

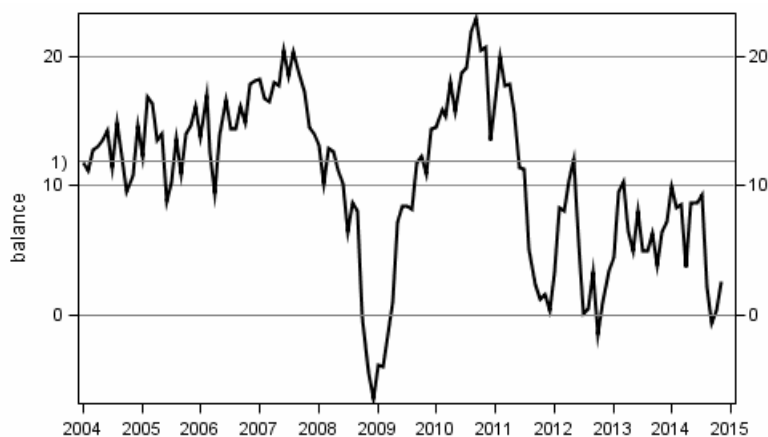
Consumer Survey

2014, November

Consumer confidence still weak and consumption intentions bland

The consumer confidence indicator stood at 2.6 in November, having been 0.4 in October and -0.7 in September. One year ago in November the consumer confidence indicator received the value 6.4. The long-term average for the confidence indicator is 11.9. The data are based on Statistics Finland's Consumer Survey, for which 1,254 people resident in Finland were interviewed between 3 and 19 November.

Consumer confidence indicator (CCI)



1) average 10/1995 - 11/2014

Of the four components of the consumer confidence indicator, expectations concerning own saving possibilities and Finland's economy and unemployment, improved slightly in November compared with October. In contrast, views on one's own economy remained unchanged. In November, the views on Finland's economy were, however, still gloomy and on one's own economy cautious, while the expectations concerning saving possibilities were good.

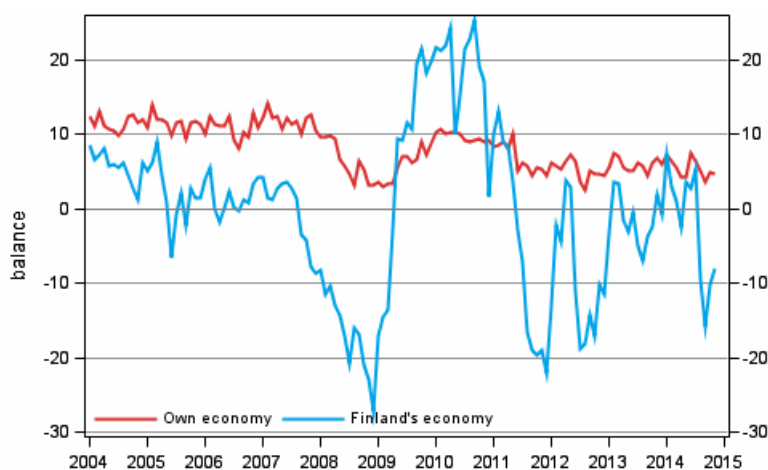
Consumers regarded the time more favourable for raising a loan than for saving or in particular for buying durable goods in November. The personal threat of unemployment experienced by employed persons was slightly higher in November than in October.

Consumers' own and Finland's economy

In November, 25 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 36 per cent of them thought that the country's economy would deteriorate. In October the respective proportions were 21 and 35 per cent and twelve months ago 33 and 26 per cent.

In all, 23 per cent of consumers believed in November that their own economy would improve and 16 per cent of them feared it would worsen over the year. One year ago, the respective proportions were 25 and 13 per cent.

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



Unemployment and inflation

Altogether 10 per cent of consumers thought in November that unemployment would decrease in Finland over the next year, while 62 per cent of them believed it would increase. The corresponding proportions were nine and 68 per cent one month ago and 13 and 55 per cent one year ago.

In November, eight per cent of employed persons believed that their personal threat of unemployment had lessened over the past few months, whereas 26 per cent thought it had grown. Forty-seven per cent of employed persons thought the threat had remained unchanged and 19 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in November that consumer prices would go up by 1.9 per cent over the next 12 months. In November last year, the predicted inflation rate was 2.6 per cent, and its long-term average is 2.3 per cent.

Buying of durable goods

In November, 40 per cent of consumers considered the time favourable for buying durable goods. Fewer households than usual, or 13 per cent of them, were fairly or very certain to buy a car and only five per cent a dwelling during the next 12 months. Eighteen per cent of households were planning to spend money on renovating their dwelling within a year.

Saving and taking out a loan

A total of 53 per cent of consumers considered saving worthwhile this November. In all, 63 per cent of households had been able to lay aside some money and 78 per cent believed they would be able to do so during the next 12 months.

In November, 55 per cent of consumers regarded the time good for raising a loan. Slightly fewer households than normal, or 11 per cent of them, were planning in November to raise a loan within one year.

Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2013	10/2014	11/2014	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11,9	22,9	-6,5	6,4	0,4	2,6	--
B2 Own economy in 12 months' time (balance)	8,4	14,1	2,3	6,9	4,9	4,7	--
B4 Finland's economy in 12 months' time (balance)	3,3	25,3	-27,1	1,8	-10,2	-8,1	--
B6 Inflation in 12 months' time (per cent)	2,3	4,6	0,6	2,6	1,6	1,9	
B7 Unemployment in Finland in 12 months' time (balance)	-2,9	27,6	-51,1	-24,5	-33,7	-29,5	--
B8 Own threat of unemployment now (balance)	-0,8	7,6	-18,8	-9,5	-7,5	-10,9	--
C1 Favourability of time for purchasing durables (balance)	18,2	41,8	-14,2	0,8	11,4	5,8	--
C2 Favourability of time for saving (balance)	11,0	36,8	-19,6	6,2	5,1	4,2	-
C3 Favourability of time for raising a loan (balance)	16,8	42,0	-47,1	5,9	13,8	9,3	-
D2 Household's saving possibilities in the next 12 months (balance)	38,8	52,2	10,9	41,5	40,5	43,4	+

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 Survey

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

In November, the non-response rate of the Consumer Survey was 46.6 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 good one unit starting from January 2012. This has primarily been caused by a drop in the balance figure of one component, namely own household's

saving possibilities. The extension of the population has also somewhat affected the results on owning various home technology.

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

Contents

1. Method of the Consumer Survey.....	6
---------------------------------------	---

Tables

Appendix tables

Appendix table 1. Consumers' views and intentions.....	7
--	---

Figures

Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI).....	9
Appendix figure 2. Micro and macro indicators.....	9
Appendix figure 3. Own economy.....	9
Appendix figure 4. Finland's economy.....	10
Appendix figure 5. Inflation.....	10
Appendix figure 6. Unemployment.....	10
Appendix figure 7. Favourability of time for.....	11
Appendix figure 8. Household's financial situation.....	11
Appendix figure 9. Household's intentions to raise a loan, next 12 months.....	11
Appendix figure 10. Spending on durables, next 12 months vs last 12 months.....	12
Appendix figure 11. Household's intentions to buy, next 12 months.....	12

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 40 per cent, approximately 1,400 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

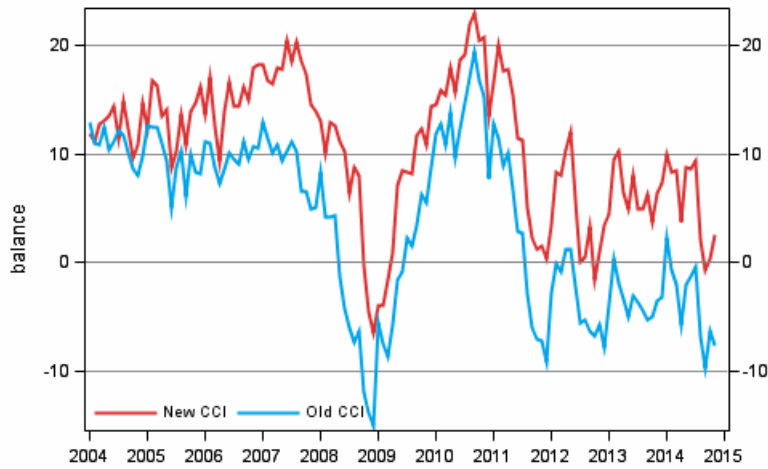
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2013	10/2014	11/2014	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11,9	22,9	-6,5	6,4	0,4	2,6	--
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6,5	19,4	-15,0	-3,5	-6,3	-7,6	--
A3 Micro indicator = (B2+D1+D2)/3	25,1	33,4	9,5	25,9	25,4	26,1	=
A4 Macro indicator = (B4+B7)/2	0,2	22,8	-39,1	-11,3	-21,9	-18,8	--
B1 Own economy now (balance)	4,1	9,8	-4,0	-1,4	-0,2	-1,1	--
- Better (%)	23,6	30,6	16,5	18,1	19,8	18,9	
- Worse (%)	16,2	22,7	11,4	21,0	20,2	20,2	
B2 Own economy in 12 months' time (balance)	8,4	14,1	2,3	6,9	4,9	4,7	--
- Better (%)	25,7	33,4	18,2	24,6	22,4	22,8	
- Worse (%)	11,1	17,6	6,6	13,2	14,2	15,6	
B3 Finland's economy now (balance)	-1,7	29,5	-60,9	-25,3	-37,4	-39,5	--
- Better (%)	27,0	62,1	2,0	11,1	4,7	3,5	
- Worse (%)	27,3	88,5	4,2	51,8	66,4	68,0	
B4 Finland's economy in 12 months' time (balance)	3,3	25,3	-27,1	1,8	-10,2	-8,1	--
- Better (%)	30,8	57,3	11,6	33,1	20,6	25,3	
- Worse (%)	22,9	57,3	6,0	26,0	35,4	35,7	
B5 Inflation now (per cent)	2,4	5,8	-2,0	3,1	1,9	2,1	
B6 Inflation in 12 months' time (per cent)	2,3	4,6	0,6	2,6	1,6	1,9	
B7 Unemployment in Finland in 12 months' time (balance)	-2,9	27,6	-51,1	-24,5	-33,7	-29,5	--
- Less (%)	30,8	60,8	6,4	13,1	8,6	10,3	
- More (%)	33,9	83,3	6,9	55,3	67,5	61,7	
B8 Own threat of unemployment now (balance)	-0,8	7,6	-18,8	-9,5	-7,5	-10,9	--
- Decreased (%)	13,0	20,0	5,3	8,3	10,7	8,0	
- Increased (%)	16,6	31,9	7,9	24,3	23,5	25,7	
C1 Favourability of time for purchasing durables (balance)	18,2	41,8	-14,2	0,8	11,4	5,8	--
- Favourable time (%)	44,4	62,4	29,6	36,2	42,9	40,0	
- Unfavourable time (%)	26,2	45,7	17,7	35,4	31,5	34,2	
C2 Favourability of time for saving (balance)	11,0	36,8	-19,6	6,2	5,1	4,2	-
- Good time (%)	58,4	80,7	33,4	54,0	53,7	53,4	
- Bad time (%)	35,9	58,5	15,5	41,7	42,6	43,5	
C3 Favourability of time for raising a loan (balance)	16,8	42,0	-47,1	5,9	13,8	9,3	-
- Good time (%)	61,6	78,2	13,3	52,7	59,2	54,7	
- Bad time (%)	31,2	83,4	12,1	40,9	35,2	39,9	
D1 Household's financial situation now (balance)	28,1	35,1	14,7	29,3	30,7	30,0	+
- Can save (%)	59,1	70,0	38,6	63,1	63,4	62,6	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	8,2	7,2	7,7	

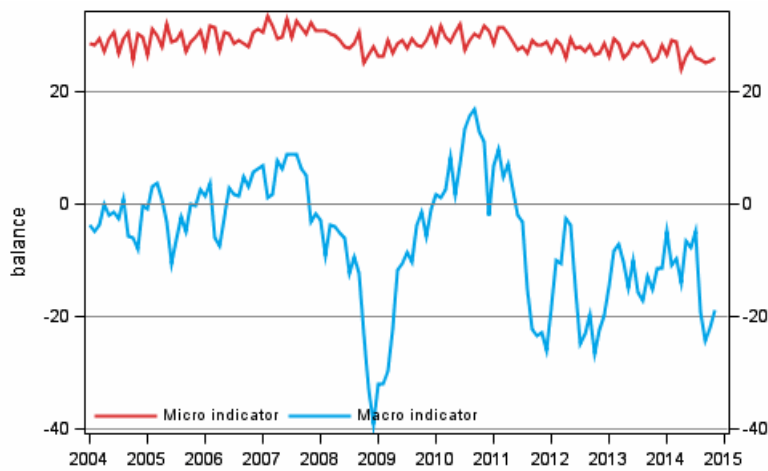
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2013	10/2014	11/2014	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	38,8	52,2	10,9	41,5	40,5	43,4	+
- Can save (%)	73,6	82,3	56,6	75,6	73,9	77,6	
- Cannot save (%)	24,5	40,3	16,5	23,2	25,0	21,5	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,3	17,8	9,1	10,7	12,2	11,0	--
- Yes, certainly (%)	5,6	8,5	3,1	4,8	5,0	5,2	
- Possibly (%)	7,7	11,4	5,2	5,8	7,2	5,8	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8,6	-2,4	-18,2	-14,3	-12,3	-14,7	--
- More (%)	21,9	30,8	13,9	17,2	17,9	15,4	
- Less (%)	32,7	40,4	26,5	36,2	34,8	34,9	
E2 Intentions to buy a car in the next 12 months (% of households)	16,9	21,7	12,7	16,0	17,0	12,7	--
- Very likely (%)	8,7	12,1	5,1	8,4	7,9	5,1	
- Fairly likely (%)	8,2	10,4	5,3	7,6	9,1	7,6	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	6,7	6,9	5,2	--
- Yes, certainly (%)	3,1	5,2	1,3	3,0	2,6	2,3	
- Possibly (%)	4,0	6,2	2,2	3,8	4,3	2,9	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,8	27,0	9,8	19,3	18,3	17,7	-
- Very likely (%)	12,4	19,0	5,0	12,7	13,1	11,1	
- Fairly likely (%)	6,4	9,1	3,2	6,5	5,1	6,7	

Appendix figures

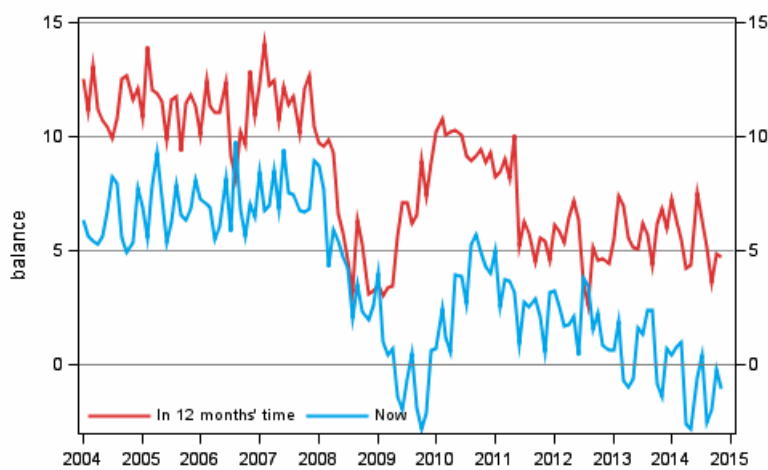
Appendix figure 1. Consumer confidence indicator (CCI)



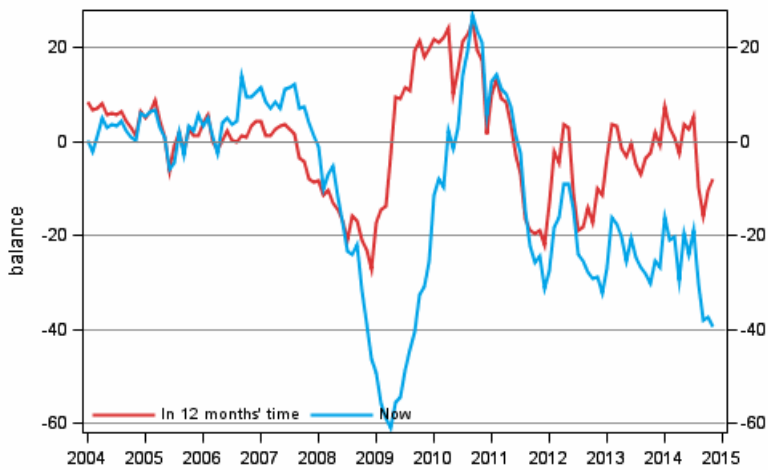
Appendix figure 2. Micro and macro indicators



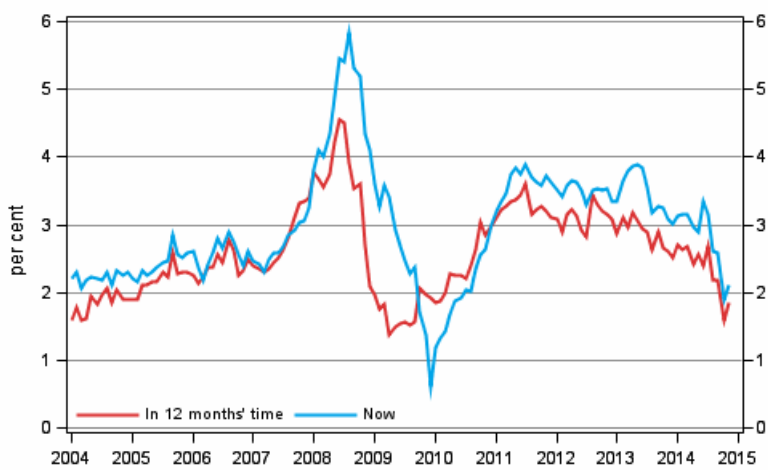
Appendix figure 3. Own economy



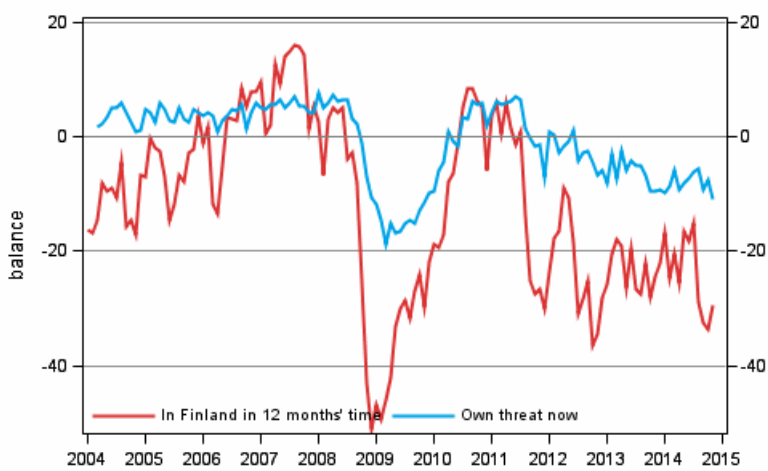
Appendix figure 4. Finland's economy



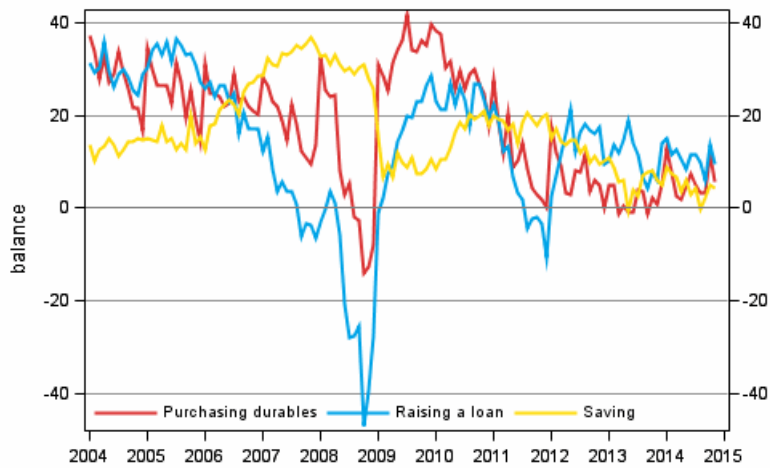
Appendix figure 5. Inflation



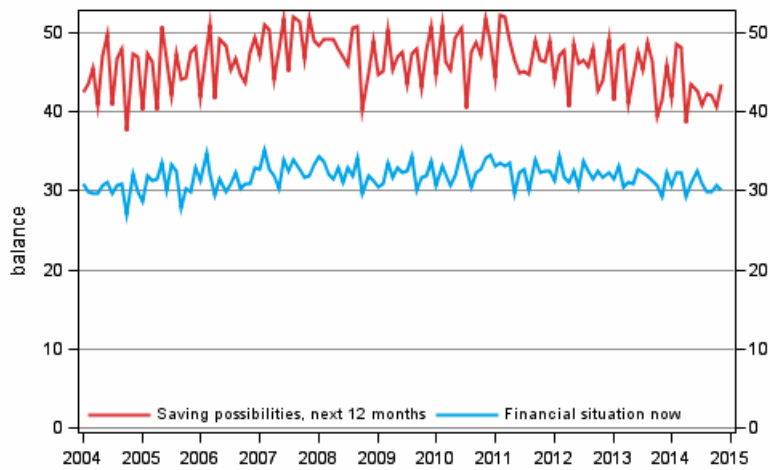
Appendix figure 6. Unemployment



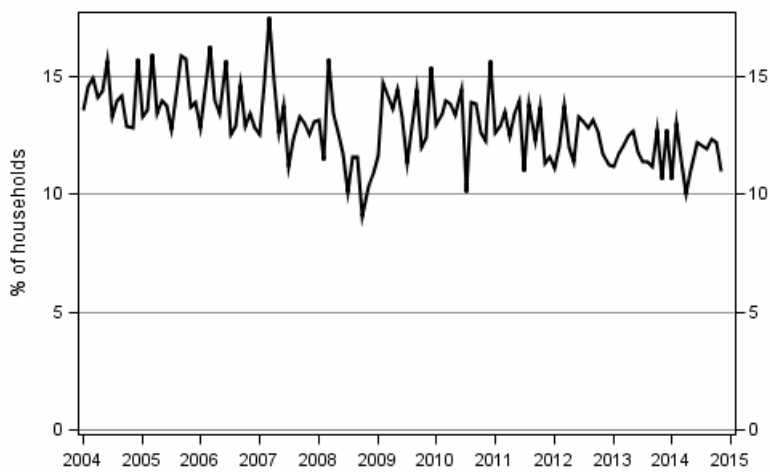
Appendix figure 7. Favourability of time for



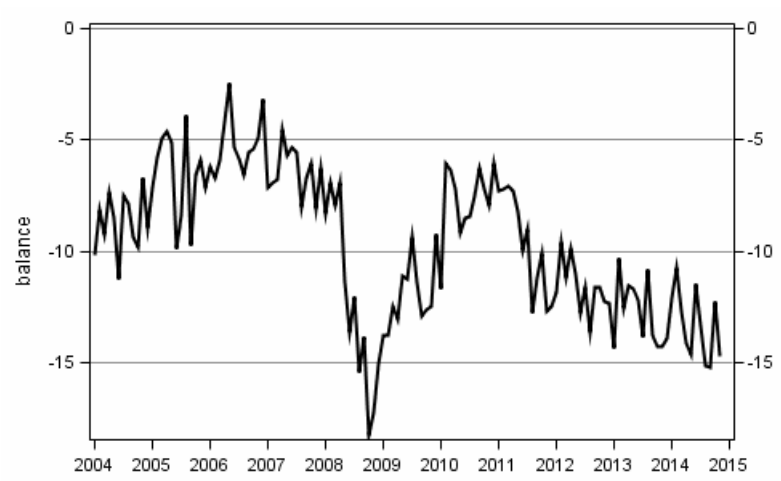
Appendix figure 8. Household's financial situation



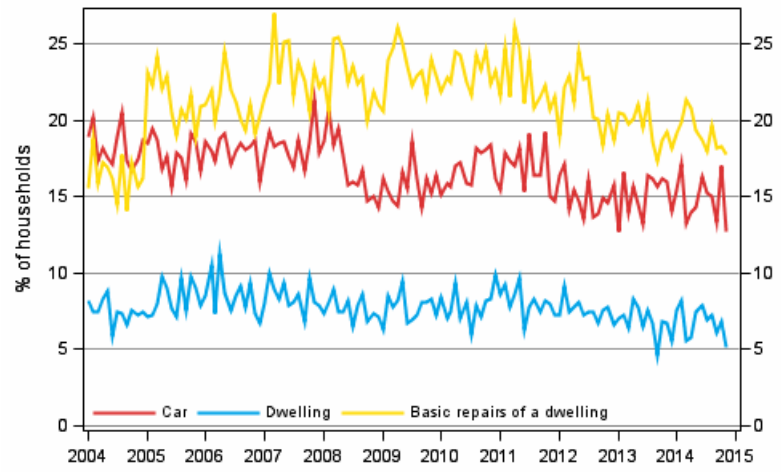
Appendix figure 9. Household's intentions to raise a loan, next 12 months



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



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



Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

Income and Consumption 2014

Inquiries

Pertti Kangassalo 029 551 3598

Tara Junes 029 551 3503

Director in charge:

Riitta Harala

consumer.survey@stat.fi

www.stat.fi

Source: Consumer Survey 2014, November. Statistics Finland