March 24, 2016

Overall confidence in economy decreased slightly again, m-o-m

Business cycle survey – March 2016

Overall confidence in domestic economy decreased slightly in March. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.4 points to 96.7, m-o-m. Confidence of entrepreneurs decreased very slightly by 0.2 points to 95.1, compared to February. Among entrepreneurs confidence increased slightly in selected services; in industry decreased very slightly; in construction and in trade decreased. Consumer confidence indicator decreased by 1.4 points to 104.8, m-o-m. Composite confidence indicator and entrepreneurs confidence indicator are higher, compared to March 2015, consumer confidence indicator is lower.

In **industry***,* in March, confidence decreased very slightly by 0.3 points to 96.2. 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 decreased. 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 months decreased, for the next six months did not change, compared to February. All in all, confidence in industry is lower, y-o-y.

In March, confidence in **construction** decreased by 8.2 points to 79.7. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of total demand for construction work decreased, compared to February. Respondents expect for the next three months almost no changes in the development of construction activity and a decrease in the employment. Expectations of the economic situation development for the next three months decreased, for the next six months increased. Overall, confidence in construction is lower, y-o-y.

In March, confidence in **trade** decreased by 1.5 points to 101.2, 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 as well as six months decreased, compared to February. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in March, confidence increased slightly by 1.0 points to 94.9. The assessment of current economic situation of the respondents did not change, m-o-m. The assessment of demand in March almost unchanged too, its expectations for the next three months increased slightly. Expectations of total economic situation development for the next three as well as six months almost unchanged, compared to February. All in all, confidence in selected services is higher, y-o-y.

In March, consumer confidence indicator decreased by 1.4 points to 104.8, m-o-m, and it is lower y-o-y. The survey taken among consumers in March indicates that consumers are for the next twelve months slightly more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. The share of respondents intending to save money decreased slightly, compared to February. Worries about rise in the unemployment almost unchanged, m-o-m. The respondents concern about rises in prices almost unchanged too.

Notes:

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Next News Release: April 25, 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