December 27, 2017

Overall confidence in economy increased slightly

Business cycle survey – December 2017

Overall confidence in domestic economy increased slightly in December. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased slightly by 0.6 points to 99.6 m-o-m. Confidence of entrepreneurs increased slightly too by 0.8 points to 97.5 compared to November. Consumer confidence indicator decreased slightly by 0.3 points to 110.0, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to December 2016.

In **industry***,* in December, confidence indicator increased by 1.2 points to 98.7. The assessment of current overall economic situation of the respondents did not change again m-o-m. The assessment of current total and 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 a almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months almost unchanged, m-o-m. All in all, confidence in industry stated at the same value, compared to December 2016.

In **construction**, in December, confidence increased by 2.0 points to 89.4. The assessment of current economic situation of the respondents increased, compared to November. The assessment of total demand for construction work almost unchanged, m-o-m. Respondents expect for the next three months almost no changes in the development of construction activity and a slight increase in the employment. Expectations of the economic situation in development for the next three months increased, for the next six months almost unchanged, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In December, confidence in **trade** decreased by 1.3 points to 100.5. The assessment of current overall economic situation of the respondents almost unchanged m-o-m. The stocks did not change. Expectations of the economic situation development for the next three as well as six months decreased, compared to November. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in December, confidence increased slightly by 0.4 points to 96.7. The assessment of current economic situation of the respondents almost unchanged compared to the previous month. In December, the assessment of demand as well as its expectations for the next three months almost unchanged too. Expectations of total economic situation development for the next three months increased slightly, for the next six months almost unchanged. All in all, confidence in selected services is lower, y-o-y.

In December, consumer confidence indicator decreased slightly by 0.3 points to 110.0, m-o-m. The survey taken among consumers in December indicates that consumers are for the next twelve months a slightly more afraid of a decrease in the overall economic situation. Worries about their financial standing did not change, compared to November. The share of respondents intending to save money almost unchanged. Worries about rise in the unemployment almost unchanged too, m-o-m. The respondents concern about rises in prices almost unchanged. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

Responsible manager: Juraj Lojka, director

Contact person: Jiří Obst, tel. +420274054116, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

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Related publication: 070006-17 Business Cycle Survey in Enterprises of Industry, Construction, Trade and Selected Services (<https://www.czso.cz/csu/czso/business-cycle-surveys>)

Next News Release: January 24, 2018

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 (2008–2017)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2017)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2017)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2017)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted