November 25, 2019

Overall confidence in economy decreased slightly

Business cycle survey – November 2019

The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.3 percentage points to 93.3 m-o-m. Business confidence decreased very slightly by 0.1 points to 91.5 compared to October. Consumer confidence indicator decreased by 1.6 points to 102.0, m-o-m. Composite confidence indicator, business confidence indicator and consumer confidence indicator are lower, compared to November 2018.

In **industry***,* in November, confidence indicator decreased slightly by 0.6 points to 86.9. The assessment of current total and foreign demand did not change m-o-m. According to respondents, stocks of finished goods almost unchanged. The assessment of overall economic situation of the respondents decreased slightly. For the next three months, respondents expect a slight decrease in the development of production activity and in the employment, too. Expectations of total economic situation development for the next three as well as six months almost unchanged, m-o-m. Overall, confidence in industry is lower, y-o-y.

The survey on **investment activity** in manufacturing industry suggests that for 2020 respondents expect the level of investment should slightly decrease by approximately 1%. It refers predominantly to a renewal of production equipment and introducing new technologies, less to an extension of production capacities.

In November, confidence in **construction** decreased slightly by 0.5 points to 103.8. The assessment of total demand for construction work almost unchanged. The assessment of current economic situation of the respondents almost unchanged too, m-o-m. The assessment of current construction activity decreased slightly. For the next three months, respondents expect almost no changes in the development of construction activity and in the employment. Expectations of general economic situation development for the next three months decreased slightly, for the next six months increased slightly. Finally, confidence in construction is at the same value, y-o-y.

In November, confidence in **trade** increased by 5.4 points to 96.0. The assessment of overall economic situation of the respondents increased m-o-m. The stocks almost unchanged. For the next three as well as six months, expectations of general economic situation development increased. Overall, confidence in trade is slightly lower, y-o-y.

In selected **services** (incl. banking sector)*,* in November, confidence decreased slightly by 0.2 points to 94.2. The assessment of current economic situation of the respondents increased, compared to October. In November, the assessment of demand decreased slightly; its expectation for the next three months decreased slightly, too. Expectations of total economic situation development for the next three months almost unchanged, for the next six months increased slightly. All in all, confidence in selected services is lower, y-o-y.

In November, consumer confidence indicator decreased by 1.6 points to 102.0, m-o-m. The survey taken among consumers in November indicates that consumers are for the next twelve months an equally afraid of a decrease in the overall economic situation. Worries about their financial standing increased, compared to October. Worries about rise in the unemployment almost unchanged, m-o-m. The share of respondents intending to save money decreased slightly. The respondents concern about rises in prices almost unchanged. 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: November 18, 2019

Next News Release: December 27, 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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