February 23, 2015

Confidence of entrepreneurs and consumers decreased slightly, m-o-m

Business cycle survey – February 2015

Overall confidence in domestic economy decreased slightly in February. The composite confidence indicator (economic sentiment indicator) decreased slightly by 1.1 points, m-o-m. Confidence of entrepreneurs decreased slightly by 1.1 points too, compared to January. Among entrepreneurs confidence increased slightly in trade, in industry and in construction decreased slightly, in selected services decreased. Consumer confidence indicator decreased slightly by 1 point, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to February 2014.

In **industry***,* in February, confidence decreased slightly by 0.4 points. The assessment of current overall economic situation of the respondents almost unchanged. The assessment of current demand almost unchanged too, the assessment of foreign demand increased slightly. According to respondents, stocks of finished goods increased. For the next three months, respondents expect almost no changes in the development of production activity and a slight decrease in the employment. Expectations of general economic situation development for the next three as well as six months did not change, compared to January. All in all, confidence in industry is slightly lower, y-o-y.

In February, confidence in **construction** decreased slightly by 0.5 points. The assessment of current economic situation of the respondents increased m-o-m. The assessment of total demand almost unchanged, compared to January. Respondents expect for the next three months an increase in the development of construction activity and almost no changes in the employment. Expectations of the economic situation development for the next three months increase, for the next six months almost unchanged. Overall, confidence in construction is higher, y-o-y.

In February, confidence in **trade** increased slightly by 1 point, m-o-m. The assessment of current economic situation of the respondents increased, m-o-m. The stocks decreased. Expectations of the economic situation development for the next three as well as six months decreased, compared to January. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in February, confidence decreased by 2.3 points. The assessment of current economic situation of the respondents almost unchanged, m-o-m. The assessment of demand in February decreased, its expectations for the next three months almost unchanged. For the next three months, expectations of total economic situation development decreased slightly, for the next six months almost unchanged, compared to January. All in all, confidence in selected services is higher, y-o-y.

In February, consumer confidence indicator decreased slightly by 1 point, m-o-m, but it is still higher y-o-y. The survey taken among consumers in February 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 as well as worries about rise in the unemployment almost unchanged, m-o-m. The share of respondents intending to save money did not change, compared to January. The respondents concern about rises in prices almost unchanged, m-o-m.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

 Business and Consumers Surveys are co-financed by grant agreements of the European Commission DG ECFIN

End of data collection: February 16, 2015

Related publication: 070006-14 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services

Next News Release: March 24, 2015

This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph 1.1 Seasonally Adjusted Confidence Indicators (2008 – 2015)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998 – 2015)

Graph 2 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services

Graph 3 Economic Sentiment Indicators – international comparison