September 24, 2018

Overall confidence in economy increased slightly

Business cycle survey – September 2018

Overall confidence in economy increased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 0.5 points to 99.6 m-o-m. Confidence of entrepreneurs increased slightly by 0.4 points to 97.3 compared to August. Consumer confidence indicator increased slightly by 0.7 points to 111.0, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to September 2017.

In **industry***,* in September, confidence indicator did not change and remains at the same value 95.2. The assessment of current overall economic situation of the respondents almost unchanged m-o-m. 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 almost no changes 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 increased slightly, m-o-m. All in all, confidence in industry is lower, y-o-y.

In **construction**, in September, confidence decreased by 0.5 points to 100.2. The assessment of current economic situation of the respondents almost unchanged m-o-m. The assessment of total demand for construction work did not change, compared to August. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six decreased, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In September, confidence in **trade** increased by 4.8 points to 101.5. The assessment of overall economic situation of the respondents increased m-o-m. The stocks did not change. Expectations of the economic situation development for the next three as well as six months increased. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in September, confidence increased slightly by 0.3 points to 98.4. The assessment of current economic situation of the respondents almost unchanged compared to August. In September, the assessment of demand did not change, its expectations for the next three months increased slightly. Expectations of total economic situation development for the next three months increased slightly, for the next six months almost unchanged. All in all, confidence in selected services is higher, y-o-y.

In September, consumer confidence indicator increased slightly by 0.7 points to 111.0, m-o-m. The survey taken among consumers in September 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, compared to August. The share of respondents intending to save money increased. The respondents concern about rises in prices increased. Worries about rise in the unemployment almost unchanged, m-o-m. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

Responsible manager: Juraj Lojka, Director of Business Statistics Coordination and Business Cycle Surveys Department, tel. +420274052680, e-mail: juraj.lojka@czso.cz

Contact person: Jiri Obst, Head of Business Cycle Surveys Unit, tel. +420274054116, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: September 17, 2018

Next News Release: October 24, 2018

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph Confidence indicators – base indices, seasonally adjusted (2008–2018)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2018)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2018)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2018)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted



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