

NEWS RELEASE

August 25, 2025

Consumer confidence declined m-o-m, while business confidence rose

Additional information to NR Business cycle survey – August 2025

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased by 1.4 points to 101.1 m-o-m, with the different development of its components. The business confidence indicator rose by 2.7 point to 101.5, while the consumer confidence indicator decreased by 5.1 point to 99.0. Compared to August last year, the composite indicator, business indicator and consumer indicator at higher levels y-o-y.

Among entrepreneurs in **industrial** sector, confidence in the economy remained unchanged m-o-m. The confidence indicator remained at July's value of 93.5. The share of entrepreneurs who *assess their current overall demand negatively* remained unchanged compared to July. Expectations for the *growth rate of production activity* in the next three months declined slightly among industrial entrepreneurs. *Inventories of goods* also declined slightly. The share of entrepreneurs *expecting an increase in the prices of their products* remained almost unchanged m-o-m. Y-o-y, confidence among industrial entrepreneurs is higher.

Business confidence in **construction** sector increased compared to July. The confidence indicator rose by 1.2 points to 122.4. The share of entrepreneurs who *negatively assess their current demand for construction work* remained at the same level as last month. The share of construction companies *expecting an increase in their current number of employees* over the next three months increased slightly. The share of respondents expecting an *increase in construction work prices* over the next three months remained almost unchanged m-o-m. Y-o-y, confidence in the construction industry is significantly higher.

In **trade** sector, business confidence in the economy increased m-o-m. The confidence indicator rose by 1.1 points to 98.4. The share of entrepreneurs who recorded an *improvement in their overall economic situation* in the last three months remained almost unchanged compared to July. The share of respondents expecting an *improvement in their economic situation* over the next three months increased slightly. The level of *inventories in warehouses* decreased slightly. The share of entrepreneurs *expecting price increases* in the next three months remained unchanged. Compared to August last year, confidence in trade is higher.

Business confidence in **selected service sectors** (including the financial sector) increased m-o-m. The confidence indicator rose by 5.9 points to 107.9 (the highest since April 2008). The share of entrepreneurs in selected services who *assessed their current economic situation positively* increased m-o-m. The share of entrepreneurs who assessed their *current demand for services positively* also increased. Compared to July, there was a significant increase in the share of

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respondents (especially in the financial sector) expecting an increase in demand in the next three months. The share of entrepreneurs expecting price increases in the next three months decreased m-o-m. In a y-o-y comparison, confidence in selected service sectors is significantly higher.

Consumer confidence in the economy has declined. The confidence indicator fell by 5.1 points m-o-m to 99.0. The share of *consumers expecting a deterioration in the overall economic situation* in the Czech Republic and in their *financial situation over the next twelve months* increased m-o-m. Compared to July, there was also an increase in the number of households that *assess their current financial situation* as worse than it was in the previous twelve months. The number of respondents *who do not plan to make any major purchases* in the next twelve months remained almost unchanged. Households' concerns about *rising unemployment* and further price increases remained almost unchanged compared to July. Compared to August 2024, consumer confidence is higher.

Notes:

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Detailed time series of balances and basic
indices of confidence indicators:

https://csu.gov.cz/produkty/kpr_ts

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