April 24, 2018

Overall confidence in economy increased slightly

Business cycle survey – April 2018

Overall confidence in economy decreased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.2 points to 99.7 m-o-m. Confidence of entrepreneurs increased slightly by 0.6 points to 97.6 compared to March. Consumer confidence indicator increased slightly by 0.8 points to 112.8, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are higher, compared to April 2017.

In **industry***,* in April, confidence indicator increased slightly by 0.3 points to 97.1. 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. Most important barrier of production is lack of staff; it was stated by 35 % of respondents. Entrepreneurs in industry also require more demand; it was stated almost by 30 % of respondents. For the next three months, respondents expect a slight increase in the development of production activity and a decrease in the employment. Expectations of general economic situation development for the next three months almost unchanged, for the next six months increased, m-o-m. All in all, confidence in industry increased, y-o-y.

In April, production capacity utilization in **manufacturing industry** decreased very slightly and reached 85.4 % q-o-q. Respondents estimate they have work secured by contracts for 8.7 months, which is equally the same as in the previous quarter.

The survey on **investment activity** taken among manufacturing enterprises suggests that after an increase in 2016, the level of investment should increase by about 5 % in 2018. It refers predominantly to a renewal of production equipment; and less to an extension of production capacities and introducing new technologies.

In **construction**, in April, confidence did not change and remains at the same value 97.1. The assessment of current economic situation of the respondents did not change, m-o-m. The assessment of total demand for construction work almost unchanged, compared to March. Respondents expect for the next three months no changes in the development of construction activity and in the employment too. Expectations of general economic situation development for the next three months decreased, for the next six months did not change, compared to the previous month. Overall, confidence in construction is higher, y-o-y.

In April, confidence in **trade** did not change and remains at the same value 100.6. 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 as well as six months almost unchanged. Overall, confidence in trade is higher, y-o-y.

In selected **services** (incl. banking sector)*,* in April, confidence increased by 1.0 points to 97.7. The assessment of current economic situation of the respondents decreased slightly compared to March. In April, the assessment of demand almost unchanged, but its expectations for the next three months increased. Expectations of total economic situation development for the next three as well as six months almost unchanged too. All in all, confidence in selected services remains at the same value, y-o-y.

In April, consumer confidence indicator decreased very slightly by 0.3 points to 112.5, m-o-m. The survey taken among consumers in April indicates that consumers are for the next twelve months slightly more afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to March. Worries about rise in the unemployment almost unchanged too, m-o-m. The share of respondents intending to save money almost unchanged. The respondents concern about rises in prices almost unchanged too. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

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End of data collection: April 18, 2018

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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 (2008–2018)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2018)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2018)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2018)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted

Graph Production Capacity Utilisation in Manufacturing Industry

Graph Limits of Production in Industry

Graph Limits of Production in Construction