May 25, 2015

Confidence of entrepreneurs increased slightly, confidence of consumers decreased slightly

Business cycle survey – May 2015

Overall confidence in domestic economy increased slightly in May. The composite confidence indicator (economic sentiment indicator) increased by 0.4 points m-o-m. Confidence of entrepreneurs increased slightly by 0.8 points, compared to April. Among entrepreneurs confidence increased in selected services, in industry increased slightly, in construction did not change and in trade decreased slightly. Consumer confidence indicator decreased slightly by 0.7 points, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to May 2014.

In **industry***,* in May, confidence increased slightly by 0.3 points. The assessment of current overall economic situation of the respondents increased. The assessment of current total and foreign demand did not change. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect a slight increase in the development of production activity and in the employment too. Expectations of general economic situation development for the next three as well as six months almost unchanged, compared to April. All in all, confidence in industry is lower, y-o-y.

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

In May, confidence in **trade** decreased slightly by 0.3 points, m-o-m. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The stocks almost unchanged too. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased slightly, compared to April. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in May, confidence increased by 1.7 points. The assessment of current economic situation of the respondents did not change, m-o-m. The assessment of demand in May as well as its expectations for the next three months increased slightly. For the next three as well as six months, expectations of total economic situation development almost unchanged, compared to April. All in all, confidence in selected services is higher, y-o-y.

In May, consumer confidence indicator decreased slightly by 0.7 points, m-o-m, but it is still higher y-o-y. The survey taken among consumers in May indicates that consumers are for the next twelve months a little more afraid of a decrease in the overall economic situation. Worries about their financial standing did not change. Worries about rise in the unemployment almost unchanged m-o-m. The share of respondents intending to save money almost unchanged too, compared to April. The respondents concern about rises in prices did not change.

Notes:

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Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2015)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2015)

Graph 2 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services

Graph 3 Economic Sentiment Indicators – international comparison