February 24, 2020

Confidence of entrepreneurs and consumers decreased slightly, m-o-m

Business cycle survey – February 2020

Overall confidence in economy decreased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.5 percentage points to 97.6, m-o-m. Business confidence decreased slightly by 0.4 points to 96.3 compared to January. Consumer confidence indicator decreased slightly by 0.7 points to 104.1, m-o-m. Composite confidence indicator, business confidence indicator and consumer confidence indicator are lower, compared to February 2019.

In **industry***,* in February, confidence indicator increased by 1.7 points to 92.7. *The assessment of current total demand* almost unchanged m-o-m. According to respondents, *stocks of finished goods* increased. For the next three months, respondents expect an increase in *the development of production activity*. Overall, confidence in industry is lower, y-o-y.

In February, confidence in **construction** decreased by 4.9 points to 119.0. *The assessment of total demand for construction* *work* decreased. For the next three months, respondents expect no changes in *the employment*. Finally, confidence in construction is lower, y-o-y.

In **trade**, in February, confidence indicator increased by 3.8 points to 102.1. *The assessment of overall economic situation* of the respondents increased m-o-m. *The stocks* almost unchanged. *Expectations of total economic situation development* for the next three months increased. Finally, confidence in trade is higher, y-o-y.

In February, in selected **services** (incl. banking sector)*,* confidence decreased by 2.7 points to 96.7. *The assessment of current economic situation* of the respondents decreased compared to January. In February, *the assessment of demand* almost unchanged. *Expectations of total demand* for the next three months did not change. Overall, confidence in selected services is lower, y-o-y.

In February, consumer confidence indicator decreased slightly by 0.7 points to 104.1, m-o-m. The survey taken among consumers in February indicates that consumers are for the next twelve months a little more afraid of a decrease in the overall economic situation. Worries about their financial standing decreased, compared to January. The share of respondents intending to save money almost unchanged. Worries about rise in the unemployment almost unchanged too, m-o-m. The respondents concern about rises in prices increased slightly too. Overall, consumer confidence indicator is lower, y-o-y.

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We changed the base for the calculation of the basis index from January 2020 (in news release by the Czech Statistical Office). The previous base (average of 2005) replaced by the long-term average, which is more suitable for the Economic Sentiment Indicator evaluation. The long-term average will be recalculated every year in January. For 2020, we calculate the long-term average from 2003 to 2019.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: February 17, 2020

Next News Release: March 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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