July 24, 2015

Confidence of entrepreneurs and consumers decreased slightly, m-o-m

Business cycle survey – July 2015

Overall confidence in domestic economy decreased slightly in July. The composite confidence indicator (economic sentiment indicator) decreased slightly by 1 point m-o-m. Confidence of entrepreneurs decreased slightly by 1.1 points, compared to June. Among entrepreneurs confidence increased slightly in industry; in construction, in trade and in selected services decreased. Consumer confidence indicator decreased slightly by 0.7 points, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to July 2014.

In **industry***,* in July, confidence increased slightly by 0.3 points. The assessment of current overall economic situation of the respondents increased. The assessment of current total and foreign demand did not change. According to respondents, stocks of finished goods almost unchanged. In July, production capacity utilization in manufacturing industry almost unchanged and reached 85.0 % q-o-q; respondents estimate they have work secured by contracts for 7.6 months, which is slightly more than in the previous quarter. Most important barrier of production is still insufficient demand; it was stated by 45 % respondents. For the next three months, respondents expect no changes in the development of production activity and a decrease in the employment. Expectations of general economic situation development for the next three months almost unchanged, for the next six months increased, compared to June. All in all, confidence in industry is higher, y-o-y.

In July, confidence in **construction** decreased by 3 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of total demand for construction work decreased compared to June. 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 higher, y-o-y.

In July, confidence in **trade** decreased by 2 points, 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 as well as six months decreased slightly, compared to June. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in July, confidence decreased by 2.4 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in July decreased, its expectations for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months did not change, compared to June. All in all, confidence in selected services is higher, y-o-y.

In July, consumer confidence indicator decreased slightly by 0.7 points, m-o-m, but it is still higher y-o-y. The survey taken among consumers in July indicates that consumers are for the next twelve months more afraid of a decrease in the overall economic situation. Worries about their financial standing as well as worries about rise in the unemployment almost unchanged, m-o-m. The share of respondents intending to save money increased slightly too, compared to June. The respondents concern about rises in prices increased.

Notes:

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Next News Release: August 25, 2015

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2015)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2015)

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

Graph 3 Economic Sentiment Indicators – international comparison

Graph 4 Production Capacity Utilisation in Manufacturing Industry

Graph 5 Limits of Production in Industry

Graph 6 Limits of Production in Construction