

## NEWS RELEASE

November 25, 2024

### **Overall confidence in the economy increased** **Additional information to NR Business cycle survey – November 2024**

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased by 1.2 points to a value of 98.0, m-o-m, with both its components showing the same trend. The business confidence indicator increased by 1.3 points to a value of 97.3, and the consumer confidence indicator rose by 0.9 points to a value of 101.6. Compared to November of last year, the composite indicator, business indicator and consumer indicator are higher.

In the **industry** sector, confidence in the economy decreased compared to October. The confidence indicator fell by 3.9 points to a value of 90.9. The share of entrepreneurs negatively assessing their *current demand* in the next three months decreased m-o-m. The level of *finished goods* inventory remained around the October level. The share of respondents who expecting an increase in the pace of *production activity* in the next three months fell significantly. Compared with the previous month, the share of entrepreneurs expecting an increase in the prices of their products increased. Y-o-y, confidence in industry is lower.

Confidence in **construction** increased m-o-m. The confidence indicator rose by 4.2 points to a value of 113.9. The share of entrepreneurs assessing *their current demand* for construction work as insufficient increased slightly. However, the share of firms expecting a decline in *the current number of employees* over the next three months decreased significantly compared to the previous month. Expectations of *further construction price increases* over the next three months remained about the same as in October. Compared with November last year, confidence in the construction industry is higher.

Entrepreneurs' confidence in **trade** increased, m-o-m. The confidence indicator rose by 4.6 points to a value of 96.4. The share of entrepreneurs positively evaluating *their overall economic situation* significantly better than in October. The share of respondents expecting an improvement in their economic situation in the next three months also increased m-o-m. The inventory of goods in stocks increased slightly. The share of entrepreneurs expecting price increases over the next three months decreased slightly compared with the previous month. Y-o-y, confidence in the trade sector is higher.

Among entrepreneurs in **selected service** sectors (including the financial sector), confidence in the economy had increased. The confidence indicator rose by 5.9 points to a value of 102.2 m-o-m. The share of entrepreneurs positively evaluating *their current demand* for services increased compared to October. The share of respondents expecting demand to increase over the next three months also increased significantly. The share of entrepreneurs positively evaluating *the*

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*current economic situation* improved slightly. In annual comparison, confidence is higher in selected service sectors.

**Consumer** confidence increase, m-o-m. The confidence indicator rose by 0.9 points to a value of 101.6, m-o-m. The percentage of respondents expecting a *worsening of the overall economic situation* in the Czech Republic over the next twelve months and their financial situation to deteriorate over the next 12 months was almost unchanged. For the fifth month in a row, the number of *households assessing their current financial situation* as worse than in the previous twelve months has also remained almost unchanged. The number of surveyed households indicate that they have difficulty making ends meet remained roughly the same as in the previous two months (around 29% of respondents). The number of households that have to make do with savings also remained roughly the same (around 6% of households). Some 4% of consumers surveyed have to borrow, which is higher than last month. Compared to October, the number of consumers who report saving some money is almost unchanged (around 49% of respondents). The number of consumers who report saving a lot has decreased slightly (approximately 12%). The number of consumers who do not plan *to make large purchases* in the next twelve months has decreased. Households' concerns about an increase in unemployment over the next 12 months have decreased slightly. In contrast, the number of households concerned about further price increases has increased. Compared with November 2023, consumer confidence is higher.

Notes:

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Detailed time series of balances and basic indices of confidence indicators: [https://csu.gov.cz/produkty/kpr\\_ts](https://csu.gov.cz/produkty/kpr_ts)

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