February 24, 2021

**Confidence among entrepreneurs has improved monthly; consumers stay sceptical**

**Business cycle survey – February 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – increased by 2.4 percentage points to 89.7, m-o-m, in the opposite development of its components. Business confidence indicator growths by 3.5 percentage points to 90.6 (m-o-m), and consumer confidence indicator decreases by 3.5 percentage points to 85.0. Economic sentiment indicator, business confidence indicator and consumer confidence indicator have significantly lower values, y-o-y.**

In **industry**, business confidence growths, m-o-m. The confidence indicator increased by 3.9 points to 97.1. The share of industrial enterprises evaluating *their current total demand* as insufficient decreases in comparison with January. The *stock of finished products* stays at the same level. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months increases. The confidence in the industry increases, y-o-y.

Confidence of entrepreneurs in the **construction** increases m-o-m. The confidence indicator growths by 6.1 points to 114.6. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient slightly decrease compared to January. Entrepreneurs in the construction industry estimate that the current *number of employees* increases in the next three months. Compared to February 2020, confidence in the construction industry is still lower.

Confidence in the **trade** sector decreases – the confidence indicator declined by 3.0 points to 87.4, m-o-m. The share of entrepreneurs evaluating the overall economic situation as well did not change for the third periods. The entrepreneurs who expect getting better the economic situation for the next three months slightly decrease. The stock of goods significantly increases again. Confidence in trade is considerably lower, y-o-y.

In **selected service sector** (including the banking sector), confidence indicator increases in February. The confidence indicator increases by 3.8 points to 81.9. The *assessment of the current economic situation* gets better, m-o-m. The share of respondents negatively evaluating the current total demand decreases, m-o-m. The share of respondents - which expects decreasing number of employees - significantly increases. The share of entrepreneurs expecting an improvement in demand in the next three months declines. Among other indicators, it is worth mentioning the persistently high share of entrepreneurs who have reduced the number of employees in the past three months. Confidence in selected services is significantly lower, y-o-y.

**Consumer confidence indicator** decreases, m-o-m. The confidence indicator declines by 3.5 points to 85.0 (the same decrease as the previous month). Compared to the previous month, the share of respondents *expecting a deterioration in the overall economic situation, financial situation, rising unemployment* and *consumer prices* for the next 12 months increased. On the other hand, the number of respondents who expect to *save money* in the next 12 months decreased, m-o-m. Compared to the same month last year, consumer confidence is significantly lower.

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Data for the business and consumer part of the business cycle surveys were collected from **1st to 17th February** 2021.

Notes:

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Data source: CZSO business survey, Data Collect consumer survey (https://www.datacollect.cz)

End of data collection: February 18, 2021

Next News Release: March 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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