July 24, 2019

Confidence of entrepreneurs decreased slightly, confidence of consumers increased, m-o-m

Business cycle survey – July 2019

Overall confidence in economy almost unchanged. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.1 points to 95.1 compared to June. Confidence of entrepreneurs decreased slightly by 0.3 points to 92.8, m-o-m. Consumer confidence indicator increased by 1.3 points to 106,4, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to June 2018.

In **industry***,* in July, confidence indicator did not change and stayed at the same value 90.3. The assessment of current total demand did not change, the assessment of foreign demand decreased, m-o-m. According to respondents, stocks of finished goods almost unchanged. The assessment of overall economic situation of the respondents almost unchanged too. Most important barrier of production is insufficient demand; it was stated by 32 % of respondents approximately. The second important barrier of production is lack of staff; it was stated by 26% of respondents approximately. 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 months decreased slightly, for the next six months increased slightly, m-o-m. Overall, confidence in industry is lower, y-o-y.

In July, production capacity utilization in **manufacturing industry** decreased slightly to 84.8 % q-o-q. Respondents estimate they have work secured by contracts for 13.2 months, which is higher than in the previous quarter.

In July, confidence in **construction** decreased by 2.6 points to 104.8. The assessment of total demand for construction work almost unchanged compared to June. The assessment of current economic situation of the respondents decreased, m-o-m. Respondents expect for the next three months almost no changes in the development of construction activity and in the employment too. Expectations of general economic situation development for the next three months increased slightly, for the next six months decreased. All in all, confidence in construction is higher, y-o-y.

In July, confidence in **trade** increased by 1.7 points to 94.8. The assessment of 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 as well as six months increased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in July, confidence decreased slightly by 0.7 points to 93.7. The assessment of current economic situation of the respondents almost unchanged compared to June. In July, the assessment of demand decreased slightly; its expectation for the next three months did not change. For the next three months, respondents expect a decrease in the employment. Expectations of total economic situation development for the next three months decreased slightly, for the next six months almost unchanged. All in all, confidence in selected services is lower, y-o-y.

In July, consumer confidence indicator increased by 1.3 points to 106.4, m-o-m. The survey taken among consumers in July 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, compared to June. Worries about rise in the unemployment did not change m-o-m. The respondents concern about rises in prices almost unchanged. The share of respondents intending to save money almost unchanged too. Overall, consumer confidence indicator is lower, y-o-y.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: July 17, 2019

Next News Release: August 26, 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

Graph Production Capacity Utilisation in Manufacturing Industry

Graph Limits of Production in Industry

Graph Limits of Production in Construction



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