

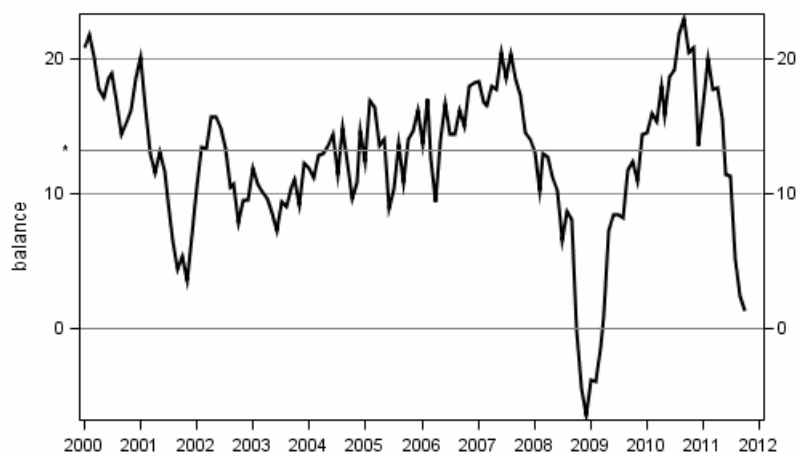
Consumer Survey

2011, October

Decline in consumer confidence slowed down in October

The consumer confidence indicator stood at 1.3 in October, having been 2.3 in September and 5.1 in August. In last year's October the consumer confidence indicator received the value 20.5. The long-term average for the confidence indicator is 13.2. The data are based on Statistics Finland's Consumer Survey, for which 1,397 people resident in Finland were interviewed between 3 and 19 October.

Consumer confidence indicator



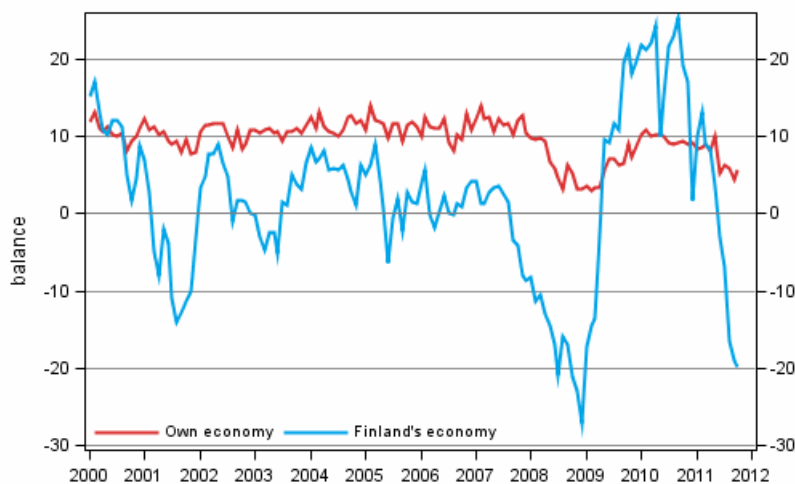
* average 10/1995 - 10/2011

Of the four components of the consumer confidence indicator, only expectations concerning consumers' own economic situation improved slightly from the previous month. Expectations were still weak, however, while views of their own saving possibilities remained bright. In contrast, the already pessimistic view of the economy in general, or Finland's economy and the development of unemployment became still slightly gloomier.

In October, employed consumers also felt personally somewhat more threatened by unemployment than before. In addition, consumers considered saving in October clearly more worthwhile than purchasing of durable goods or raising a loan, in particular.

Only 15 per cent of consumers believed in October that Finland’s economic situation would improve in the coming twelve months, while 48 per cent of them thought that the country’s economy would deteriorate. In last year’s October the corresponding proportions were very optimistic 48 and 11 per cent. In October, 23 per cent of consumers believed that their own economy would improve and 14 per cent of them feared it would worsen over the year. One year ago the corresponding proportions were 26 and 10 per cent.

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



Just 12 per cent of consumers thought in October that unemployment would decrease in Finland over the year, while as many as 61 per cent of them believed it would increase. One year ago, the corresponding proportions were optimistic 37 and 24 per cent.

In October, 11 per cent of employed persons reckoned that their personal threat of unemployment had decreased over the past few months, and more of them, or 16 per cent, thought it had grown. Twelve months previously, the corresponding proportions were 17 and 11 per cent. In October, 51 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 October that consumer prices would go up by 3.3 per cent over the next 12 months. The long-term predicted average inflation rate is 2.2 per cent.

In October, 63 per cent of consumers considered saving worthwhile. In all, 67 per cent of households had been able to lay aside some money and 79 per cent believed they would be able to do so during the next 12 months. Households mostly save for a rainy day. After the popular fixed-term or investment accounts, the most common investment targets were investment funds and insurances.

In October, 47 per cent of consumers regarded the time good for raising a loan. One year previously the corresponding proportion was 71 per cent. This October, 14 per cent of households were planning to take out a loan within one year.

In October, 38 per cent of consumers thought the time was favourable for buying durable goods. Twelve months ago, the respective proportion was 51 per cent. Consumption intentions were mostly moderate in October, but many households had plans to spend money on, for instance, travel, purchasing of home technology or home furnishings during the next six months. Nineteen 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 last year’s October, the corresponding proportions were 18 and 8 per cent.

The population of the Consumer Survey comprises approximately 4.1 million persons and 2.5 million households in Finland. The sample size of the Consumer Survey is 2,200 persons monthly. In October, the non-response rate of the Survey was 36.5 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.

Consumers' views of the economy

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 10/2010 | 09/2011 | 10/2011 | Outlook |
|--|---------------------|------------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 13,2 | 22,9 | -6,5 | 20,5 | 2,3 | 1,3 | -- |
| B2 Own economy in 12 months' time (balance) | 9,0 | 14,1 | 2,3 | 9,4 | 4,5 | 5,6 | -- |
| D2 Household's saving possibilities in the next 12 months (balance) | 37,7 | 52,2 | 10,9 | 47,1 | 48,9 | 46,5 | + |
| B4 Finland's economy in 12 months' time (balance) | 4,9 | 25,3 | -27,1 | 19,2 | -19,0 | -19,7 | -- |
| B7 Unemployment in Finland in 12 months' time (balance) | 1,1 | 27,6 | -51,1 | 6,3 | -25,3 | -27,4 | -- |
| B8 Own threat of unemployment now (balance) | 1,1 | 7,6 | -18,8 | 5,7 | -0,2 | -1,7 | - |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 3,0 | 3,2 | 3,3 | |
| C1 Favourability of time for buying durable goods (balance) | 20,8 | 41,8 | -14,2 | 26,8 | 4,2 | 2,8 | -- |
| C2 Favourability of time for saving (balance) | 11,5 | 36,8 | -19,6 | 19,8 | 19,2 | 17,9 | + |
| C3 Favourability of time for raising a loan (balance) | 17,9 | 42,0 | -47,1 | 26,8 | -2,2 | -1,8 | -- |

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 (seasonally adjusted) Consumer Survey results for all EU countries will be later 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 2,200 persons monthly. The non-response rate nowadays being between 30 and 35 per cent, more than 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 74-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

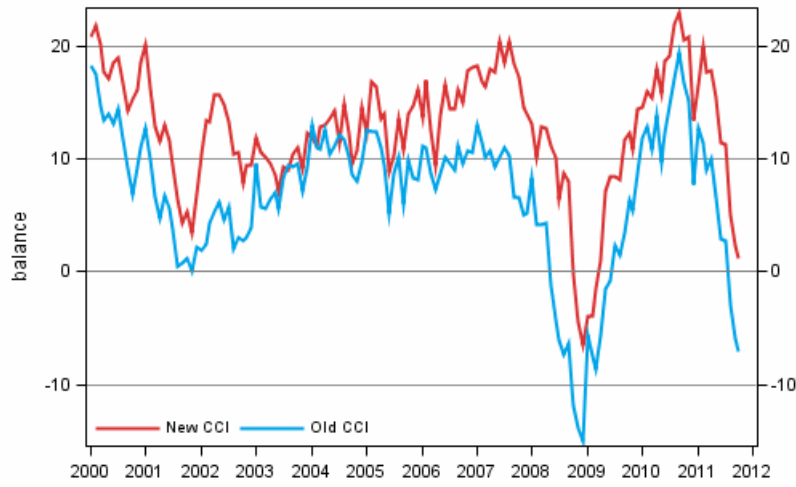
Appendix table 1. Consumers' views and intentions

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 10/2010 | 09/2011 | 10/2011 | Outlook |
|---|---------------------|---------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 13,2 | 22,9 | -6,5 | 20,5 | 2,3 | 1,3 | -- |
| A2 Old CCI = (B1+B2+B3+B4+C1)/5 | 8,4 | 19,4 | -15,0 | 16,8 | -6,0 | -7,0 | -- |
| A3 Micro indicator = (B2+D1+D2)/3 | 24,7 | 33,4 | 9,5 | 29,8 | 29,1 | 28,2 | + |
| A4 Macro indicator = (B4+B7)/2 | 3,0 | 22,8 | -39,1 | 12,7 | -22,1 | -23,5 | -- |
| B1 Own economy now (balance) | 4,7 | 9,8 | -4,0 | 4,9 | 2,9 | 2,1 | - |
| - Better (%) | 24,3 | 30,6 | 16,7 | 22,8 | 21,7 | 21,8 | |
| - Worse (%) | 15,7 | 22,7 | 11,4 | 15,2 | 16,6 | 18,0 | |
| B2 Own economy in 12 months' time (balance) | 9,0 | 14,1 | 2,3 | 9,4 | 4,5 | 5,6 | -- |
| - Better (%) | 26,2 | 33,4 | 18,2 | 26,1 | 22,9 | 22,6 | |
| - Worse (%) | 10,5 | 17,2 | 6,6 | 9,6 | 15,7 | 13,9 | |
| B3 Finland's economy now (balance) | 2,7 | 29,5 | -60,9 | 23,5 | -22,5 | -25,7 | -- |
| - Better (%) | 30,1 | 62,1 | 2,0 | 57,9 | 13,5 | 11,2 | |
| - Worse (%) | 22,7 | 88,5 | 4,2 | 13,1 | 51,5 | 55,7 | |
| B4 Finland's economy in 12 months' time (balance) | 4,9 | 25,3 | -27,1 | 19,2 | -19,0 | -19,7 | -- |
| - Better (%) | 31,6 | 57,3 | 11,6 | 48,3 | 15,9 | 15,0 | |
| - Worse (%) | 20,9 | 57,3 | 6,0 | 11,3 | 47,9 | 47,5 | |
| B5 Inflation now (per cent) | 2,2 | 5,8 | -2,0 | 2,6 | 3,6 | 3,6 | |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 3,0 | 3,2 | 3,3 | |
| B7 Unemployment in Finland in 12 months' time (balance) | 1,1 | 27,6 | -51,1 | 6,3 | -25,3 | -27,4 | -- |
| - Less (%) | 34,1 | 60,8 | 6,4 | 37,3 | 13,6 | 11,8 | |
| - More (%) | 29,7 | 83,3 | 6,9 | 24,2 | 58,4 | 61,1 | |
| B8 Own threat of unemployment now (balance) | 1,1 | 7,6 | -18,8 | 5,7 | -0,2 | -1,7 | - |
| - Decreased (%) | 13,9 | 20,0 | 5,3 | 17,3 | 11,3 | 10,9 | |
| - Increased (%) | 14,9 | 31,9 | 7,9 | 11,2 | 15,0 | 15,9 | |
| C1 Favourability of time for buying durable goods (balance) | 20,8 | 41,8 | -14,2 | 26,8 | 4,2 | 2,8 | -- |
| - Favourable time (%) | 45,5 | 62,4 | 29,6 | 50,5 | 38,3 | 38,4 | |
| - Unfavourable time (%) | 24,7 | 45,7 | 17,7 | 23,8 | 34,1 | 35,6 | |
| C2 Favourability of time for saving (balance) | 11,5 | 36,8 | -19,6 | 19,8 | 19,2 | 17,9 | + |
| - Good time (%) | 58,8 | 80,7 | 33,4 | 65,8 | 64,5 | 63,2 | |
| - Bad time (%) | 35,3 | 58,5 | 15,5 | 29,1 | 31,0 | 32,9 | |
| C3 Favourability of time for raising a loan (balance) | 17,9 | 42,0 | -47,1 | 26,8 | -2,2 | -1,8 | -- |
| - Good time (%) | 62,5 | 78,2 | 13,3 | 70,9 | 46,9 | 47,0 | |
| - Bad time (%) | 30,0 | 83,4 | 12,1 | 24,0 | 47,7 | 47,4 | |
| D1 Household's financial situation now (balance) | 27,5 | 35,1 | 14,7 | 32,8 | 33,9 | 32,4 | + |
| - Can save (%) | 58,1 | 70,0 | 38,6 | 66,3 | 68,9 | 67,4 | |
| - Uses savings or gets into debt (%) | 6,7 | 10,1 | 4,5 | 6,6 | 6,3 | 7,4 | |

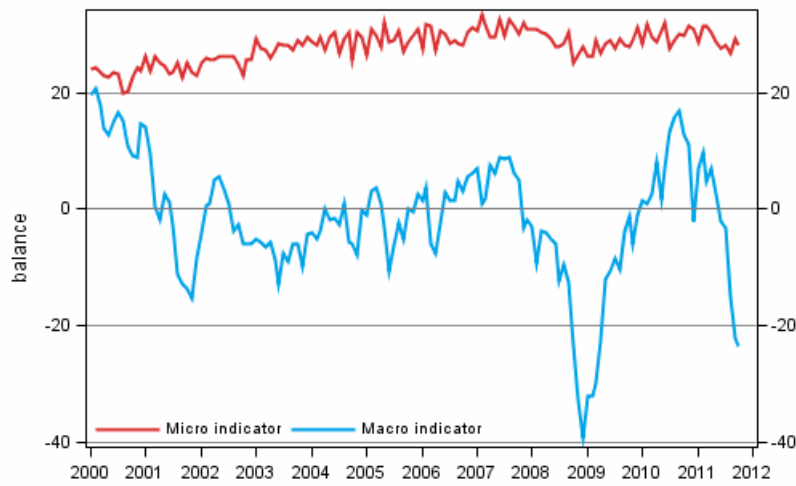
| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 10/2010 | 09/2011 | 10/2011 | Outlook |
|---|---------------------|---------------|---------------|---------|---------|---------|---------|
| D2 Household's saving possibilities in the next 12 months (balance) | 37,7 | 52,2 | 10,9 | 47,1 | 48,9 | 46,5 | + |
| - Can save (%) | 72,8 | 82,3 | 56,6 | 78,6 | 80,6 | 79,2 | |
| - Cannot save (%) | 25,1 | 40,3 | 16,5 | 20,2 | 19,1 | 19,9 | |
| D5 Household's intentions to raise a loan in the next 12 months (% of households) | 13,5 | 17,8 | 9,1 | 12,6 | 12,3 | 13,7 | +/- |
| - Yes, certainly (%) | 5,7 | 8,5 | 3,1 | 6,5 | 5,4 | 6,1 | |
| - Possibly (%) | 7,9 | 11,4 | 5,2 | 6,1 | 6,9 | 7,6 | |
| E1 Spending on durable goods, next 12 months vs last 12 months (balance) | -7,8 | -2,4 | -18,2 | -7,2 | -11,1 | -10,1 | - |
| - More (%) | 22,8 | 30,8 | 14,3 | 21,8 | 18,0 | 18,8 | |
| - Less (%) | 32,4 | 40,4 | 26,5 | 30,3 | 33,8 | 33,2 | |
| E2 Intentions to buy a car in the next 12 months (% of households) | 17,6 | 21,7 | 14,2 | 18,0 | 16,4 | 19,2 | ++ |
| - Very likely (%) | 9,1 | 12,1 | 6,3 | 9,6 | 8,8 | 10,0 | |
| - Fairly likely (%) | 8,4 | 10,4 | 6,2 | 8,4 | 7,6 | 9,2 | |
| E4 Intentions to buy a dwelling in the next 12 months (% of households) | 7,1 | 11,3 | 4,1 | 8,2 | 7,4 | 8,2 | + |
| - Yes, certainly (%) | 3,1 | 5,2 | 1,3 | 4,2 | 3,5 | 3,8 | |
| - Possibly (%) | 4,0 | 6,2 | 2,2 | 4,0 | 4,0 | 4,4 | |
| E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households) | 18,5 | 27,0 | 9,8 | 24,6 | 21,5 | 22,3 | + |
| - Very likely (%) | 12,1 | 19,0 | 5,0 | 16,5 | 14,8 | 15,9 | |
| - Fairly likely (%) | 6,4 | 9,1 | 3,2 | 8,1 | 6,7 | 6,3 | |

Appendix figures

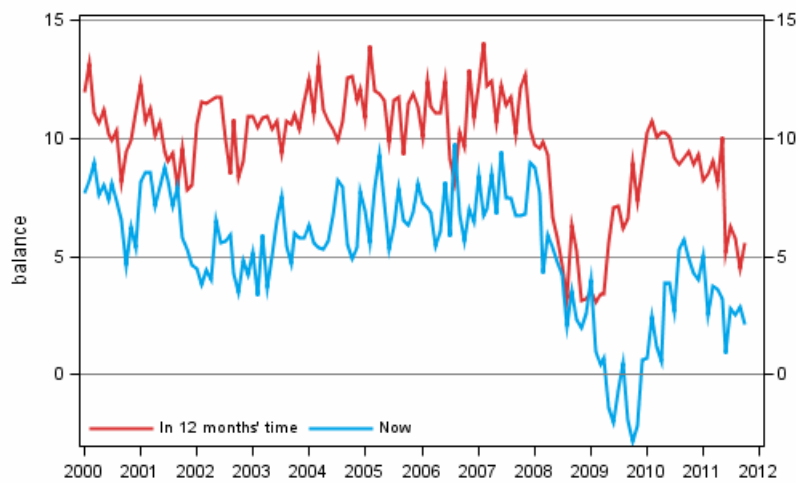
Appendix figure 1. Consumer confidence indicator (CCI)



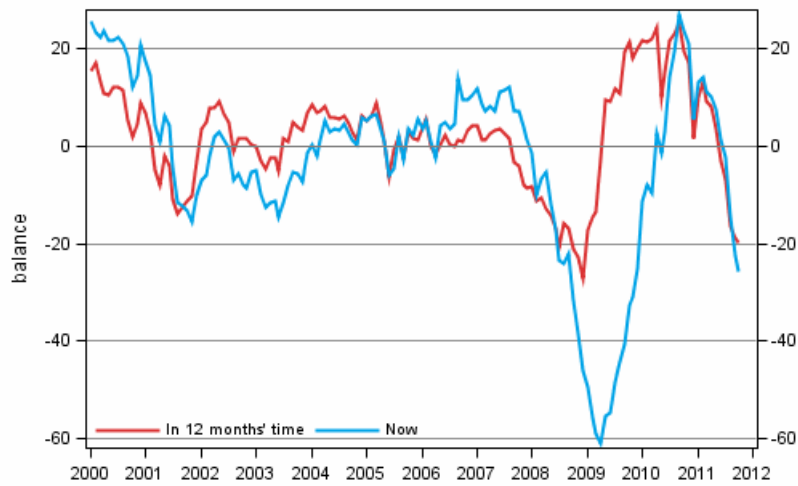
Appendix figure 2. Micro and macro indicators



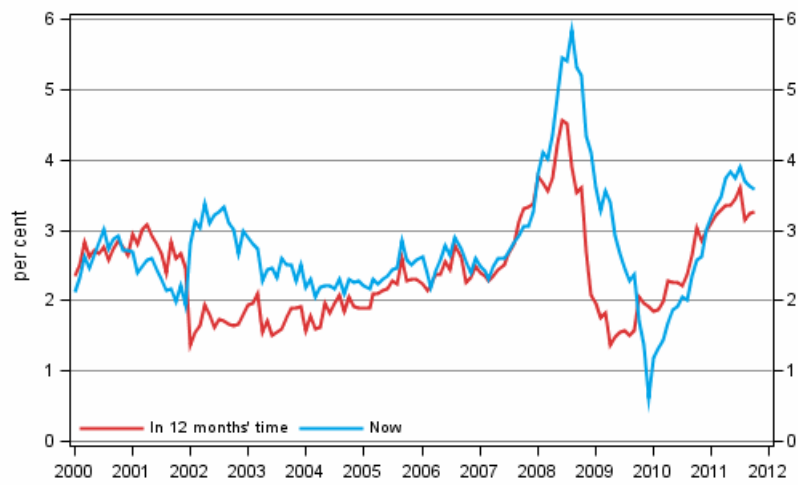
Appendix figure 3. Own economy



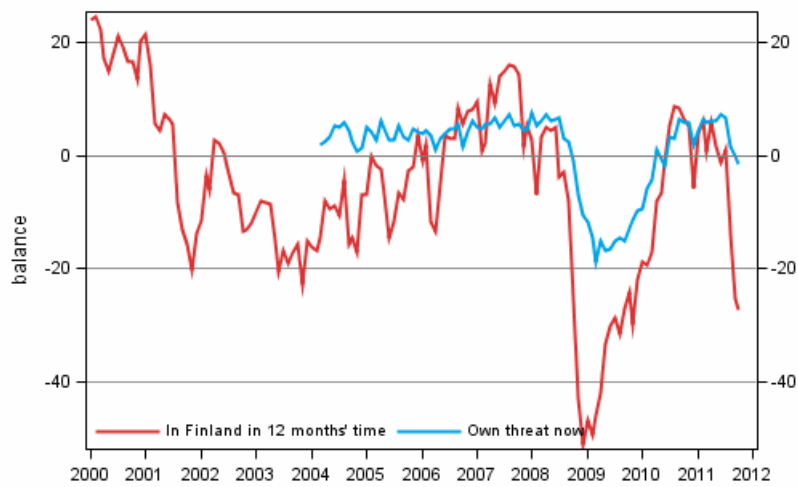
Appendix figure 4. Finland's economy



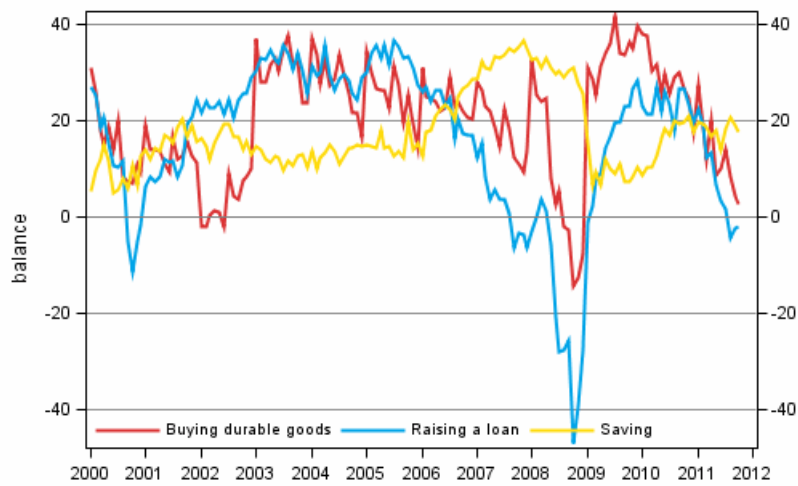
Appendix figure 5. Inflation



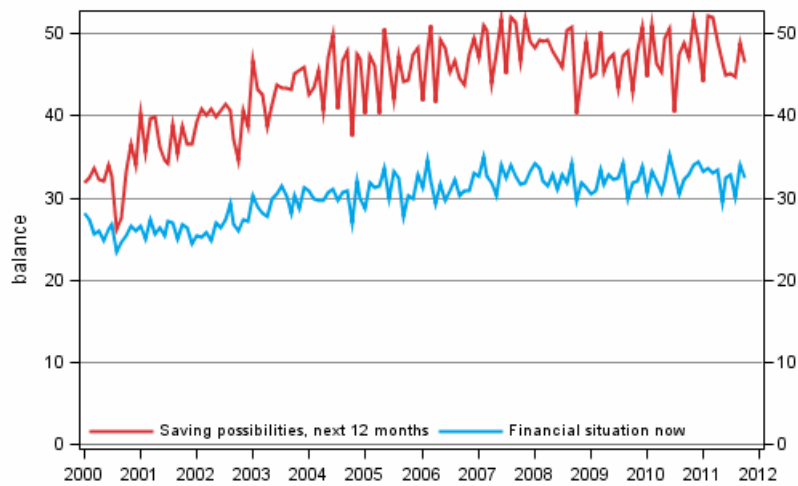
Appendix figure 6. Unemployment



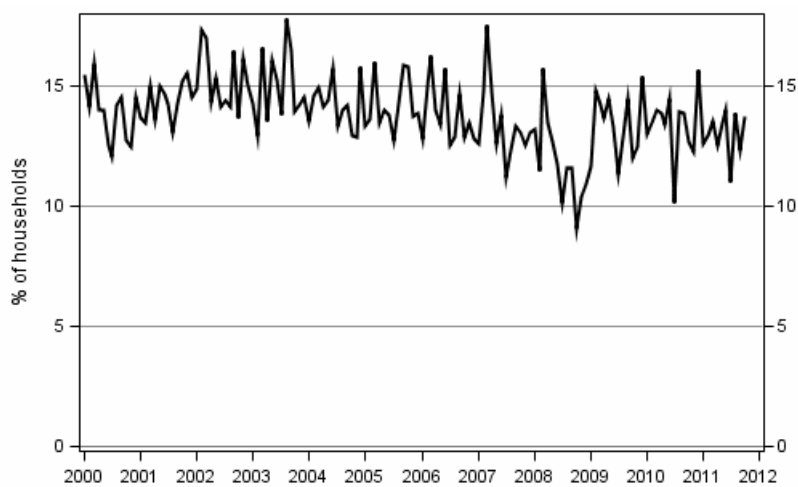
Appendix figure 7. Favourability of time for



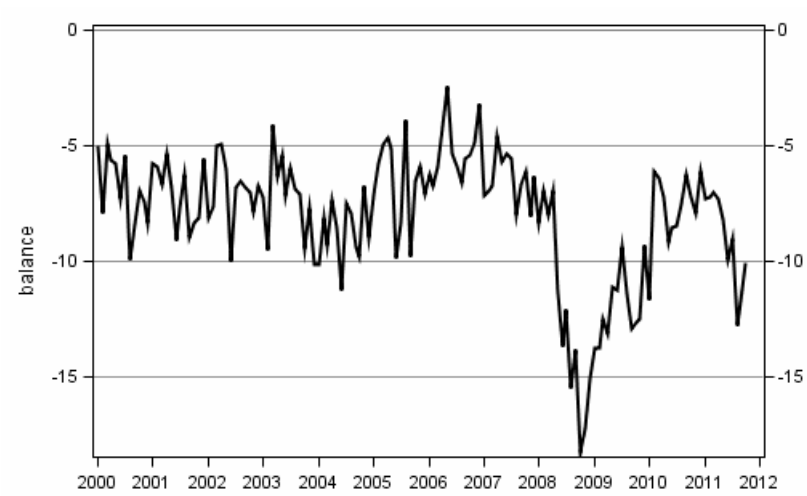
Appendix figure 8. Household's financial situation



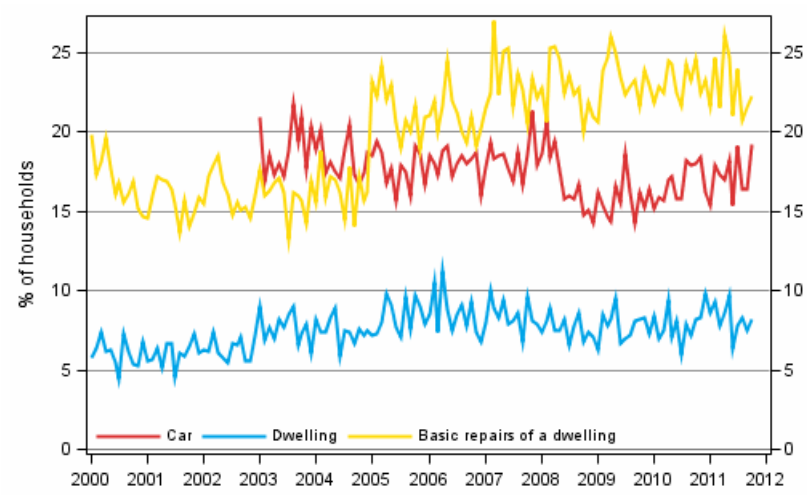
Appendix figure 9. Intentions to raise a loan, next 12 months



Appendix figure10. Spending on durable goods, next 12 months vs last 12 months



Appendix figure 11. Intentions to buy, next 12 months



Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

Income and Consumption 2011

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Source: Consumer Survey 2011, October. Statistics Finland