September 24, 2019

Business and consumer confidence decreased, m-o-m

Business cycle survey – September 2019

Overall confidence in economy decreased. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1 percentage point to 94.6 m-o-m. Business confidence decreased slightly by 0.7 points to 92.9 compared to August. Consumer confidence indicator decreased by 1.8 points to 103.3, m-o-m. Composite confidence indicator, business confidence indicator and consumer confidence indicator are lower compared to September 2018.

In **industry***,* in September, confidence indicator did not change again and stayed at the same value 90.3 for the fourth time in a row. The assessment of current total demand did not change, the assessment of foreign demand decreased, m-o-m. According to respondents, stocks of finished goods did not change. The assessment of overall economic situation of the respondents did not change too. For the next three months, respondents expect no changes in the development of production activity and in the employment too. Expectations of total economic situation development for the next three months increased, for the next six months almost unchanged, m-o-m. Overall, confidence in industry is lower, y-o-y.

In September, confidence in **construction** did not change and stayed at the same value 101.8. The assessment of total demand for construction work almost decreased slightly compared to August. The assessment of current economic situation of the respondents increased, m-o-m. The assessment of current construction activity almost unchanged. For the next three months, respondents expect almost no changes in the development of construction activity and in the employment too. Expectations of general economic situation development for the next three as well as six months increased slightly. All in all, confidence in construction is higher, y-o-y.

In September, confidence in **trade** decreased slightly by 0.9 points to 95.1. The assessment of overall economic situation of the respondents did not change m-o-m. The stocks increased. For the next three as well as six months, expectations of general economic situation development almost unchanged. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in September, confidence decreased by 1.6 points to 94.2. The assessment of current economic situation of the respondents did not change, compared to August. In September, the assessment of demand decreased; its expectation for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months almost unchanged. All in all, confidence in selected services is still lower, y-o-y.

In August, consumer confidence indicator decreased by 1.8 points to 103.3, m-o-m. The survey taken among consumers in September indicates that consumers are for the next twelve months a little more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to August. Worries about rise in the unemployment almost unchanged too, m-o-m. The respondents concern about rises in prices decreased slightly. The share of respondents intending to save money decreased. Overall, consumer confidence indicator is lower, y-o-y.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: September 18, 2019

Next News Release: October 24, 2019

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 (2008–2019)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2019)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2019)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2019)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted



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