

## NEWS RELEASE

April 24, 2024

# The confidence of consumers and entrepreneurs in the economy still grows

## Additional information to NR Business cycle survey – April 2024

The composite confidence indicator (economic sentiment indicator), in the basic index form – increased by 2.8 points to a value of 97.0, m-o-m, reflecting different developments in its components. The business confidence indicator rises by 2.6 points to a value of 95.6, and the consumer confidence indicator increased by 3.9 points to a value of 103.8. Compared to April of last year, the composite indicator and the business indicator are at the lower level, while the consumer indicator is higher.

In the **industry** sector, confidence in the economy increased m-o-m. The confidence indicator increased by 3.6 points to a value of 92.5. Compared to the previous month entrepreneurs evaluate *current demand* in the next three months better than in previous month, but there are still a more respondents who evaluate the demand as insufficient. There is a decreasing percentage of entrepreneurs expecting a decrease in the pace of *production activity* in the next three months. The level of *finished goods* inventory is unchanged. The percentage of entrepreneurs expecting further price almost decreased m-o-m. The main barrier to production, mentioned by 42% of industrial enterprises (the highest percentage from the second quarter 2020), is insufficient demand. Approximately 23% of entrepreneurs stated that the shortage of materials and equipment limits them. In a y-o-y comparison, confidence among entrepreneurs in the industry is lower.

The *utilization of production capacities* of companies in the manufacturing industry (82.6%) is slightly lower than in the previous quarter (82.8%). Compared to the previous quarter, entrepreneurs estimate a slightly longer time to secure work through contracts (8.9 months vs. 8 months).

Confidence in **construction** decreased m-o-m. The confidence indicator decreased by 2.4 points to a value of 104.3. The proportion of entrepreneurs assessing *their current demand* for construction work as insufficient is unchanged, m-o-m. But there are decreasing proportion of entrepreneurs who anticipate an increase in the *current number of employees* in the next three months. The number of entrepreneurs expecting an increase in construction work prices in the next three months remained unchanged compared to March and it is stayed on the above-average level. Similar to the last quarter, the main barrier to production growth remains the lack of employees, mentioned by approximately 33% of respondents. The second most significant barrier is the shortage of materials or equipment (mentioned by approximately 19%). About 16% of businesses cite insufficient demand as the main barrier to growth. In comparison to April of last year, confidence among entrepreneurs in the construction industry is higher.

## NEWS RELEASE

Entrepreneurs' confidence in **trade** slightly decreased, m-o-m. The confidence indicator decreased by 0.3 points m-o-m to a value of 92.7. The share of entrepreneurs positively evaluating *their overall economic situation* slightly increased. The share of respondents expecting an improvement in their economic situation in the next three months has slightly decreased. The inventory of goods in stocks has unchanged m-o-m. The stock of entrepreneurs expecting price increases in the next three months decreased again, m-o-m. Y-o-y, confidence in the trade sector is lower.

Among entrepreneurs in **selected service** sectors (including the financial sector), confidence in the economy increased. The confidence indicator rose by 2.6 points to a value of 98.4, m-o-m. The share of entrepreneurs positively evaluating *their current demand* for services has decreased. But there is a growth in the share of entrepreneurs who are expecting an increase in demand in the next three months, m-o-m. The share of entrepreneurs positively evaluating *the current economic situation* slightly increased m-o-m. In contrast to other sectors, the share of entrepreneurs *expecting an increase in the prices of offered services in the next three months* has increased in selected services sector. The majority of respondents in services (approximately 46%) stated that they currently do not experience any barriers limiting production. The percentage of respondents (18%) stating that they are limited by insufficient demand has unchanged compared to the previous quarter. Approximately 24% of respondents mentioned other factors limiting them (such as legislation, competition, geopolitics situation, regulation, wage costs, etc.). Y-o-y, confidence in selected service sectors is higher.

**Consumer** confidence increased again. The confidence indicator rose by 3.9 points to a value of 103.8 m-o-m. The percentage of respondents expecting a *worsening of the overall economic situation* in the Czech Republic over the next twelve months decreased. The number of households assessing their *current financial situation* worse than in the previous twelve months has decreased. The number of respondents expecting a *deterioration in their financial situation* in the next twelve months significantly has unchanged. The number of surveyed households indicate that they have difficulty making ends meet with their financial resources has slightly decreased (approximately 25% reported this). About 6% of households have to help themselves with savings. The number of consumers saving some money monthly increased (approximately 54% reported this). About 12% of consumers said they save a lot. The number of consumers not planning to make *major purchases* in the next twelve months has not changed. Concerns of households about an increase in unemployment in the next twelve months have decreased m-o-m. The number of respondents worried about further price increases has been on the lowest value from the December 2009. Year-on-year, consumer confidence is higher.

---

Notes:

Contact person:

Jiri Obst, Head of Business Cycle Surveys Unit, tel.  
+420604815440, e-mail: [jiri.obst@czso.cz](mailto:jiri.obst@czso.cz)

Detailed time series of balances and basic  
indices of confidence indicators:

[https://www.czso.cz/csu/czso/kpr\\_ts](https://www.czso.cz/csu/czso/kpr_ts)

## NEWS RELEASE

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

[https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/business-and-consumer-surveys\\_en](https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/business-and-consumer-surveys_en)