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Consumers strongly confident in their own economy

Finnish consumers' confidence in the economy weakened somewhat further in June. The consumer confidence indicator stood at 7.2 in June, which is clearly below the long-term average. In June, consumers' views on Finland's economy and on the development of unemployment grew gloomier. In contrast, consumers continued to have strong confidence in the economy and saving possibilities of their own households. The data are based on Statistics Finland's Consumer Survey, for which 1,626 persons resident in Finland were interviewed between 2 and 18 June.

Consumer views on the economic and financial conditions in Finland in June 2003

	June 2003 balance	May 2003 balance	June 2002 balance	Average 10/95-6/03
Consumer confidence indicator	7.2	8.6	14.8	13.8
Own economic situation in 12 months' time	10.7	10.4	11.8	8.5
Household's saving possibilities in the next 12 months	43.8	41.5	40.7	28.0
General economic situation in Finland in 12 months' time	-5.1	-2.4	6.5	8.0
Unemployment in 12 months' time	-20.6	-15.2	0.3	10.9
Price trend over the next 12 months, %	1.5	1.7	1.6	1.9
Financial situation of household at present	30.4	29.9	26.4	22.9
Favourable time to make major purchases at present	30.3	33.1	-2.1	18.5
Favourable time to save at present	12.2	12.8	19.3	3.1
Favourable time to raise a loan at present	32.2	32.7	21.3	20.5

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.

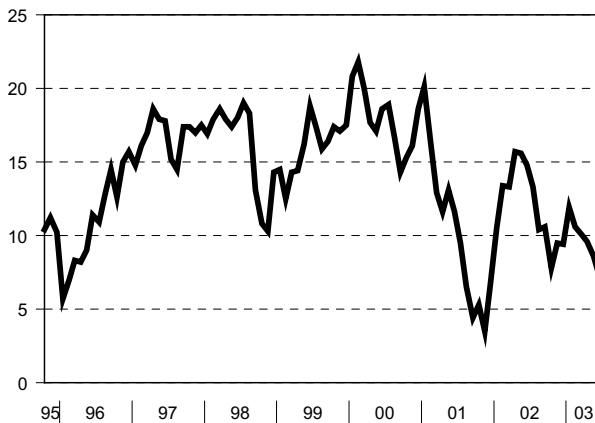
In June, 23 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while more, or 32 per cent of them thought the country's economy would deteriorate. In June last year, the corresponding proportions were 32 and 19 per cent. In all, 29 per cent of consumers believed in June that their own economy would improve and only 10 per cent feared it would worsen over the year.

More than half, or 53 per cent, of consumers thought in June that unemployment would increase in the next 12 months and only 16 per cent believed it would decrease. Twelve months earlier, the corresponding proportions were 27 and 28 per cent. However, only 8 per cent of employed persons reckoned in June that they were personally either fairly or very likely to become unemployed within the next 12 months. Consumers predicted that the rate of inflation in June 2004 would be 1.5 per cent.

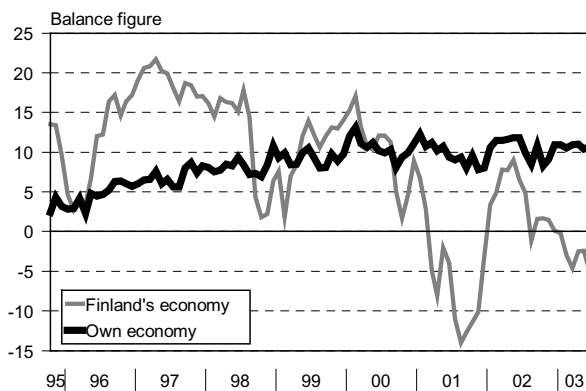
Consumers' other views on the economy were almost unchanged from the previous month. In June, 72 per cent of consumers thought the time was favourable for raising a loan and 15 per cent of households were planning to do so in the next 12 months. Altogether 60 per cent of consumers considered saving worthwhile in June. Sixty-two per cent of households had been able to lay aside some money and 77 per cent of them believed they would be able to do so in the next 12 months.

Fifty-one per cent of consumers considered June a favourable time for buying consumer durables. Twelve months before the corresponding proportion was 32 per cent. Households had plenty of diverse consumption intentions in June. Altogether 17 per cent of them were either fairly or very certain to buy a car and 8 per cent a dwelling in the next 12 months.

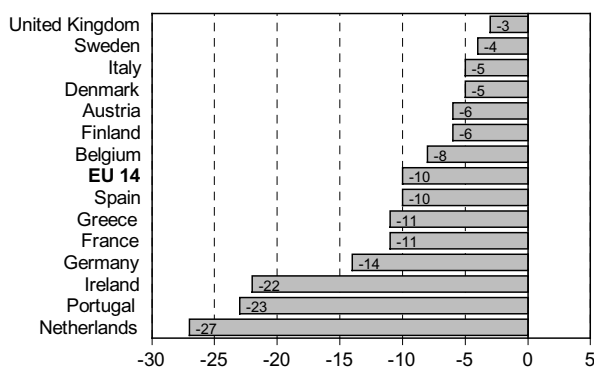
Consumer confidence indicator 10/1995-6/2003



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-6/2003



Consumer confidence indicator in EU Member States, May 2003 Deviation of indicator from country average 10/1995-5/2003*



*Calculated on the basis of seasonally adjusted series.

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, May 2003
http://europa.eu.int/comm/economy_finance/indicators/businessandconsumersurveys_en.htm

Source: Consumer Survey 2003, June. Statistics Finland