Methodology for the Business Tendency Surveys

The economic sentiment indicator (ESI) is a composite indicator whose goal is to present the current state of expectations for all participants of economic environment. It consists of the aggregated data derived from the results of the Business Tendency Survey in industry, construction, trade, services and the results of the Consumer Confidence Survey on the current economic situation. The Survey is coordinated by the European Commission, using the same methodology for all EU member states.

Business Tendency Survey in Industry is focused on the evaluation of the current situation in the economy of industrial enterprises and on the expected development of the selected indicators over the next three-month period. For a more objective evaluation of the development, the answers obtained from the Business Tendency Survey are processed as the weighted arithmetic mean. The value of turnover in industry and in the evaluation of the employment indicators, the number of respondent employees are being used as the weights. The development is expressed by the balance representing the difference between positive and negative evaluations in percentages.

Confidence Indicator in Industry is a composite indicator calculated as the weighted arithmetic mean of the balances of demand, finished goods stocks (with an opposite sign) and the expected industrial production. The balances, from which the Confidence Indicator is calculated, are seasonally adjusted and are identical in weight.

Business Tendency Survey in Construction is focused on the evaluation of the current situation in economy of construction enterprises and on the expected development of the selected indicators over the next three-month period. For a more objective evaluation of the development, the answers obtained from the Business Tendency Survey are processed as the weighted arithmetic mean. The value of construction production and in the evaluation of the employment indicators, the number of respondent employees are being used as the weights. The development is expressed by the balance representing the difference between positive and negative evaluations in percentages.

Confidence Indicator in Construction is a composite indicator calculated as the weighted arithmetic mean of the business tendency balances of the total demand and the expected employment. Both balances are seasonally adjusted and are identical in weight.

Business Tendency Survey in Trade is focused on the evaluation of the current situation in the economy of business enterprises and on the expected development of the selected indicators over the next three-month period. For a more objective evaluation of the development, the answers obtained from the Business Tendency Survey are processed as the weighted arithmetic mean. The value of turnover and in the evaluation of the employment indicators, the number of respondent employees are being used as the weights. The

development is expressed by the balance representing the difference between positive and negative evaluations in percentages.

Confidence Indicator in Trade is a composite indicator calculated as the weighted arithmetic mean of business balances of the previous and expected business activities and the stock of goods (with an opposite sign). The balances are seasonally adjusted and are identical in weight.

Business Tendency Survey in Services is focused on the evaluation of the current situation in the economy of enterprises in the market service sector and on the expected development of the selected indicators over the next three-month period. For a more objective evaluation of the development, the answers obtained from the Business Tendency Survey are processed as the weighted arithmetic mean. The value of turnover (revenues, in the financial sector) and in the evaluation of the employment indicators, the number of respondent employees are being used as the weights. The development is expressed by the balance representing the difference between positive and negative evaluations in percentages.

Confidence Indicator in Services is a composite indicator calculated as the weighted arithmetic mean of the business balances of the level of demand, business situation and the expected demand. The balances are seasonally adjusted and are identical in weight.

Consumer Survey monitors the dynamics of change in the evaluations of the business situation in Slovakia by its population, financial situation of households, it is dealing with their expectations for next 12 months and with the investment intentions of households.

Consumer Confidence Indicator is a composite indicator calculated as the arithmetic mean of the balances of estimated development of economy, unemployment in the country and estimated financial situation and savings of own households, (unemployment is with an opposite sign). All the four components are identical in weight.

Economic Sentiment Indicator (2015 = 100) is a weighted arithmetic mean of the Confidence Indicator in Industry (40 %), Confidence Indicator in Construction (5 %), Confidence Indicator in Trade (5 %), Confidence Indicator in Services (30 %) and Consumer Confidence Indicator (20 %).

IES = a*ICI + b*BCI + c*RCI + d*SCI + e*CCI

whereby

- ICI = Confidence Indicator in Industry
- BCI = Confidence Indicator in Construction
- RCI = Confidence Indicator in Trade
- SCI = Confidence Indicator in Services
- CCI = Consumer Confidence Indicator
- a,b,c,d,e = weights of individual indicator components

The calculated values are converted into the index form to the base period, which is an average of the year 2015.

Methodological explanatory notes to the Business Tendency Surveys:

During the data processing for individual sectors in the particular month, data are also put into the more precise form for the previous month on the basis of additionally obtained materials.

Since January 2018, there was a change in the base period to the average of the year 2015 = 100.

For more detailed information please e-mail:iveta.synekova@statistics.sk

Methodological notes to the Consumer Survey:

The results are published in the form of a coefficient, based on the weighted comparison of positive and negative expressions

$I = a*(+ +) + b*(+) - c*(-) - d*(- -),$

whereby

- a, b, c, d are weights defined by the European Commission
- (+ +), (+), (-), (- -) is a percent composition of the relevant answer

A coefficient takes its values from minus hundred (provided that all responses were absolutely unfavourable from the respondent´s point of view and nobody replied "I don´t know") to the value of plus hundred conversely (evaluations of all respondents were absolutely favourable). The exceptions are the inflation and unemployment indicators having a positive value in accordance with the international methodology, despite the unfavourable evaluations from the respondent´s point of view and their analogically negative values, when the situation is positively evaluated by the respondents.

Consumer Confidence Indicator (CCI)

$CCI = (SK.2 + SK.4 + (-SK.7) + SK.11) / 4$

whereby

- SK.2, SK.4, SK.7, SK.11 are CCI components defined by the European Commission

The values of the relevant coefficient also range from minus hundred to plus hundred. The value -100 refers to great concerns, mistrust and pessimism; the value +100 represents absolute consumer confidence, content and optimism.

Metadata:

- Method of information collection: standardized interview by using a questionnaire
- Basic sample: 4 416 076 citizens of the SR at the age 16 and more years
- Sample scope: 1 200

- Sampling method: free quota sample with randomisation in last step
- Sampling features: gender, age, education, nationality, size group of municipality and region
- Periodicity: monthly
- Field research phase: the first decade of month
- Seasonal adjustment of data: the Dainties software, seasonally adjusted data are used for international comparison
- Form of dissemination: information on the Internet, monthly Business Tendency Surveys, quarterly Consumer Survey
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