September 24, 2020

**Business and consumer confidence in the economy increased m-o-m**

**Business cycle survey – September 2020**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form - increased by 3.9 percentage points to 90.9, m-o-m. Business confidence indicator rises by 4.0 percentage points to 89.5 (m-o-m). The consumer confidence indicator increased by 3.2 points to 97.6, m- o-m. Economic sentiment indicator, business confidence indicator and consumer confidence indicator have significantly lower values, y-o-y.**

Although overall confidence in the economy rose m-o-, in September, confidence indicator in **industry** fell. The confidence indicator fell by 1.0 point to 90.5. The share of entrepreneurs evaluating their current total demand as insufficient has hardly changed compared to August. The *stock of finished products* has not changed. Entrepreneurs expect a decline in the growth rate of *production activity* for next three months. In September, for the fifth month in a row, the declining share of entrepreneurs expecting a reduction in the number of employees. Compared to September 2019, confidence in the industry is still lower.

In the **construction** sector, confidence increased m-o-m. The confidence indicator rose by 4.9 points to 111.6. In September, for the third month in a row, the share of entrepreneurs assessing their current *demand* for construction work as insufficient decreased. At the same time, construction entrepreneurs estimate that they will not change the current number of *employees* in the next three months. In a year-on-year comparison, however, confidence in the construction is still significantly lower.

In the **trade**, confidence indicator increased compared to the previous month. The confidence indicator increased by 1.7 points to 98.1. Entrepreneurs *assessed the overall economic situation* significantly better than in August. Still, at the same time, the share of entrepreneurs who expect it to improve for the next three months fell sharply. The *stock of goods* remained almost unchanged, m-o-m. For the first time since April this year, confidence in trade is slightly higher, y-o-y.

Confidence in **selected services** (including the banking sector) has increased. The confidence indicator rose by 9.2 points (the highest month-on-month growth since the beginning of the survey) to 84.9, which is still well below the long-term average. The assessment of the *overall economic situation* has increased. For the first time since April, the share of respondents positively evaluating the *current total demand* prevailed. Compared to August, the share of entrepreneurs expecting an improvement in demand for the next three months also increased. Confidence in selected services is significantly lower, y-o-y.

**Consumer confidence indicator** increased m-o-m. The confidence indicator rose by 3.2 points to 97.6. Consumers' concerns about the deterioration in the *overall economic situation* remained roughly the same in September as in August. However, in a month-on-month comparison, consumers are less worried about the deterioration of their *financial situation*. The *intention to save* has increased. Concerns about *rising prices* fell, m-o-m, but remain high. As in previous months, the number of consumers who fear an increase in *unemployment* *in the next twelve months* continues to predominate in September. Compared to the same month last year, consumer confidence is still significantly lower.

Notes:

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End of data collection: September 17, 2020

Next News Release: October 26, 2020

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Graph Confidence indicators – base indices, seasonally adjusted (2003–2020)

Graph Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2020)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2020)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2020)

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