August 24, 2021

**Consumer confidence in the economy increased m-o-m, but confidence of entrepreneurs fell for the second time in a row**

**Business cycle survey – August 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – decreased by 1.1 percentage points to 98.6, m-o-m, with the opposite development of its individual components. While the business confidence indicator decrease by 2.2 percentage points to 97.1 (m-o-m), the consumer confidence indicator increased by 4.1 percentage points to 106.0. Compared to August last year, the composite indicator, the business indicator and the consumer confidence indicator are at a higher level.**

Business confidence in **industry**, decreased again, m-o-m. The confidence indicator fell by 1.6 points to 97.1. The number of industrial enterprises rating their *current total demand as more than satisfactory* has not changed compared to July. The *stock of finished products* remained almost unchanged m-o-m. For the second time in a row the share of entrepreneurs expecting the growth rate of *production activity* for the next three months decreased, bringing it to its five-month low. The confidence in the industry is higher, y-o-y.

Confidence of entrepreneurs in **construction** increased, m-o-m. The confidence indicator rose by 2.4 points to 116.4. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient decreased, m-o-m. Compared to the previous month respondents do not expect a significant change in the current *number of employees* in the next three months. Compared to August last year, confidence is significantly higher.

Confidence in **trade** sector decreased. The confidence indicator decreased by 2.3 points to 102.4. The share of entrepreneurs evaluating the overall economic situation decreased, m-o-m. The share of entrepreneurs *expecting an improvement in their* economic situation for the next three months almost unchanged. The stock of goods also remained almost unchanged in August. In y-o-y comparison, the confidence of entrepreneurs in trade is higher.

In **selected services** (including the banking sector), the confidence indicator decreased, m-o-m. The confidence indicator decreased by 3.4 points to 94.2. Compared to July the share of entrepreneurs *evaluating positively the current economic situation* and *the overall demand* decreased. In addition, the share of entrepreneurs expecting an improvement in demand in the next three months also decreased slightly. Confidence in selected services is significantly higher, y-o-y.

**Consumer confidence indicator** increased in August. The confidence indicator increased by 4.1 points to 106.0. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* slightly decreased. At the same time, the share of respondents expecting an improvement in their own financial situation increased. Concerns about *rising unemployment* fell slightly after the July increase. Compared to the previous month, the number of respondents who expect to save some money in the next twelve months increased. The number of the respondents *worried about the rising prices* remained significantly high in August. The number of respondents was the same as in June. Consumer confidence is higher, y-o-y.

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Data for the business part of the business cycle surveys were collected from **1st to 17th August** 2021, data for the consumer part of the business cycle surveys were collected from **1st to 15th August** 2021.

Notes:

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

End of data collection: August 17, 2021

Next News Release: September 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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