June 24, 2019

Overall confidence in economy decreased slightly, m-o-m

Business cycle survey – June 2019

The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, decreased slightly by 0.5 points to 95.2 compared to May. Confidence of entrepreneurs decreased slightly by 0.7 points to 93.1, m-o-m. Consumer confidence indicator did not change and stayed at the same value 105.1, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to June 2018.

In **industry***,* in June, confidence indicator decreased slightly by 0.9 points to 90.3. The assessment of current total and foreign demand decreased slightly, m-o-m. According to respondents, stocks of finished goods almost unchanged. The assessment of overall economic situation of the respondents almost unchanged too. For the next three months, respondents expect a slight decrease in the development of production activity and in the employment too. Expectations of general economic situation development for the next three as well as six months almost unchanged, m-o-m. Overall, confidence in industry is lower, y-o-y.

In June, confidence in **construction** increased slightly by 0.5 points to 107.4. The assessment of total demand for construction work decreased slightly, compared to May. The assessment of current economic situation of the respondents almost unchanged, m-o-m. Respondents expect for the next three months a significant increase in the development of construction activity and in the employment too. Expectations of general economic situation development for the next three as well as six months almost unchanged. All in all, confidence in construction is higher, y-o-y.

In June, confidence in **trade** decreased slightly by 0.9 points to 93.1. The assessment of overall economic situation of the respondents decreased, m-o-m. The stocks decreased slightly. Expectations of the economic situation development for the next three as well as six months almost unchanged. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in June, confidence decreased slightly by 0.5 points to 94.4. The assessment of current economic situation of the respondents did not change compared to May. In June, the assessment of demand decreased; its expectation for the next three months increased. For the next three months, respondents expect a decrease in the employment. Expectations of total economic situation development for the next three months increased, for the next six months decreased. All in all, confidence in selected services is lower, y-o-y.

In June, consumer confidence indicator did not change and remains at the same value 105.1, m-o-m. The survey taken among consumers in June indicates that consumers are for the next twelve months less afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to May. Worries about rise in the unemployment did not change, m-o-m. The respondents concern about rises in prices decreased slightly. The share of respondents intending to save money decreased. Overall, consumer confidence indicator is lower, y-o-y.

Notes:

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Data source: CZSO business survey, GfK Czech consumer survey

End of data collection: June 18, 2019

Next News Release: July 24, 2019

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 (2008–2019)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2019)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2019)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2019)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted



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