

Improving expectations without job creation

Results of the IEER Quarterly Business Climate Survey

January 2014

Summary in English

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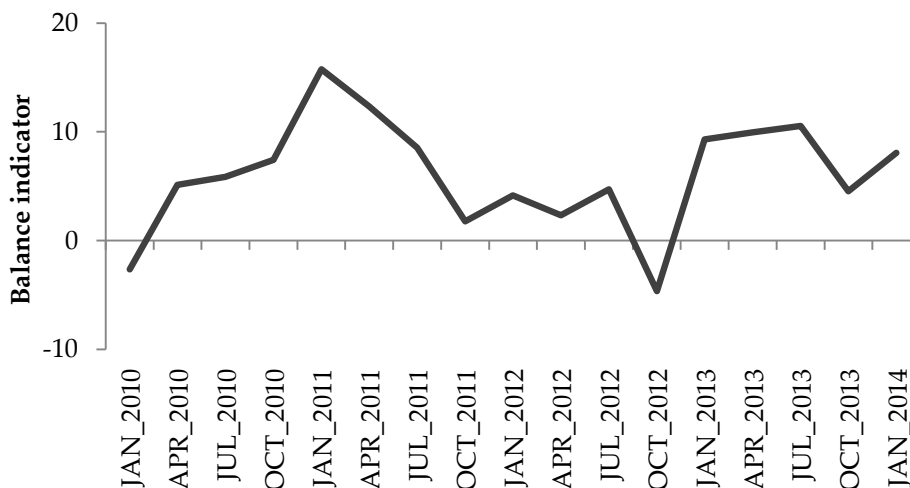
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1. Quarterly Business Climate Index and Uncertainty Index

The results of the latest quarterly business climate survey reveal a more favourable expectations compared to the previous quarter: the IEER Quarterly Business Climate Index increased from 5 points to 8 points, what is close to the level of January 2013 (9 points). The value of the Uncertainty Index compared to the previous quarter is similar, it increased from 31 to 32 points. These values are notably lower than we found earlier in the course of the IEER Business Climate Survey. This result implies that there is a decrease in the diversity of opinions on views toward the current and expected business situation of enterprises, however the perceptions of the trends are still not clear or uniform within the business sector.

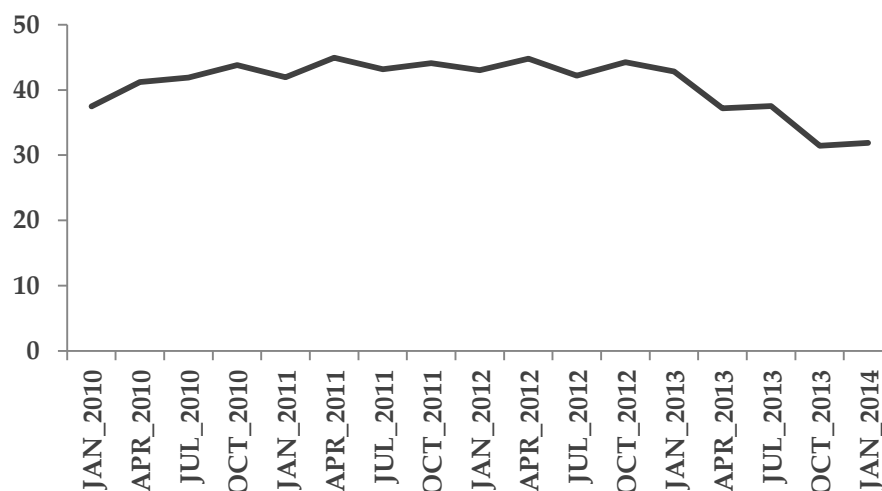
Regarding the indicators we can conclude that in the last quarter of 2013 the business confidence rebounded to the relatively high (compared to the year 2012) level measured in the beginning of 2013, after a lurch in the third quarter of 2013.

1.1. Quarterly developments in the Quarterly Business Climate Index



Source: IEER 2014

1.2. Quarterly developments in the Uncertainty Index



Source: IEER 2014

2. The components of the Quarterly Business Climate Index

The IEER Quarterly Business Climate Index consists of ten components. The figures below demonstrates the quarterly developments of them.

2.1. Quarterly developments of the business climate indicators



Source: IEER 2014

We can conclude that the more favourable rating of the current and expected business situation and profitability, the expected investment activity, the stock orders and future capacity utilization led to the increase of the IEER Quarterly Business Climate Index. In contrast the level of production stagnated in the previous quarter and the referring expectations show no major change too, and in addition, the enterprises became more pessimistic regarding the expected change in staff members.

Appendix

A1.: Distribution of firms by size in the waves of the Quarterly Business Climate Survey, Jan 2010 – Jan 2014, pcs

	Number of staff members				Total
	20-49 people	50-99 people	100-249 people	Over 250 people	
JAN_2010	106	84	113	103	406
APR_2010	89	96	105	96	386
JUL_2010	97	90	116	98	401
OCT_2010	101	87	116	107	411
JAN_2011	100	88	117	105	410
APR_2011	99	89	124	95	407
JUL_2011	99	87	115	109	410
OCT_2011	98	87	114	108	407
JAN_2012	97	88	114	101	400
APR_2012	99	87	114	128	428
JUL_2012	99	88	115	115	417
OCT_2012	99	87	114	104	404
JAN_2013	97	89	113	101	400
APR_2013	97	89	114	100	400
JUL_2013	104	84	113	99	400
OCT_2013	103	83	113	101	400
JAN_2014	103	85	114	99	401
Total	1687	1488	1944	1769	6888

Source: IEER 2014

A2.: Distribution of firms by sector in the waves of the Quarterly Business Climate Survey, Jan 2010 – Jan 2014, pcs

	Sector				Total
	Processing industry	Building industry	Commerce	Business services	
JAN_2010	190	51	107	58	406
APR_2010	196	59	102	57	414
JUL_2010	208	50	97	46	401
OCT_2010	205	53	99	53	410
JAN_2011	194	53	105	58	410
APR_2011	193	59	105	50	407
JUL_2011	207	50	94	59	410
OCT_2011	222	47	90	48	407
JAN_2012	195	49	98	58	400
APR_2012	207	59	112	50	428
JUL_2012	216	53	96	52	417
OCT_2012	186	55	107	56	404
JAN_2013	193	48	106	53	400
APR_2013	191	49	106	54	400
JUL_2013	189	50	107	54	400
OCT_2013	196	51	102	51	400
JAN_2014	196	51	103	51	401
Total	3384	887	1736	908	6915

Source: IEER 2014

Annex

The formula of the IEER Quarterly Business Climate Index (QBCI)

$BCI = (raj_ + uhj_ + vjj_ + tszm_ + lvv_ + uhv_ + vjv_ + cue_ + tszv_ + bv_)/10$,
where:

- RAJ_: current stock orders
- UHJ_: current business situation
- VJJ_: current profitability
- TSZM_: production levels – previous quarter
- LVV_: expected change in staff members
- UHV_: expected business situation
- VJV_: expected profitability
- CUE_: expected capacity utilization
- TSZV_: expected production levels
- BVV_: expected investment activity

The formula of the IEER Quarterly Uncertainty Index (UI)

UI = the variance of the BCI

The values of the indicators

The answers for the questions relating to the indicators worth the following scores:

Answer	Score
Good / Better / Growing / It will be better / It will grow	100
Satisfactory / Does not change / Will not change	0
Bad / Worse / Decreasing / It will be worse / It will decrease	-100