May 24, 2021

**Confidence in the economy is growing along with the loosening of anti-epidemic measures**

**Business cycle survey – May 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – increased by 5.0 percentage points to 99.7, m-o-m. Both components increased in May. The business confidence indicator increased by 4.3 percentage points to 99.1 (m-o-m), and the consumer confidence indicator increased by 8.9 percentage points to 102.8. Compared to May last year, when the first wave of the coronavirus pandemic took place, 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 1.3 points to 103.6. For the first time since January 2018, more industrial companies rate their current total demand as more than satisfactory, m-o-m. The stock of finished products remained almost unchanged m-o-m. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months has decreased, m-o-m. Compared to May 2020, business confidence in industry is significantly higher.

Confidence of entrepreneurs in the **construction** increased m-o-m. The confidence indicator growth by 4.3 points to 115.2. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient decreased, m-o-m. The share of respondents expecting an increase in the current *number of employees* in the next three months increased. Compared to May 2020, confidence in the construction industry is significantly higher.

Confidence in the **trade** sector increased. The confidence indicator growth by 4.4 points to 99.3, m-o-m. The share of entrepreneurs evaluating the overall economic situation significantly increased, m-o-m. The share of entrepreneurs who expect getting better the economic situation for the next three months increased. The stock of goods has not changed, m-o-m. Confidence in trade is significantly higher, y-o-y.

For the second month in a row, the confidence indicator in the **selected service sector** (including the banking sector) significantly increased. The confidence indicator in May growth by 7.3 points to 92.7. The *assessment of the current economic situation* has improved, m-o-m. In addition, in May for the first time since October last year, the share of entrepreneurs positively evaluating the current total demand prevailed. The share of entrepreneurs expecting an improvement in demand in the next three months almost unchanged, m-o-m. Compared to May last year confidence indicator in selected service sector in selected services is significantly higher.

**Consumer confidence indicator** has risen significantly for the second time in a row. The confidence indicator growth by 8.9 points to 102.8. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* decreased for the second month in a row. Compared to April, fears of rising unemployment also fell. Evaluation own *financial situation* have hardly changed. The number of respondents who expect to save some money in the next twelve months has not changed, m-o-m. Concerns about rising prices remain high. 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 18th May 2021.**

Notes:

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End of data collection: May 18, 2021

Next News Release: June 24, 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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