November 24, 2015

Overall confidence in economy increased

Business cycle survey – November 2015

Overall confidence in domestic economy increased in November. The composite confidence indicator (economic sentiment indicator) increased by 1.1 points m-o-m. Confidence of entrepreneurs increased by 1.2 points compared to October. Among entrepreneurs confidence increased in construction, in trade and in selected services; in industry increased slightly. Consumer confidence indicator increased slightly by 0.5 points, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to November 2014.

In **industry***,* in November, confidence increased slightly by 0.7 points. The assessment of current overall economic situation of the respondents decreased. The assessment of current total and foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged too. For the next three months, respondents expect almost no changes in the development of production activity and in the employment. Expectations of general economic situation development for the next three months increased slightly, for the next six months increased, compared to October. All in all, confidence in industry is lower, y-o-y.

The survey on **investment activity** in manufacturing industry suggests that for 2016 respondents expect the level of investment should increase by approximately 7 %. It refers predominantly to a renewal of production equipment; and less to an extension of production capacities and introducing new technologies.

In November, confidence in **construction** increased by 1.5 points. The assessment of current economic situation of the respondents increased, m-o-m. The assessment of total demand for construction work increased too, compared to October. Respondents expect for the next three months a decrease in the development of construction activity and almost no changes in the employment. Expectations of the economic situation development for the next three as well as six months almost unchanged. Overall, confidence in construction is higher, y-o-y.

In November, confidence in **trade** increased slightly by 1.4 points, m-o-m. The assessment of current overall economic situation of the respondents did not change m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months increased slightly, for the next six months did not change, compared to October. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in November, confidence increased by 1.7 points. The assessment of current economic situation of the respondents increased slightly, m-o-m. The assessment of demand in November did not change, but its expectations for the next three months increased slightly. Expectations of total economic situation development for the next three as well as six months increased, compared to October. All in all, confidence in selected services is higher, y-o-y.

In November, consumer confidence indicator increased slightly, m-o-m, and it is still higher y-o-y. The survey taken among consumers in November indicates that consumers are for the next twelve months a little less afraid of a decrease in the overall economic situation. Worries about their financial standing and worries about rise in the unemployment did not change m-o-m. The share of respondents intending to save money did not change too, compared to October. The respondents concern about rises in prices almost unchanged.

Notes:

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Next News Release: December 28, 2015

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2015)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2015)

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

Graph 3 Economic Sentiment Indicators – international comparison