

Detailed information on sub-indicators of business and consumer confidence in August 2024

INDUSTRY

In August, the **confidence indicator in industry** rose by 1.7 points to 4, after seasonal adjustment. The development of the indicator was mainly influenced by the growth of the expected production.

In August, the **industrial production trend** decreased by 10 points to -5. The decrease was recorded mainly in manufacture of computer, electronic and optical products, other non-metallic products and transport equipment.

The **balance of aggregate orders** decreased by 2 points to -13 in August compared with July. The deterioration of the level of orders (weighted by production) was recorded mainly in manufacture of textiles and apparel and in manufacture of pharmaceutical products.

Compared with July, the **balance of foreign orders** dropped by 4 points to -21. A deterioration of the level of foreign orders was stated mainly in manufacture of pharmaceutical products and in manufacture of textiles and apparel.

The **balance of finished goods stock** in industry in August remained at the same level as in July (0). The growth of stocks was mainly reported in manufacture of chemical products, on the contrary, lower stocks are mainly in manufacture of wood and paper products, in manufacture of pharmaceutical products and in manufacture of other non-metallic products. Up to 93% of respondents consider the stock to be normal.

The balance of **industrial production for the next three months** increased by 7 points to 25, compared with the previous month. A growth of production is assumed mainly in manufacture of chemical products, in manufacture of transport equipment and electrical equipment.

In August compared with July, the balance of the expected development of **prices of industrial products** rose by 4 points to 1. A price rise is expected mainly in manufacture of computer, electronic and optical products, in the chemical industry and in other manufacture, repair and installations.

In August compared with July, the balance of **employment** remained at the same level (4). They expect a lower number of employees mainly in the chemical industry and on the contrary, an increase in the number of employees is assumed in manufacture of computer, electrical and optical products.

- 70% of them expect a stabilised employment,
- 13% a decrease,
- 17% an increase

The total data are seasonally adjusted and the data by sector are not seasonally adjusted, therefore non-standard development may occur in the comparison of these indicators.

CONSTRUCTION

In August, compared to the previous month, the seasonally adjusted **confidence indicator in construction** dropped by 1,5 points to -10 due to less favorable evaluations of the expected employment.

The **construction activity trend indicator over the last three months** deteriorated by 5 points to 7 compared to a month ago, mainly due to the impact of enterprises performing engineering works:

- 13% of respondents noted a decrease in construction activity,
- its increase was reported by 36% and
- 51% of enterprises considered it unchanged.

The evaluation of the **current overall level of orders** improved by 1 point to -21 compared with July:

- 4% of respondents identified it as more than sufficient,
- for 73% it was sufficient,
- it was insufficient for 23% of respondents.

Among the most significant **factors currently limiting the growth of construction production** included:

- 34% of respondents insufficient demand,
- 33% shortage of employees,

- 29% financial restrictions,
- 8% weather conditions and
- 4% lack of material or mechanisms.

Respondents further report lack of contracts, lengthy administrative processes in handling of project financing, an increase in the prices of construction materials and the holiday season. 27% of enterprises do not currently experience barriers of growth.

Respondents' expectations regarding the estimation of employment development deteriorated month-on-month, the business balance of the **expected number of employees** decreased by 4 points to 1, mainly due to the influence of enterprises implementing engineering constructions:

- 10% of respondents expect a decrease in the employment status,
- 73% of respondents consider stabilized development,
- 17% of enterprises expect an increase in the rate.

The business balance of the expected **prices of construction production in the next three months** increased by 6 points compared to July to a value 16. The price level of production will probably:

- increase according to 20% of respondents,
- decrease according to 4%,
- 76% of respondents do not expect any changes.

TRADE

The **confidence indicator in trade** rose slightly in August compared to July by 0.7 points to 6.7. Respondents positively evaluated the current trend of business activities and expect an increase in business activities.

The seasonally adjusted balance of the **trend of business activities over the last three months** increased by 1 point to 4 compared to the previous month. Positive evaluations (weighted by turnover) prevailed mainly in repair and maintenance of motor vehicles and in retail sale of other goods in specialized stores.

The level of **goods stock** (4) remained at the same level as last month and, according to 92% of respondents, they were appropriate for the season.

The level of evaluation of **supplier requirements** dropped again and after seasonal adjustment reached 14 (a drop by 1 point). They assumed lower requirements for suppliers mainly in retail trade not in stores, stands and markets and in retail trade of fuels in specialized stores.

When evaluating the **expected business activities for the next three months**, the respondents were optimistic, as a result of which the balance (20) slightly increased by 1 point. Optimistic opinions prevailed mostly among respondents in sale of motor vehicle parts and accessories. Expectations in the field of **employment** are again pessimistic in August. The seasonally adjusted balance at 13 was lower by 3 points lower than last month. They plan to reduce the number of employees mainly in retail trade of fuel in specialized stores.

The seasonally adjusted balance of the **expected price development** was higher compared to last month, increasing by 8 points and reaching 0. Negative evaluations of price development prevailed especially among respondents in sale of motor vehicle parts and accessories.

- increase in prices is assumed by 14%,
- a decrease by 10%,
- stabilized development by 76% of respondents.

SERVICES

In August, the seasonally adjusted **confidence indicator in services** dropped by 1.3 points to 5.7 points (for comparison, the value for August 2023 was -5 points). The decline was recorded by the business situation.

The **business situation in the last three months** has deteriorated by 9 points to -6 compared to the previous survey. Information and communication recorded the largest decrease.

Demand for services in the last three months increased by 3 points to 8 points compared to the previous month. The largest increase was reported by accommodation and food services.

Respondents evaluated the **expected development of demand for services** in the next three months more favourably than last month, the seasonally adjusted balance increased by 2 points to 15. The increase was mainly recorded by financial and insurance services.

There was a deterioration in the **employment development** in the next three months, the value of the seasonally adjusted balance dropped by 2 points to -5. In particular, information and communication expect a decrease.

The **business balance of the expected prices of services in the next three months** decreased by 2 points to 12 compared to the previous period.

- 1% of enterprises are considering price reductions
- an increase is assumed by 9%
- 90% of enterprises expect a stabilized development.

Consumer mood in Slovakia in August 2024

The mood of the Slovak consumers deteriorated slightly in August. The **consumer confidence indicator** (seasonally adjusted) decreased by 1.9 points to -11.5 compared to the previous month. However, its value continues to exceed the long-term average, currently by 8.7 points.

Consumers were more pessimistic in all four components of the indicator. They perceive especially the development of unemployment more negatively, but they also expressed concern when evaluating the development of the general economic situation. They also view the development of finances in their households more pessimistically, both in terms of the overall financial situation and the expected savings.

The consumer mood was more favorable than last year, by 9.6 points.

Economic sentiment indicator in August 2024

The mood of the Slovak entrepreneurs and consumers did not change significantly compared to the previous month. Although the **economic sentiment indicator** (ESI) decreased, but only by 0.1 point to the level of 104.4. Evaluations of the three out of five of its components deteriorated. Especially the consumers were more pessimistic, but the mood also deteriorated among entrepreneurs in construction and in services. On the contrary, entrepreneurs in industry were more optimistic, and the mood among entrepreneurs in trade also slightly improved.

Compared to last year, the economic sentiment was more optimistic by 8.1 points, lagging behind the long-term average only slightly, by 1.6 points.

