August 24, 2016

Overall confidence in domestic economy increased

Business cycle survey – August 2016

Overall confidence in domestic economy almost unchanged in August. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 1.4 points to 96.8, m-o-m. Confidence of entrepreneurs increased by 1.3 points to 95.3, compared to July. Among entrepreneurs confidence increased in industry and in construction; in trade increased slightly and in selected services decreased slightly. Consumer confidence indicator increased by 2.0 points to 104.3, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to August 2015.

In **industry***,* in August, confidence increased by 2.8 points to 97.8. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand almost unchanged too. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect an increase in the development of production activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months almost unchanged, compared to July. All in all, confidence in industry is higher, y-o-y.

In August, confidence in **construction** increased by 1.5 points to 77.6. 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 July. Respondents expect for the next three months almost a decrease in the development of construction activity and a slight decrease in the employment. Expectations of the economic situation development for the next three months almost unchanged, for the next six months increased. Overall, confidence in construction is lower, y-o-y.

In August, confidence in **trade** increased slightly by 0.6 points to 98.5, m-o-m. The assessment of current overall economic situation of the respondents increased slightly, m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months did not change, for the next six months increased slightly, compared to July. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in August, confidence decreased very slightly by 0.2 points to 94.4. The assessment of current economic situation of the respondents almost unchanged compared to July. The assessment of demand in August almost unchanged too, its expectations for the next three months decreased. Expectations of total economic situation development for the next three as well as six months almost unchanged, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In August, consumer confidence indicator increased by 2 points to 104.3, m-o-m, and it is higher, y-o-y. The survey taken among consumers in August indicates that consumers are for the next twelve months less afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. The share of respondents intending to save money did not change, compared to July. Worries about rise in the unemployment decreased, m-o-m. The respondents concern about rises in prices decreased too.

Notes:

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Related publication: 070006-16 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services (<https://www.czso.cz/csu/czso/business-cycle-surveys>)

Next News Release: September 26, 2016

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 (2008–2016)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998–2016)

Graph 2.1 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–2016) – basic indices

Graph 2.2 Balances of Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–2016)

Graph 3 Economic Sentiment Indicators – international comparison