June24, 2018

Overall confidence in economy increased due to the higher expectation of entrepreneurs

Business cycle survey – June 2018

Overall confidence in economy increased. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 0.8 points to 100.0 m-o-m. Confidence of entrepreneurs increased by 1.2 points to 97.4 compared to May. Consumer confidence indicator decreased slightly by 0.8 points to 113.0, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to June 2017.

In **industry***,* in June, confidence indicator increased by 1.8 points to 96.8. The assessment of current overall economic situation of the respondents almost unchanged m-o-m. The assessment of current total and foreign demand almost unchanged too. According to respondents, stocks of finished goods did not change. For the next three months, respondents expect an increase in the development of production activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months almost unchanged, m-o-m. All in all, confidence in industry is higher, y-o-y.

In **construction**, in June, confidence increased slightly by 0.5 points to 97.1. The assessment of current economic situation of the respondents did not change m-o-m. The assessment of total demand for construction work almost unchanged, compared to May. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment too. Expectations of general economic situation development for the next three as well as six months increased, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In June, confidence in **trade** decreased very slightly by 0.2 points to 97.9. The assessment of overall economic situation of the respondents almost unchanged m-o-m. The stocks increased slightly. Expectations of the economic situation development for the next three as well as six months did not change. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in June, confidence increased slightly by 0.7 points to 97.9. The assessment of current economic situation of the respondents almost unchanged compared to May. In June, the assessment of demand increased, but its expectations for the next three months decreased slightly. Expectations of total economic situation development for the next three months increased, for the next six months almost unchanged. All in all, confidence in selected services is higher, y-o-y.

In June, consumer confidence indicator decreased by 0.8 points to 113.0, m-o-m. The survey taken among consumers in June indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to May. Worries about rise in the unemployment increased slightly, m-o-m. The share of respondents intending to save money almost unchanged. The respondents concern about rises in prices did not change. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

Responsible manager: Juraj Lojka, Director of Business Statistics Coordination and Business Cycle Surveys Department, tel. +420274052680, e-mail: juraj.lojka@czso.cz

Contact person: Jiří Obst, Head of Business Cycle Surveys Unit, tel. +420274054116, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: June 18, 2018

Next News Release: July 24, 2018

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph Confidence indicators – base indices, seasonally adjusted (2008–2018)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2018)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2018)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2018)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted



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