



Results of the IEER Quarterly Business Climate Survey

January 2016

Summary in English

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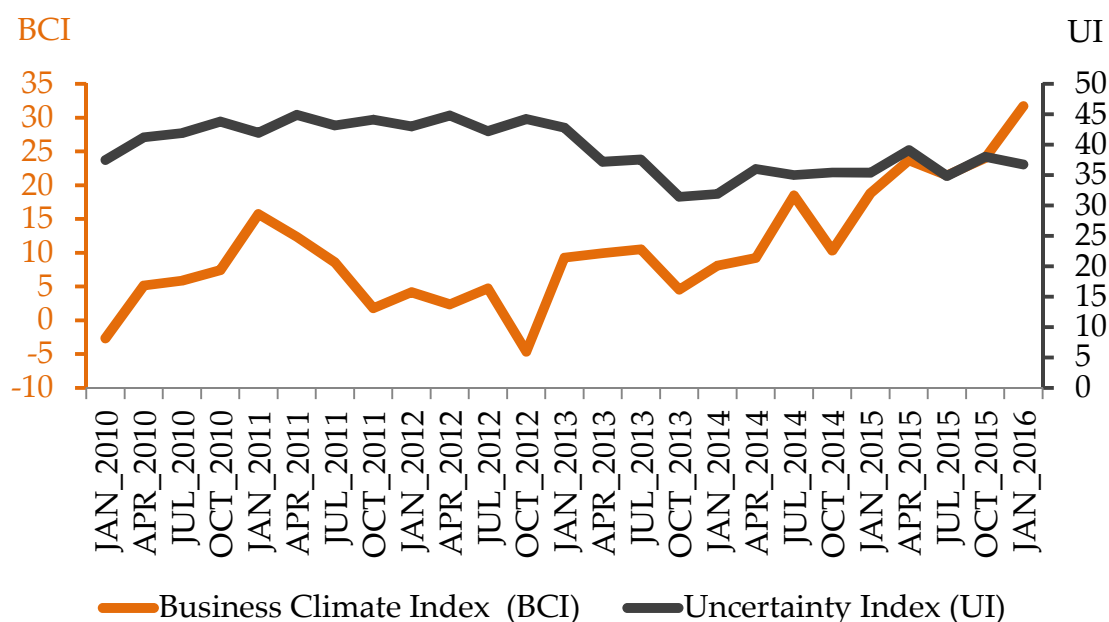
Internet: <http://www.gvi.hu>

1. Business Climate Index and Uncertainty Index

The results of the latest quarterly business climate survey reveal considerably more favourable economic condition compared to the previous quarter: the IEER Quarterly Business Climate Index increased from 24 to 32 points, which is the highest value in the history of the indicator. It was only 19 points in the same period of the previous year. The Uncertainty Index is at a current level of 37 points, which is slightly lower than in the previous quarter (it was 38 points in October 2015). The value of the Uncertainty Index indicates that the current trend is not uniform within the private sector, and that it will continue to be confined to one part of the economy and will not be felt by all companies.

In sum, we can assess that the level of business climate has remarkably increased in January 2016, thus it has reached the highest level in the history of the survey.

1.1. Quarterly developments in the Business Climate Index and in the Uncertainty Index

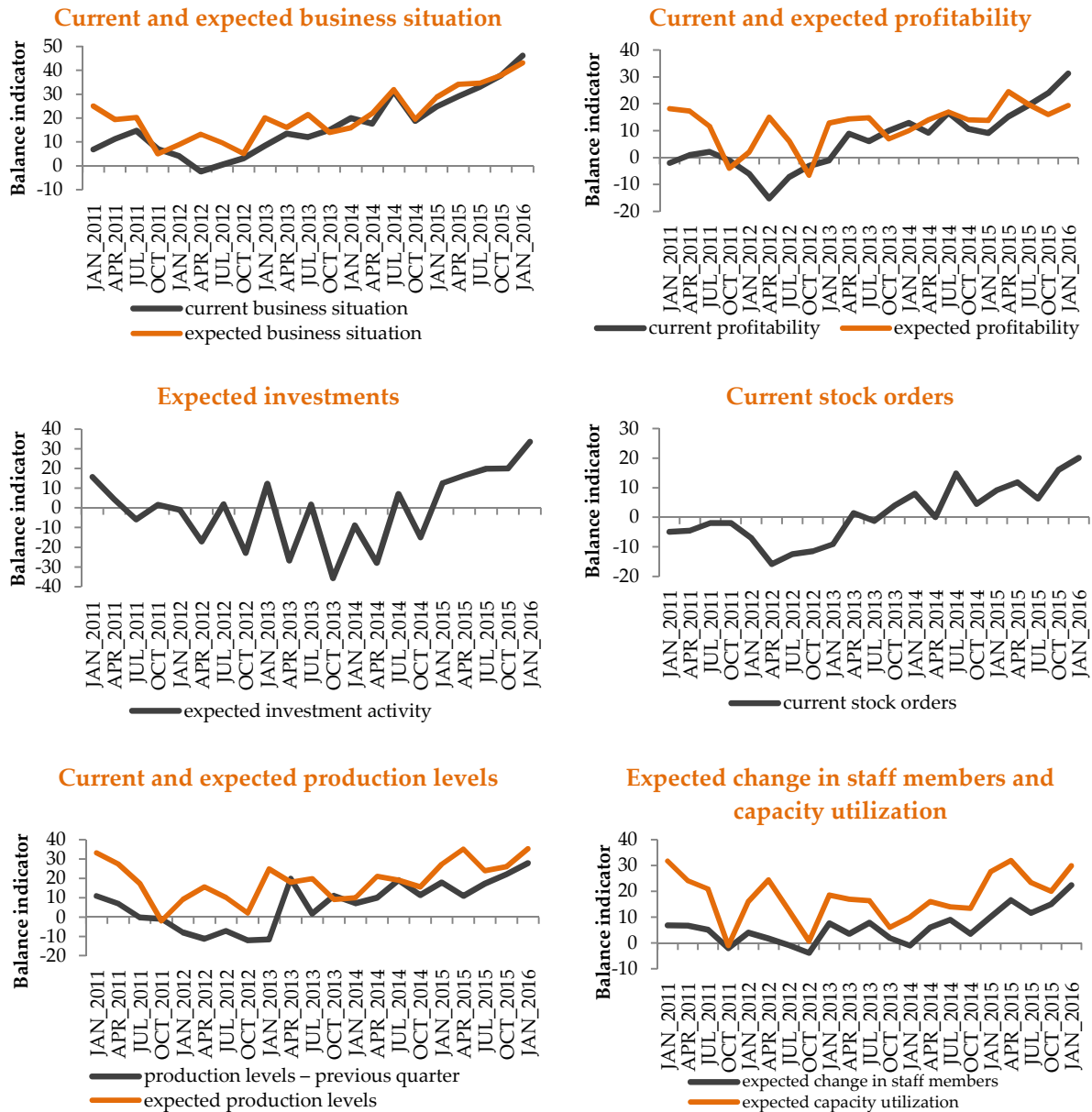


Source: IEER 2016

2. The components of the Business Climate Index

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

2.1. Quarterly developments of the business climate indicators



Source: IEER 2016

We can conclude that the increase of the IEER Quarterly Business Climate Index is due to the increase of all the elementary indicators compared to the previous quarter. The greatest increase has occurred in case of the expected investment activity (14 points increase), the expected capacity utilization (10 points increase), the expected production level (9 points increase), and the current business situation (8 points increase). The least increase has occurred in case of the expected profitability (3 points increase), and in case of the current stock orders (4 points increase).

Appendix

A1.: Distribution of firms by size in the waves of the Quarterly Business Climate Survey, Jan 2010 – Jan 2016, pcs

	Number of staff members				Total
	20-49 head	50-99 head	100-249 head	Over 250 head	
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
APR_2014	104	85	114	99	402
JUL_2014	106	83	113	99	401
OCT_2014	105	86	106	104	401
JAN_2015	99	88	110	103	400
APR_2015	109	90	110	91	400
JUL_2015	101	87	114	98	400
OCT_2015	99	87	114	100	400
JAN_2016	99	86	114	101	400
Total	2509	2180	2839	2564	10092

Source: IEEER 2016

**A2.: Distribution of firms by sector in the waves of the Quarterly Business Climate Survey,
Jan 2010 – Jan 2016, 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
APR_2014	199	48	103	52	402
JUL_2014	204	48	100	49	401
OCT_2014	186	52	108	55	401
JAN_2015	199	49	109	43	400
APR_2015	192	49	108	51	400
JUL_2015	187	52	110	51	400
OCT_2015	184	52	107	57	400
JAN_2016	201	53	106	40	400
Total	4936	1290	2587	1306	10119

Source: IEER 2016

A3.: Distribution of firms by sector and by size, Jan 2016, pcs

	Sector				Total
	Processing industry	Building industry	Commerce	Business services	
20-49 head	45	15	27	12	99
50-99 head	39	12	24	11	86
100-249 head	51	18	31	14	114
Over 250 head	66	8	24	3	101
Total	201	53	106	40	400

Forrás: GVI 201

Annex

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

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