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## Consumers' confidence in the economy strengthened in December

Finnish consumers' confidence in the economy has recovered from its slight plunge in November. The consumer confidence indicator stood at 12.2 in December, or approximately 3 units higher than one month or twelve months earlier. In December, consumers' views on Finland's economy brightened and their pessimism about the development of employment moderated. Moreover, they felt increasingly confident about their own economy. The data are based on Statistics Finland's Consumer Survey, for which 1,622 persons resident in Finland were interviewed between 1 and 17 December.

### Consumer views on the economic and financial conditions in Finland in December 2003

	December 2003 balance	November 2003 balance	December 2002 balance	Average 10/95-12/03
Consumer confidence indicator	12.2	9.1	9.4	13.6
Own economic situation in 12 months' time	11.6	10.4	10.9	8.6
Household's saving possibilities in the next 12 months	45.8	45.5	38.6	29.0
General economic situation in Finland in 12 months' time	6.7	3.2	0.1	7.7
Unemployment in 12 months' time	-15.1	-22.7	-11.9	9.2
Price trend over the next 12 months, %	1.9	1.9	1.8	1.9
Financial situation of household at present	31.3	28.7	27.2	23.3
Favourable time to make major purchases at present	23.8	23.7	9.9	19.2
Favourable time to save at present	10.4	13.0	13.2	3.6
Favourable time to raise a loan at present	25.9	30.3	29.0	21.1

*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 four questions concerning the next 12 months: own and Finland's economy, unemployment and household's saving possibilities. The balance figures and the confidence indicator can range between -100 and 100. A positive balance figure denotes an optimistic and a negative balance figure a pessimistic view on the economy.*

In December, 33 per cent of consumers believed that Finland's economic situation would improve in 2004, while 20 per cent of them thought the country's economy would deteriorate. The corresponding proportions were 30 and 23 per cent in November and 26 and 25 per cent twelve months earlier. In all, 30 per cent of consumers believed in December that their own economy would improve and only 8 per cent feared it would worsen over the year.

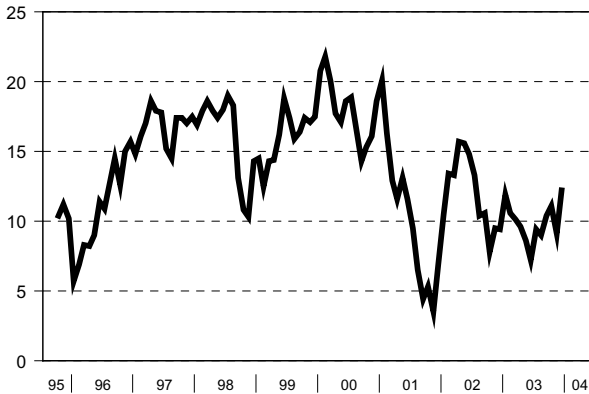
Altogether 47 per cent of consumers thought in December that unemployment would increase next year while 20 per cent believed it would decrease. In November, the corresponding proportions were 54 and 15 per cent, and twelve months previously 42 and 20 per cent. Only good 3 per cent of employed persons reckoned in December that they were personally very likely to become unemployed within the next 12 months, while 5 per cent feared this was fairly likely to happen to them. Consumers predicted that the rate of inflation in December 2004 would be 1.9 per cent.

In December, 50 per cent of consumers thought the time favourable for buying consumer durables. In November, the corresponding proportion was 48 per cent, and one year earlier 39 per cent. In December, households had plenty of intentions to purchase entertainment electronics, as well as dwelling repair and travel plans. As many as 17 per cent of households were thinking of buying a digibox in the next few months. Altogether 20 per cent of households were either fairly or very certain to buy a car and 6 per cent a dwelling in the next 12 months.

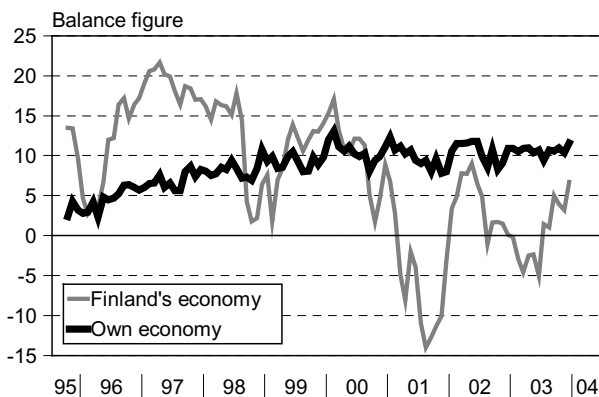
Seventy per cent of consumers thought in December that the time was favourable for raising a loan and 15 per cent of households were planning to do so next year. Altogether 59 per cent of consumers

considered saving worthwhile and 64 per cent of households had been able to lay aside some money while 78 per cent of them believed they would be able to do so in 2004.

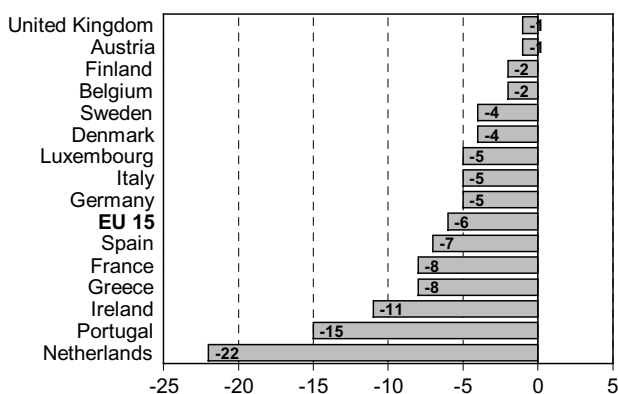
## Consumer confidence indicator 10/1995-12/2003



## Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-12/2003



## Consumer confidence indicator in EU Member States, November 2003 Deviation of indicator from country average 10/1995-11/2003\*



\*Calculated from seasonally adjusted series; Luxembourg average from 1/2002-

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, November 2003

[http://europa.eu.int/comm/economy\\_finance/indicators/businessandconsumersurveys\\_en.htm](http://europa.eu.int/comm/economy_finance/indicators/businessandconsumersurveys_en.htm)

**Source: Consumer Survey 2003, December. Statistics Finland**