

NEWS RELEASE

March 21, 2025

Overall confidence in the economy increased

Additional information to NR Business cycle survey – March 2025

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased by 1.7 points to 99.5 m-o-m, with the same development of its components. The business confidence indicator increased by 1.6 points to 99.6, the consumer confidence indicator rose by 2.2 points to 98.8. Compared to March last year, the composite indicator and the business indicator are at a higher level. The consumer indicator is at a lower level.

In the **industry** sector, business confidence in the economy increased m-o-m. The confidence indicator rose by 1.3 points to 94.8. The share of entrepreneurs negatively assessing their *current demand* almost unchanged m-o-m. *Finished goods inventories* decreased. The share of entrepreneurs expecting *an increase in the pace of growth in production activity* over the next three months almost unchanged m-o-m. In comparison with the previous month the share of entrepreneurs expecting *an increase in the prices of their products* increased slightly. In y-o-y comparison, industry confidence is higher.

Confidence in the economy increased among entrepreneurs in the **construction** sector, m-o-m. The confidence indicator rose by 1.1 points to 115.8. The share of entrepreneurs negatively assessing their *current demand* for construction work almost unchanged m-o-m. Compared with February, the share of firms expecting an *increase in the current number of employees* over the next three months increased slightly m-o-m. M-o-m, the number of respondents expecting *further construction price increases* over the next three months has increased significantly. Compared to March 2024, confidence in the construction industry is higher.

Business confidence in the **trade** sector increased m-o-m. The confidence indicator rose by 2.3 points to 102.2. The assessment of the *current overall economic situation among* entrepreneurs in the trade sector was almost unchanged compared to February. However, the share of respondents *expecting their economic situation to improve* over the next three months increased. The inventory of *goods in stocks* decreased slightly. The share of entrepreneurs expecting prices to rise over the next three months increased slightly m-o-m. Business confidence is higher y-o-y.

Business confidence in **selected service** sectors (including the financial sector) increased compared with the previous month. The confidence indicator rose by 1.8 points to 102.3. Entrepreneurs assessed demand similarly to the previous month. The share of entrepreneurs *positively evaluating* their current demand for services decreased, on the other hand, the share of respondents *expecting demand to increase* over the next three months increased, more significantly than in the previous month. M-o-m, the share of businesses expecting prices to rise

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in the next three months fell. Evaluations of the *current economic situation* remained unchanged for the second month. Y-o-y, confidence is higher in selected service sectors.

Among **consumers**, confidence in the economy increased in March. The confidence indicator rose by 2.2 points to 98.8, m-o-m. The share of consumers expecting *the overall economic situation* in the Czech Republic to worsen over the next twelve months decreased, but remained relatively high. The share of consumers expecting *their financial situation* to deteriorate over the next twelve months decreased slightly compared with February. The number of households assessing *their current financial situation* as worse than in the previous twelve months remained the same as in February. The number of respondents who do not plan to *make large purchases* in the next twelve months decreased slightly. Households' concerns about unemployment rising in the next twelve months increased again from February. Concerns about further price rises fell slightly. On a year-on-year basis, consumer confidence is lower.

Notes:

Contact person:

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

Detailed time series of balances and basic
indices of confidence indicators:

https://csu.gov.cz/produkty/kpr_ts

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