January 24, 2018

Confidence of entrepreneurs decreased slightly, confidence of consumers increased

Business cycle survey – January 2018

Overall confidence in domestic economy almost unchanged in January. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased very slightly by 0.1 points to 99.5 m-o-m. Confidence of entrepreneurs decreased slightly by 0.6 points to 96.9 compared to December. Consumer confidence indicator increased by 2.3 points to 112.3, m-o-m. Composite confidence indicator and consumer confidence indicator are higher, entrepreneurs confidence indicator is slightly lower, compared to January 2017.

In **industry***,* in January, confidence indicator decreased by 1.9 points to 96.8. The assessment of current overall economic situation of the respondents almost unchanged m-o-m. The assessment of current total demand almost unchanged too, the assessment of foreign demand decreased slightly. According to respondents, stocks of finished goods did not change. Most important barrier of production is lack of staff; it was stated by 33 % of respondents. Entrepreneurs in industry also require more demand; it was stated almost by 29 % of respondents. For the next three months, respondents expect a decrease in the development of production activity and an increase in the employment. Expectations of general economic situation development for the next three as well as six months almost unchanged, m-o-m. All in all, confidence in industry decreased very slightly, y-o-y.

In January, production capacity utilization in **manufacturing industry** increased and reached 85.8 % q-o-q. Respondents estimate they have work secured by contracts for 8.6 months, which is higher than in the previous quarter.

In **construction**, in January, confidence decreased by 1.5 points to 87.9. The assessment of current economic situation of the respondents increased slightly, compared to December. The assessment of total demand for construction work decreased slightly, m-o-m. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment. Most important barrier of production is insufficient demand; it was stated by 41 % of respondents. Entrepreneurs in construction also require more staff; it was stated almost by 22 % of respondents. Expectations of general economic situation development for the next three months decreased, for the next six months increased, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In January, confidence in **trade** increased by 2.4 points to 102.9. The assessment of current overall economic situation of the respondents decreased m-o-m. The stocks decreased slightly. Expectations of the economic situation development for the next three as well as six months increased, compared to December. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in January, confidence increased slightly by 0.5 points to 97.2. The assessment of current economic situation of the respondents did not change compared to the previous month. In January, the assessment of demand did not change too, its expectations for the next three months increased slightly too. Expectations of total economic situation development for the next three as well as six months increased slightly. All in all, confidence in selected services is lower, y-o-y.

In January, consumer confidence indicator increased by 2.3 points to 112.3, m-o-m. The survey taken among consumers in January indicates that consumers are for the next twelve months less afraid of a decrease in the overall economic situation. Worries about their financial standing did not change, compared to December. The share of respondents intending to save money increased. Worries about rise in the unemployment did not change, m-o-m. The respondents concern about rises in prices almost unchanged. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

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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

Graph Production Capacity Utilisation in Manufacturing Industry

Graph Limits of Production in Industry

Graph Limits of Production in Construction