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Consumers confident as Christmas approaches

In December, consumers' confidence in the economy was stronger than on the average since 1995. The consumer confidence indicator stood at 14.6, having been 10.8 in November and 12.2 one year ago. Of the four components of the confidence indicator, expectations concerning Finland's economy and the development of unemployment improved distinctly from the previous month while views about own economy and saving possibilities remained more or less unchanged. The data are based on Statistics Finland's Consumer Survey for which 1,578 persons resident in Finland were interviewed between 1 and 17 December.

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

	December 2004 balance figure	November 2004 balance figure	December 2003 balance figure	Average 10/95-12/04
Consumer confidence indicator	14.6	10.8	12.2	13.5
Own economic situation in 12 months' time	12.1	11.6	11.6	9.0
Household's saving possibilities in the next 12 months	47.0	47.4	45.8	30.7
General economic situation in Finland in 12 months' time	6.2	1.1	6.7	7.5
Unemployment in 12 months' time	-6.8	-17.1	-15.1	6.9
Inflation in 12 months' time, %	1.9	1.9	1.9	1.9
Personal threat of unemployment at present	1.2	0.8
Financial situation of household at present	29.8	32.0	31.3	24.1
Favourable time to make major purchases at present	16.9	21.6	23.8	20.2
Favourable time to save at present	14.8	15.2	10.4	4.7
Favourable time to raise a loan at present	29.1	24.6	25.9	22.0

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.

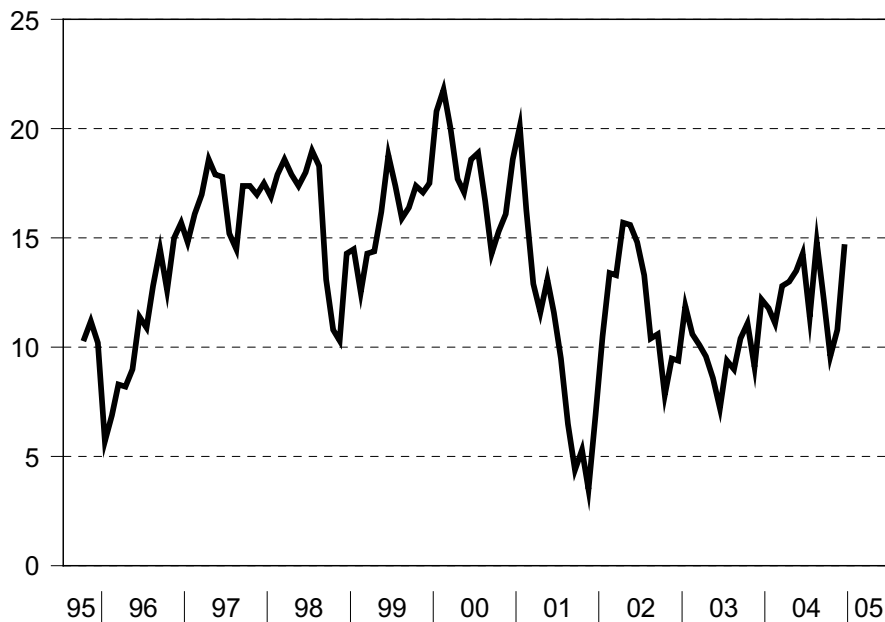
In December, 31 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 18 per cent of them thought the country's economy would deteriorate. One month earlier, the corresponding proportions were 25 and 22 per cent. In all, 30 per cent of consumers continued to believe in December that their own economy would improve and only 9 per cent feared it would worsen over the coming year.

Altogether 37 per cent of consumers thought in December that unemployment would increase in the next 12 months while 25 per cent believed it would decrease. In November, the respective proportions were 48 and 19 per cent. Fifteen per cent of employed persons reckoned that their personal threat of unemployment had grown over the past few months, but almost as many, or good 14 per cent of them thought it had lessened. Consumers predicted that consumer prices would rise by 1.9 per cent in the next twelve months.

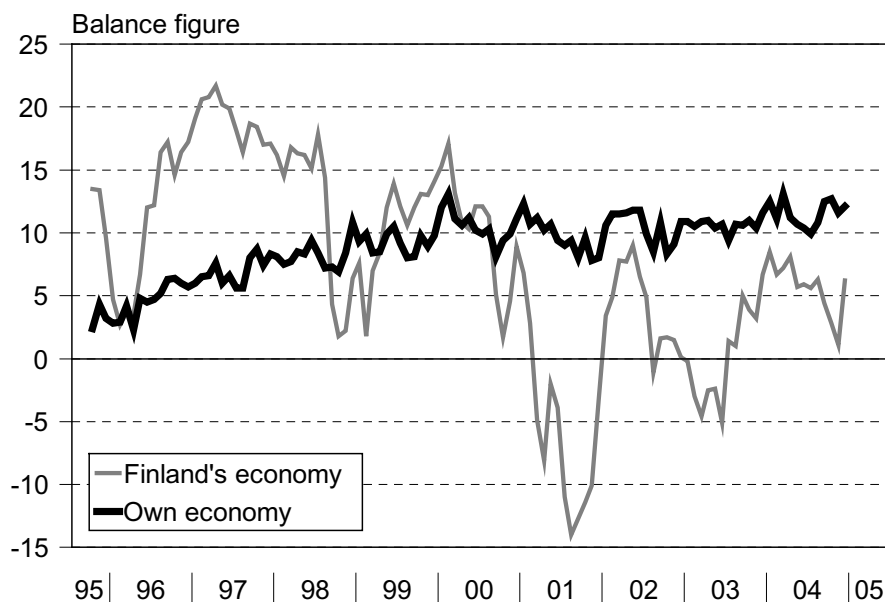
In December, a slightly larger proportion, or 71 per cent of consumers thought the time was favourable for raising a loan, and 16 per cent of households were planning to do so in the next 12 months. Saving was considered worthwhile by 62 per cent of consumers in December. Sixty-five per cent of households had been able to lay aside some money and 79 per cent believed they would be able to do so in the next 12 months.

In December, 44 per cent of consumers thought the time was favourable for buying consumer durables. A slightly larger proportion, or 50 per cent of consumers thought this in December last year. Households continued to have plenty of spending intentions on, among other things, home furnishings and entertainment electronics. Nineteen per cent of households were either fairly or very certain to buy a car and eight per cent a dwelling within the next 12 months.

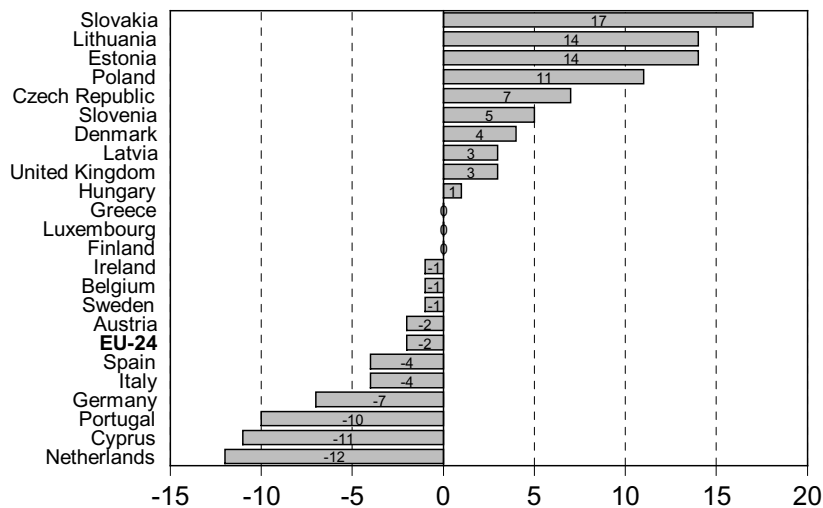
Consumer confidence indicator 10/1995-12/2004



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



Consumer confidence indicator in EU Member States, November 2004 Deviation of indicator from country average 10/1995-11/2004*



*Calculated from seasonally adjusted series. Malta does not conduct a consumer survey. Data for France are missing due to break in time series.

Averages for a shorter time period: Luxembourg 1/2002 -, Cyprus, Lithuania and Poland: 1/2001 -, Slovakia: 4/1999 -.

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, November 2004.

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

Source: Consumer Survey 2004, December. Statistics Finland