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Consumers' confidence in own economy record high

The consumer confidence indicator, condensing economic views in Finland, stood at 12.8 in March, or slightly higher than one month or 12 months earlier. All four components of the confidence indicator showed improvement compared to February and consumers' confidence in the future of their own economy increased in particular. The data are based on Statistics Finland's Consumer Survey, for which 1,651 persons resident in Finland were interviewed between 1 and 18 March.

Consumer views on the economic and financial conditions in Finland in March 2004

	March 2004 balance	February 2004 balance	March 2003 balance	Average 10/95-3/04
Consumer confidence indicator	12.8	11.1	10.1	13.6
Own economic situation in 12 months' time	13.1	11.1	10.9	8.7
Household's saving possibilities in the next 12 months	45.5	43.4	42.5	29.4
General economic situation in Finland in 12 months' time	7.2	6.7	-4.6	7.7
Unemployment in 12 months' time	-14.5	-16.7	-8.3	8.4
Inflation in 12 months' time, %	1.6	1.8	2.1	1.9
Financial situation of household at present	29.6	29.9	28.2	23.5
Favourable time to make major purchases at present	27.7	33.8	28.2	19.6
Favourable time to save at present	12.5	10.2	12.1	3.9
Favourable time to raise a loan at present	30.2	29.4	32.7	21.4

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 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.

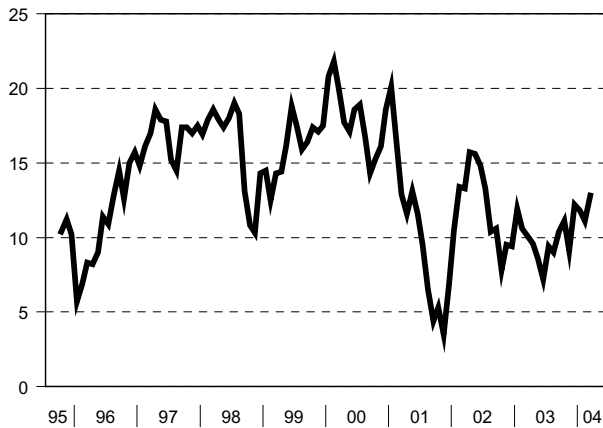
In March, 33 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 18 per cent of them thought the country's economy would deteriorate. In March 2003 the corresponding proportions were 21 and 29 per cent. In all, 31 per cent of consumers believed in March that their own economy would improve and only 9 per cent feared it would worsen over the year. The views on own economy reached the same level of record optimism as in February 2000.

Altogether 46 per cent of consumers thought in March that unemployment would increase in the next 12 months while 20 per cent believed it would decrease. Fifteen per cent of employed persons reckoned they were personally more threatened by unemployment, but only good 2 per cent feared they were certain to become unemployed within the next 12 months. Consumers predicted that consumer prices would rise by 1.6 per cent in the next twelve months.

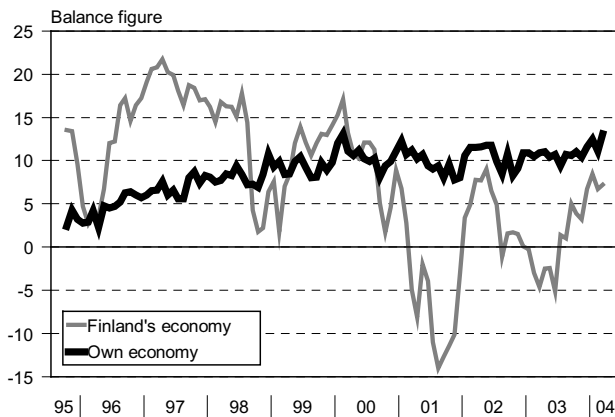
In March, 50 per cent of consumers thought the time was favourable for buying consumer durables. One month earlier, 54 per cent of consumers held this view. Households continued to have intentions to spend money especially on entertainment electronics and foreign travel. Seventeen per cent of households were either fairly or very certain to buy a car and 7 per cent a dwelling within the next 12 months.

Consumers' views about raising a loan and about saving were more or less unchanged in March. Seventy-three per cent of consumers thought the time was favourable for raising a loan, and 15 per cent of households were planning to do so in the next 12 months. In March, 60 per cent of consumers considered saving worthwhile, and 62 per cent of households had been able to lay aside some money while 77 per cent of them believed they would be able to do so in the next 12 months.

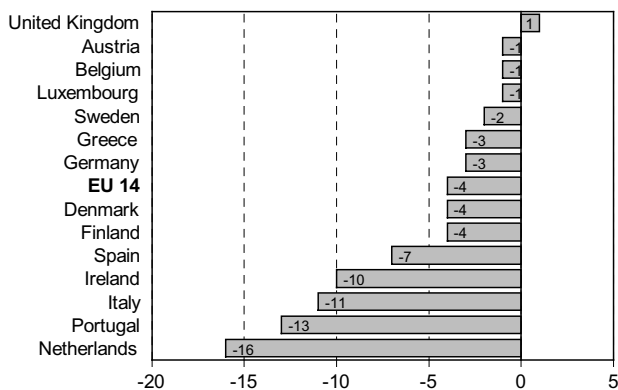
Consumer confidence indicator 10/1995-3/2004



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-3/2004



Consumer confidence indicator in EU Member States, February 2004 Deviation of indicator from country average 10/1995-2/2004*



*Calculated from seasonally adjusted series. Average for Luxembourg from 1/2002-2/2004; Data for France are missing due to break in series.

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, February 2004
http://europa.eu.int/comm/economy_finance/indicators/businessandconsumersurveys_en.htm

Source: Consumer Survey 2004, March. Statistics Finland