February 24, 2017

February marked with lower confidence in domestic economy

Business cycle survey – February 2017

Overall confidence in domestic economy decreased in February. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1.2 points to 98.0, m-o-m. Confidence of entrepreneurs decreased by 1.1 points to 95.9 compared to January. Consumer confidence indicator decreased by 1.8 points to 108.2, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consume confidence indicator are higher, compared to February 2016.

In **industry***,* in February, confidence decreased by 1.5 points to 96.5. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand did not change. According to respondents, stocks of finished did not change too. For the next three months, respondents expect a decrease in the development of production activity and almost no changes in the unemployment. Expectations of general economic situation development for the next three months increased, for the next six months did not change, compared to January. All in all, confidence in industry remains at the same value, y-o-y.

In **construction**, in February, confidence increased by 4.7 points to 79.7. The assessment of current economic situation of the respondents increased m-o-m. The assessment of total demand for construction work almost unchanged, compared to January. Respondents expect for the next three months a slight decrease in the development of construction activity and an increase in the employment. Expectations of the economic situation development for the next three as well as six months increased. Overall, confidence in construction is still deeply lower, y-o-y.

In February, confidence in **trade** decreased slightly by 0.3 points to 104.0, m-o-m. The assessment of current overall economic situation of the respondents decreased slightly m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months did not change, for the next six months increased, compared to January. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in February, confidence decreased by 1.4 points to 96.0. The assessment of current economic situation of the respondents increased slightly compared to January. In February, the assessment of demand decreased, its expectations for the next three months almost unchanged. Expectations of total economic situation development for the next three months almost unchanged, for the next six months decreased slightly, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In February, consumer confidence indicator decreased by 1,8 points to 108,2, m-o-m, and it is higher, y-o-y. The survey taken among consumers in February indicates that consumers are for the next twelve months more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. Worries about rise in the unemployment almost unchanged too, m-o-m. The share of respondents intending to save money decreased slightly, compared to January. The respondents concern about rises in prices almost unchanged.

Notes:

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Related publication: 070006-17 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services (<https://www.czso.cz/csu/czso/business-cycle-surveys>)

Next News Release: March 24, 2017

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 (2008–2017)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2017)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2017)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2017)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted