January 24, 2017

Confidence of entrepreneurs almost unchanged, confidence of consumers increased, m-o-m

Business cycle survey – January 2017

Overall confidence in domestic economy almost unchanged in January. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased very slightly by 0.1 points to 99.2, m-o-m. Confidence of entrepreneurs decreased very slightly by 0.1 points to 97.0 compared to December. Consumer confidence indicator increased by 1.3 points to 110.0, m-o-m. Composite confidence indicator and entrepreneurs confidence indicator are higher, consumer confidence indicator is the same, compared to January 2016.

In **industry***,* in January, confidence decreased slightly by 0.7 points to 98.0. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current total and foreign demand decreased. According to respondents, stocks of finished goods increased slightly. Most important barrier of production is still insufficient demand; it was stated almost by 36 % respondents, entrepreneurs in industry also require more staff. For the next three months, respondents expect an increase in the development of production activity and in the employment too. Expectations of general economic situation development for the next three as well as six months decreased, compared to December. All in all, confidence in industry is higher, y-o-y.

In January, production capacity utilization in **manufacturing industry** decreased very slightly and reached 84.4 % q-o-q. Respondents estimate they have work secured by contracts for 8.5 months, which is more than in the previous quarter.

In **construction**, in January, confidence did not change and stated at the same value 75.0. The assessment of current economic situation of the respondents almost unchanged m-o-m. The assessment of total demand for construction work increased slightly, compared to December. Respondents expect for the next three months a slight increase in the development of construction activity and a slight decrease in the employment. Expectations of the economic situation development for the next three months decreased, for the next six months almost unchanged. Overall, confidence in construction is lower, y-o-y.

In January, confidence in **trade** increased by 4.2 points to 104.3, m-o-m. The assessment of current overall economic situation of the respondents increased slightly m-o-m. The stocks did not change. Expectations of the economic situation development for the next three as well as six months increased, compared to December. Overall, confidence in trade is higher too, y-o-y.

In selected **services** (incl. banking sector)*,* in January, confidence decreased slightly by 0.3 points to 97.4. The assessment of current economic situation of the respondents almost unchanged compared to December. The assessment of demand almost unchanged too, but its expectations for the next three months decreased slightly in January. Expectations of total economic situation development for the next three as well as six months increased, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In January, consumer confidence indicator increased by 1,3 points to 110,0, m-o-m, and remains at the same value, y-o-y. The survey taken among consumers in January indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. Worries about rise in the unemployment almost unchanged too, m-o-m. The share of respondents intending to save money increased, compared to December. The respondents concern about rises in prices increased too.

Notes:

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Next News Release: February 24, 2017

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 (2008–2017)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998–2017)

Graph 2.1 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–2017) – basic indices

Graph 2.2 Balances of Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–20176)

Graph 3 Economic Sentiment Indicators – international comparison

Graph 4 Production Capacity Utilisation in Manufacturing Industry

Graph 5 Limits of Production in Industry

Graph 6 Limits of Production in Construction