November 24, 2021

**Consumer confidence decreased sharply, entrepreneurs are slightly more optimistic m-o-m**

**Business cycle survey – November 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – decreased very slightly, m-o-m, this time by 0.1 point to 95.2, due to the opposite development of its components. While the business confidence indicator increased by 1.5 percentage points to 96.2, the consumer confidence indicator fell by 8.1 percentage points to 90.4. Compared to November last year, the composite indicator, the business indicator and the consumer confidence indicator are at a higher level.**

Business confidence in **industry** increased after a four-month decline. The confidence indicator rose by 4.6 points to 93.2. Compared to October, entrepreneurs in industry rated their *current total demand* worse. The *stock of finished products* has not changed and remains high. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months increased compared to the next month. In November, most entrepreneurs expected the sales prices of their products to rise over the next three months from the beginning of the monitoring. In a y-o-y comparison, the confidence of entrepreneurs in industry in higher.

In **construction** sector, business confidence increased m-o-m. The confidence indicator rose by 2.4 points to 114.0. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient decreased m-o-m. According to the respondents, the current *number of employees* will not change in the next three months. Confidence in construction is higher, y-o-y.

In **trade** sector, confidence declined m-o-m. The confidence indicator fell by 1.2 points to 104.7. The share of entrepreneurs evaluating the overall economic situation as good has hardly changed compared to October. In November, a record number of traders (the highest since the beginning of the monitoring) expected growth in the prices of goods sold over the next three months, and at the same time a slight deterioration *in their economic situation* over the same time horizon. The stock of goods remained almost unchanged m-o-m. Compared to November 2020, business confidence in trade is higher.

In **selected services** (including the banking sector), business confidence decreased compared to October. The confidence indicator fell by 1.3 points to 96.3. In m-o-m comparison, the share of entrepreneurs *evaluating positively the current and expected demand in the next three months* decreased. On the contrary, the share of entrepreneurs *evaluating positively the current economic situation* increased. As in industry and trade, also in services a record number of entrepreneurs expect growth in the prices of services provided over the next three months. Confidence in selected services is higher, m-o-m.

**Consumer confidence** in the economy decreased, m-o-m. The confidence indicator fell by 8.1 points to 90.4 in November. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* increased significantly. At the same time, the share of respondents expecting an improvement in their own financial situation decreased significantly again. The number of respondents concerned about rising prices rose again in November, making it the highest in the survey´s history. Concerns about *rising unemployment* increased compared with the previous month. The number of respondents who expect to save some money in the next twelve months decreased. However, in y-o-y comparison is consumer confidence still higher.

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Data for the business and consumer part of the business cycle surveys were collected from **1st to 18th November 2021**.

Notes:

Responsible manager: Juraj Lojka, Director of Business Statistics Coordination and Business Cycle Surveys Department, tel. +420731439291, e-mail: juraj.lojka@czso.cz

Contact person: Jiri Obst, Head of Business Cycle Surveys Unit, tel. +420604815440, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

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

End of data collection: November 18, 2021

Next News Release: December 27, 2021

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Figure Confidence indicators – base indices, seasonally adjusted (2003–2021)

Figure Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2021)

Figure Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2021)

Figure Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2021)

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