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## Consumers' confidence in the economy unchanged in January

The consumer confidence indicator, condensing economic views in Finland, stood at 11.8 in January, or more or less unchanged from one month or twelve months earlier. However, consumers' views on their own and on Finland's economy brightened somewhat in January. Moreover, they felt that the time was favourable for making major purchases and raising a loan. The data are based on Statistics Finland's Consumer Survey, for which 1,635 persons resident in Finland were interviewed between 2 and 19 January.

### Consumer views on the economic and financial conditions in Finland in January 2004

	January 2004 balance	December 2003 balance	January 2003 balance	Average 10/95-1/04
Consumer confidence indicator	11.8	12.2	11.9	13.6
Own economic situation in 12 months' time	12.5	11.6	10.9	8.7
Household's saving possibilities in the next 12 months	42.5	45.8	46.8	29.1
General economic situation in Finland in 12 months' time	8.5	6.7	-0.2	7.7
Unemployment in 12 months' time	-16.3	-15.1	-9.9	8.9
Price trend over the next 12 months, %	1.6	1.9	1.9	1.9
Financial situation of household at present	30.9	31.3	30.3	23.4
Favourable time to make major purchases at present	37.2	23.8	37.0	19.4
Favourable time to save at present	13.7	10.4	14.6	3.7
Favourable time to raise a loan at present	31.5	25.9	30.6	21.2

*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 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.*

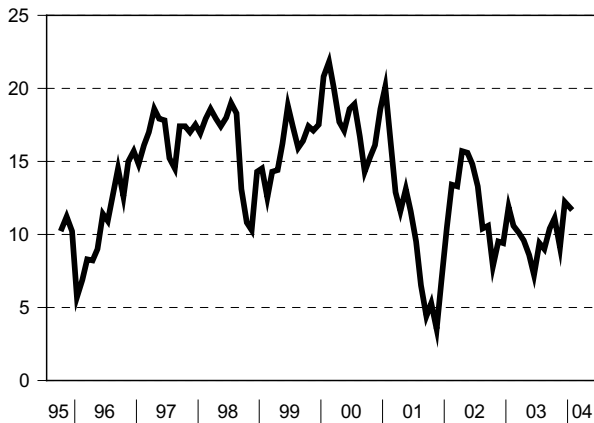
In January, 36 per cent of consumers believed that Finland's economic situation would improve this year, while only 19 per cent of them thought the country's economy would deteriorate. Twelve months earlier the corresponding proportions both stood at 24 per cent. In all, 30 per cent of consumers believed in January that their own economy would improve and only 8 per cent feared it would worsen over the year.

Altogether 48 per cent of consumers thought in January that unemployment would increase this year while 20 per cent believed it would decrease. Twelve months previously the corresponding proportions were 41 and 23 per cent. Only 9 per cent of employed persons continued to reckon in January that they were personally fairly or very likely to become unemployed within the next 12 months. Consumers predicted that the rate of inflation in January 2005 would be 1.6 per cent.

In January, 55 per cent of consumers thought the time was favourable for buying consumer durables. One month earlier, 50 per cent of consumers held this view. Households' spending intentions remained more or less unchanged in January. Nineteen 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.

Seventy-four per cent of consumers thought in January that the time was favourable for raising a loan. The corresponding proportion in December 2003 was 70 per cent. Fourteen per cent of households were planning to raise a loan this year. Altogether 62 per cent of consumers considered saving worthwhile, and 62 per cent of households had been able to lay aside some money while 75 per cent of them believed they would be able to do so this year. However, investing in diverse insurance schemes declined in January.

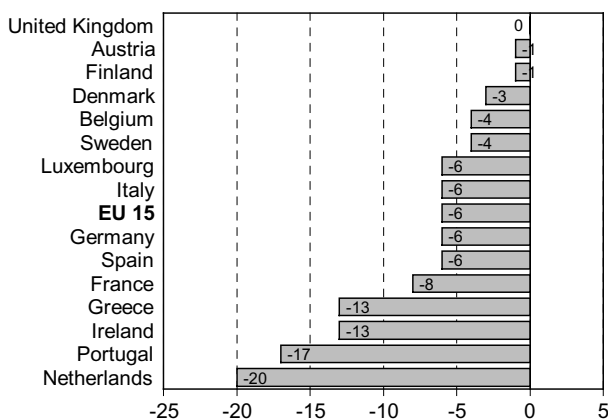
## Consumer confidence indicator 10/1995-1/2004



## Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-1/2004



## Consumer confidence indicator in EU Member States, December 2003 Deviation of indicator from country average 10/1995-12/2003\*



\* Calculated from seasonally adjusted series. Average for Luxembourg from 1/2002

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, December 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 2004, January. Statistics Finland