

Consumer Survey

2012, July

Consumers' confidence in the economy weakened further in July

The consumer confidence indicator stood at zero (0.1) in July, while in June it was 5.8 and in May 12.0. Confidence in the economy was also clearly weaker than one year ago and the long-term average. The data are based on Statistics Finland's Consumer Survey, for which 1,359 persons resident in Finland were interviewed between 2 and 19 July.

Consumer confidence indicator (CCI)



* average 10/1995 - 07/2012

Of the four components of the consumer confidence indicator only views about own household's saving possibilities remained unchanged from June in July. The weakening of confidence that started in June continued in the other components of the confidence indicator. Assessments darkened most about Finland's economy and the development of unemployment. Views on own economy also weakened.

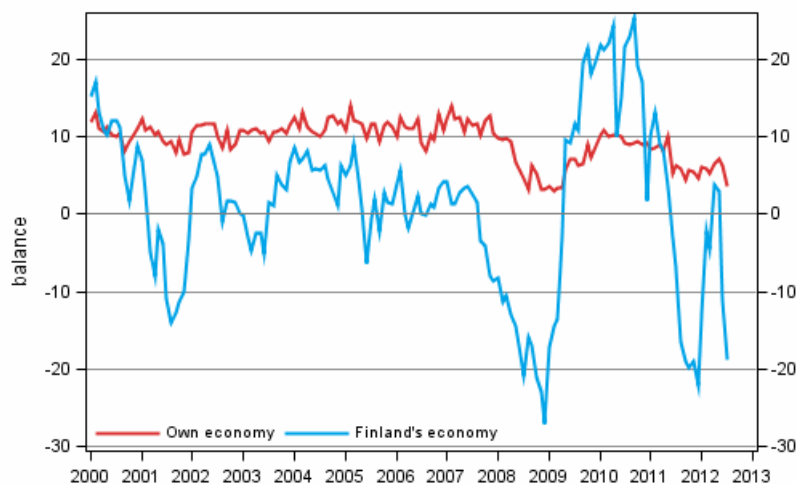
Employed consumers felt in July that their personal threat of unemployment had grown slightly from June. However, consumers regarded the time favourable for saving and raising a loan.

Consumers' own and Finland's economy

In July, 16 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while as many as almost one-half (47%) of them thought that the country's economy would deteriorate. In June, the respective proportions were 21 and 40 per cent and in July one year ago 24 and 34 per cent.

Good one-fifth (22%) of consumers believed in July that their own economy would improve and just under one-fifth (17%) of them feared it would worsen over the year. One year ago, these proportions were 26 and 15 per cent.

Consumers' expectations concerning their own and Finland's economy in 12 months' time



Unemployment and inflation

Ten per cent of consumers expected in July that unemployment would decrease over the coming year, while two-thirds, or 65 per cent, of them thought it would increase. The corresponding proportions were 16 and 49 per cent in June, and 31 and 28 per cent one year ago.

In July, 11 per cent of employed persons believed that their personal threat of unemployment had lessened over the past few months, while just under one-fifth (18%) of them thought it had grown. Almost one-half (47%) of employed persons thought the threat of unemployment had remained unchanged and 23 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in July that consumer prices would go up by 2.8 per cent over the next 12 months. The long-term predicted average inflation rate is 2.2 per cent.

Saving and taking out a loan

Clearly more than one-half (58%) of consumers regarded the time favourable for saving. In July last year, the respective proportion was slightly higher, or 64 per cent. Sixty-eight per cent of households had been able to lay aside some money in July and almost one in four (79%) of them believed they would be able to do so during the coming year. Households mostly save for a rainy day. After the popular fixed-term or investment accounts, the most common investment targets are securities and insurance.

While around one-half of the respondents viewed raising a loan worthwhile twelve months ago, in July 2012 the respective share was some ten percentage points higher, or 60 per cent. In July, 13 per cent of households were planning to raise a loan within one year.

Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	07/2011	06/2012	07/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,8	22,9	-6,5	11,3	5,8	0,1	--
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	6,2	6,4	3,6	--
B4 Finland's economy in 12 months' time (balance)	4,3	25,3	-27,1	-7,1	-11,1	-18,7	--
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,6	2,9	2,8	
B7 Unemployment in Finland in 12 months' time (balance)	0,1	27,6	-51,1	1,0	-18,4	-30,8	--
B8 Own threat of unemployment now (balance)	0,8	7,6	-18,8	6,5	1,1	-4,1	-
C1 Favourability of time for purchasing durables (balance)	20,2	41,8	-14,2	14,1	8,0	7,6	--
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	18,5	14,7	12,0	+/-
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	1,8	12,1	16,3	+/-
D2 Household's saving possibilities in the next 12 months (balance)	38,1	52,2	10,9	45,1	46,2	46,5	+

The **balance figures** are obtained by deducting the weighted proportion of negative answers from that of positive answers. The **consumer confidence indicator** is the average of the balance figures for the CCI components. The balance figures and the confidence indicator can range between -100 and +100 – the higher (positive) balance figure, the brighter the view on the economy.

Explanations for **Outlook** column: ++ Outlook is very good, + Outlook is good, +/- Outlook is neutral, - Outlook is poor, -- Outlook is very poor. Deviation of balance from average has been compared to standard deviation.

The population and sample of the Consumer Survey

The population of the Consumer Survey comprises 4.4 million persons aged 15 to 84 and 2.6 million households in Finland. The population was extended to persons aged 75 to 84 starting from January 2012. The gross sample size of the Survey is monthly 2,350 persons (previously 2,200 persons).

In July, the non-response rate of the Survey was 42.2 per cent. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

The extension of the population, that is, responses from persons aged 75 to 84, is estimated to have weakened the value of the consumer confidence indicator by one unit starting from January 2012.

EU results

The (seasonally adjusted) Consumer Survey results for all EU countries are released on the European Commission website: European Commission, DG ECFIN, Business and Consumer Survey Results; http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm.

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1. Method of the Consumer Survey

The Consumer Survey is a telephone interview survey by means of which it is possible to measure Finns' images - assessments and expectations - of the general economic development and the financial situation of one's own household and intentions to make major purchases, save money or take out a loan. In addition, the survey is a tool for finding out how common modern machines and equipment are in households.

The first Finnish Consumer Survey was conducted in November 1987. Until 1991 it was carried out twice a year, in May and November. In 1992 the survey times were rose to four: the survey months were February, May, August and November. Since October 1995 the Consumer Survey data have been collected monthly on assignment of the European Commission.

The Consumer Survey has a totally new individual sample each month. The same sample is also used for the data collection of the Finnish Travel Survey and some other surveys as well. The sample size of the Consumer Survey is 2,350 persons monthly. The non-response rate nowadays being about 35 per cent, approximately 1,500 responses are gained every month. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

The interviews are conducted from Statistics Finland's CATI Centre during the first two or three weeks of the month. The target area is the whole country and the respondents of the Consumer Survey represent the 15 to 84-year-old population in Finland, according to age, gender, province of domicile and native language.

All the response data of the Consumer Survey are weighted against the total population by means of sample weights. Weighting corrects the effects of non-response and improves the statistical accuracy of the data. The weights are established by using a calibration method and the probability of each observation to be included in the sample. The figures and series presented are not seasonally adjusted.

Appendix tables

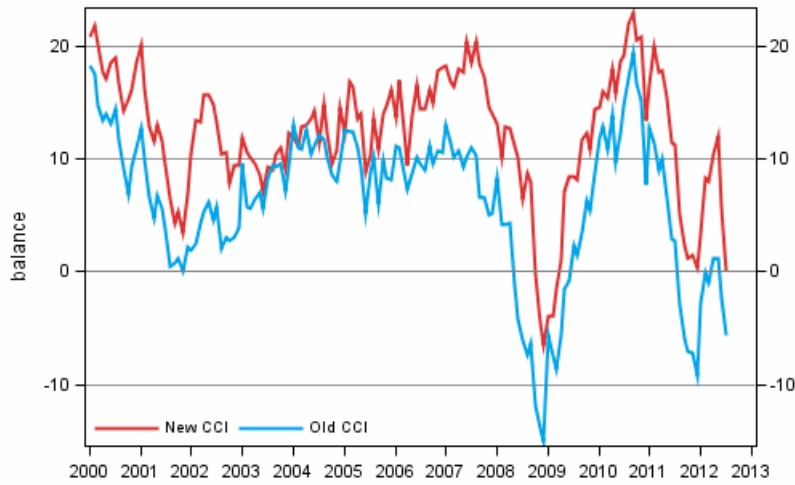
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	07/2011	06/2012	07/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,8	22,9	-6,5	11,3	5,8	0,1	--
A2 Old CCI = (B1+B2+B3+B4+C1)/5	7,9	19,4	-15,0	2,7	-2,2	-5,6	--
A3 Micro indicator = (B2+D1+D2)/3	24,9	33,4	9,5	28,0	27,6	27,9	+
A4 Macro indicator = (B4+B7)/2	2,2	22,8	-39,1	-3,1	-14,8	-24,8	--
B1 Own economy now (balance)	4,6	9,8	-4,0	2,8	0,4	3,8	-
- Better (%)	24,1	30,6	16,7	22,5	20,4	22,4	
- Worse (%)	15,8	22,7	11,4	17,8	19,0	16,5	
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	6,2	6,4	3,6	--
- Better (%)	26,1	33,4	18,2	25,6	24,2	22,1	
- Worse (%)	10,7	17,2	6,6	15,0	13,2	16,6	
B3 Finland's economy now (balance)	1,7	29,5	-60,9	-2,5	-14,4	-24,2	--
- Better (%)	29,4	62,1	2,0	30,7	14,7	9,3	
- Worse (%)	23,7	88,5	4,2	32,3	38,6	51,5	
B4 Finland's economy in 12 months' time (balance)	4,3	25,3	-27,1	-7,1	-11,1	-18,7	--
- Better (%)	31,2	57,3	11,6	23,8	21,0	15,7	
- Worse (%)	21,6	57,3	6,0	34,4	39,9	46,9	
B5 Inflation now (per cent)	2,3	5,8	-2,0	3,9	3,5	3,3	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,6	2,9	2,8	
B7 Unemployment in Finland in 12 months' time (balance)	0,1	27,6	-51,1	1,0	-18,4	-30,8	--
- Less (%)	33,3	60,8	6,4	30,5	16,1	9,6	
- More (%)	30,7	83,3	6,9	28,1	49,0	65,0	
B8 Own threat of unemployment now (balance)	0,8	7,6	-18,8	6,5	1,1	-4,1	-
- Decreased (%)	13,8	20,0	5,3	17,8	15,6	11,1	
- Increased (%)	15,1	31,9	7,9	10,9	16,3	18,1	
C1 Favourability of time for purchasing durables (balance)	20,2	41,8	-14,2	14,1	8,0	7,6	--
- Favourable time (%)	45,3	62,4	29,6	43,1	39,6	39,7	
- Unfavourable time (%)	25,1	45,7	17,7	29,0	31,6	32,1	
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	18,5	14,7	12,0	+/-
- Good time (%)	58,9	80,7	33,4	64,3	61,4	58,3	
- Bad time (%)	35,2	58,5	15,5	31,5	34,3	36,4	
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	1,8	12,1	16,3	+/-
- Good time (%)	62,2	78,2	13,3	51,3	58,9	60,3	
- Bad time (%)	30,4	83,4	12,1	44,1	36,0	33,9	
D1 Household's financial situation now (balance)	27,7	35,1	14,7	32,7	30,4	33,8	++
- Can save (%)	58,4	70,0	38,6	66,3	62,5	67,5	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	5,3	7,0	6,5	

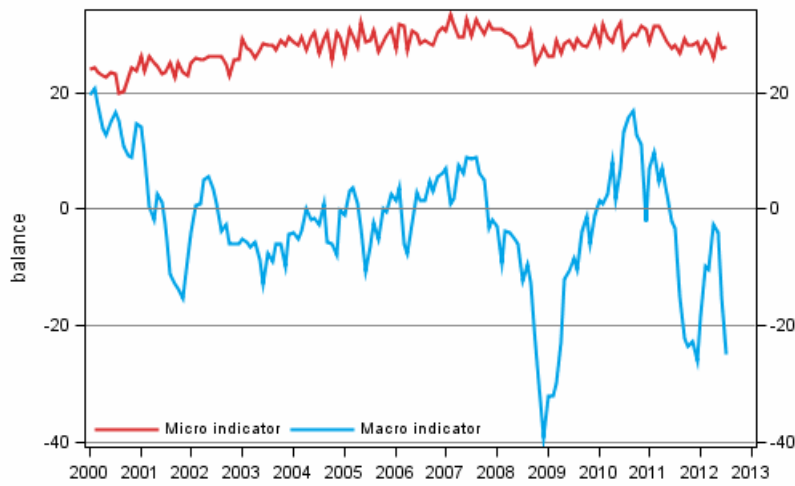
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	07/2011	06/2012	07/2012	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	38,1	52,2	10,9	45,1	46,2	46,5	+
- Can save (%)	73,1	82,3	56,6	78,7	78,5	78,6	
- Cannot save (%)	24,9	40,3	16,5	20,7	20,5	20,5	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,5	17,8	9,1	11,0	13,3	13,1	+/-
- Yes, certainly (%)	5,6	8,5	3,1	5,8	6,7	5,8	
- Possibly (%)	7,8	11,4	5,2	5,2	6,6	7,3	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8,0	-2,4	-18,2	-9,0	-12,8	-11,6	--
- More (%)	22,6	30,8	14,3	19,6	16,1	17,0	
- Less (%)	32,4	40,4	26,5	30,7	33,9	33,2	
E2 Intentions to buy a car in the next 12 months (% of households)	17,4	21,7	13,6	19,1	13,6	16,0	-
- Very likely (%)	9,0	12,1	6,3	10,9	6,7	7,5	
- Fairly likely (%)	8,4	10,4	6,2	8,2	6,9	8,5	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	7,7	7,2	7,4	+/-
- Yes, certainly (%)	3,1	5,2	1,3	3,7	3,0	3,4	
- Possibly (%)	4,0	6,2	2,2	4,1	4,2	4,0	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,7	27,0	9,8	24,0	22,7	22,8	+
- Very likely (%)	12,2	19,0	5,0	17,1	16,0	17,1	
- Fairly likely (%)	6,4	9,1	3,2	6,9	6,7	5,7	

Appendix figures

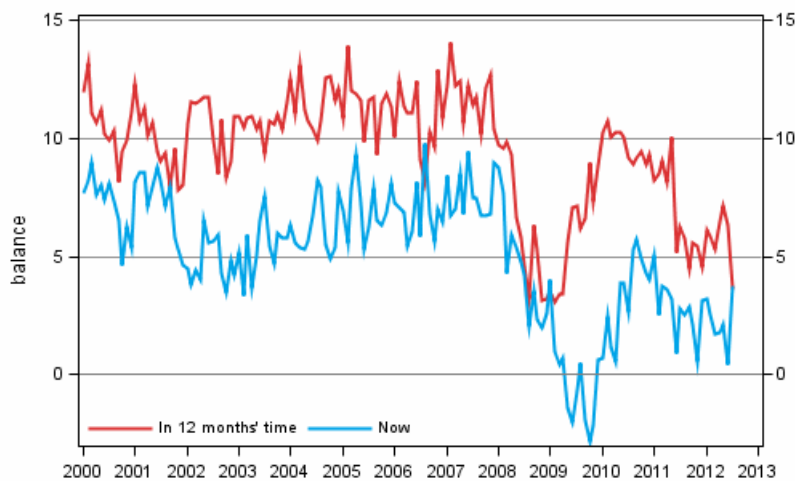
Appendix figure 1. Consumer confidence indicator (CCI)



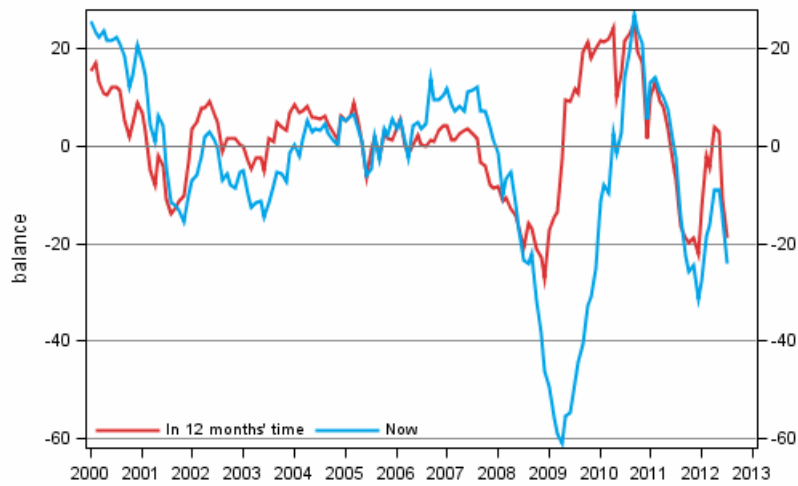
Appendix figure 2. Micro and macro indicators



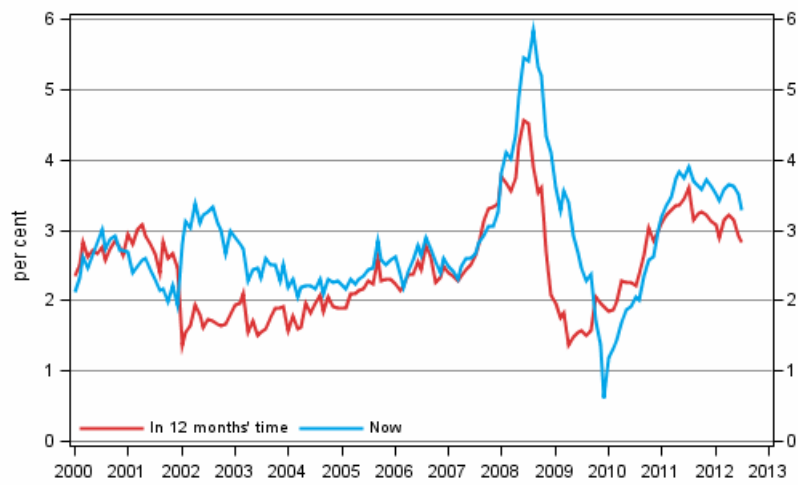
Appendix figure 3. Own economy



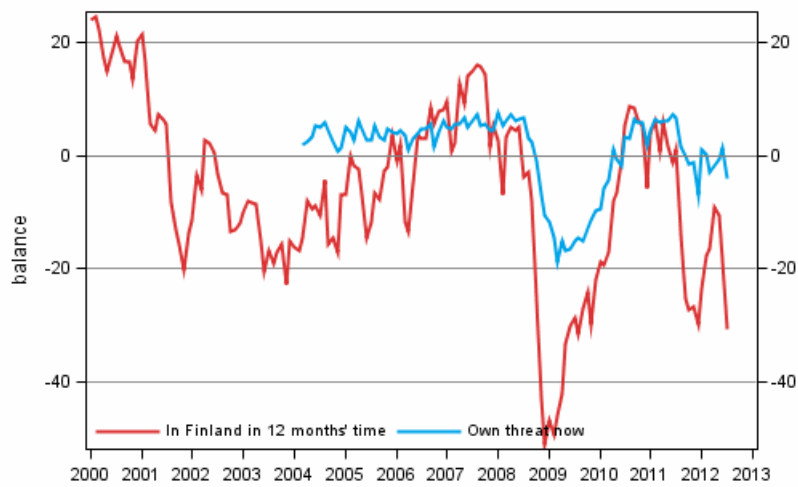
Appendix figure 4. Finland's economy



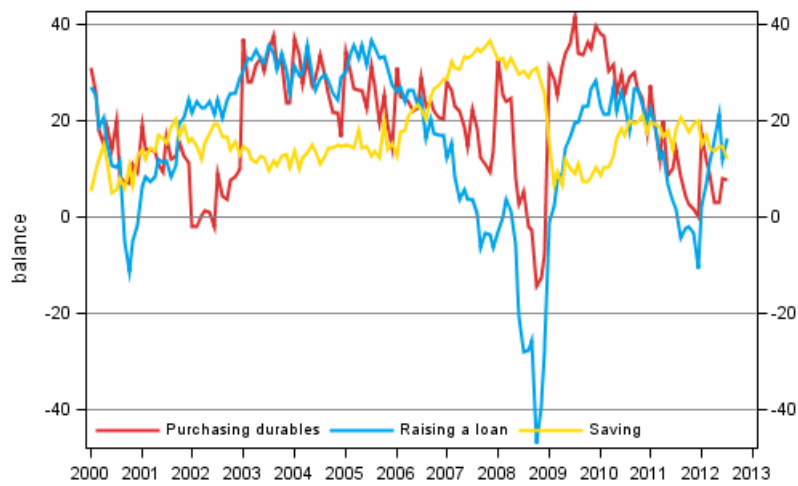
Appendix figure 5. Inflation



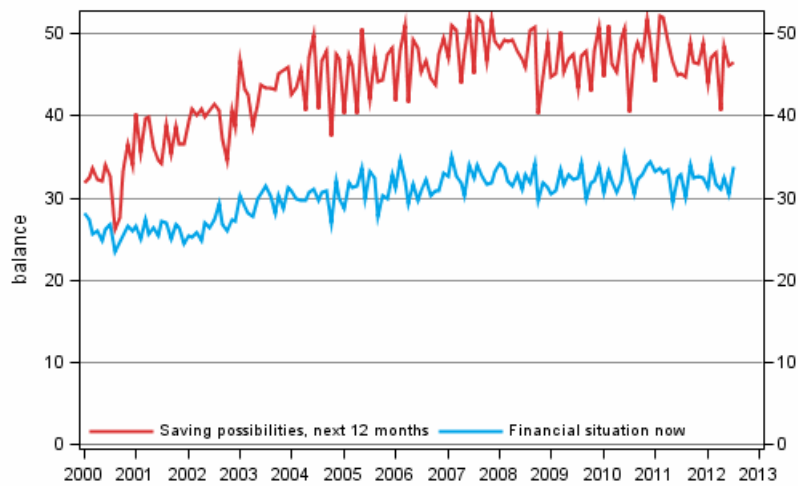
Appendix figure 6. Unemployment



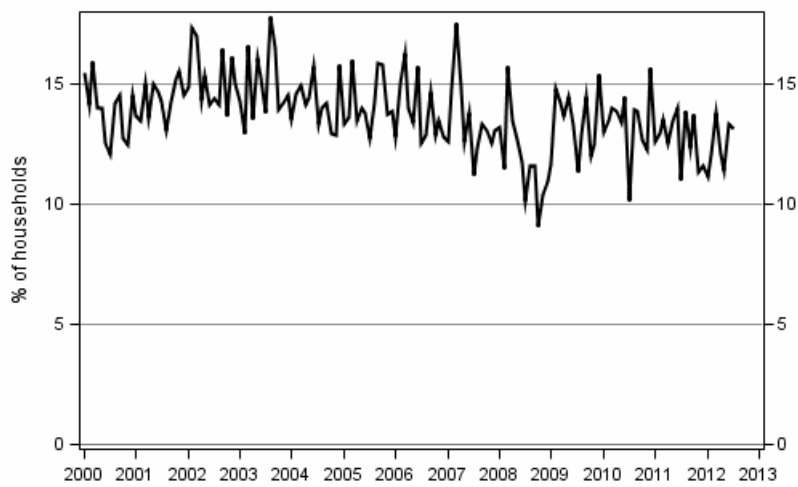
Appendix figure 7. Favourability of time for



Appendix figure 8. Household's financial situation



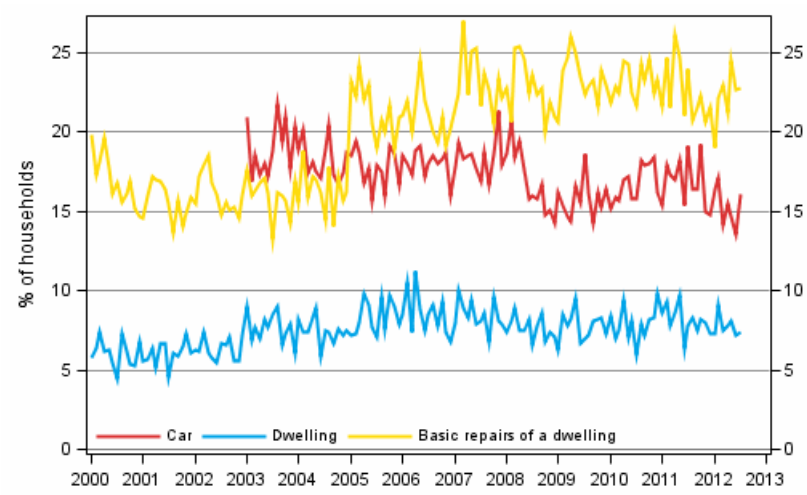
Appendix figure 9. Household's intentions to raise a loan, next 12 months



Appendix figure10. Spending on durables, next 12 months vs last 12 months



Appendix figure 11. Household's intentions to buy, next 12 months



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Finlands officiella statistik
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Income and Consumption 2012

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Source: Consumer Survey 2012, July. Statistics Finland