October 26, 2015

Confidence of entrepreneurs decreased, confidence of consumers increased

Business cycle survey – October 2015

Overall confidence in domestic economy decreased slightly in October. The composite confidence indicator (economic sentiment indicator) decreased slightly by 0.9 points m-o-m. Confidence of entrepreneurs decreased by 1.4 points compared to September. Among entrepreneurs confidence increased slightly in trade; in construction did not change; in selected services decreased slightly and in industry decreased. Consumer confidence indicator increased by 1.5 points, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to October 2014.

In **industry***,* in October, confidence decreased by 2.7 points. The assessment of current overall economic situation of the respondents decreased. The assessment of current total demand did not change, the assessment of foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged too. In October, production capacity utilization in manufacturing industry decreased slightly and reached 84.1 % q-o-q; respondents estimate they have work secured by contracts for 8.2 months, which is more than in the previous quarter. Most important barrier of production is still insufficient demand; it was stated by 40 % respondents. For the next three months, respondents expect a decrease in the development of production activity and a slight increase in the employment. Expectations of general economic situation development for the next three as well as six months decreased slightly, compared to September. All in all, confidence in industry is lower, y-o-y.

In October, confidence in **construction** did not change. The assessment of current economic situation of the respondents increased, m-o-m. The assessment of total demand for construction work almost unchanged, compared to September. Respondents expect for the next three months no changes in the development of construction activity and in the employment. Expectations of the economic situation development for the next three months increased, for the next six months did not change. Overall, confidence in construction is higher, y-o-y.

In October, confidence in **trade** increased slightly by 0.6 points, m-o-m. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The stocks almost unchanged too. Expectations of the economic situation development for the next three as well as six months increased, compared to September. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in October, confidence decreased slightly by 0.3 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in October increased, but its expectations for the next three months decreased. Expectations of total economic situation development for the next three months decreased too, for the next six months almost unchanged, compared to September. All in all, confidence in selected services is higher, y-o-y.

In October, consumer confidence indicator increased, m-o-m, and it is still higher y-o-y. The survey taken among consumers in October indicates that consumers are for the next twelve months a little more afraid of a decrease in the overall economic situation. Worries about their financial standing decreased, worries about rise in the unemployment decreased slightly, m-o-m. The share of respondents intending to save money almost unchanged, compared to September. The respondents concern about rises in prices increased slightly.

Notes:

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Next News Release: November 24, 2015

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 – 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

Graph 4 Production Capacity Utilisation in Manufacturing Industry

Graph 5 Limits of Production in Industry

Graph 6 Limits of Production in Construction