June 24, 2021

**Confidence in the economy continues to grow**

**Business cycle survey – June 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – increased by 4.3 percentage points to 104.0, m-o-m. Both components increased in June. The business confidence indicator increased by 4.6 percentage points to 103.7 (m-o-m), and the consumer confidence indicator increased by 2.7 percentage points to 105.5. Compared to June last year, the composite indicator, the business indicator, and the consumer confidence indicator are at a significantly** **higher level.**

In **industry**, business confidence increased, m-o-m. The confidence indicator increased by 4.6 points to 108.2. The number of industrial companies rate their current total demand as more than satisfactory increased compared to May. The stock of finished products decreased. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months increased, m-o-m. Business confidence in industry is significantly higher, y-o-y.

Confidence of entrepreneurs in the **construction** increased slightly, m-o-m. The confidence indicator growth by 0.6 points to 115.8 The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient increased slightly, m-o-m. Compared to May the share of respondents expecting an increase in the current *number of employees* in the next three months increased. Compared to June 2020, confidence in the construction industry is significantly higher.

Confidence in the **trade** sector increased. The confidence indicator growth by 5.4 points to 104.7, m-o-m. The share of entrepreneurs evaluating the overall economic situation as good increased significantly, m-o-m. The share of entrepreneurs who expect getting better the economic situation for the next three months remained almost unchanged in June. The stock of goods has decreased significantly, m-o-m. Confidence in trade is significantly higher, y-o-y.

Compared to May the confidence indicator in the **selected service sector** (including the banking sector) increased. The confidence indicator in June growth by 4.9 points to 97.6. The *assessment of the current economic situation* remained almost unchanged m-o-m. Compared to May the share of entrepreneurs positively evaluating the current total demand increased significantly. Similarly, the share of entrepreneurs expecting an improvement in demand in the next three months increased, m-o-m. The confidence indicator in the selected service is significantly higher, y-o-y.

Compared to May, **consumer confidence indicator** increased. The confidence indicator growth by 2.7 points to 105.5. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* and their own *financial situation* did not change. Fears of rising unemployment fell for the third month in a row. On the contrary, in June the number of concerns about rising prices rose again, to a level approaching the maximum in May last year. The number of respondents who expect to save some money in the next twelve months increased slightly, m-o-m. Consumer confidence is significantly higher, y-o-y.

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Data for the business and consumer part of the business cycle surveys were collected from **1st to 17th June 2021.**

Notes:

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Data source: CZSO business survey, Data Collect consumer survey (https://www.datacollect.cz)

End of data collection: June 17, 2021

Next News Release: July 26, 2021

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Figure Confidence indicators – base indices, seasonally adjusted (2003–2021)

Figure Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2021)

Figure Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2021)

Figure Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2021)

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