December 20, 2013

Confidence of entrepreneurs increased, confidence of consumers almost unchanged

Business cycle survey – December 2013

Overall confidence in domestic economy continued to grow in December. The composite confidence indicator (economic sentiment indicator) increased by 1 point compared to November. Overall, confidence of entrepreneurs increased too m-o-m. Among entrepreneurs confidence did not change in industry; in trade and in selected services increased and confidence in construction decreased slightly. Confidence of consumers almost unchanged m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to December 2012.

In **industry***,* in December, the assessment of current overall economic situation did not change. The assessment of current total demand did not change too, the assessment of foreign demand decreased slightly. According to respondents, stocks of finished goods did not change. For the next three months, respondents expect a slight increase in the development of production activity and no changes in the employment. Expectations of general economic situation development for the next three as well as six months did not change compared to November. All in all, confidence in industry did not change, compared to November, and it is higher y-o-y.

In **construction**, in December, the assessment of current economic situation of the respondents did not change m-o-m. The assessment of total demand almost unchanged, compared to November. For the next three months, respondents expect a slight increase in the development of construction activity, but they do not consider the increase in employment. Expectations of the economic situation development for the next three as well as six months increased. Overall, confidence in construction decreased slightly, compared to November, and it is lower y-o-y.

In **trade***,* in December, the assessment of current economic situation of the respondents increased m-o-m. The stocks decreased. Expectations of the economic situation development for the next three as well as six months increased, compared to November. In December, confidence in trade increased m-o-m, but it is lower y-o-y.

In selected **services** (incl. banking sector)*,* in December, the assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in December increased, its expectations for the next three months increased too. For the next three months, expectations of total economic situation development decreased slightly, for the next six months almost unchanged, compared to November. All in all, confidence in selected services increased m-o-m and it is higher y-o-y.

Consumer confidence indicator almost unchanged in December, m-o-m, but it is higher y-o-y. The survey taken among consumers in December indicates that consumers are for the next twelve months a little more afraid of a decrease in the overall economic situation. In December, worries about their own financial standing did not change, worries about increase in the unemployment did not change too, compared to November. The share of respondents intending to save money did not change compared to November, the intention to acquire consumer durables decreased slightly m-o-m. Respondents are more afraid of rises in prices.

Notes:

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Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1 Seasonally Adjusted Confidence Indicators

Graph 2 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services

Graph 3 Economic Sentiment Indicators – international comparison