

Not to be released before 28 November 2003 (8.00 am Finnish time)

2003:251

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## Consumers concerned about the development of unemployment

Finnish consumers' confidence in the economy has weakened somewhat. The consumer confidence indicator stood at 9.1 in November, or 2 units lower than in October. The fall of the indicator was almost entirely attributable to consumers' gloomier views concerning unemployment. However, consumers continued to feel confident about their own employment and economy. The data are based on Statistics Finland's Consumer Survey, for which 1,619 persons resident in Finland were interviewed between 3 and 21 November.

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

	November 2003 balance	October 2003 balance	November 2002 balance	Average 10/95-11/03
Consumer confidence indicator	9.1	11.1	9.5	13.6
Own economic situation in 12 months' time	10.4	11.0	9.1	8.6
Household's saving possibilities in the next 12 months	45.5	45.2	40.7	28.8
General economic situation in Finland in 12 months' time	3.2	3.9	1.5	7.7
Unemployment in 12 months' time	-22.7	-15.8	-13.2	9.4
Price trend over the next 12 months, %	1.9	1.9	1.7	1.9
Financial situation of household at present	28.7	30.3	27.3	23.3
Favourable time to make major purchases at present	23.7	32.5	8.3	19.2
Favourable time to save at present	13.0	12.8	15.6	3.6
Favourable time to raise a loan at present	30.3	34.1	25.7	21.1

*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 November, 30 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 23 per cent of them thought the country's economy would deteriorate. In all, 28 per cent of consumers believed in November that their own economy would improve and only 10 per cent feared it would worsen over the year.

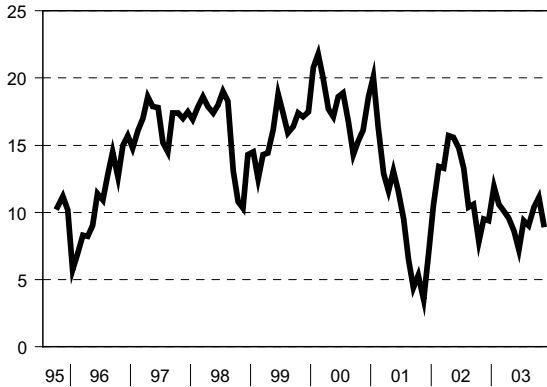
More than half, or 54 per cent, of consumers thought in November that unemployment would increase in the next 12 months and only 15 per cent believed it would decrease. In October, the corresponding proportions were 48 and 19 per cent, and twelve months previously 43 and 20 per cent. Nevertheless, only 3 per cent of employed persons continued to reckon in November that they were personally very likely to become unemployed within the next 12 months, while 7 per cent feared this was fairly likely to happen to them. Consumers predicted that the rate of inflation in November 2004 would be 1.9 per cent.

In November, 48 per cent of consumers thought the time favourable for buying consumer durables. In October, the corresponding proportion was 55 per cent, and one year earlier 37 per cent. Households had plenty of purchase intentions, especially of entertainment electronics. As many as 9 per cent, or over 200,000, of the households in Finland already had a digibox in November. Altogether 18 per cent of households were either fairly or very certain to buy a car and 8 per cent a dwelling in the next 12 months.

Consumers' views concerning saving and raising a loan remained more or less unchanged in November. Seventy-two per cent of consumers thought the time was favourable for raising a loan and 14 per cent of households were planning to do so in the next 12 months. Altogether 60 per cent of consumers

considered saving worthwhile in November. Sixty-one per cent of households had been able to lay aside some money and 78 per cent of them believed they would be able to do so in the next 12 months.

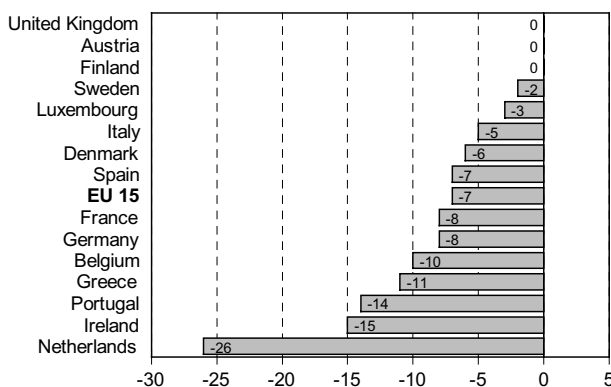
## Consumer confidence indicator 10/1995-11/2003



## Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-11/2003



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



\*Calculated from seasonally adjusted series; Luxembourg average from 1/2002-

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, October 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, November. Statistics Finland