December 24, 2020

**Overall confidence in the economy increased m-o-m**

**Business cycle survey – December 2020**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form - increased by 5.9 percentage points to 87.9, m-o-m. Both parts of the indicator rise. Business confidence indicator growths by 5.4 percentage points to 87.1 (m-o-m), and consumer confidence indicator increases by 8.6 percentage points to 91.7. Economic sentiment indicator, business confidence indicator and consumer confidence indicator have significantly lower values, y-o-y.**

In **industry**, business confidence increased, m-o-m. The confidence indicator growths by 4.9 points to 92.8. The share of industrial enterprises evaluating *their current total demand* as insufficient decreases in the comparison with November. The *stock of finished products* has not changed. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months rises. The confidence in industry is lower, y-o-y.

Confidence of entrepreneurs in the **construction** growths, m-o-m. The confidence indicator increases by 4.9 points to 92.8. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient decrease compared to November. Entrepreneurs in the construction industry estimate that the current *number of employees* will not change in the next three months. Compared to December 2020, confidence in the construction industry is significantly lower.

Confidence in the **trade** sector has risen. The confidence indicator growths by 1.1 points to 93.2, m-o-m. The share of entrepreneurs evaluating the *overall economic situation* as well did not change after the November growth. Expectations concerning the economic situation for the next three months are higher in December. The *stock of goods* has not changed. Confidence in trade is lower, y-o-y.

In **selected service sector** (including the banking sector), confidence indicator growths (after the significant sharp in the previous two months). The confidence indicator increases by 6.8 points to 78.0. All sub-indicators make a contribution to the growth. The *assessment of the current economic situation* gets better in the comparison to November. The share of respondents negatively evaluating the current total demand decreases. The share of entrepreneurs expecting an improvement in demand in the next three months increases. Confidence in selected services is significantly lower, y-o-y.

**Consumer confidence indicator** growths, m-o-m. The confidence indicator rises by 8.6 points to 91.7. Consumers worries about the worsening *overall economic situation* decreases in December. Consumers' concerns about their *financial situation* are lower than in November. *The intention to save* has increased. The number of consumers worried about rising *unemployment* in the next twelve months decreases, m-o-m. Concerns about *rising prices* remained as high as in November. Compared to the same month last year, consumer confidence is significantly lower.

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Data for the business and consumer part of the business cycle surveys were collected from **1st to 17th December** 2020.

Notes:

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

End of data collection: December 18, 2020

Next News Release: January 25, 2021

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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