August 26, 2019

Overall confidence in economy increased slightly, m-o-m

Business cycle survey – August 2019

Overall confidence in economy increased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased slightly by 0.5 points to 95.6 compared to July. Confidence of entrepreneurs increased slightly by 0.8 points to 93.6, m-o-m. Consumer confidence indicator decreased by 1.3 points to 105.1, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to August 2018.

In **industry***,* in August, confidence indicator did not change again and stayed at the same value 90.3. The assessment of current total and foreign demand decreased slightly, m-o-m. According to respondents, stocks of finished goods almost unchanged. The assessment of overall economic situation of the respondents decreased slightly. 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, m-o-m. Overall, confidence in industry is lower, y-o-y.

In August, confidence in **construction** decreased by 3.0 points to 101.8. The assessment of total demand for construction work almost unchanged compared to July. The assessment of current economic situation of the respondents almost unchanged too, m-o-m. The assessment of current construction activity increased. For the next three months, respondents expect a decrease in the development of construction activity and in the employment too. Expectations of general economic situation development for the next three as well as six months decreased, for the next six months decreased. All in all, confidence in construction is still higher, y-o-y.

In August, confidence in **trade** increased by 1.2 points to 96.0. The assessment of overall economic situation of the respondents increased slightly, m-o-m. The stocks decreased slightly. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in August, confidence increased by 2.1 points to 95.8. The assessment of current economic situation of the respondents almost unchanged compared to July. In August, the assessment of demand increased; its expectation for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months decreased slightly. All in all, confidence in selected services is lower, y-o-y.

In August, consumer confidence indicator decreased by 1.3 points to 105.1, m-o-m. The survey taken among consumers in August 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, compared to July. Worries about rise in the unemployment increased slightly m-o-m. The respondents concern about rises in prices increased. The share of respondents intending to save money almost unchanged. Overall, consumer confidence indicator is lower, 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: August 19, 2019

Next News Release: September 24, 2019

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 (2008–2019)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2019)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2019)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2019)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted



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