May 26, 2014

Overall confidence in economy did not change over the last three months

Business cycle survey – May 2014

Overall confidence in domestic economy did not change in May. The composite confidence indicator (economic sentiment indicator) remained at the same value compared to April. Confidence of entrepreneurs did not change too. Among entrepreneurs confidence increased slightly in industry, in construction did not change, in trade decreased and in selected services decreased slightly. Consumer confidence indicator almost unchanged. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to May 2013.

In **industry***,* in May, the assessment of current overall economic situation increased slightly. The assessment of current total demand increased slightly too, the assessment of foreign demand did not change. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect no changes in the development of production activity and in the employment too. Expectations of general economic situation development of respondents for the next three months did not change, for the next six months decreased, compared to April. All in all, confidence in industry increased slightly, compared to April, and it is higher y-o-y.

In **construction**, in May, the assessment of current economic situation of the respondents increased slightly m-o-m. The assessment of total demand did not change, compared to April. Respondents expect for the next three months no changes in the development of construction activity and in the employment too. Expectations of the economic situation development for the next three months did not change, for the next six months increased. Overall, confidence in construction did not change, m-o-m, and still remained in deeply negative territory. Confidence in construction is higher y-o-y.

In **trade***,* in May, the assessment of current economic situation of the respondents did not change m-o-m. The stocks did not change too. Expectations of the economic situation development for the next three as well as six months decreased, compared to April. In May, confidence in trade decreased m-o-m, but it is higher y-o-y.

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

Consumer confidence indicator almost unchanged in May, m-o-m, and it is higher y-o-y. The survey taken among consumers in May indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their own financial standing as well as worries about increase in the unemployment unchanged too, compared to April. The share of respondents intending to save money decreased slightly, m-o-m. The respondents concern about rises in prices almost unchanged m-o-m, and still remain relatively high.

Notes:

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Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1 Seasonally Adjusted Confidence Indicators

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

Graph 3 Economic Sentiment Indicators – international comparison