June 24, 2014

Confidence of entrepreneurs and consumers increased in June

Business cycle survey – June 2014

Overall confidence in domestic economy increased in June. The composite confidence indicator (economic sentiment indicator) increased by 1.2 points compared to May. Confidence of entrepreneurs increased too by 1.2 points. Among entrepreneurs confidence increased in construction and in selected services, in trade increased slightly and in industry decreased slightly. Consumer confidence indicator increased. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to June 2013.

Confidence in **industry** decreased slightly by 1 point in June. The assessment of current overall economic situation of the respondents increased slightly. The assessment of current total and foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged too. For the next three months, respondents expect a decrease in the development of production activity and a slight increase in the employment. Expectations of general economic situation development of respondents for the next three as well as six months increased, compared to May. All in all, confidence in industry is higher y-o-y.

In June, confidence in **construction** increased by 2 points, but still remained in deeply negative territory. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of total demand increased, compared to May. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment. Expectations of the economic situation development for the next three months decreased, for the next six months almost unchanged. Overall, confidence in construction is higher y-o-y.

In June, confidence in **trade** increased slightly by 1 point, m-o-m. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The stocks almost unchanged too. Expectations of the economic situation development for the next three months increased slightly, for the next six months decreased, compared to May. Overall, confidence in trade is higher y-o-y.

In selected **services** (incl. banking sector)*,* in June, confidence increased by 4 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in June increased as well as its expectations for the next three months. For the next three as well as six months, expectations of total economic situation development increased, compared to May. All in all, confidence in selected services is higher y-o-y.

In June, consumer confidence indicator increased by 1.2 points, m-o-m, and it is higher y-o-y too. The survey taken among consumers in June indicates that consumers are for the next twelve months slightly less afraid of a decrease in the overall economic situation. Worries about their own financial standing as well as worries about increase in the unemployment did not change, compared to May. The share of respondents intending to save money almost unchanged, m-o-m. The respondents concern about rises in prices decreased m-o-m, but 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