BTS and Development of Confidence Indicators in the Czech Republic

Ing. Marie Hörmannová, CSc.
Business Cycle Surveys Department
Basic facts about the BTS in the Czech Republic

- 1991 – new conception of the business-cycle surveys
- present – surveys fully harmonised
- number of respondents:
  - Industry: 1000
  - Construction: 600
  - Retail trade: 600
  - Services: 900
  - Investment: 1100
- **periodicity:**
  - Industry: Monthly + quarter questions
  - Construction: Monthly
  - Retail trade: Monthly
  - Services: Monthly + quarter questions
  - Investment: March/April + October/November
  - Labour survey: Ad hoc – 1999 and 2004

- **new weighting system for composite indicators:**
  - Since January 2006
  - Industry (40%), construction (5%), trade (5%), services (30%), consumers (20%)
publication of results:
- News Releases at http://www.czso.cz/
- Tables for EC DG ECFIN and OECD
- Comprehensive publication on the Internet
- Comprehensive printed publication
- CZSO Bulletin
- CZSO News
- Tables according to users‘ requirements
- CZSO Information Services

results are published immediately after processing
changes in the publication in 2006:

- Time series of basic indices are recalculated to the basic period of 2005 average
- Balances are published with one decimal position
- Confidence indicator in services is seasonally adjusted, its time series recalculated back to May 2002
- New weighting system for the calculation of composite confidence indicators
- All data recalculated and comparable
- Graphical comparison follows in the graphical part
Graphical part

Comparison of new and old methodology
Seasonally adjusted composite confidence indicator after including services and new weighting system

Indexy, Indices

Composite indicator (old)
Composite indicator (new)
Seasonally adjusted business confidence indicator after including services indicator and new weighting system

% 

Indexy, Indices

Měsíce, Months

průměr roku 2005 (average of 2005) = 100%

- Podnikatelský indikátor (starý) Business indicator (old)
- Podnikatelský indikátor (nový) Business indicator (new)
Comparison of time series seasonally adjusted by Dainties and Tramo Seats
Souhrnný indikátor důvěry

Composite Confidence Indicator

Salda, Balances

Měsíce, Months

průměr roku 2005 (average of 2005) = 100%
Podnikatelský indikátor důvěry

Business Confidence Indicator

% Salda, Balances

průměr roku 2005 (average of 2005) = 100%

Měsíce, Months

SA TRAMO

SA DAINTIES
Seasonal Decomposition and Trends (Tramo Seats)
Trend of the Composite and Business Confidence Indicator

Salda, Balances

průměr roku 2005 (average of 2005) = 100%

Měsíce, Months

Souhrnný (Composite)  Podnikatelský (Business)
Trends of the confidence indicators in industry, construction, trade and in selected services

The chart illustrates the changes in confidence indicators over the years 1995 to 2006. The indicators are measured in percentages and show the balance of positive and negative responses.

- **Industry** (Průmysl): The indicator for industry shows a trend of fluctuation with periods of positive and negative balance. It peaked in the first quarter of 1996 and experienced a significant drop in the second quarter of the same year, recovering slightly by the end of 1996.
- **Construction** (Stavebnictví): The confidence indicator for construction is relatively stable with minor fluctuations. It shows a slight increase from the second quarter of 1996 to the third quarter of 1997.
- **Trade** (Obchod): The trade indicator fluctuates more than the other two sectors. It shows a significant drop in the second quarter of 1995, recovery in the first quarter of 1996, and a peak in the second quarter of 1997.
- **Services** (Služby): The services indicator has a steady trend with minor variations. It shows a slight increase from the second quarter of 1995 to the second quarter of 1996.

The data is presented monthly from the first quarter of 1995 to the second quarter of 2006.
Confidence indicator in industry

Graph showing the confidence indicator in industry over time, with data points from 1998-2006.
Indikátor důvěry v obchodě

Confidence indicator in trade

Měsíce, Months

Months

Salda, Balances

%
Indikátor důvěry ve vybraných službách

Confidence indicator in selected services

Months

Walda, Balances

Confidence indicator in selected services
Comparison of Confidence Indicators and Real Data
Capacity Utilisation and Confidence Indicator in Industry

Saldo, Balance

-60 -50 -40 -30 -20 -10 0 10 20 30 40 50 60

72.0 74.0 76.0 78.0 80.0 82.0 84.0 86.0 88.0

%
Indikátor důvěry v průmyslu a IPP

Confidence Indicator in Industry and IPI

Měsíce, Months

IND T

IPP T
Indikátor důvěry ve stavebnictví a index stavebních prací

Confidence Indicator in Construction and Construction Works Index

Měsíce, Months

Stavební práce, Construction Works Index

Saldo, Balance

CONS T

CWI T
Hodnocení poptávky ve stavebnictví a index stavebních prací
Assessment of Demand in Construction and Construction Works Index

Měsíce, Months

%
Souhrnný indikátor důvěry a HDP
Composite Confidence Indicator and GDP

Čtrtletí, Quarters

Indikátor, Indicator

HDP, GDF

Indexy, Indices

IND SA

GDP SA
For the October issue of monthly CZSO News Release, please see Annex of my paper or http://www.czso.cz/

Thank you for your attention!

marie.hormannova@czso.cz