March 25, 2019

Overall confidence in economy decreased

Business cycle survey – March 2019

The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased by 1.2 points to 97.0 compared to February. Confidence of entrepreneurs decreased by 1 point to 95.5, m-o-m. Consumer confidence indicator decreased by 1.8 points to 104.6, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to March 2018.

In **industry***,* in March, confidence indicator decreased by 1.5 points to 91.9. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The assessment of current total and foreign demand did not change. According to respondents, stocks of finished goods almost unchanged. For the next three months, respondents expect a decrease in the development of production activity and no changes in the employment. Expectations of general economic situation development for the next three months did not change, for the next six months decreased, compared to February. Overall, confidence in industry is still lower, y-o-y.

In **construction**, in March, confidence increased by 1.5 points to 107.9. The assessment of current economic situation of the respondents increased, m-o-m. The assessment of total demand for construction work increased too, compared to February. 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 as well as six months increased. All in all, confidence in construction is higher, y-o-y.

In March, confidence in **trade** decreased slightly by 0.3 points to 94.0. The assessment of overall economic situation of the respondents did not change, m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three months did not change, for the next six months decreased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in March, confidence decreased slightly by 0.9 points to 97.9. The assessment of current economic situation of the respondents did not change compared to February. In March, the assessment of demand decreased slightly, its expectation for the next three months almost unchanged. Expectations of total economic situation development for the next three months decreased, for the next six months almost unchanged. All in all, confidence in selected services is higher, y-o-y.

In March, consumer confidence indicator decreased by 1.8 points to 104.6, m-o-m. The survey taken among consumers in March indicates that consumers are for the next twelve months equally afraid of a decrease in the overall economic situation. Worries about their financial standing increased sligthly, compared to February. Worries about rise in the unemployment increased slightly too, 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: March 18, 2019

Next News Release: April 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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