March 24, 2015

Confidence of entrepreneurs decreased slightly m-o-m, confidence of consumers did not change

Business cycle survey – March 2015

Overall confidence in domestic economy decreased slightly in March. The composite confidence indicator (economic sentiment indicator) decreased slightly by 0.4 points, m-o-m. Confidence of entrepreneurs decreased slightly by 0.6 points too, compared to February. Among entrepreneurs confidence increased in industry, in construction did not change, in selected services and in trade decreased. Consumer confidence indicator did not change, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to March 2014.

In **industry***,* in March, confidence increased by 1.7 points. The assessment of current overall economic situation of the respondents did not change. The assessment of current demand increased slightly, the assessment of foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect no changes in the development of production activity and a slight increase in the employment. Expectations of general economic situation development for the next three months increased, for the next six months almost unchanged, compared to February. All in all, confidence in industry is higher, y-o-y.

In March, confidence in **construction** did not change. The assessment of current economic situation of the respondents decreased m-o-m. The assessment of total demand for construction work decreased too, it´s expectation for the next three months increased, compared to February. Respondents expect for the next three months an increase in the development of construction activity and an increase in the employment too. Expectations of the economic situation development for the next three as well as six months decreased. Overall, confidence in construction is higher, y-o-y.

In March, confidence in **trade** decreased by 5 points, m-o-m. The assessment of current economic situation of the respondents decreased, m-o-m. The stocks increased. Expectations of the economic situation development for the next three months decreased, for the next six months increased, compared to February. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in March, confidence decreased by 3 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in March as well as its expectations for the next three months decreased. For the next three months, expectations of total economic situation development decreased, for the next six months decreased slightly, compared to February. All in all, confidence in selected services is lower, y-o-y.

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

Notes:

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Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2015)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2015)

Graph 2 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services

Graph 3 Economic Sentiment Indicators – international comparison