

Consumer Survey

2012, April

Consumers' views of Finland's economy are recovering

Consumers' confidence in the economy gained some strength in April. The consumer confidence indicator stood at 10.4 in April, having been 8.0 in March and 8.3 in February. This April, confidence in the economy was at a lower level than one year earlier and also weaker than the long-term average. The data are based on Statistics Finland's Consumer Survey for which 1,475 persons resident in Finland were interviewed between 2 and 18 April.

Consumer confidence indicator (CCI)



* average 10/1995 - 04/2012

Of the four components of the consumer confidence indicator, expectations concerning Finland's economy and development of unemployment strengthened in April from the previous month. The estimate was still pessimistic with regard to development of unemployment, however. Consumers' expectations concerning their own economy remained almost unchanged in April compared to March. Views on households' saving possibilities in turn deteriorated from the previous month. Saving possibilities were still nevertheless assessed as better than the long-term average.

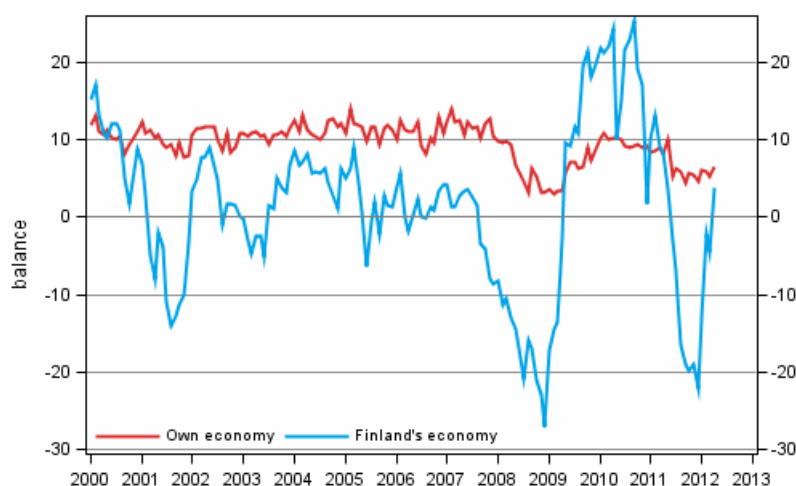
In April employed persons felt personally threatened by unemployment more or less to the same degree as in March. Consumers regarded the time fairly favourable for taking out a loan, but also for saving. In contrast, buying of durable goods was not considered worthwhile in April.

Consumers' own and Finland's economy

In April, 35 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 25 per cent of them thought that the country's economy would deteriorate. In March the corresponding proportions were 27 and 32 per cent and in last year's April 36 and 19 per cent.

In all, 24 per cent of consumers believed in April that their own economy would improve while 14 per cent of them feared it would worsen over the year. Twelve months earlier these proportions were 27 and 12 per cent.

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



Unemployment and inflation

Altogether 23 per cent of consumers thought in April that unemployment would decrease in Finland over the year, while 39 per cent of them believed it would increase. The corresponding proportions were 19 and 48 per cent in March and still fairly optimistic 35 and 23 per cent one year ago.

Thirteen per cent of employed persons believed in April that their personal threat of unemployment had lessened over the past few months, whereas 18 per cent thought it had grown. One year ago the same proportions were 18 and 11 per cent. In April, 46 per cent of employed persons thought the threat had remained unchanged and 22 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in April that consumer prices would go up by 3.2 per cent over the next 12 months. In last year's April the predicted inflation rate was approximately the same, or 3.3 per cent. The long-term average for the predicted inflation rate is 2.2 per cent.

Saving and taking out a loan

Altogether 60 per cent of consumers regarded the time favourable for saving in April. One year earlier, 63 per cent of them thought so. In all, 64 per cent of households had been able to lay aside some money and 75 per cent believed they would be able to do so during the next 12 months. Households mostly save for a rainy day. The most popular investment targets were fixed-term or investment accounts, followed by investment funds and insurances.

In April, 61 per cent of consumers regarded the time good for raising a loan. One year earlier, the corresponding proportion was the same. In April, 12 per cent of households were planning to take out a loan within one year. The most popular use of loans was a dwelling in a housing corporation.

Buying of durable goods

In April, 36 per cent of consumers thought the time was favourable for buying durable goods. Twelve months ago the respective proportion was higher, or 45 per cent. Nevertheless, many households were planning in April to spend money on, for instance, travelling or home furnishings during the next six months. Fifteen per cent of households were fairly or very certain to buy a car and eight per cent a dwelling during the next 12 months. In April last year, the respective proportions were 17 and 9 per cent.

Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	04/2011	03/2012	04/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,9	22,9	-6,5	17,8	8,0	10,4	-
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	8,2	5,3	6,5	-
B4 Finland's economy in 12 months' time (balance)	4,5	25,3	-27,1	8,3	-4,4	3,8	+/-
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,3	3,1	3,2	
B7 Unemployment in Finland in 12 months' time (balance)	0,4	27,6	-51,1	5,9	-16,5	-9,0	-
B8 Own threat of unemployment now (balance)	0,9	7,6	-18,8	6,0	-2,8	-1,7	-
C1 Favourability of time for purchasing durables (balance)	20,4	41,8	-14,2	20,1	9,0	3,1	--
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	16,7	14,3	13,6	+/-
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	13,3	11,4	16,0	+/-
D2 Household's saving possibilities in the next 12 months (balance)	37,9	52,2	10,9	49,0	47,7	40,6	+/-

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 April, the non-response rate of the Survey was 37.2 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

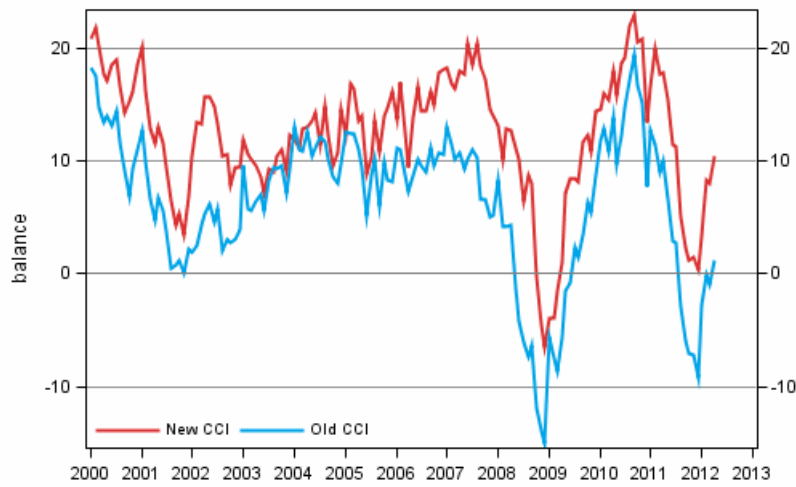
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	04/2011	03/2012	04/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,9	22,9	-6,5	17,8	8,0	10,4	-
A2 Old CCI = (B1+B2+B3+B4+C1)/5	8,1	19,4	-15,0	10,0	-0,9	1,2	--
A3 Micro indicator = (B2+D1+D2)/3	24,8	33,4	9,5	30,2	28,2	26,1	+/-
A4 Macro indicator = (B4+B7)/2	2,4	22,8	-39,1	7,1	-10,4	-2,6	-
B1 Own economy now (balance)	4,7	9,8	-4,0	3,6	1,7	1,8	--
- Better (%)	24,2	30,6	16,7	23,9	19,5	21,2	
- Worse (%)	15,8	22,7	11,4	18,3	16,9	18,7	
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	8,2	5,3	6,5	-
- Better (%)	26,1	33,4	18,2	26,9	23,1	24,4	
- Worse (%)	10,6	17,2	6,6	12,4	14,4	13,5	
B3 Finland's economy now (balance)	1,9	29,5	-60,9	10,0	-16,1	-9,0	-
- Better (%)	29,6	62,1	2,0	42,1	15,2	21,8	
- Worse (%)	23,5	88,5	4,2	22,4	42,5	36,1	
B4 Finland's economy in 12 months' time (balance)	4,5	25,3	-27,1	8,3	-4,4	3,8	+/-
- Better (%)	31,4	57,3	11,6	35,8	26,5	34,7	
- Worse (%)	21,4	57,3	6,0	18,5	32,2	25,4	
B5 Inflation now (per cent)	2,3	5,8	-2,0	3,7	3,6	3,6	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,3	3,1	3,2	
B7 Unemployment in Finland in 12 months' time (balance)	0,4	27,6	-51,1	5,9	-16,5	-9,0	-
- Less (%)	33,5	60,8	6,4	34,9	18,5	23,1	
- More (%)	30,4	83,3	6,9	22,6	47,8	38,5	
B8 Own threat of unemployment now (balance)	0,9	7,6	-18,8	6,0	-2,8	-1,7	-
- Decreased (%)	13,8	20,0	5,3	17,5	12,7	13,1	
- Increased (%)	15,0	31,9	7,9	11,0	18,7	18,2	
C1 Favourability of time for purchasing durables (balance)	20,4	41,8	-14,2	20,1	9,0	3,1	--
- Favourable time (%)	45,4	62,4	29,6	44,6	39,9	35,8	
- Unfavourable time (%)	25,0	45,7	17,7	24,5	30,8	32,7	
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	16,7	14,3	13,6	+/-
- Good time (%)	58,9	80,7	33,4	62,9	60,8	59,9	
- Bad time (%)	35,2	58,5	15,5	32,1	34,5	35,5	
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	13,3	11,4	16,0	+/-
- Good time (%)	62,2	78,2	13,3	61,2	56,4	60,7	
- Bad time (%)	30,3	83,4	12,1	33,2	36,3	32,5	
D1 Household's financial situation now (balance)	27,6	35,1	14,7	33,5	31,7	31,1	+
- Can save (%)	58,3	70,0	38,6	67,9	65,5	63,9	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	7,0	6,2	6,8	

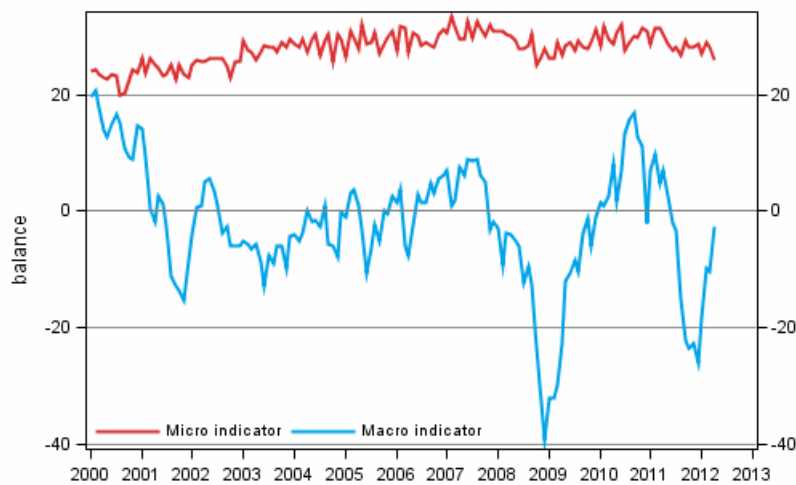
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	04/2011	03/2012	04/2012	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	37,9	52,2	10,9	49,0	47,7	40,6	+/-
- Can save (%)	73,0	82,3	56,6	80,4	79,4	74,9	
- Cannot save (%)	25,0	40,3	16,5	19,0	19,2	23,9	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,5	17,8	9,1	12,5	13,8	12,0	-
- Yes, certainly (%)	5,6	8,5	3,1	5,8	5,6	5,0	
- Possibly (%)	7,8	11,4	5,2	6,7	8,1	7,0	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-7,9	-2,4	-18,2	-7,3	-11,2	-9,9	-
- More (%)	22,6	30,8	14,3	22,1	17,5	17,4	
- Less (%)	32,4	40,4	26,5	31,2	32,2	32,1	
E2 Intentions to buy a car in the next 12 months (% of households)	17,4	21,7	14,2	17,0	14,2	15,4	--
- Very likely (%)	9,0	12,1	6,3	8,7	6,9	7,8	
- Fairly likely (%)	8,4	10,4	6,2	8,3	7,2	7,6	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	8,6	7,5	7,8	+
- Yes, certainly (%)	3,1	5,2	1,3	3,6	3,5	3,1	
- Possibly (%)	4,0	6,2	2,2	5,0	4,0	4,6	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,6	27,0	9,8	26,1	22,9	21,2	+
- Very likely (%)	12,2	19,0	5,0	18,5	15,0	15,5	
- Fairly likely (%)	6,4	9,1	3,2	7,6	7,9	5,7	

Appendix figures

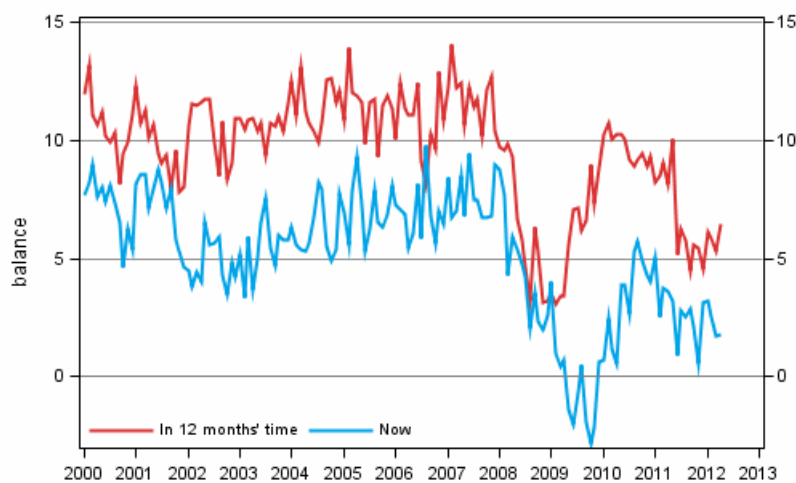
Appendix figure 1. Consumer confidence indicator (CCI)



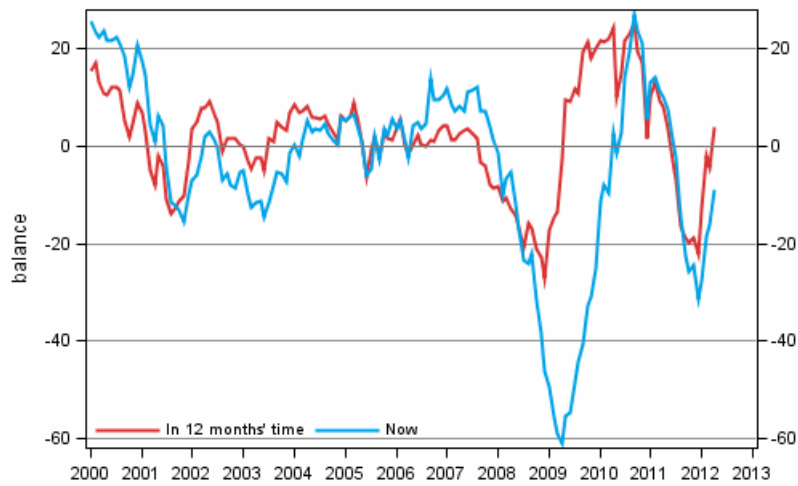
Appendix figure 2. Micro and macro indicators



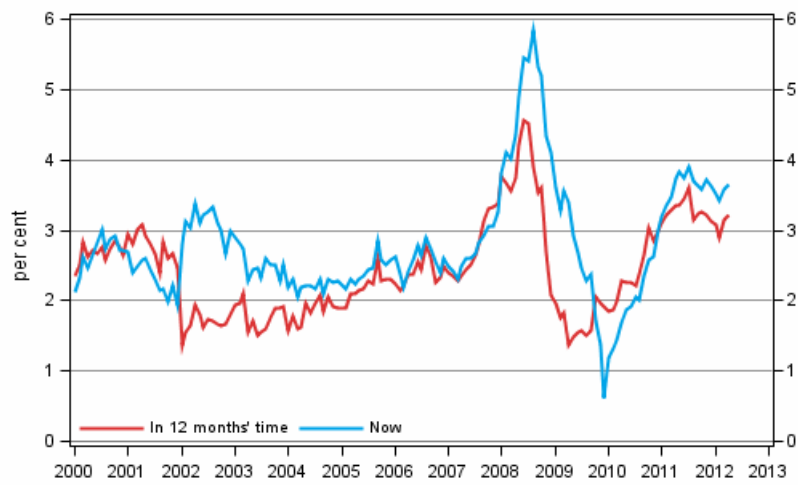
Appendix figure 3. Own economy



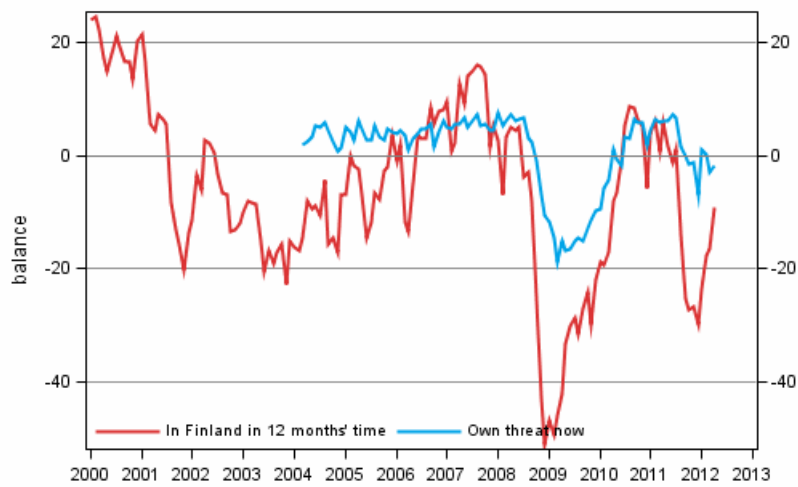
Appendix figure 4. Finland's economy



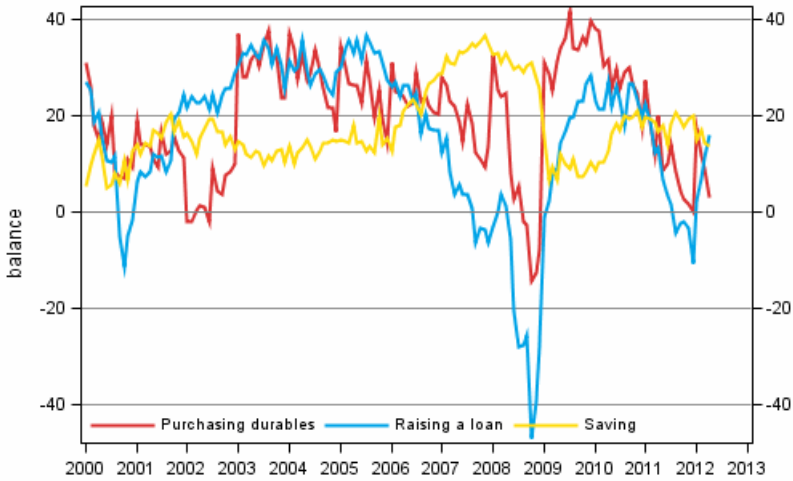
Appendix figure 5. Inflation



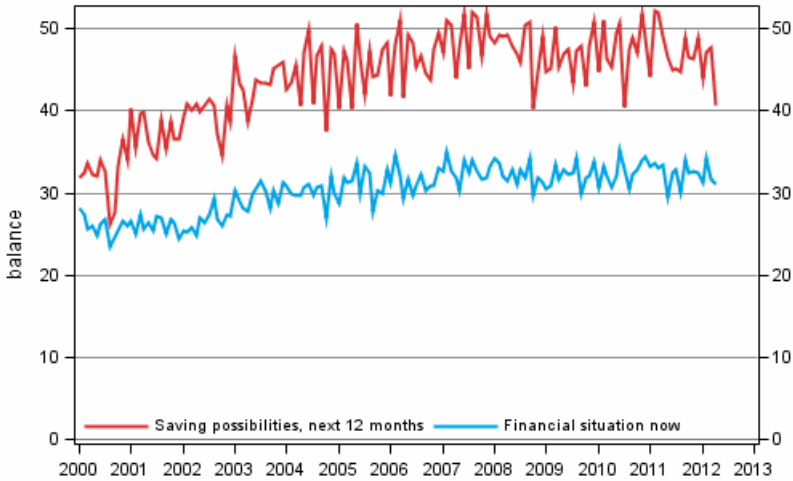
Appendix figure 6. Unemployment



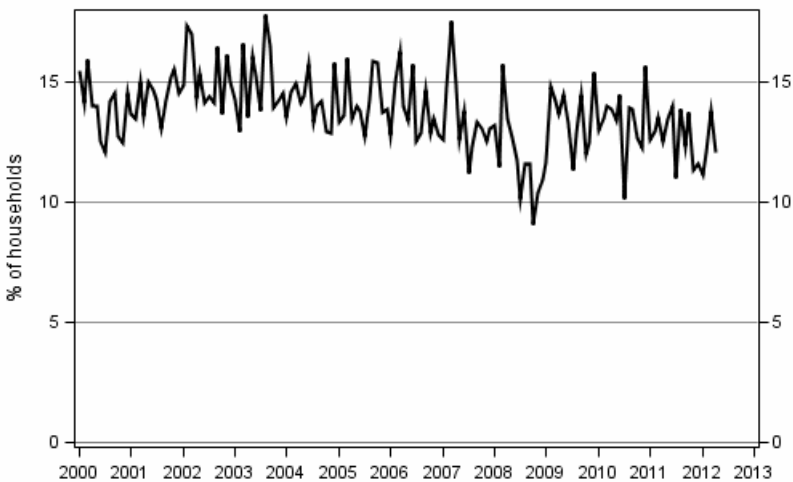
Appendix figure 7. Favourability of time for



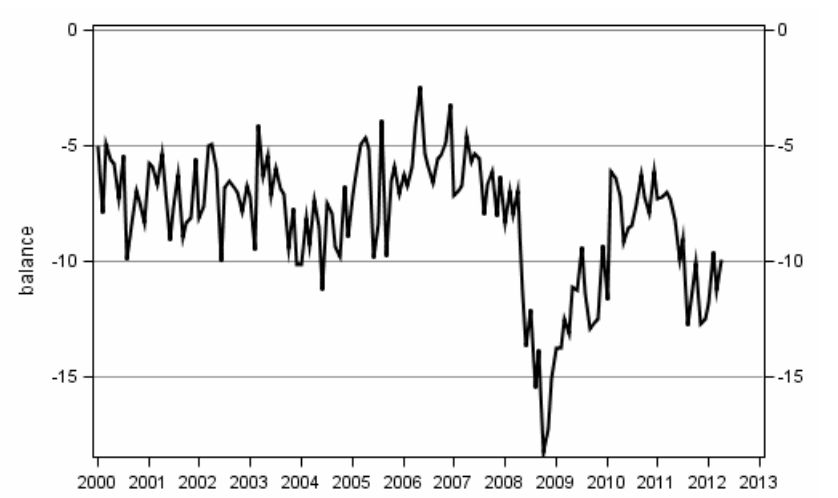
Appendix figure 8. Household's financial situation



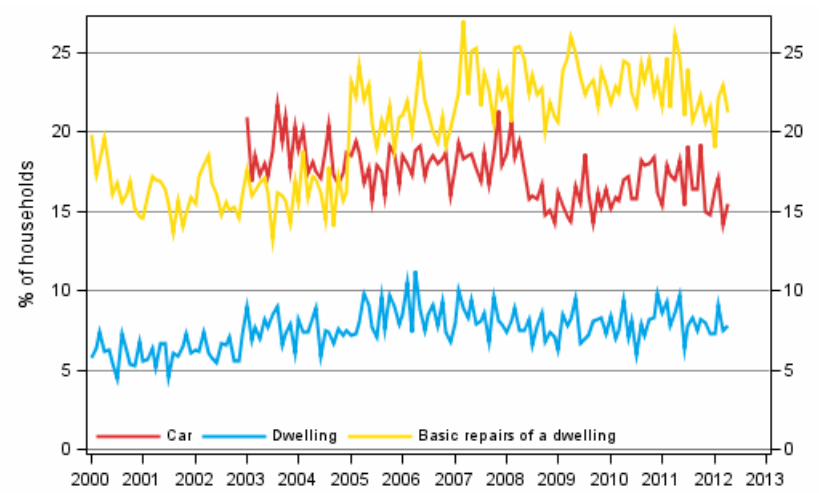
Appendix figure 9. Household's intentions to raise a loan, next 12 months



Appendix figure 10. 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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Official Statistics of Finland

Income and Consumption 2012

Inquiries

Pertti Kangassalo 09 1734 3598

Tara Junes 09 1734 3503

Director in charge:

Riitta Harala

kuluttaja.barometri@stat.fi

www.stat.fi

Source: Consumer Survey 2012, April. Statistics Finland