September 24, 2014

Confidence of entrepreneurs rose slightly again, but confidence of consumers continued to fall, m-o-m

Business cycle survey – September 2014

Overall confidence in domestic economy increased slightly again in September. The composite confidence indicator (economic sentiment indicator) increased slightly by 0.4 points compared to August. Confidence of entrepreneurs increased by 0.9 points, m-o-m. Among entrepreneurs confidence increased in construction, in industry and in trade increased slightly and in selected services did not change. Consumer confidence indicator decreased. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to September 2013.

In **industry***,* in September, confidence increased slightly by 1 point. The assessment of current overall economic situation of the respondents decreased slightly. The assessment of current total demand almost unchanged, the assessment of foreign demand increased. According to respondents, stocks of finished goods increased slightly. For the next three months, respondents expect an increase in the development of production activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months increased compared to August. All in all, confidence in industry is higher, y-o-y.

In September, confidence in **construction** increased by 4.5 points again. The assessment of current economic situation of the respondents decreased slightly m-o-m. The assessment of total demand increased slightly, compared to August. Respondents expect for the next three months almost no changes in the development of construction activity and an increase in the employment. Expectations of the economic situation development for the next three months increased, for the next six months decreased. Overall, confidence in construction is higher, y-o-y.

In September, confidence in **trade** increased by 0.6 points, m-o-m. The assessment of current economic situation of the respondents increased slightly m-o-m. The stocks decreased. Expectations of the economic situation development for the next three as well as six months decreased, compared to August. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in September, confidence did not change. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in September decreased, its expectations for the next three months increased. For the next three months, expectations of total economic situation development increased slightly, for the next six months almost unchanged, compared to August. All in all, confidence in selected services is higher, y-o-y.

In September, consumer confidence indicator decreased by 1.5 points, m-o-m, but it is higher y-o-y. The survey taken among consumers in September indicates that consumers are for the next twelve months still more afraid of a decrease in the overall economic situation. Worries about their own financial standing increased slightly and worries about rise in the unemployment increased again, compared to August. The share of respondents intending to save money increased m-o-m. The respondents concern about rises in prices decreased very slightly m-o-m.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

 Business and Consumers Surveys are co-financed by grant agreements of the European Commission DG ECFIN

End of data collection: September 17, 2014

Related publication: 070006-14 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services

Next News Release: October 24, 2014

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2014)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2014)

Graph 2 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services

Graph 3 Economic Sentiment Indicators – international comparison