

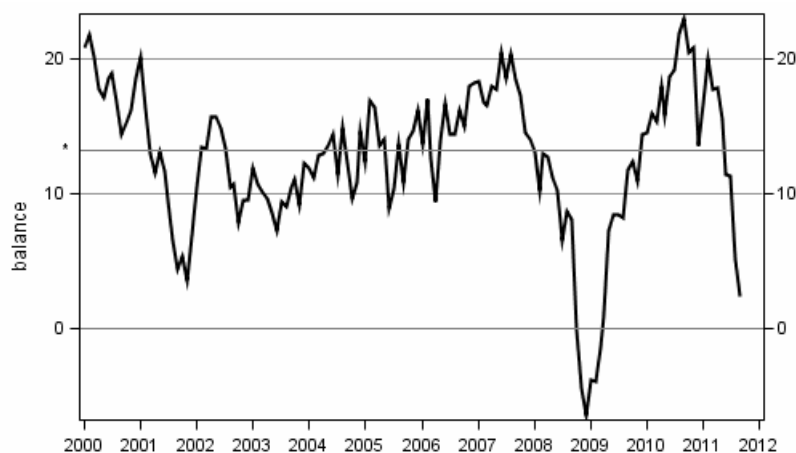
Consumer Survey

2011, September

Consumer confidence sank further in September

The consumer confidence indicator stood at 2.3 in September, having been 5.1 in August and 11.3 in July. In last year's September, consumers' confidence in the economy was at its strongest and the confidence indicator received the value 22.9. The long-term average for the confidence indicator is 13.2. The data are based on Statistics Finland's Consumer Survey, for which 1,452 people resident in Finland were interviewed between 1 and 19 September.

Consumer confidence indicator



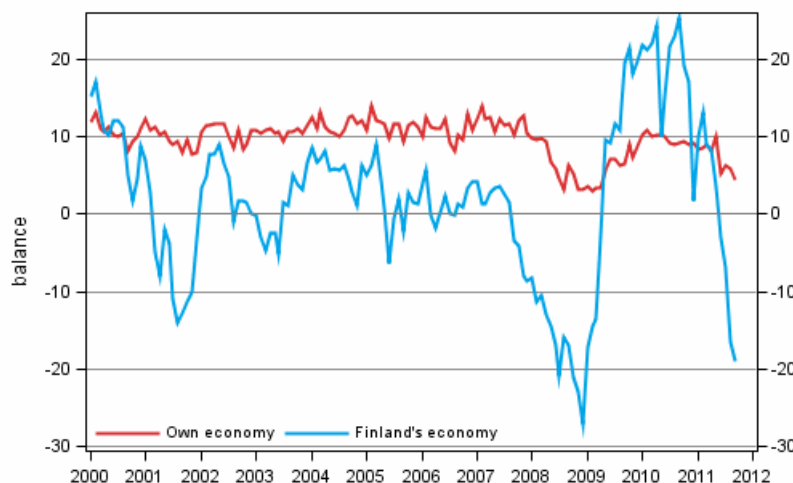
* average 10/1995 - 09/2011

Of the four components of the consumer confidence indicator, only consumers' already bright assessments about their own saving possibilities improved in September from the previous month. In contrast, views on their own economy in general somewhat weakened further. Consumers' expectations concerning the economy in general, or Finland's economy and the development of unemployment became ever gloomier in September. Assessments about the country's economy were the most pessimistic since the latter part of 2008, and consumers were last more worried about growing unemployment in 2009.

In September employed consumers felt personally slightly more threatened by unemployment than before. In addition, saving was regarded as considerably more worthwhile than purchasing of durable goods or raising a loan, in particular.

In September only 16 per cent of consumers believed 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 August the corresponding proportions were 18 and 45 per cent and in last year's September very optimistic 56 and 8 per cent. In all, 23 per cent of consumers believed in September that their own economy would improve and 16 per cent of them feared it would worsen over the year. One month earlier, the corresponding proportions were 24 and 15 per cent, and one year earlier 28 and 12 per cent.

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



In September, only 14 per cent of consumers still thought that unemployment would decrease in Finland over the next year, while as many as 58 per cent of them believed it would increase. The corresponding proportions were 17 and 42 per cent in August and optimistic 39 and 21 per cent one year ago.

Eleven per cent of employed persons believed in September that their personal threat of unemployment had lessened over the past few months, whereas more of them, or 15 per cent thought it had grown. The corresponding proportions were 13 and 14 per cent in August and 20 and 13 per cent one year ago. In September, 47 per cent of employed persons thought the threat had remained unchanged and 27 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in September that consumer prices would go up by 3.2 per cent over the next 12 months. In July the predicted inflation rate was still 3.6 per cent. The long-term predicted average inflation rate is 2.2 per cent.

In September, 65 per cent of consumers considered saving worthwhile. As many as 69 per cent of households had been able to lay aside some money and 81 per cent of them believed they would be able to do so during the next 12 months.

In September, 47 per cent of consumers regarded the time good for raising a loan. One year ago the respective proportion was 71 per cent. In September, 12 per cent of households were planning to take out a loan within one year.

In September, 38 per cent of consumers thought the time was favourable for making major purchases. Twelve months ago the respective proportion was 53 per cent. Consumption intentions were moderate in September, but many households had plans to spend money on, for instance, travel, and home repairs and furnishing during the next six months. Sixteen per cent of households were fairly or very certain to buy a

car and seven per cent a dwelling during the next 12 months. In last year's September the corresponding proportions were 18 and 7 per cent.

The population of the Consumer Survey comprises approximately 4.1 million persons and 2.5 million households in Finland. The size of the sample of the Consumer Survey is 2,200 persons monthly. In September, the non-response rate of the Survey was 34.0 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-	09/2010	08/2011	09/2011	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	13,2	22,9	-6,5	22,9	5,1	2,3	--
B2 Own economy in 12 months' time (balance)	9,0	14,1	2,3	9,2	5,8	4,5	--
D2 Household's saving possibilities in the next 12 months (balance)	37,6	52,2	10,9	48,8	44,7	48,9	+
B4 Finland's economy in 12 months' time (balance)	5,0	25,3	-27,1	25,3	-16,5	-19,0	--
B7 Unemployment in Finland in 12 months' time (balance)	1,2	27,6	-51,1	8,5	-13,6	-25,3	--
B8 Own threat of unemployment now (balance)	1,1	7,6	-18,8	6,3	1,6	-0,2	+/-
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	2,6	3,1	3,2	
C1 Favourability of time for buying durable goods (balance)	20,9	41,8	-14,2	30,1	8,4	4,2	--
C2 Favourability of time for saving (balance)	11,5	36,8	-19,6	19,2	20,6	19,2	+
C3 Favourability of time for raising a loan (balance)	18,0	42,0	-47,1	26,7	-4,4	-2,2	--

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

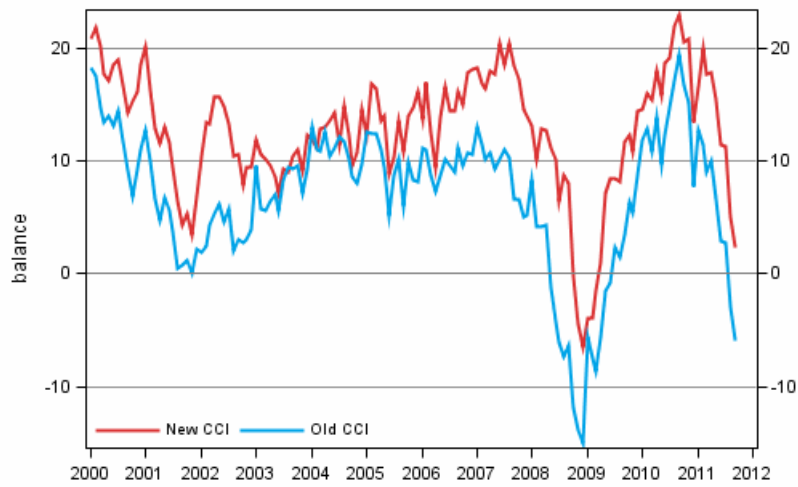
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	09/2010	08/2011	09/2011	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	13,2	22,9	-6,5	22,9	5,1	2,3	--
A2 Old CCI = (B1+B2+B3+B4+C1)/5	8,5	19,4	-15,0	19,4	-2,9	-6,0	--
A3 Micro indicator = (B2+D1+D2)/3	24,7	33,4	9,5	30,1	26,9	29,1	+
A4 Macro indicator = (B4+B7)/2	3,1	22,8	-39,1	16,9	-15,1	-22,1	--
B1 Own economy now (balance)	4,8	9,8	-4,0	5,7	2,5	2,9	-
- Better (%)	24,3	30,6	16,7	23,6	23,1	21,7	
- Worse (%)	15,7	22,7	11,4	14,6	18,5	16,6	
B2 Own economy in 12 months' time (balance)	9,0	14,1	2,3	9,2	5,8	4,5	--
- Better (%)	26,2	33,4	18,2	27,9	23,9	22,9	
- Worse (%)	10,5	17,2	6,6	11,9	14,7	15,7	
B3 Finland's economy now (balance)	2,8	29,5	-60,9	26,9	-14,7	-22,5	--
- Better (%)	30,2	62,1	2,0	62,1	19,7	13,5	
- Worse (%)	22,5	88,5	4,2	10,1	44,5	51,5	
B4 Finland's economy in 12 months' time (balance)	5,0	25,3	-27,1	25,3	-16,5	-19,0	--
- Better (%)	31,7	57,3	11,6	56,3	17,8	15,9	
- Worse (%)	20,7	57,3	6,0	8,0	45,4	47,9	
B5 Inflation now (per cent)	2,2	5,8	-2,0	2,3	3,7	3,6	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	2,6	3,1	3,2	
B7 Unemployment in Finland in 12 months' time (balance)	1,2	27,6	-51,1	8,5	-13,6	-25,3	--
- Less (%)	34,2	60,8	6,4	38,6	17,2	13,6	
- More (%)	29,5	83,3	6,9	20,8	42,3	58,4	
B8 Own threat of unemployment now (balance)	1,1	7,6	-18,8	6,3	1,6	-0,2	+/-
- Decreased (%)	14,0	20,0	5,3	20,0	13,2	11,3	
- Increased (%)	14,9	31,9	7,9	12,5	13,9	15,0	
C1 Favourability of time for buying durable goods (balance)	20,9	41,8	-14,2	30,1	8,4	4,2	--
- Favourable time (%)	45,6	62,4	29,6	52,5	41,0	38,3	
- Unfavourable time (%)	24,7	45,7	17,7	22,4	32,6	34,1	
C2 Favourability of time for saving (balance)	11,5	36,8	-19,6	19,2	20,6	19,2	+
- Good time (%)	58,8	80,7	33,4	65,6	65,3	64,5	
- Bad time (%)	35,3	58,5	15,5	30,1	30,4	31,0	
C3 Favourability of time for raising a loan (balance)	18,0	42,0	-47,1	26,7	-4,4	-2,2	--
- Good time (%)	62,6	78,2	13,3	71,1	45,4	46,9	
- Bad time (%)	29,9	83,4	12,1	24,0	49,7	47,7	
D1 Household's financial situation now (balance)	27,5	35,1	14,7	32,3	30,1	33,9	++
- Can save (%)	58,0	70,0	38,6	66,6	62,7	68,9	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	6,9	7,3	6,3	

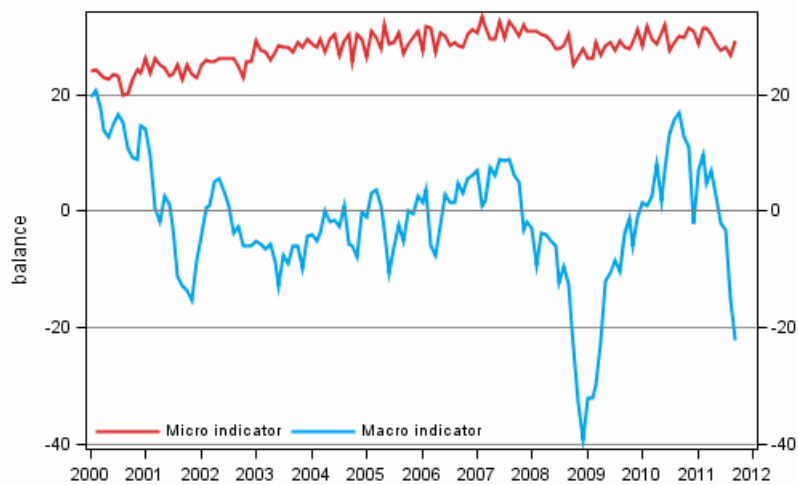
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	09/2010	08/2011	09/2011	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	37,6	52,2	10,9	48,8	44,7	48,9	+
- Can save (%)	72,8	82,3	56,6	80,7	77,2	80,6	
- Cannot save (%)	25,2	40,3	16,5	18,9	21,6	19,1	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,5	17,8	9,1	13,9	13,8	12,3	-
- Yes, certainly (%)	5,6	8,5	3,1	5,1	6,5	5,4	
- Possibly (%)	7,9	11,4	5,2	8,8	7,4	6,9	
E1 Spending on durable goods, next 12 months vs last 12 months (balance)	-7,8	-2,4	-18,2	-6,3	-12,7	-11,1	--
- More (%)	22,8	30,8	14,3	22,5	18,5	18,0	
- Less (%)	32,4	40,4	26,5	28,7	35,0	33,8	
E2 Intentions to buy a car in the next 12 months (% of households)	17,5	21,7	14,2	17,8	16,4	16,4	-
- Very likely (%)	9,1	12,1	6,3	9,6	8,4	8,8	
- Fairly likely (%)	8,4	10,4	6,2	8,2	8,0	7,6	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	7,2	8,3	7,4	+
- Yes, certainly (%)	3,1	5,2	1,3	3,5	3,0	3,5	
- Possibly (%)	4,0	6,2	2,2	3,7	5,2	4,0	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,5	27,0	9,8	23,3	20,8	21,5	+
- Very likely (%)	12,1	19,0	5,0	17,1	14,5	14,8	
- Fairly likely (%)	6,4	9,1	3,2	6,1	6,3	6,7	

Appendix figures

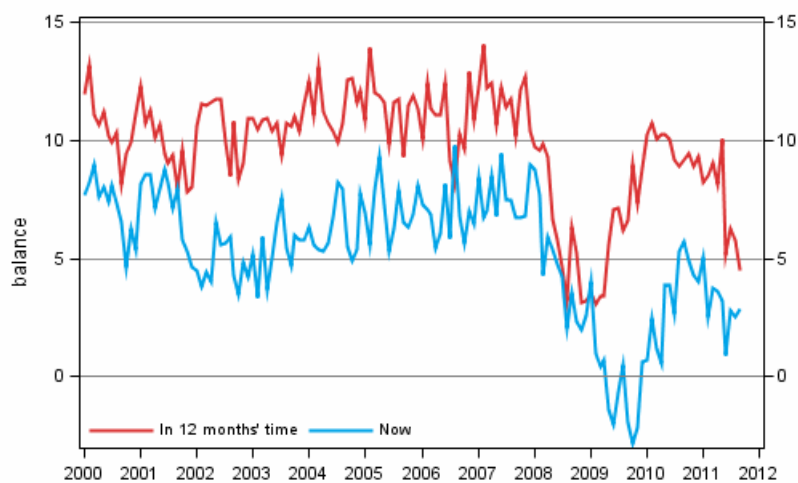
Appendix figure 1. Consumer confidence indicator (CCI)



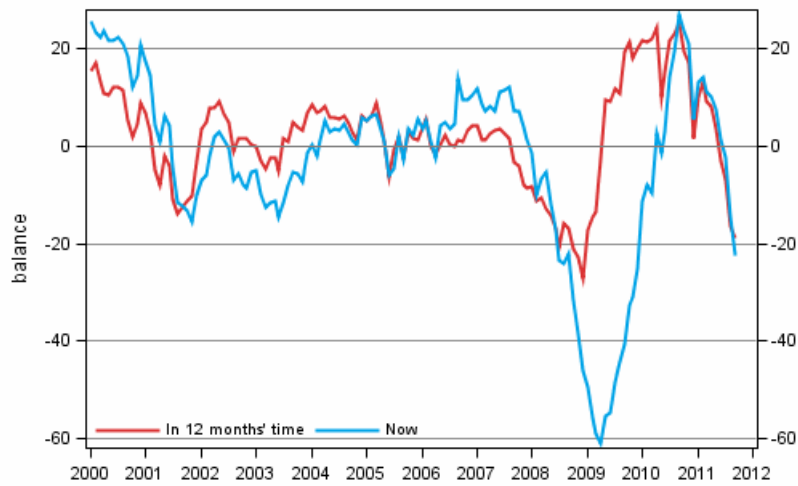
Appendix figure 2. Micro and macro indicators



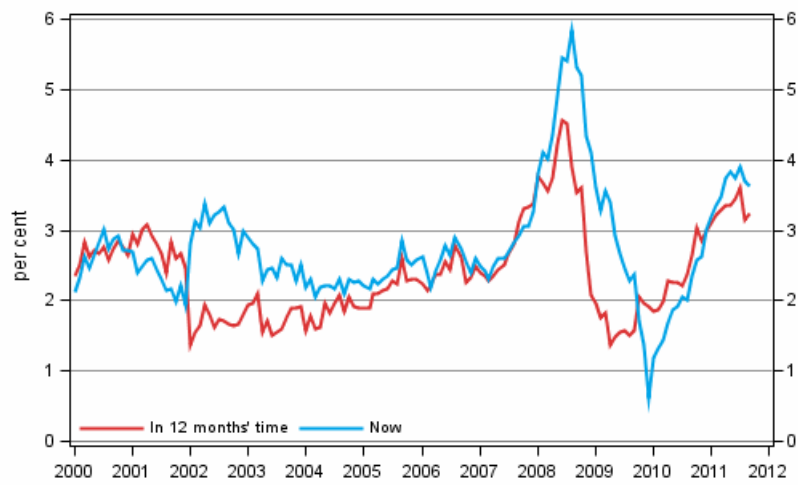
Appendix figure 3. Own economy



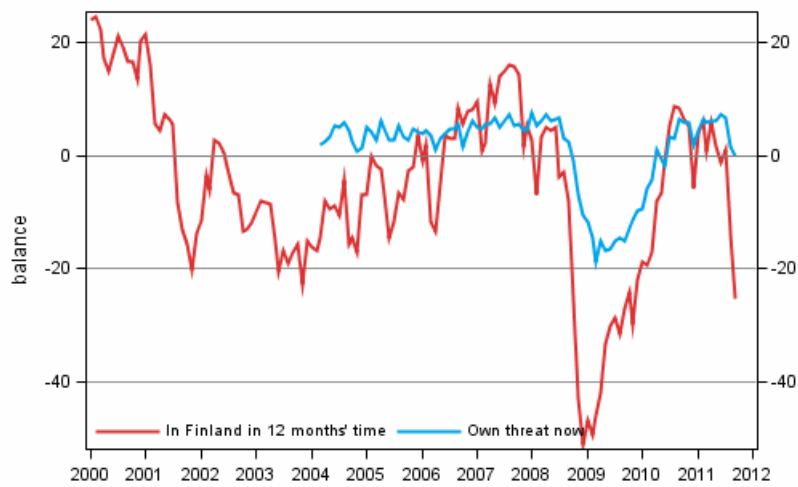
Appendix figure 4. Finland's economy



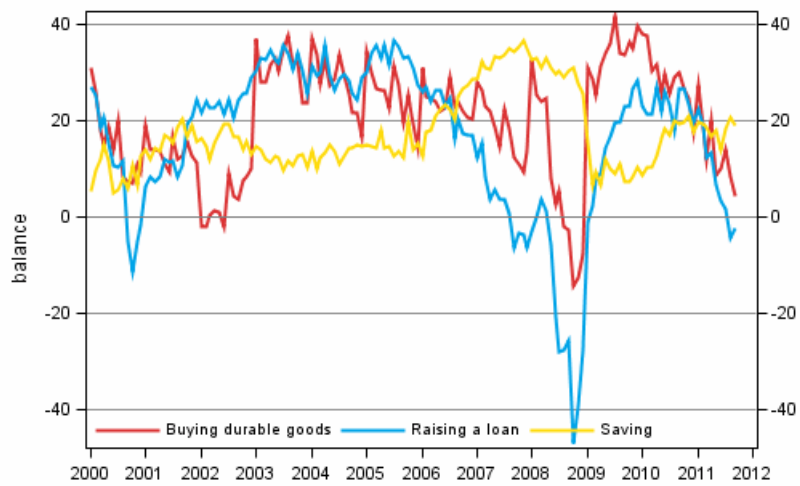
Appendix figure 5. Inflation



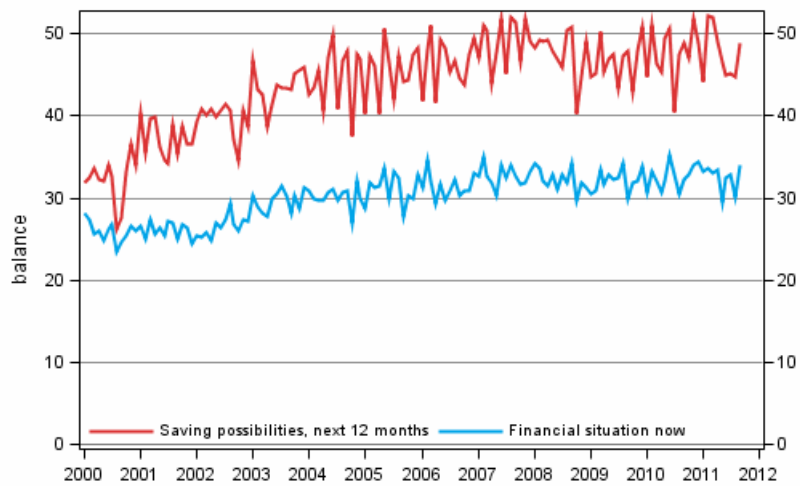
Appendix figure 6. Unemployment



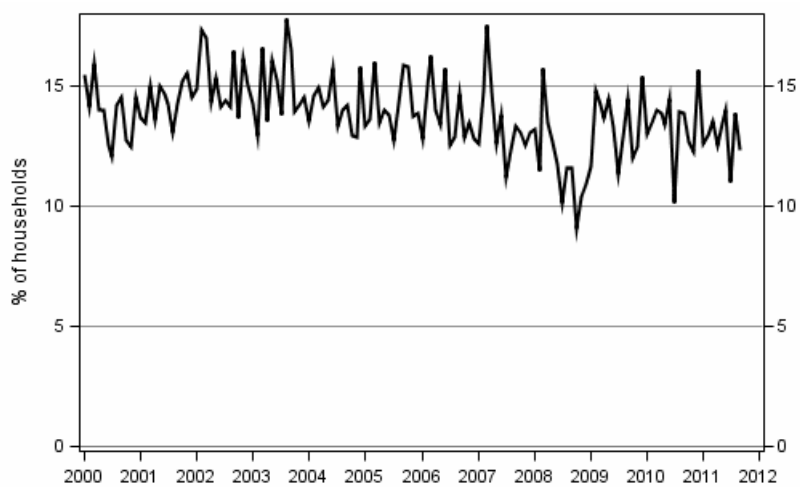
Appendix figure 7. Favourability of time for



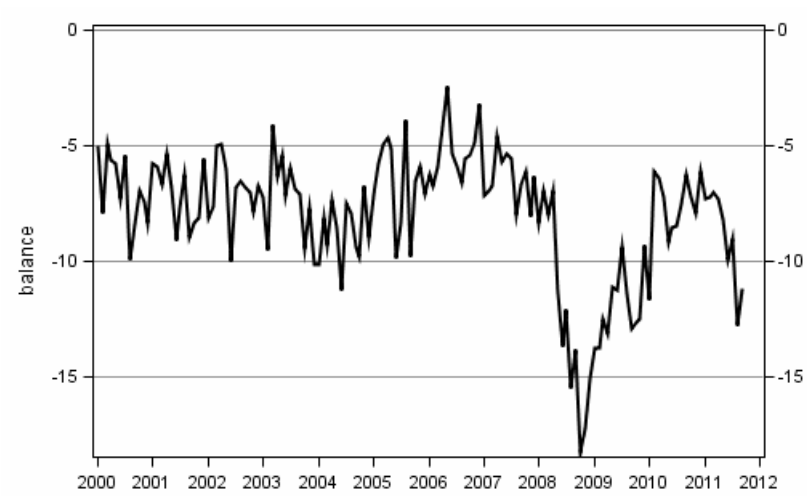
Appendix figure 8. Household's financial situation



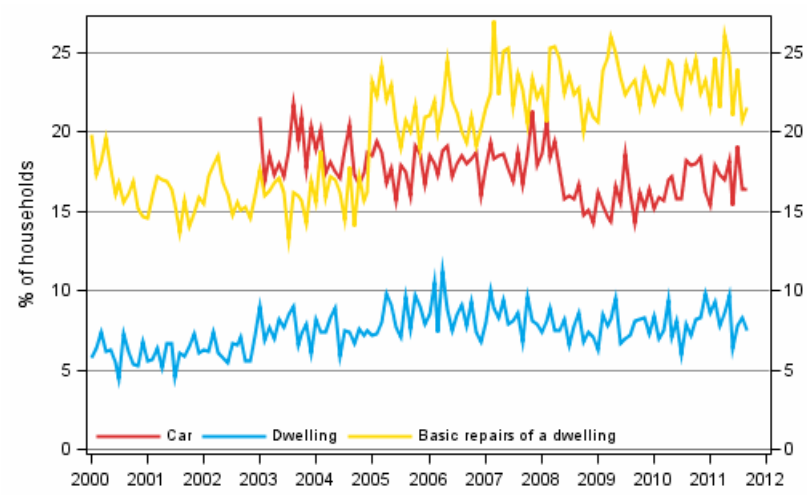
Appendix figure 9. Intentions to raise a loan, next 12 months



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, September. Statistics Finland