November 24, 2016

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

Business cycle survey – November 2016

Overall confidence in domestic economy increased in November. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 1.8 points to 99.3, m-o-m. Confidence of entrepreneurs increased by 2.3 points to 97.5 compared to October. Consumer confidence indicator decreased slightly by 1 point to 107.9, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to November 2015.

In **industry***,* in November, confidence increased by 2.5 points to 99.0. The assessment of current overall economic situation of the respondents did not change. The assessment of current total demand increased slightly, the assessment of foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged too. For the next three months, respondents expect an increase in the development of production activity and almost no changes in the employment. Expectations of general economic situation development for the next three months did not change, for the next six months increased slightly, compared to October. All in all, confidence in industry is higher, y-o-y.

The survey on **investment activity** in manufacturing industry suggests that for 2017 respondents expect the level of investment should increase by approximately 7 %. It refers predominantly to a renewal of production equipment; and less to an extension of production capacities and introducing new technologies.

In November, confidence in **construction** increased by 4.6 points to 79.1. The assessment of current economic situation of the respondents increased slightly m-o-m. The assessment of total demand for construction work increased, compared to October. Respondents expect for the next three months a decrease in the development of construction activity and an increase in the employment. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased. Overall, confidence in construction is lower, y-o-y.

In November, confidence in **trade** increased by 1.6 points to 101.2, m-o-m. The assessment of current overall economic situation of the respondents almost unchanged, m-o-m. The stocks decreased. Expectations of the economic situation development for the next three months increased slightly, for the next six months almost unchanged, compared to October. Overall, confidence in trade is higher too, y-o-y.

In selected **services** (incl. banking sector)*,* in November, confidence increased by 2.1 points to 97.7. The assessment of current economic situation of the respondents almost unchanged compared to October. The assessment of demand in November increased, its expectations for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months increased, m-o-m. All in all, confidence in selected services is higher, y-o-y.

In November, consumer confidence indicator decreased slightly by 1 point to 107.9, m-o-m, but it is higher, y-o-y. The survey taken among consumers in November indicates that consumers are for the next twelve months more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged. Worries about rise in the unemployment increased slightly, m-o-m. The share of respondents intending to save money increased, compared to October. The respondents concern about rises in prices increased.

Notes:

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Next News Release: December 27, 2016

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 (2008–2016)

Graph 1.2 Seasonally Adjusted Confidence Indicators (1998–2016)

Graph 2.1 Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–2016) – basic indices

Graph 2.2 Balances of Seasonally Adjusted Confidence Indicators in Industry, Construction, Trade, and in Selected Services (2006–2016)

Graph 3 Economic Sentiment Indicators – international comparison