

Not to be released before 27 September 2004 (8.00 am Finnish time)

2004:212

Inquiries: Mr Pertti Kangassalo +358 9 1734 3598, pertti.kangassalo@stat.fi
Director in charge: Mr Ari Tyrkkö

Consumers estimate unemployment to deteriorate

Consumers' confidence in the economy weakened slightly in September compared with August. The consumer confidence indicator stood at 12.2 in September, which is still higher than in the corresponding period last year. Of the four components of the confidence indicator, estimates about one's own economy and saving possibilities improved somewhat in September from one month ago. In contrast, views about Finland's economy and especially about development of unemployment became darker. The data are based on Statistics Finland's Consumer Survey for which 1,563 persons resident in Finland were interviewed between 1 and 17 September.

Consumer views on the economic and financial conditions in Finland in September 2004

	September 2004 balance	August 2004 balance	September 2003 balance	Average 10/95-9/04
Consumer confidence indicator	12.2	14.8	10.4	13.6
Own economic situation in 12 months' time	12.5	10.8	10.6	8.9
Household's saving possibilities in the next 12 months	47.9	46.7	43.2	30.3
General economic situation in Finland in 12 months' time	4.4	6.3	5.0	7.6
Unemployment in 12 months' time	-15.8	-4.5	-17.1	7.4
Inflation in 12 months' time, %	1.8	2.1	1.8	1.9
Personal threat of unemployment at present	4.3	5.9
Financial situation of household at present	30.9	30.6	28.1	23.9
Favourable time to make major purchases at present	25.7	29.4	31.7	20.2
Favourable time to save at present	14.3	12.6	10.6	4.4
Favourable time to raise a loan at present	28.3	29.9	30.6	21.9

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.

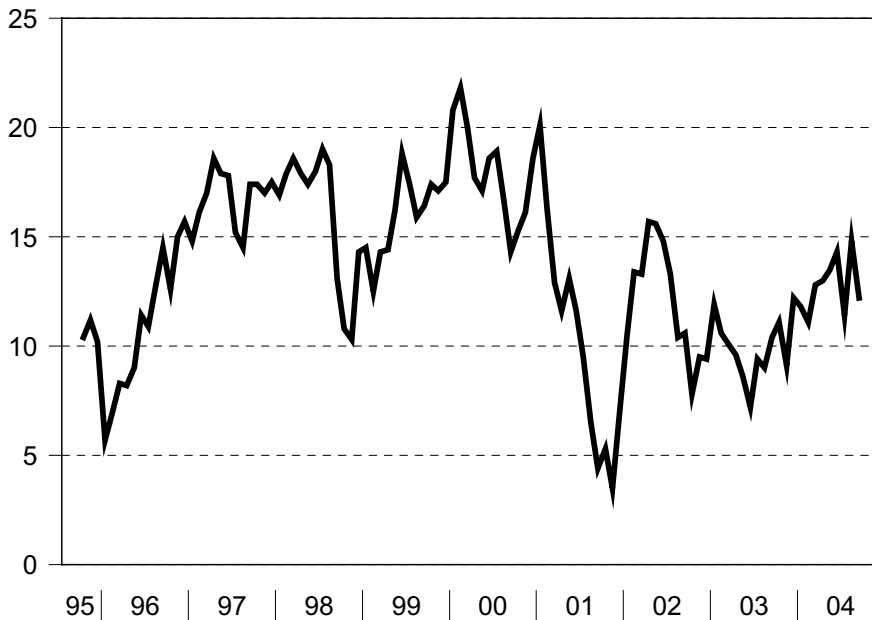
In September, 29 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 20 per cent of them thought the country's economy would deteriorate. The corresponding proportions were 32 and 19 per cent in August. In all, 30 per cent of consumers believed in September that their own economy would improve and only 9 per cent feared it would worsen over the year.

Altogether 46 per cent of consumers thought in September that unemployment would increase in the next 12 months while 18 per cent believed it would decrease. The corresponding proportions were 32 and 25 per cent one month earlier. Fourteen per cent of employed persons reckoned that their personal threat of unemployment had grown over the past few months, but still slightly more, or 16 per cent, of them thought it had lessened. Consumers predicted that consumer prices would rise by 1.8 per cent in the next twelve months.

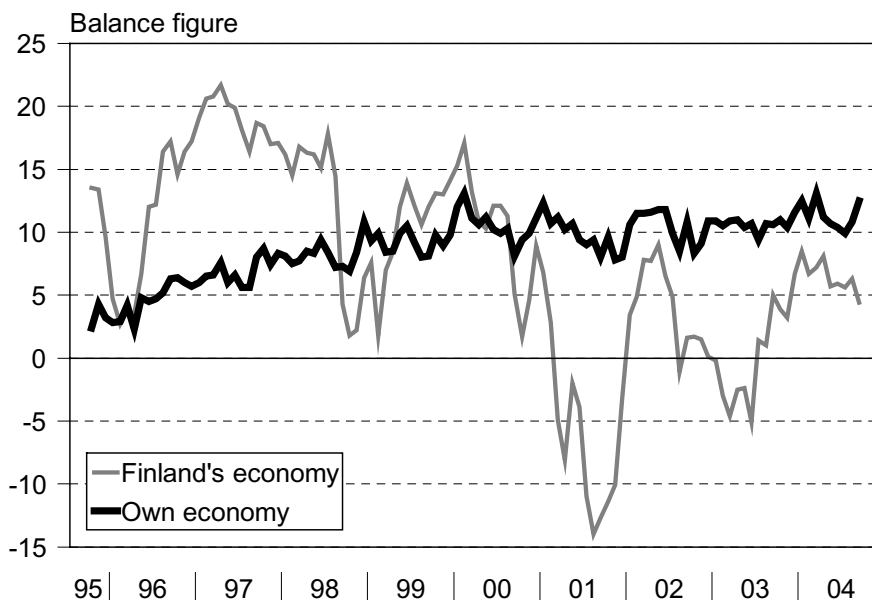
In September, slightly fewer than before, or 48 per cent, of consumers thought the time was favourable for buying consumer durables. Households still had plenty of intentions for home decoration and travel. Seventeen per cent of households were either fairly or very certain to buy a car and 7 per cent a dwelling within the next 12 months.

In September, 72 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. In September, 62 per cent of consumers considered saving worthwhile. Sixty-five per cent of households had been able to lay aside some money and as many as 80 per cent believed they would be able to do so in the next 12 months.

Consumer confidence indicator 10/1995-9/2004



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-9/2004



Latest comparative data on consumer confidence in different EU countries is available on 30 September from 12 noon onwards at:

http://europa.eu.int/comm/economy_finance/indicators/businessandconsumersurveys_en.htm

Source: Consumer Survey 2004, September. Statistics Finland