September 24, 2021

**Overall confidence in the economy is falling for the third time in a row**

**Business cycle survey – September 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – decreased for the third time in a row, m-o-m, this time by 2.4 percentage points to 96.2, with both components falling. Business confidence indicator decreased by 1.8 percentage points to 95.3, the consumer confidence indicator decreased by 5.3 percentage points to 100.7. Compared to September last year, the composite indicator, the business indicator and the consumer confidence indicator are at a higher level.**

In **industry** business confidence decreased for the third time in a row, m-o-m. The confidence indicator fell by 4.6 points to 92.5. Entrepreneurs rated their *current total demand* approximately the same was as in August. The *stock of finished products* increased slightly compared to the previous month. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months is the lowest since November 2020. Compared to September 2020, business confidence in industry is still slightly higher.

In **construction** confidence in the economy decreased compared to August. The confidence indicator fell by 4.8 points to 111.6. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient significantly increased, m-o-m. Respondents do not expect a change in the current *number of employees* in the next three months. Confidence in construction is slightly higher, y-o-y.

In **trade** sector confidence of entrepreneurs increased. The confidence indicator increased by 1.2 points to 103.6, m-o-m. The share of entrepreneurs evaluating the overall economic situation as good remained at the August level. The share of entrepreneurs *expecting an improvement in their* economic situation for the next three months almost unchanged. The stock of goods increased in September. In y-o-y comparison, the confidence of entrepreneurs in trade is higher.

In **selected services** (including the banking sector), the confidence indicator increased, m-o-m. The confidence indicator increased by 1.1 points to 95.3. The share of entrepreneurs *evaluating positively the current economic situation* and *the overall demand* increased, m-o-m. However, the share of entrepreneurs expecting an improvement in demand in the next three months fell. Confidence in selected services is significantly higher, y-o-y.

**Consumer confidence indicator** decreased, m-o-m. The confidence indicator decreased by 5.3 points to 100.7. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* increased. At the same time, the share of respondents expecting an improvement in their own financial situation decreased. Concerns about *rising unemployment* remained unchanged compared to August. Compared to the previous month, the number of respondents who expect to save some money in the next twelve months significantly fell. The number of respondents concerned about rising prices rose again in September. In y-o-y comparison, consumer confidence is higher.

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Data for the business part of the business cycle surveys were collected from **1st to 17th September 2021**, data for the consumer part of the business cycle surveys were collected from **1st to 16th September 2021**.

Notes:

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Data source: CZSO business survey, Data Collect consumer survey (https://www.datacollect.cz)

End of data collection: September 17, 2021

Next News Release: October 25, 2021

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Figure Confidence indicators – base indices, seasonally adjusted (2003–2021)

Figure Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2021)

Figure Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2021)

Figure Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2021)

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