December 27, 2016

Overall confidence in domestic economy decreased very slightly, m-o-m

Business cycle survey – December 2016

Overall confidence in domestic economy decreased very slightly in December. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.2 points to 99.1, m-o-m. Confidence of entrepreneurs decreased slightly by 0.4 points to 97.1 compared to November. Consumer confidence indicator increased slightly by 0.8 points to 108.7, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to December 2015.

In **industry***,* in December, confidence decreased slightly by 0.3 points to 98.7. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand almost unchanged too. According to respondents, stocks of finished goods did not change. 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 months almost unchanged, for the next six months increased slightly, compared to November. All in all, confidence in industry is higher, y-o-y.

In December, confidence in **construction** decreased by 4.1 points to 75.0. The assessment of current economic situation of the respondents almost unchanged m-o-m. The assessment of total demand for construction work almost unchanged too, compared to November. Respondents expect for the next three months a decrease in the development of construction activity and in the employment too. Expectations of the economic situation development for the next three months decreased slightly, for the next six months almost unchanged. Overall, confidence in construction is lower, y-o-y.

In December, confidence in **trade** decreased by 1.1 points to 100.1, m-o-m. The assessment of current overall economic situation of the respondents did not change m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months decreased slightly, for the next six months did not change, compared to November. Overall, confidence in trade is higher too, y-o-y.

In selected **services** (incl. banking sector)*,* in December, confidence did not change and remains at the same value 97.7. The assessment of current economic situation of the respondents did not change compared to November. The assessment of demand as well as its expectations for the next three months in December almost unchanged. Expectations of total economic situation development for the next three as well as six months almost unchanged, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In December, consumer confidence indicator increased slightly by 0,8 points to 108.7, m-o-m, and it is higher, y-o-y. The survey taken among consumers in December indicates that consumers are for the next twelve months less afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. Worries about rise in the unemployment did not change, m-o-m. The share of respondents intending to save money decreased slightly, compared to November. The respondents concern about rises in prices almost unchanged.

Notes:

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End of data collection: December 19, 2016

Related publication: 070006-16 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services (<https://www.czso.cz/csu/czso/business-cycle-surveys>)

Next News Release: January 24, 2017

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