December 27, 2021

**The confidence in the economy stabilizes during December**

**Business cycle survey – December 2021**

**The composite confidence indicator (economic sentiment indicator) – in the basis index form – increased very slightly, m-o-m, by 0.3 point to 95.5, due to the opposite development of its components. While the business confidence indicator remained unchanged at 96.2, the consumer confidence indicator rose by 1.9 percentage points to 92.3. Compared to December last year, the composite indicator, the business indicator and the consumer confidence indicator are at a higher level.**

In **industry** sector, business confidence increased slightly m-o-m. The confidence indicator rose by 0.6 points to 93.8. Entrepreneurs in industry rated their *current total demand* slightly better than in November. The *stock of finished products* has not changed and remains high. The share of entrepreneurs expecting the growth rate of *production activity* for the next three months remained almost unchanged m-o-m. Y-o-y comparison, the confidence of entrepreneurs in industry is slightly higher.

Confidence of entrepreneurs in **construction** sector, increased compared to the previous month. The confidence indicator rose by 1.2 points to 115.2. The share of entrepreneurs evaluating their *current* *demand* for construction work as insufficient decreased slightly m-o-m. Respondents do not expect the current *number of employees* to change in the next three months. Compared to December 2020, confidence in construction is higher.

In **trade** sector, business confidence increased m-o-m. The confidence indicator rose by 1.5 points to 106.2. The share of entrepreneurs evaluating the overall economic situation as good has hardly changed compared to November. Also in December, a record number of traders (the highest since the beginning of monitoring) expected growth in the prices of goods sold over the next three months. Entrepreneurs expect an almost unchanged development *in their economic situation* in the same time horizon. The stock of goods remained almost unchanged m-o-m. Y-o-y, business confidence in trade is higher.

Business confidence in **selected services** (including the banking sector) decreased m-o-m. The confidence indicator fell by 1.0 points to 95.3. Compared to November, the share of entrepreneurs *evaluating positively the current economic situation* decreased significantly, but at the same time the share of entrepreneurs *evaluating positively the current and expected demand in the next three months* increased slightly. Confidence in selected services is higher, m-o-m.

**Consumer confidence** in the economy increased, m-o-m. The confidence indicator rose by 1.9 points to 92.3 in December. The share of respondents *expecting a deterioration in the overall economic situation for the next twelve months* remains significantly high. The share of respondents expecting an improvement in their own financial situation decreased compared to November. The number of respondents concerned about rising prices fell slightly compared with November, but still remain the second highest since the beginning of the survey. Concerns about *rising unemployment* decreased slightly compared with the previous month. The number of respondents who expect to save some money in the next twelve months has fallen again. Y-o-y, consumer confidence is slightly higher.

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Data for the business and consumer part of the business cycle surveys were collected from **1st to 17th December 2021**.

Notes:

Responsible manager: Juraj Lojka, Director of Business Statistics Coordination and Business Cycle Surveys Department, tel. +420731439291, e-mail: juraj.lojka@czso.cz

Contact person: Jiri Obst, Head of Business Cycle Surveys Unit, tel. +420604815440, e-mail: jiri.obst@czso.cz

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End of data collection: December 17, 2021

Next News Release: January 24, 2022

This press release wasn´t edited for language.

Annex:

Table Confidence Indicators – basic indices

Figure Confidence indicators – base indices, seasonally adjusted (2003–2021)

Figure Confidence Indicators for industry, construction, trade, and in selected services – base indices, seasonally adjusted (2003–2021)

Figure Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2003–2021)

Figure Economic Sentiment Indicators – international comparison, seasonally adjusted (2007-2021)

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