June 24, 2016

Overall confidence in economy decreased slightly

Business cycle survey – June 2016

Overall confidence in domestic economy decreased slightly in June. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.7 points to 95.3, m-o-m. Confidence of entrepreneurs decreased slightly by 0.8 points to 93.5, compared to May. Among entrepreneurs confidence decreased in industry; in construction and in trade increased slightly; in selected services decreased slightly. Consumer confidence indicator decreased slightly by 0.5 points to 103.8, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower, compared to June 2015.

In **industry***,* in June, confidence decreased by 1.3 points to 94.3. The assessment of current overall economic situation of the respondents did not change. 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 a decrease in the development of production activity and almost no changes in the employment. Expectations of general economic situation development for the next three months decreased slightly, for the next six months almost unchanged, compared to May. All in all, confidence in industry is lower, y-o-y.

In June, confidence in **construction** increased slightly by 0.5 points to 77.1. The assessment of current economic situation of the respondents increased m-o-m. The assessment of total demand for construction work almost unchanged, compared to May. Respondents expect for the next three months a decrease in the development of construction activity and no changes in the employment. Expectations of the economic situation development for the next three months increased, for the next six months decreased slightly. Overall, confidence in construction is lower, y-o-y.

In June, confidence in **trade** increased slightly by 0.2 points to 98.7, m-o-m. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The stocks did not change. Expectations of the economic situation development for the next three months almost unchanged, for the next six months increased slightly, compared to May. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in June, confidence decreased slightly by 0.5 points to 93.9. The assessment of current economic situation of the respondents almost unchanged compared to May. The assessment of demand in June increased slightly, its expectations for the next three months decreased. Expectations of total economic situation development for the next three as well as six months did not change, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In June, consumer confidence indicator decrease slightly by 0.5 points to 103.8, m-o-m, and it is lower, y-o-y. The survey taken among consumers in June 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 almost unchanged. The share of respondents intending to save money decreased slightly, compared to May. Worries about rise in the unemployment decreased, m-o-m. The respondents concern about rises in prices almost unchanged.

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: July 25, 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