August 24, 2018

Confidence of entrepreneurs increased slightly, confidence of consumers decreased

Business cycle survey – August 2018

Overall confidence in economy increased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 0.4 points to 99.1 m-o-m. Confidence of entrepreneurs increased slightly by 0.8 points to 96.9 compared to July. Consumer confidence indicator decreased by 1.5 points to 110.3, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to August 2017.

In **industry***,* in August, confidence indicator increased slightly by 0.9 points to 95.2. The assessment of current overall economic situation of the respondents increased slightly m-o-m. The assessment of current total and foreign demand increased slightly too. According to respondents, stocks of finished goods did not change. For the next three months, respondents expect almost no changes 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 did not change, m-o-m. All in all, confidence in industry is lower, y-o-y.

In **construction**, in August, confidence increased by 3.1 points to 100.7. 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 July. Respondents expect for the next three months no changes in the development of construction activity and a slight increase in the employment. Expectations of general economic situation development for the next three months increased, for the next six months almost unchanged, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In August, confidence in **trade** decreased slightly by 1.4 points to 96.7. The assessment of overall economic situation of the respondents almost unchanged m-o-m. The stocks did not change. Expectations of the economic situation development for the next three as well as six months decreased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in August, confidence increased slightly by 0.7 points to 98.1. The assessment of current economic situation of the respondents almost unchanged compared to July. In August, the assessment of demand increased, its expectations for the next three months did not change. Expectations of total economic situation development for the next three as well as six months almost unchanged. All in all, confidence in selected services is higher, y-o-y.

In August, consumer confidence indicator decreased by 1.5 points to 110.3, m-o-m. The survey taken among consumers in August indicates that consumers are for the next twelve months a slight more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to July. Worries about rise in the unemployment decreased slightly, m-o-m. The share of respondents intending to save money decreased. The respondents concern about rises in prices increased slightly. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: August 17, 2018

Next News Release: September 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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