fall of activity

According to June 2010 estimations, demand of services (turnover) will register a moderate fall (short term balance -8%).
Sector of services estimates for the next three months a moderate fall of number of employees (short term balance -7%). This trend is especially given by small enterprises (1- 49 employees).
According to the managers' opinion, selling and invoice prices of provisions will register a trend of relative stability (short term balance -3%).

Methodological notes

Results presented in this press release were obtained from **short term surveys,** following the estimations of the companies' managers regarding the evolution trend 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, of which differ by method and use. Specificity of short term surveys is that instead of exact figures, usual answer 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 increase/ the same/ will decrease", in case of questions which indicate **an evolution over time** of a phenomenon.

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

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

The following thresholds of short term balance interpretation were set up:
up to ± 5% relative stability;
from ± 6% to ±15% moderate growth, respectively moderate fall;
from ±16% to ± 40% growth, respectively fall;
over ±40% accentuated growth, respectively accentuated fall.

Short term balances are calculated based on data processed and aggregated according to **CANE Rev2.**

The surveys were carried out based on some samples representative from manufacturing (2151 economic units), construction (1671), retail (2110) and services (2546). Size of samples was set up so that maxium admitted estimation error should be ±5% at level of total sector.
Simple randm stratified sample was used and stratification vairables are main activity and enterprise size.

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

Next press release will be issued on July 28, 2010