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Overall economy confidence increases in March **Additional information to NR Business cycle survey – March 2024**

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased by 3.6 points to a value of 94.2, m-o-m, reflecting different developments in its components. The business confidence indicator rises by 3.1 points to a value of 93.0, and the consumer confidence indicator increased by 5.9 points to a value of 99.9. Compared to March of last year, the composite indicator and the consumer indicator are at the same level, while the business indicator is higher.

In the **industry** sector, confidence in the economy increased m-o-m. The confidence indicator increased by 3.7 points to a value of 88.9. Compared to the previous month entrepreneurs evaluate both *current* and *expected demand* in the next three months better than in February, but there are a more respondents who evaluate the demand as insufficient. On the other hand, there is a decreasing percentage of entrepreneurs expecting a decrease in the pace of *production activity* in the next three months. The level of *finished goods* inventory also decreased. The percentage of entrepreneurs expecting further price almost decreased m-o-m. In a y-o-y comparison, confidence among entrepreneurs in the industry is lower.

Among entrepreneurs in **construction**, confidence in the economy decreased m-o-m. The confidence indicator decreased by 4.8 points to a value of 106.7. The proportion of entrepreneurs assessing *their current demand* for construction work as insufficient slightly increased m-o-m. Entrepreneurs also anticipate a slight decrease in the *current number of employees* in the next three months. The number of entrepreneurs expecting an increase in construction work prices in the next three months remained unchanged compared to February and it is stayed on the above-average level. In comparison to March of last year, confidence among entrepreneurs in the construction industry is higher.

Entrepreneurs' confidence in **trade** slightly increased, m-o-m. The confidence indicator increased by 4.9 points m-o-m to a value of 93.0. The share of entrepreneurs positively evaluating *their overall economic situation* almost remained unchanged. However, the share of respondents expecting an improvement in their economic situation in the next three months has increased. The inventory of goods in stocks has unchanged m-o-m. The stock of entrepreneurs expecting price increases in the next three months decreased m-o-m. Y-o-y, confidence in the trade sector is lower.

Among entrepreneurs in **selected service** sectors (including the financial sector), confidence in the economy increased. The confidence indicator rose by 3.1 points to a value of 95.8 m-o-m. The share of entrepreneurs positively evaluating *their current demand* for services expecting an increase in demand in the next three months increased compared to February. The share of

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entrepreneurs positively evaluating *the current economic situation* slightly increased m-o-m. In March, the share of respondents expecting price slightly increases for offered services over the next three months decreased. Y-o-y, confidence in selected service sectors is higher.

Consumer confidence increased for the third time in a row. The confidence indicator rose by 5.9 points to a value of 99.9 m-o-m. The percentage of respondents expecting a *worsening of the overall economic situation* in the Czech Republic over the next twelve months significantly decreased. The number of households assessing their *current financial situation* worse than in the previous twelve months has unchanged. The number of respondents expecting a *deterioration in their financial situation* in the next twelve months significantly rose. The number of surveyed households indicate that they have difficulty making ends meet with their financial resources has slightly decreased (approximately 27% reported this). About 8% of households have to help themselves with savings. The number of consumers saving some money monthly decreased (approximately 50% reported this). About 11% of consumers said they save a lot. The number of consumers not planning to make *major purchases* in the next twelve months has not changed. Concerns of households about an increase in unemployment in the next twelve months have decreased m-o-m. The number of respondents worried about further price increases has been on the lowest value in the 10 months period. Year-on-year, consumer confidence is higher.

Notes:

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Detailed time series of balances and basic indices of confidence indicators: https://www.czso.cz/csu/czso/kpr_ts

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