



Results of the IEER SME Outlook Survey

January 2014

Summary in English

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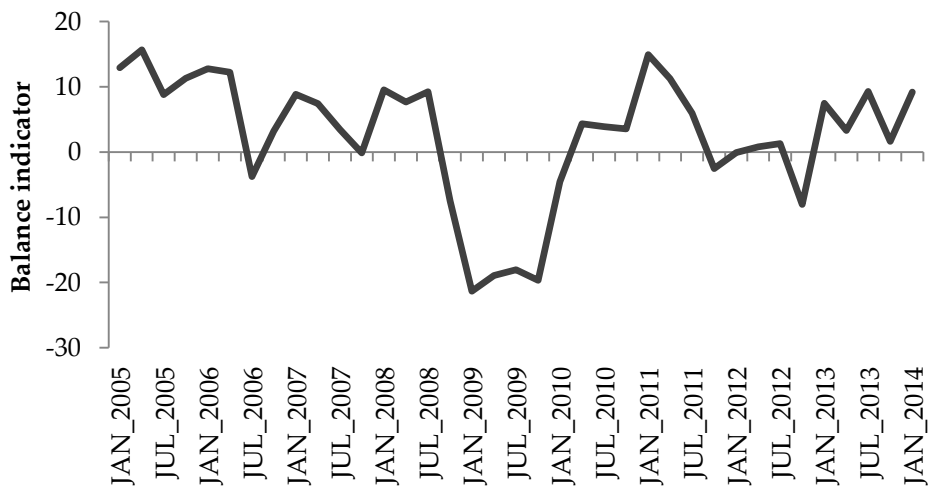
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1. SME Outlook Business Climate Index and Uncertainty Index

The results of the latest SME Outlook survey reveal more favourable expectations compared to the previous quarter: the SME Outlook Business Climate Index increased from 2 points to 9 points, surpassing the level of January 2013 (7 points). The value of the SME Outlook Uncertainty Index compared to the previous quarter is similar, it increased from 31 to 33 points. These values are notably lower than we found earlier in the course of the SME Outlook 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 SMEs.

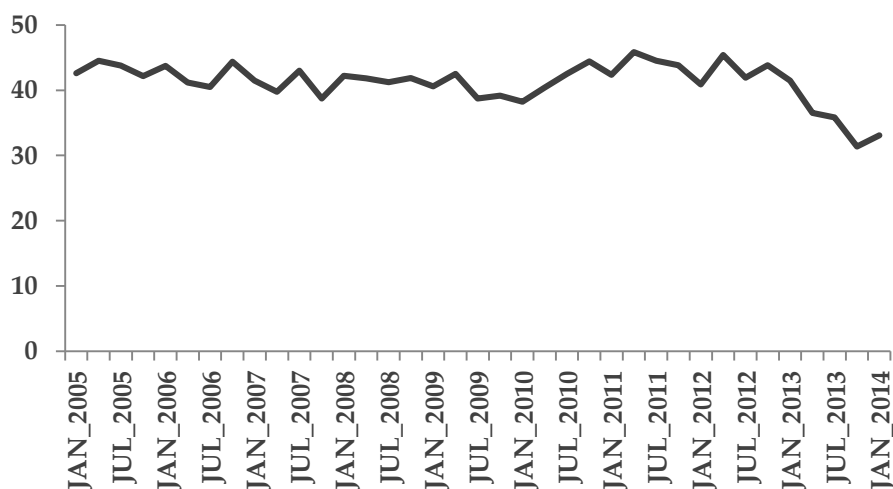
Regarding the indicators we can conclude that in the last quarter of 2013 the business confidence rebounded to a favourable (compared to the period since 2011) level measured in the second quarter of 2013, after a lurch in the third quarter of 2013.

1.1. Quarterly developments in the SME Outlook Business Climate Index



Source: IEER 2014

1.2. Quarterly developments in the SME Outlook Uncertainty Index

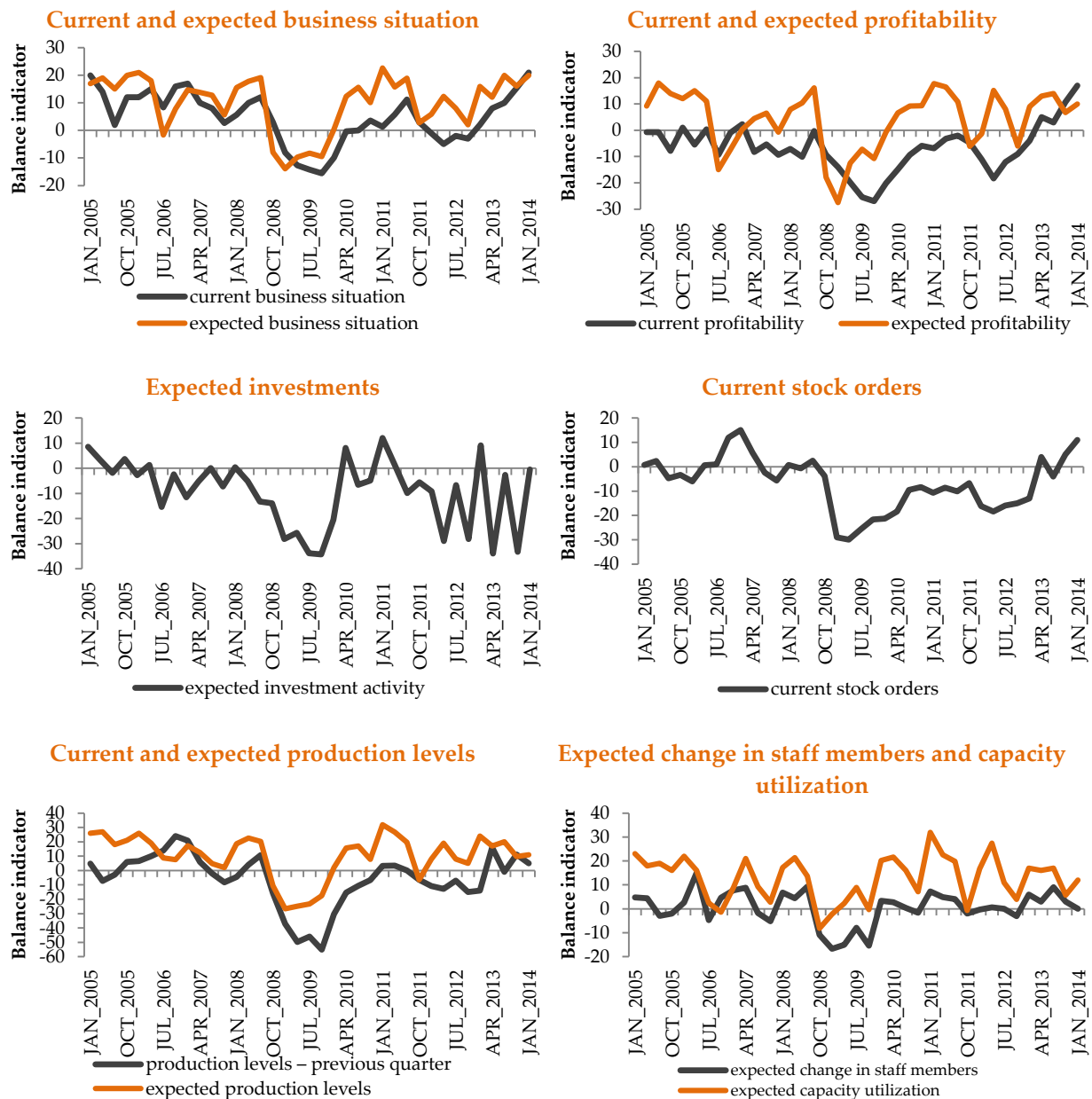


Source: IEER 2014

2. The components of the SME Outlook Business Climate Index

The SME Outlook 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 SME Outlook Business Climate Index. In contrast the level of production decreased in the previous quarter and the referring expectations stagnated, 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 SME Outlook Business Climate Survey, Jan 2005 – Jan 2014, pcs

	Number of staff members			Total
	20-49 people	50-99 people	100-249 people	
JAN_2005	102	85	114	301
APR_2005	103	84	113	300
JUL_2005	105	88	119	312
OCT_2005	107	90	114	311
JAN_2006	105	88	117	310
APR_2006	106	88	118	312
JUL_2006	103	84	114	301
OCT_2006	210	57	36	303
JAN_2007	102	87	112	301
APR_2007	102	84	116	302
JUL_2007	102	84	114	300
OCT_2007	101	85	115	301
JAN_2008	101	84	114	299
APR_2008	102	84	114	300
JUL_2008	102	84	114	300
OCT_2008	102	84	114	300
JAN_2009	103	80	118	301
APR_2009	102	84	114	300
JUL_2009	103	85	116	304
OCT_2009	101	84	114	299
JAN_2010	106	84	113	303
APR_2010	89	96	105	290
JUL_2010	97	90	116	303
OCT_2010	101	87	116	304
JAN_2011	100	88	117	305
APR_2011	99	89	124	312
JUL_2011	99	87	115	301
OCT_2011	98	87	114	299
JAN_2012	97	88	114	299
APR_2012	99	87	114	300
JUL_2012	99	88	115	302
OCT_2012	99	87	114	300
JAN_2013	97	89	113	299
APR_2013	97	89	114	300
JUL_2013	104	84	113	301
OCT_2013	103	83	113	299
JAN_2014	103	85	114	302
Total	3851	3161	4164	11176

Source: IEER 2014

A2.: Distribution of firms by sector in the waves of the Quarterly Business Climate Survey, Jan 2005 – Jan 2014, pcs

	Sector				Total
	Processing industry	Building industry	Commerce	Business services	
JAN_2005	136	44	82	39	301
APR_2005	134	44	83	39	300
JUL_2005	139	48	84	41	312
OCT_2005	138	47	85	41	311
JAN_2006	138	46	85	41	310
APR_2006	138	47	85	42	312
JUL_2006	135	44	82	40	301
OCT_2006	129	39	81	54	303
JAN_2007	134	47	82	38	301
APR_2007	135	44	82	41	302
JUL_2007	135	44	82	39	300
OCT_2007	135	45	83	38	301
JAN_2008	135	44	81	39	299
APR_2008	135	44	82	39	300
JUL_2008	135	44	82	39	300
OCT_2008	135	44	82	39	300
JAN_2009	135	43	82	41	301
APR_2009	135	44	82	39	300
JUL_2009	138	44	83	39	304
OCT_2009	134	45	82	38	299
JAN_2010	136	43	85	39	303
APR_2010	134	45	75	35	289
JUL_2010	145	43	80	35	303
OCT_2010	141	48	76	38	303
JAN_2011	140	45	77	43	305
APR_2011	145	51	80	36	312
JUL_2011	139	47	75	40	301
OCT_2011	137	47	75	40	299
JAN_2012	141	47	73	38	299
APR_2012	135	45	81	39	300
JUL_2012	137	45	81	39	302
OCT_2012	135	45	81	39	300
JAN_2013	134	45	81	39	299
APR_2013	135	45	81	39	300
JUL_2013	136	45	81	39	301
OCT_2013	136	44	80	39	299
JAN_2014	135	47	81	39	302
Total	5049	1668	2995	1462	11174

Source: IEER 2014

Annex

The formula of the SME Outlook Business Climate Index (BCI)

$BCI = 0.18 \cdot raj_ + 0.04 \cdot (uhj_ + vjj_ + tszm_ + lvv_ + uhv_) + 0.18 \cdot vjv_ + 0.10 \cdot cue_ + 0.18 \cdot tszv_ + 0.17 \cdot bvv_$ 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 for calculating the SME Outlook Business Climate Index was changed in January 2014, so the index follows the growth rates of GDP more precisely.

The formula of the SME Outlook 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