March 20, 2020

Concerns about coronavirus have already influenced confidence in the economy

Business cycle survey – March 2020

Overall confidence in economy decreased. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 3.2 percentage points to 94.4, m-o-m. Business confidence decreased by 3.2 points to 93.1 compared to February. Consumer confidence indicator decreased by 3.6 points to 100.5, m-o-m. Composite confidence indicator, business confidence indicator and consumer confidence indicator are lower, compared to March 2019.

In **industry***,* in March, confidence indicator decreased by 4.2 points to 88.6. *The assessment of current total demand* almost unchanged m-o-m. According to respondents, *stocks of finished goods* decreased. For the next three months, respondents expect a significant decrease in *the development of production activity*. Expectations of total economic situation development for the next three as well as six months decreased. Overall, confidence in industry is lower, y-o-y.

In March, confidence in **construction** did not change and remains at the same value 119.0. *The assessment of total demand for construction* *work* almost unchanged. For the next three months, respondents expect almost no changes in *the employment*. Finally, confidence in construction is lower, y-o-y.

In **trade**, in March, confidence indicator decreased by 2.3 points to 99.8. *The assessment of overall economic situation* of the respondents increased m-o-m. *The stocks* did not change. *Expectations of total economic situation development* for the next three as well as six months decreased significantly. Finally, confidence in trade is higher, y-o-y.

In March, in selected **services** (incl. banking sector)*,* confidence decreased by 2.5 points to 94.2. *The assessment of current economic situation* of the respondents did not change compared to February. In March, *the assessment of demand* increased. *Expectations of total demand* for the next three months decreased. *Expectations of total economic situation development* for the next three as well as six months decreased significantly. Overall, confidence in selected services is lower, y-o-y.

In March, consumer confidence indicator decreased by 3.6 points to 100.5, m-o-m. The survey taken among consumers in March indicates that consumers are for the next twelve months a significantly more afraid of a decrease in the overall economic situation. Worries about their financial standing increased, compared to February. The share of respondents intending to save money decreased slightly. Worries about rise in the unemployment almost unchanged, m-o-m. The respondents concern about rises in prices almost unchanged too. Overall, consumer confidence indicator is lower, y-o-y.

\*\*\*

Data for the business part of the business cycle surveys were collected from **1st to 17th March** and for the consumer part from **1st to 16th March**. Therefore, business and consumer perceptions of the current situation and expectations in the dynamically evolving situation in relation to anti-coronavirus spread measures are only partially reflected in the data.

Earlier publication of this information compared to the originally planned deadline was also possible thanks to the fact that respondents from the business sphere provided the necessary input data in a timely manner and in usual extent, despite the fact that part of them already faced the first impacts of emergency measures. We appreciate their efforts and we would like to thank them.

Notes:

Responsible manager: Juraj Lojka, Director of Business Statistics Coordination and Business Cycle Surveys Department, tel. +420731439291, e-mail: juraj.lojka@czso.cz

Contact person: Jiri Obst, Head of Business Cycle Surveys Unit, tel. +420604815440, e-mail: jiri.obst@czso.cz

Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: March 17, 2020

Next News Release: April 24, 2020

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Graph Confidence indicators – base indices, seasonally adjusted (2003–2020)

Graph Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2020)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2020)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2020)

*Business and Consumers Surveys are co-financed by grant agreements of the European Commission DG ECFIN.*