May 24, 2019

Confidence of entrepreneurs in economy decreased

Business cycle survey – May 2019

Overall confidence in economy decreased. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1.4 points to 95.7 compared to April. Confidence of entrepreneurs decreased by 2.0 points to 93.8, m-o-m. Consumer confidence indicator increased by 1.3 points to 105.1, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to May 2018.

In **industry***,* in May, confidence indicator decreased by 2.2 points to 91.2 The assessment of current total and foreign demand almost unchanged, m-o-m. According to respondents, stocks of finished goods almost unchanged too. The assessment of overall economic situation of the respondents almost unchanged. 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 almost unchanged, for the next six months increased slightly, m-o-m. Overall, confidence in industry is lower, y-o-y.

In May, confidence in **construction** increased by 1.0 points to 106.9. The assessment of total demand for construction work increased slightly, compared to April. The assessment of current economic situation of the respondents did not change, m-o-m. Respondents expect for the next three months a slight decrease in the development of construction activity and no changes in the employment. Expectations of general economic situation development for the next three as well as six months increased. All in all, confidence in construction is higher, y-o-y.

In May, confidence in **trade** increased slightly by 0.5 points to 94.0. The assessment of overall economic situation of the respondents increased, m-o-m. The stocks increased slightly. Expectations of the economic situation development for the next three as well as six months almost unchanged. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in May, confidence decreased by 2.5 points to 94.9. The assessment of current economic situation of the respondents almost unchanged compared to April. In May, the assessment of demand decreased as well as its expectation for the next three months. For the next three months, respondents expect a decrease in the employment too. Expectations of total economic situation development for the next three as well as six months decreased. All in all, confidence in selected services is lower, y-o-y.

In May, consumer confidence indicator increased by 1.3 points to 105.1, m-o-m. The survey taken among consumers in May indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing did not change, compared to April. Worries about rise in the unemployment almost unchanged, m-o-m. The respondents concern about rises in prices almost unchanged too. The share of respondents intending to save money increased. 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

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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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