October 24, 2016

Confidence of consumers increased again, confidence of entrepreneurs did not change, m-o-m

Business cycle survey – October 2016

Overall confidence in domestic economy increased slightly in October. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased slightly by 0.4 points to 97.5, m-o-m. Confidence of entrepreneurs did not change and remained at the same value 95.2, compared to September. Consumer confidence indicator increased by 2.5 points to 108.9, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to October 2015.

In **industry***,* in October, confidence decreased slightly by 0.6 points to 96.5. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand decreased slightly. According to respondents, stocks of finished goods almost unchanged. In October, production capacity utilization in manufacturing industry increased very slightly and reached 84.7 % q-o-q; respondents estimate they have work secured by contracts for 8.1 months, which is more than in the previous quarter. Most important barrier of production is still insufficient demand; it was stated almost by 34 % respondents, entrepreneurs in industry also require more staff. For the next three months, respondents expect almost no changes in the development of production activity and in the employment too. Expectations of general economic situation development for the next three as well as six months increased slightly, compared to September. All in all, confidence in industry is higher, y-o-y.

In October, confidence in **construction** increased by 2.0 points to 74.5. The assessment of current economic situation of the respondents did not change m-o-m. The assessment of total demand for construction work almost unchanged, compared to September. Respondents expect for the next three months a decrease in the development of construction activity and an increase in the employment. Expectations of the economic situation development for the next three as well as six months increased. Overall, confidence in construction is lower, y-o-y.

In October, confidence in **trade** increased by 2.3 points to 99.6, m-o-m. The assessment of current overall economic situation of the respondents increased, 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 increased slightly, compared to September. Overall, confidence in trade is higher too, y-o-y.

In selected **services** (incl. banking sector)*,* in October, confidence did not change and stated at the same value 95.6. The assessment of current economic situation of the respondents did not change, compared to September. The assessment of demand in October as well as its expectations for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months almost unchanged too, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In October, consumer confidence indicator increased by 2.5 points to 108.9, m-o-m, and it is higher, y-o-y. The survey taken among consumers in October indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing did not change. Worries about rise in the unemployment decreased slightly, m-o-m. The share of respondents intending to save money increased, compared to September. The respondents concern about rises in prices almost unchanged.

Notes:

Responsible manager: Juraj Lojka, director

Contact person: Jiří Obst, tel. +420274054116, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

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Next News Release: November 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

Graph 4 Production Capacity Utilisation in Manufacturing Industry

Graph 5 Limits of Production in Industry

Graph 6 Limits of Production in Construction