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## Consumers have confidence in their own economy and many consider buying a car

Consumers' views on Finland's economy did not change significantly in August. However, their estimates about the development of unemployment were more pessimistic especially compared to the corresponding period of last year. In contrast, consumers had even slightly stronger faith than before in their own economy in August. The consumer confidence indicator was 9.0. Consumers considered the time very favourable for buying consumer durables and households particularly contemplated buying a car. The data are based on Statistics Finland's Consumer Survey, for which 1,598 persons resident in Finland were interviewed between 1 and 19 August 2003.

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

	August 2003 balance	July 2003 balance	August 2002 balance	Average 10/95-8/03
Consumer confidence indicator	9.0	9.4	10.4	13.7
Own economic situation in 12 months' time	10.7	9.4	8.5	8.5
Household's saving possibilities in the next 12 months	43.4	43.4	40.7	28.3
General economic situation in Finland in 12 months' time	1.0	1.4	-1.1	7.8
Unemployment in 12 months' time	-19.1	-16.8	-6.6	10.3
Price trend over the next 12 months. %	1.6	1.5	1.7	1.9
Financial situation of household at present	30.3	31.4	29.3	23.1
Favourable time to make major purchases at present	37.7	34.9	4.4	18.8
Favourable time to save at present	11.8	9.6	16.9	3.3
Favourable time to raise a loan at present	33.9	35.6	20.6	20.8

*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 four balance figures 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 August, 29 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 27 per cent thought the country's economy would deteriorate. In all, 28 per cent of consumers believed in August that their own economy would improve and just 10 per cent feared their own economic situation would worsen in the next 12 months.

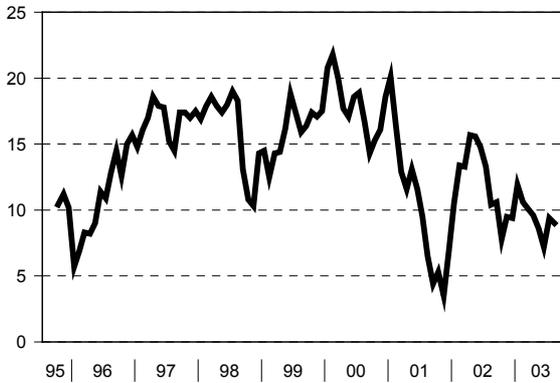
Altogether 50 per cent of consumers thought in August that unemployment would increase in the next 12 months and only 16 per cent believed unemployment would decrease. One year previously these figures were 35 and 23 per cent. One employed person in ten reckoned that they were personally either fairly or very likely to become unemployed within the next 12 months. Consumers predicted that the rate of inflation would be 1.6 per cent in August 2004.

In August, 74 per cent of consumers thought the time was favourable for raising a loan and exceptionally many, or 18 per cent of households were planning to do so in the next 12 months. In August, 58 per cent of consumers considered saving worthwhile. Of households 63 per cent had been able to lay aside money and 76 per cent believed they could save some money in the next 12 months.

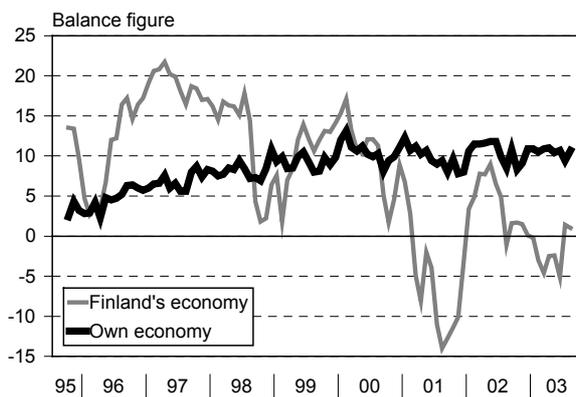
In August, 55 per cent of consumers considered the time favourable for buying consumer durables. The corresponding proportion was 35 per cent in August last year. Nine per cent of households were thinking of buying a dwelling in August. Intentions to buy a car have increased since 22 per cent of households were planning to buy a car or trade in their car in the next 12 months. In

August, as many as 77 per cent of households were driving their own car or a company car. Five per cent of households, or good 110,000 households, had a digital TV set-top box or a digital TV.

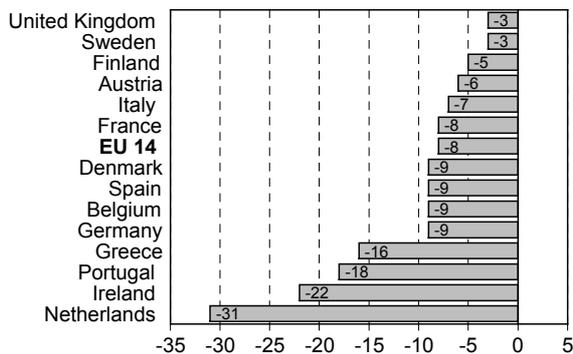
## Consumer confidence indicator 10/1995-8/2003



## Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-8/2003



## Consumer confidence indicator in EU Member States, July 2003 Deviation of indicator from country average 10/1995-7/2003\*



\*Calculated on the basis of seasonally adjusted series.

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, July 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, August. Statistics Finland**