June 24, 2020

**Confidence in the economy has risen slightly**

**Business cycle survey – June 2020**

**In June, overall confidence in the economy slightly grows, but it is still lower than the long-term average. The composite confidence indicator (economic sentiment indicator) – in the basis index form - increased by 2.1 percentage points to 77.2, m-o-m. Business confidence indicator increased by 2.2 percentage point to 73.8 (m-o-m), and consumer confidence indicator rises by 1.4 points to 93.3, m-o-m. Economic sentiment indicator, business confidence indicator and consumer confidence indicator have lower values, y-o-y.**

The confidence indicator in **industry decreased**in June. Confidence indicator declined by 2.9 points to 70.0. The assessment of current total demand decreased significantly again during June. Stocks of finished goods increased compared to May. Compared to the previous month, the share of entrepreneurs expecting a decline in production activity and a deterioration in their economic situation for the next three months has again fallen sharply. Expectations of the development of the economic situation of companies in the industry for the next six months did not change month-on-month, but the share of companies expecting deterioration still slightly prevailed. Confidence in the industry is significantly lower, y-o-y.

In the construction sector, confidence in the economy declined, m-o-m. The confidence indicator fell by 1.8 points to 102.4. Entrepreneurs in the construction sector assessed *the assessment of total demand for construction work* as in May. The share of entrepreneurs expecting a reduction in the number of employees for the next three months increased slightly. On the contrary, the share of companies expecting a deterioration in their economic situation for the next three to six months decreased, m-o-m. Confidence in the construction industry is still significantly lower, y-o-y.

The confidence indicator in the **trade** increased compared to May. The confidence indicator rose by 6.9 points to 92.1. *The assessment of the overall economic situation* has improved compared to May. *The stock of goods* decreased significantly, m-o-m. In June, the share of companies that expect their economic situation to improve over the next three months increased again. However, confidence in trade is lower, y-o-y.

Confidence in selected **services** (including the banking sector) increased compared to the previous month. The confidence indicator rose from its historical low in May by 7.2 points to 72.2. *The assessment of the overall economic situation* improved, m-o-m. In June, however, the negative May assessment of current aggregate demand deepened further. In June, more companies expect an increase in demand for the next three months. Also, the share of entrepreneurs expecting a deterioration in their overall economic situation for the next, not only three but also six months has decreased significantly. Confidence in selected services is significantly lower, y-o-y.

Consumer confidence indicator increased in June, m-o-m. The confidence indicator rose by 1.4 points to 93.3. Compared to May, consumers were less worried about the deterioration of their financial situation. Concerns about the decline of the overall economic situation were approximately the same month on month. The intention to save has also hardly changed. Even in June, the number of consumers who feared rising prices and rising unemployment in the next 12 months significantly prevailed, although their share decreased compared to May. Overall, consumer confidence is considerably lower, y-o-y.

Notes:

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End of data collection: June 18, 2020

Next News Release: July 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)

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