November 26, 2018

Confidence of entrepreneurs increased slightly, confidence of consumers decreased

Business cycle survey – November 2018

Overall confidence in economy decreased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 0.5 points to 99.3 compared to October. Confidence of entrepreneurs increased slightly by 0.5 points to 97.8, m-o-m. Consumer confidence indicator decreased by 5.1 points to 106.9, m-o-m. Composite confidence indicator and entrepreneurs confidence indicator are higher, compared to November 2017, consumer confidence indicator is lower.

In **industry***,* in November, confidence indicator decreased slightly by 0.7 points to 95.2. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The assessment of current total and foreign demand almost unchanged too. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect a decrease in the development of production activity and no changes in the employment. Expectations of general economic situation development for the next three months almost unchanged, for the next six months increased, m-o-m. All in all, confidence in industry is still lower, y-o-y.

The survey on **investment activity** in manufacturing industry suggests that for 2019 respondents expect the level of investment should increase by approximately 5 %. It refers predominantly to a renewal of production equipment and less to an extension of production capacities and introducing new technologies.

In **construction**, in November, confidence increased by 2.6 point to 103.8. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of total demand for construction work increased slightly, compared to October. Expectations of the demand for construction work increased slightly too. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment. Expectations of general economic situation development for the next three months did not change, for the next six months increased. Overall, confidence in construction is higher, y-o-y.

In November, confidence in **trade** decreased by 3.1 points to 96.2. The assessment of overall economic situation of the respondents decreased m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in November, confidence increased by 1.9 points to 99.8. The assessment of current economic situation of the respondents almost unchanged compared to October. In November, the assessment of demand increased as well as its expectations for the next three months. 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 November, consumer confidence indicator decreased by 5.1 points to 106.9, m-o-m. The survey taken among consumers in November 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, compared to October. Worries about rise in the unemployment increased, m-o-m. The share of respondents intending to save money almost unchanged. The respondents concern about rises in prices almost unchanged too. Overall, consumer confidence indicator is lower, y-o-y.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: November 19, 2018

Next News Release: December 27, 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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