

## NEWS RELEASE

February 21, 2025

# Consumer confidence declines marginally, business confidence improves slightly

## Additional information to NR Business cycle survey – February 2025

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased slightly by 0.4 points to 97.8 compared with January this year, with both components of the index developing differently. While the business confidence indicator increased slightly by 0.5 points to 98.0, the consumer confidence indicator fell by 0.5 points to 96.6. Compared to February last year, the composite indicator, the consumer indicator and the business indicator are at a higher level.

In the **industry** sector, business confidence in the economy increased slightly m-o-m. The confidence indicator rose by 0.3 points to 93.5. The share of entrepreneurs negatively assessing their *current demand* decreased slightly m-o-m. *Finished goods inventories* increased slightly again. The share of entrepreneurs expecting *an increase in the pace of growth in production activity* over the next three months again slightly increased compared with January. The share of entrepreneurs expecting *an increase in the prices of their products* was almost unchanged after a significant decline in January. Compared to February last year, industry confidence is higher.

Confidence in the economy increased among entrepreneurs in the **construction** sector. The confidence indicator rose by 3.0 points to 114.7. The share of entrepreneurs negatively assessing their *current demand* for construction work decreases m-o-m. The share of firms expecting an *increase in the current number of employees* over the next three months increased slightly m-o-m. Expectations of *further construction price increases* over the next three months were unchanged for the second consecutive month. Y-o-y, confidence in the construction industry is higher.

Business confidence in the **trade** sector increased compared to January. The confidence indicator rose by 3.7 points m-o-m to 99.9. Compared to the previous month, businesses were more positive of their *current overall economic situation* in February. The share of respondents *expecting their economic situation to improve* over the next three months also increased. The inventory of *goods in stocks* remained almost unchanged. The share of entrepreneurs expecting prices to rise over the next three months decreased m-o-m. Business confidence is higher y-o-y.

Business confidence in **selected service** sectors (including the financial sector) was unchanged m-o-m. The confidence indicator remained at the January value 100.5. Although the share of entrepreneurs *positively evaluating* their current demand for services decreased, the share of respondents *expecting demand to increase* over the next three months increased compared with the previous month. M-o-m, the share of businesses expecting prices to rise in the next three

## NEWS RELEASE

months fell slightly, but remains above average. Evaluations of the *current economic situation* remained unchanged m-o-m. Y-o-y, confidence is higher in selected service sectors.

Among **consumers**, confidence in the economy decreased slightly. The confidence indicator fell by 0.5 points to 96.6 compared with January. The share of consumers expecting *the overall economic situation* in the Czech Republic to worsen over the next twelve months increased for the third consecutive year. The share of consumers expecting *their financial situation* to deteriorate over the next twelve months was unchanged compared with January. The share of households expecting their current *financial situation to improve* over the next twelve months fell slightly m-o-m. The number of respondents who do not plan to *make large purchases* in the next twelve months was almost unchanged. Households' concerns about unemployment rising in the next twelve months increased. Concerns about further price rises were unchanged after a slight increase in January. On a year-on-year basis, consumer confidence is higher.

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Notes:

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Detailed time series of balances and basic  
indices of confidence indicators:

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