

## RETAIL TRADE - METHODOLOGICAL NOTES

1. The business tendency survey in retail trade was introduced in CSO of Poland in October 1993. It covers enterprises of retail trade pertaining to selected divisions of section G of the Polish Classification of Activities (PKD) compiled on the basis of Nace Rev.1.1. The survey is carried out on the basis of a monthly questionnaire. About 2000 units participate in it, constituting in part a permanent panel of respondents.

2. Trading units were divided according to:

- size classes: 9 employed persons and less, 10 - 49 employed persons, 50 - 249 employed persons, 250 and more employed persons

- PKD groupings, i.e. branches: food (52.11, 52.21 - 52.27); textiles, clothing, footwear (52.41 - 52.43); furniture and other home furnishing (52.44); household appliances (52.45); motor vehicles (50.10 B, 50.30 B); department stores and mail order houses (52.12, 52.61); remaining retail trade (52.31-52.33, 52.46-52.50).

3. The business tendency questionnaire contains questions on basic features of the economic situation: sales performed in the last three months, general economic situation, number of sold goods, stocks of goods, ability to pay current debts, employment, prices, orders at suppliers, sources of current assets financing, limits to activity, demand, investment expenses.

4. Business tendency questionnaires contain diagnostic questions (referring to the current month or last three months) and prognostic questions. The time perspective is three months except for questions about investment expenses (question 17) which are six months.

5. Business tendency indicators presented in the study - referring to particular questions - are calculated as percentage, weighted shares of enterprises choosing a given option of answer or in a form of balance (the difference between the weighted percentage of positive and negative answers). The indicators are weighted by the value of retail sales in current prices.

6. The business tendency indicators relating to the questions : 1, 2, 4, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17 are calculated as balances (differences) of the percentage of answers of the first option (advantageous from the point of view of the enterprise) and the third option (disadvantageous from the point of view of the enterprise). Indicator relating to question 5 is calculated as balances (differences) of the percentage of answers of the third option and of the first option. Business tendency indicators relating to questions 3, 6 and 8 are calculated separately for every variant as a percentage share of the answers of a given option in the number of all the respondents answering a given question.

7. The indicator of the general business tendency is a composite indicator, calculated as an arithmetical average of the balances of answers of questions relating to the current (question 2) and expected (question 10) economic situation. "A good" climate of the economic situation

refers to enterprises of which the above mentioned indicator is above zero. In the opposite case their climate is evaluated as "bad".

8. Business tendency indicators in the form of balances take numerical values from the interval (-100, +100). A positive value of the indicator means good business tendency, meanwhile a negative value – bad business tendency. The increase (decrease) of the indicator means an improvement (deterioration) of the economic situation from the point of view of the surveyed enterprises.

9. Archival data are enclosed in separated database and they contain mentioned hereafter indicators which are collected since the moment they were introduced into the questionnaire.

10. There are following indicators in the database:

- m General economic situation of the unit;
- q Limits to activity of the unit - no limits
- q Limits to activity of the unit - insufficient demand
- q Limits to activity of the unit - excessive supply
- q Limits to activity of the unit - amount of interests on bank credits
- q Limits to activity of the unit - difficulties in obtaining credits
  
- q Limits to activity of the unit - level of customs duties and imports charges
- Q Limits to activity of the unit - high payments to state revenue
- q Limits to activity of the unit - difficulties in settling accounts with contractors
- q Limits to activity of the unit - costs of employment
- q Limits to activity of the unit - selling space
- q Limits to activity of the unit - competition on market
- m Amount of goods sold by the unit;
- m Stocks of goods in the unit;
- q Dominant sources of purchasing goods by the unit - direct purchases from domestic producers;
- q Dominant sources of purchasing goods by the unit - direct purchases from imports;
- Q Dominant sources of purchasing goods by the unit - wholesale store;
- q Dominant sources of purchasing goods - others (e.g. stocks)
- m Ability of the unit to pay current debts;
- q Dominant sources of financing current assets - own funds
- q Dominant sources of financing current assets - bank credit;
- Q Dominant sources of financing current assets - mercantile credit;
- m Prices of goods sold by the unit;
- m Expected general economic situation of the unit;
- q Expected demand on goods sold by the unit;
- m Expected amount of goods sold by the unit;
- m Expected ability of the unit to pay current debts;
- m Expected employment in the unit;

- m Expected prices of goods;
- m Expected orders placed with suppliers;
- Q Expected investment outlays (fixed assets) in the unit;
- q Expected investment outlays in the unit - no investment activity is expected;
- m Indicator of general business tendency climate in retail trade;

m – monthly indicators

q – till 2004 quarterly indicators (since 2005 - monthly)