January 25, 2016

Overall confidence in economy decreased, m-o-m

Business cycle survey – February 2016

Overall confidence in domestic economy decreased in February. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1.3 points to 97.1, m-o-m. Confidence of entrepreneurs decreased slightly by 0.7 points to 95.3, compared to January. Among entrepreneurs confidence increased slightly in trade, in industry and in construction did not change; in selected services decreased. Consumer confidence indicator decreased by 3.8 points to 106.2, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to February 2015.

In **industry***,* in February, confidence did not change and still remains at 96.5. The assessment of current overall economic situation of the respondents decreased. 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 a slight decrease in the employment. Expectations of general economic situation development for the next three months did not change, for the next six months decreased, compared to January. All in all, confidence in industry is higher, y-o-y.

In February, confidence in **construction** did not change and still remains at 87.9. The assessment of current economic situation of the respondents decreased slightly, m-o-m. The assessment of total demand for construction work almost unchanged, compared to January. Respondents expect for the next three months a decrease 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 decreased. Overall, confidence in construction is higher, y-o-y.

In February, confidence in **trade** increased slightly by 0.6 points to 102.7, m-o-m. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The stocks decreased slightly. Expectations of the economic situation development for the next three months almost unchanged, 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 slightly by 1.7 points to 93.9. The assessment of current economic situation of the respondents decreased slightly, m-o-m. The assessment of demand in February almost unchanged and its expectations for the next three months decreased slightly. Expectations of total economic situation development for the next three as well as six months decreased, compared to January. All in all, confidence in selected services is higher, y-o-y.

In February, consumer confidence indicator decreased by 3.8 points to 106.2, m-o-m, but 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. The share of respondents intending to save money did not change, compared to January. Worries about rise in the unemployment increased, m-o-m. The respondents concern about rises in prices decreased.

Notes:

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Next News Release: March 24, 2016

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2016)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2016)

Graph 2.1 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006 – 2016) – basic indices

Graph 2.2 Balances of Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006 – 2016)

Graph 3 Economic Sentiment Indicators – international comparison