

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

Industry

In April, the **confidence indicator in industry** increased by 6 points to -0.3 (from seasonally adjusted data). The development of the indicator was mainly influenced both by the increase of orders and of the expected production for the next three months.

Compared to the previous month, the **industrial production trend** dropped by 22 points to -10. The decline was recorded mainly in manufacture of transport equipment and electrical equipment.

The **balance of aggregate orders** increased by 13 points to -3, representing the highest value since October 2022. The increase in orders was recorded mainly in manufacture of transport equipment.

The **balance of foreign orders** rose by 9 points to -12. A growth was recorded mainly in the chemical industry.

In April compared with March, the balance of **finished goods stocks** remained at the same level (value 25). They reported a decrease in stocks mainly in manufacture of transport equipment, on the contrary, stocks increased in the chemical industry and in manufacture of basic metals and fabricated metal products.

In April compared with March, the balance of the **expected production for the next three months** increased by 5 points to 27, which is the highest value in the last year (since April 2023). The most optimistic are the respondents in manufacture of machinery and equipment n.e.c. and in other manufacture, repair and installation.

The balance of expected development of **prices of industrial products** for the next three-month period compared to March increased by 4 points to 5. They expect a price rise mainly in manufacture of wood and paper products and electrical equipment.

In the development of **employment**, the situation improved compared to last month, when the balance increased by 8 points to a value of 8, representing the highest value since June 2023. They expect an increase in employment mainly in manufacture of basic metals and fabricated metal products and transport equipment.

When evaluating the **factors limiting the growth of industrial production**:

- 51% of respondents reported insufficient demand,
- 27% shortage of employees,
- 18% financial constraints
- 21% of respondents do not feel any limiting factors.

Production capacity remained at the same level (value 8). The respondents reported an increase in capacity mainly in manufacture of wood and paper products, electrical equipment and computers, electronic and optical products.

Based on orders, enterprises have **reserved work** for an average of 5 months, while the largest supply of work is in manufacture of machinery and equipment n.e.c and in the chemical industry.

Industrial companies use **production capacity** to 78% on average.

In the last three months period, according to the response of the respondents, the production demand on the basis of **new orders** had a downward trend, the overall balance decreased by 6 points compared to the previous period. The greatest decrease was in manufacture of coke and refined petroleum products, basic metals and fabricated metal products, and computers, electronic and optical products.

Compared to the last quarter, the balance of the expected **export** increased by 18 points to 23. Respondents expect a growth in the number of foreign orders mainly in the chemical industry and in manufacture of pharmaceutical products.

According to the survey, the **position of enterprises in the domestic competitive environment** decreased by 2 points compared to the previous quarter. In foreign markets **within the EU** and in **non-EU markets**, it increased by 1 point to -2.

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

Construction

In April, compared to the previous month, the seasonally adjusted **confidence indicator in the construction** rose by 3.5 points to -7.5 due to more favorable evaluations of the overall level of orders.

The **construction activity trend** for the past three months has improved by 9 points to a value of 5 compared to a month ago, mainly due to the impact of enterprises performing engineering works and specialized construction works:

- 23% of respondents noted an increase in construction activity,
- its decrease was reported by 26%,
- 51% of companies considered it as unchanged

Compared with March, the evaluation of the **current overall level of orders** improved by 6 points to -16, primarily due to the impact of companies implementing specialized construction works:

- 4% of respondent identified it as more than sufficient,
- for 71% it was sufficient,
- for 25% of respondents it was insufficient.

The most significant **factors currently limiting the growth of construction production** include according to:

- 36% of respondents insufficient demand,
- 36% shortage of employees,
- 35% financial constraints,
- 15% weather conditions and
- 4% lack of material or mechanisms.

Respondents further report a significant increase in the prices of construction materials, lengthy public procurement processes, non-use of European funds and a lack of orders. 21% of enterprises do not currently experience barriers to growth.

Respondents' expectations regarding the estimation of employment development improved month-on-month, the business balance of the **expected number of employees** increased by 1 point to 1:

- an increase in the employment is assumed by 16%,
- stabilized development by 73%,
- 11% of enterprises expect a decrease in the rate.

The business balance of the expected **prices of construction production in the next three months** increased by 7 points to a value of 15 compared to March, mainly due to the impact of enterprises implementing the construction of buildings. The price level of production is likely:

- to increase by 20%,
- to decrease by 5%,
- 75% of respondents do not expect any changes.

Based on orders, enterprises have **secured work** for 10.1 months, on average. By size categories, work is ensured mainly in enterprises with 500 or more employees (16.4 months) and in terms of production focus, in enterprises performing engineering works (14.2 months).

Trade

In April compared with March, the **confidence indicator in trade** rose by 4.4 points to 9.7. Respondents positively evaluated the current trend of business activities and expect an increase in the number of requests for suppliers.

The seasonally adjusted balance of the **trend of business activities over the last three months** increased by 6 points to 3, compared to the previous month. Positive evaluations (weighted by turnover) prevailed mainly in retail trade in non-specialized stores and in sale of motor vehicle parts and accessories.

The level of **goods stock** decreased by 2 points to 5, month-on-month, and according to 90% of respondents, they were appropriate for the season.

The level of evaluation of **supplier requirements** rose significantly and after seasonal adjustment reached the value of 26 (an increase by 10 points). They expected higher requirements for suppliers mainly in retail trade in non-specialized stores and in retail trade with ICT equipment 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 (31) increased by 5 points.

Optimistic views prevailed mostly among respondents in retail of other goods in specialized stores.

Employment expectations are again optimistic in April. The seasonally adjusted balance at the level of 20 was higher by 9 points than last month. They plan to increase the number of employees mainly in retail in non-specialized stores.

The seasonally adjusted balance of the **expected development of prices** decreased by 5 points compared to the previous period and reached the value of 6. Positive evaluations of price development prevailed especially among respondents in retail trade of other household goods in specialized stores.

- 10% assume a price drop,
- 16% an increase,
- stabilized development is assumed by 74% of respondents.

Services

In April, the seasonally adjusted **confidence indicator in services** dropped by 3 points to 15.3. A decrease was recorded in demand, as well as in the expected demand.

The **business situation over the last three months** improved compared to the previous survey, increasing by 9 points to 11. Compared to last month, art, entertainment and recreation recorded the greatest increase.

The **demand for services in the last three months** decreased by 14 points compared to the previous month to level 13. The largest decrease compared to the previous month was reported by arts, entertainment and recreation.

Respondents evaluated the **expected development of demand for services in the next three months** slightly more pessimistic than last month, the seasonally adjusted balance dropped by 4 points to 22. Information and communication expect the largest decline.

The **number of employees in the last three months**, or its seasonally adjusted balance improved by 6 points compared to last month to level 12. The largest increase was recorded by arts, entertainment and recreation.

There was an improvement in the **development of employment in the next three months**, the value of the seasonally adjusted balance increased by 2 points to 8. In particular, the accommodation and food service activities expect an increase.

The **business balance of the expected prices of services in the next three months** compared to the previous period dropped quite significantly by 13 points to -3, which is also the lowest value since January 2021.

- 1% are considering price reductions,
- 7% of enterprises expect price increases,
- and 92% of enterprises expect a stabilized development.

31% of enterprises do not feel any **limiting factors concerning the realization of their business plans**. The most significant factors limiting the business plans in services were

insufficient demand (36%), financial constraints (27%), shortage of employees (27%). According to the respondents, 96% of the capacities were used in services.

Consumer mood in Slovakia in April 2024

In April, the consumer confidence in the Slovak economy improved slightly as well. With a month-on-month growth by 2.4 points, the level of the **consumer confidence indicator** (seasonally adjusted) increased to -8.6. It exceeded the long-term average by 11.6 points.

Consumers evaluated all four components of the indicator more positively. They expect a more favorable development of unemployment as well as the financial situation of households. At the same time, they believe in the improvement of the development of the general economic situation and were more optimistic when evaluating the expected creation of savings.

The consumer mood was also more favorable by 12,6 points, compared to the corresponding period last year.

Economic sentiment indicator in April 2024

The mood of Slovak entrepreneurs and consumers improved slightly in April compared to the previous month. The value of the **economic sentiment indicator** (ESI) increased by 2.5 points month-on-month to the level of 106.5. Evaluations of four out of five of its components improved, entrepreneurs in industry, trade and construction, as well as consumers, were more optimistic. Only entrepreneurs in services showed a slight pessimism.

Compared to last year, the economic mood was more positive by 3.8 points, compared to the long-term average, it improved by 0.5 points.