March 24, 2017

Overall confidence in economy decreased due to the lower expectation of entrepreneurs

Business cycle survey – March 2017

Overall confidence in domestic economy decreased in March. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1.4 points to 96.6 m-o-m. Confidence of entrepreneurs decreased by 1.8 points to 94.1 compared to February. Consumer confidence indicator increased slightly by 0.5 points to 108.7, m-o-m. Composite confidence indicator and entrepreneurs confidence indicator are lower, compared to March 2016, but consumer confidence indicator is higher.

In **industry***,* in March, confidence decreased by 2.5 points to 94.0. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand did not change m-o-m. According to respondents, stocks of finished goods increased slightly. For the next three months, respondents expect a decrease in the development of production activity and in the unemployment too. Expectations of general economic situation development for the next three as well as six decreased, compared to February. All in all, confidence in industry is lower, y-o-y.

In **construction**, in March, confidence decreased by 1.6 points to 78.1. The assessment of current economic situation of the respondents almost unchanged m-o-m. The assessment of total demand for construction work decreased slightly, compared to February. Respondents expect for the next three months almost no changes in the development of construction activity and in the employment too. Expectations of the economic situation development for the next three as well as six months decreased. Overall, confidence in construction is still lower, y-o-y.

In March, confidence in **trade** increased slightly by 0.6 points to 104.6, m-o-m. The assessment of current overall economic situation of the respondents almost unchanged m-o-m. The stocks decreased slightly. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased, compared to February. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in March, confidence decreased by 1.4 points to 94.6. The assessment of current economic situation of the respondents almost unchanged compared to February. In March, the assessment of demand almost unchanged too, but its expectations for the next three months decreased. Expectations of total economic situation development for the next three as well as six months did not change, m-o-m. All in all, confidence in selected services is a little bit lower, y-o-y.

In March, consumer confidence indicator increased slightly by 0.5 points to 108.7, m-o-m, and it is higher, y-o-y. The survey taken among consumers in March indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing decreased slightly. Worries about rise in the unemployment decreased slightly too, m-o-m. The share of respondents intending to save money did not change, compared to February. The respondents concern about rises in prices almost unchanged.

Notes:

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Next News Release: April 24, 2017

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph Confidence indicators – base indices, seasonally adjusted (2008–2017)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2017)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2017)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2017)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted