Overall economic confidence decreased

26. 10. 2026

Additional information to NR Business cycle survey – October 2026

The composite confidence indicator (economic sentiment indicator), expressed as a basic index, decreased by 1.6 points m-o-m to 97.9 in October. Both of its components decreased. The business confidence indicator fell by 1.8 points to 96.6, while the consumer confidence indicator decreased by 0.8 points to 104.3. Compared with October last year, the composite confidence indicator and both of its components are lower.

Confidence among entrepreneurs in **industry** decreased m-o-m. The confidence indicator fell by 5.6 points to 90.5. The share of entrepreneurs negatively assessing their current total demand decreased slightly. In October, for the first time since May this year, the share of respondents expecting *the growth rate of production activity to decrease* over the next three months exceeded the share expecting it to increase. Stocks of finished goods decreased slightly. Compared with September, the share of entrepreneurs expecting the prices of their products to increase over the next three months rose significantly. The proportion of respondents *identifying insufficient demand* as the main barrier to production increased slightly q-o-q (reported by approximately 43% of businesses, compared with approximately 42% in July). A growing proportion of businesses (approximately 23%) stated that other factors, including high energy costs, input and fuel prices, the geopolitical situation and substantial investment requirements, were limiting their further growth. Around 12% of businesses stated that *a shortage of labour was limiting* their further growth, almost the same proportion as in the previous quarter. Compared with October last year, confidence in industry is lower.

Capacity utilisation in **manufacturing** decreased by 2.7 percentage points q-o-q to 82.1%.

In **construction**, business confidence in the economy decreased slightly m-o-m. The confidence indicator fell for the third consecutive month, this time by 0.6 points to 111.4. Compared with September, the share of respondents negatively assessing their *current demand for construction work* decreased slightly. The share of construction companies expecting their *number of employees* to increase over the next three months decreased slightly m-o-m. Respondents' expectations regarding the development of construction work prices over the next three months remained broadly unchanged from September. The main barrier to production growth remains a *shortage of labour*, reported by approximately 36% of respondents (around 3 percentage points more than in the previous quarter). The share of respondents identifying *insufficient demand* as the main barrier to production in the construction sector decreased q-o-q (around 19% of respondents, compared with approximately 23% in July). A still high proportion of respondents (approximately 16%) also cited other barriers related mainly to the current geopolitical situation, resulting in sharply rising input prices, including fuel. Compared with October 2025, confidence in construction is lower.

Among entrepreneurs in **trade**, confidence in the economy decreased m-o-m. The confidence indicator fell by 1.7 points to 92.2. The share of respondents reporting an improvement in their *overall economic situation over the past three months* increased slightly. However, the share of respondents expecting their *economic situation* to improve over the *next three months* decreased relatively sharply. *Stocks of goods* remained broadly at the previous month's level. Following a significant increase in

September, the share of entrepreneurs expecting selling prices to increase over the next three months decreased m-o-m. In a y-o-y comparison, confidence in trade is lower.

Confidence among entrepreneurs in **selected services sectors** (including the financial sector) increased m-o-m. The confidence indicator rose by 2.0 points to 101.9. The share of entrepreneurs in selected services positively assessing their *current economic situation* remained almost unchanged. Compared with September, the share of respondents positively assessing their *current demand for services* increased. The share of entrepreneurs expecting *demand* to increase over the *next three months* remained broadly unchanged from the previous month. The share of entrepreneurs expecting the prices of services provided to rise over the next three months increased relatively sharply m-o-m. Nearly half of the respondents (47%) reported that they were currently not facing any barriers limiting their production. Approximately 21% of respondents (compared with around 24% in the third quarter) stated that they were constrained by other factors, mainly the geopolitical situation, high input costs including fuel, legislation, competition, a complex legal environment, regulation, bureaucracy, labour costs and VAT rates. In a y-o-y comparison, confidence in selected services sectors is lower.

Consumer confidence decreased slightly in October. The confidence indicator fell by 0.8 points to 104.3. The share of consumers expecting the *overall economic situation* in Czechia to deteriorate over the next twelve months increased m-o-m. The share of respondents who assess their *current financial situation* as worse than it was in the previous twelve months decreased slightly. The share of households expecting their *financial situation to improve* over the next twelve months decreased m-o-m. Approximately 26% of surveyed households reported that they were barely managing to make ends meet. More than 6% had to draw on their savings, while just under 4% reported having to borrow money to cover household expenses. On the other hand, approximately 62% of surveyed households reported saving at least some of their monthly income. The number of respondents not planning to make *major purchases* over the next twelve months decreased. Consumers' concerns about rising prices increased m-o-m, while concerns about a further increase in unemployment remained at the same level as in September. In a y-o-y comparison, consumer confidence is lower.

Notes:

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Detailed time series of balances and basic indices of confidence indicators: https://csu.gov.cz/produkty/kpr_ts

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