

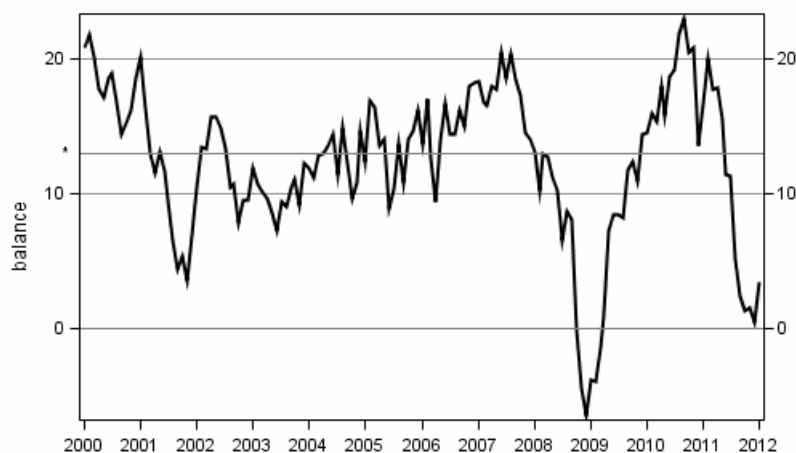
Consumer Survey

2012, January

Consumer confidence started to grow cautiously in January

The consumer confidence indicator stood at 3.4 in January, having been 0.4 in December and 1.5 in November 2011. In last year's January the confidence indicator received the value 16.6. The long-term average for the confidence indicator is 13.0. The data are based on Statistics Finland's Consumer Survey, for which 1,532 people resident in Finland were interviewed between 2 and 19 January.

Consumer confidence indicator



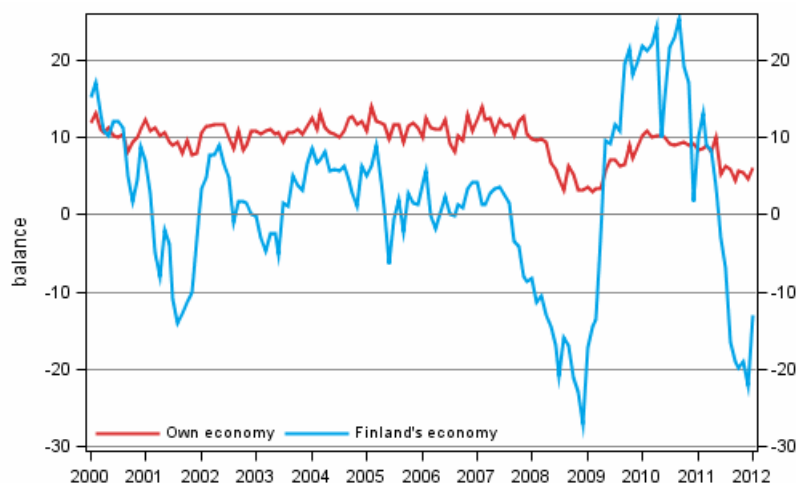
* average 10/1995 - 01/2012

Of the four components of the consumer confidence indicator, only views concerning own saving possibilities weakened slightly in January from the previous month. The other components improved to some degree. Consumers' expectations concerning general economic development, i.e. Finland's economy and unemployment, were still gloomy, however. Views on consumers' own economic situation were also weaker in January than the long-term average.

In January, employed persons felt less personally threatened by unemployment than in previous months. In addition, estimates concerning the time being favourable for purchasing durable goods and raising a loan improved clearly in January, although saving was still favoured most.

In January, 21 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 42 per cent of them thought that the country's economy would deteriorate. In December, the corresponding proportions were 14 and 51 per cent and in last year's January optimistic 40 and 18 per cent. In all, 23 per cent of consumers believed in January that their own economy would improve and 14 per cent of them feared it would worsen over the year. One year ago the respective proportions were 26 and 12 per cent.

Consumers' expectations concerning their own and Finland's economy in 12 months' time



Altogether 14 per cent of consumers thought in January that unemployment would decrease in Finland over the year, while 56 per cent of them believed it would increase. The corresponding proportions were 11 and 63 per cent one month ago and 34 and 26 per cent one year ago.

In January, 14 per cent of employed persons reckoned that their personal threat of unemployment had decreased over the past few months, but still slightly more, or 16 per cent of them, thought it had grown. The corresponding proportions were 9 and 22 per cent in December and 18 and 14 per cent one year ago. In January, 48 per cent of employed persons thought the threat had remained unchanged and 23 per cent felt that they were not threatened by unemployment at all.

In January consumers predicted that consumer prices would go up by 3.1 per cent over the next 12 months. The long-term predicted average inflation rate is 2.2 per cent.

As many as 61 per cent of consumers considered saving worthwhile in January. In all, 65 per cent of households had been able to lay aside some money and 78 per cent believed they would be able to do so during the next 12 months. Households mostly save for a rainy day. After the popular fixed-term or investment accounts, the most common investment targets are investment funds and insurances.

In January, 50 per cent of consumers regarded the time good for raising a loan. One month ago the respective proportion was 40 per cent and one year ago 68 per cent. Slightly fewer households than average, or 11 per cent of them, were planning in January to raise a loan within one year.

In January, 47 per cent of consumers thought the time was favourable for buying durable goods. One month ago the respective proportion was 37 per cent and one year ago 51 per cent. Consumption intentions were more moderate than usual in January, but many households had plans to spend money on, for instance, travel and home repairs during the next six months. Sixteen per cent of households were fairly or very certain to buy a car and seven per cent a dwelling during the next 12 months. Last year in January the corresponding proportions were 15 and 9 per cent.

The population of the Consumer Survey comprises approximately 4.4 million persons and 2.6 million households in Finland. In January the population was extended to persons aged 75 to 84. The gross sample size of the Survey is 2,350 persons monthly (before the extension of the population it was 2,200 persons). In January, the non-response rate of the Survey was 34.8 per cent. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

Consumers' views of the economy

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 01/2011 | 12/2011 | 01/2012 | Outlook |
|--|---------------------|------------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 13,0 | 22,9 | -6,5 | 16,6 | 0,4 | 3,4 | -- |
| B2 Own economy in 12 months' time (balance) | 9,0 | 14,1 | 2,3 | 8,3 | 4,6 | 6,1 | -- |
| B4 Finland's economy in 12 months' time (balance) | 4,5 | 25,3 | -27,1 | 10,1 | -22,0 | -13,0 | -- |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 3,1 | 3,1 | 3,1 | |
| B7 Unemployment in Finland in 12 months' time (balance) | 0,7 | 27,6 | -51,1 | 3,8 | -29,9 | -23,5 | -- |
| B8 Own threat of unemployment now (balance) | 1,0 | 7,6 | -18,8 | 4,4 | -6,9 | 0,9 | +/- |
| C1 Favourability of time for buying durable goods (balance) | 20,6 | 41,8 | -14,2 | 27,5 | -0,0 | 17,6 | - |
| C2 Favourability of time for saving (balance) | 11,6 | 36,8 | -19,6 | 19,9 | 20,1 | 15,1 | + |
| C3 Favourability of time for raising a loan (balance) | 17,6 | 42,0 | -47,1 | 22,5 | -10,7 | 2,5 | - |
| D2 Household's saving possibilities in the next 12 months (balance) | 37,8 | 52,2 | 10,9 | 44,2 | 48,9 | 44,0 | + |

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 the CCI components. The balance figures and the confidence indicator can range between -100 and +100 – the higher (positive) balance figure, the brighter the view on the economy.

Explanations for Outlook column: ++ Outlook is very good, + Outlook is good, +/- Outlook is neutral, - Outlook is poor, -- Outlook is very poor. Deviation of balance from average has been compared to standard deviation.

The (seasonally adjusted) Consumer Survey results for all EU countries will be later released on the European Commission website: European Commission, DG ECFIN, Business and Consumer Survey Results; http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm

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1. Method of the Consumer Survey

The Consumer Survey is a telephone interview survey by means of which it is possible to measure Finns' images - assessments and expectations - of the general economic development and the financial situation of one's own household and intentions to make major purchases, save money or take out a loan. In addition, the survey is a tool for finding out how common modern machines and equipment are in households.

The first Finnish Consumer Survey was conducted in November 1987. Until 1991 it was carried out twice a year, in May and November. In 1992 the survey times were rose to four: the survey months were February, May, August and November. Since October 1995 the Consumer Survey data have been collected monthly on assignment of the European Commission.

The Consumer Survey has a totally new individual sample each month. The same sample is also used for the data collection of the Finnish Travel Survey and some other surveys as well. The sample size of the Consumer Survey is 2,350 persons monthly. The non-response rate nowadays being about 35 per cent, approximately 1,500 responses are gained every month. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

The interviews are conducted from Statistics Finland's CATI Centre during the first two or three weeks of the month. The target area is the whole country and the respondents of the Consumer Survey represent the 15 to 84-year-old population in Finland, according to age, gender, province of domicile and native language.

All the response data of the Consumer Survey are weighted against the total population by means of sample weights. Weighting corrects the effects of non-response and improves the statistical accuracy of the data. The weights are established by using a calibration method and the probability of each observation to be included in the sample. The figures and series presented are not seasonally adjusted.

Appendix tables

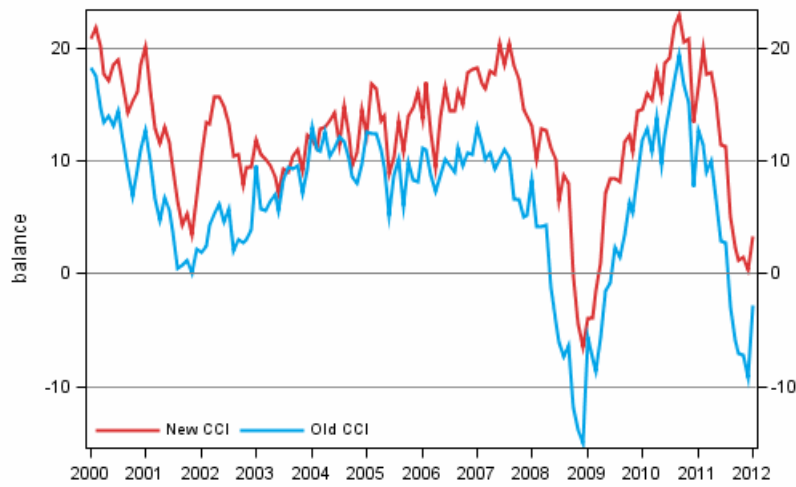
Appendix table 1. Consumers' views and intentions

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 01/2011 | 12/2011 | 01/2012 | Outlook |
|---|---------------------|---------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 13,0 | 22,9 | -6,5 | 16,6 | 0,4 | 3,4 | -- |
| A2 Old CCI = (B1+B2+B3+B4+C1)/5 | 8,2 | 19,4 | -15,0 | 12,7 | -9,1 | -2,8 | -- |
| A3 Micro indicator = (B2+D1+D2)/3 | 24,8 | 33,4 | 9,5 | 28,6 | 28,7 | 27,1 | + |
| A4 Macro indicator = (B4+B7)/2 | 2,6 | 22,8 | -39,1 | 6,9 | -26,0 | -18,3 | -- |
| B1 Own economy now (balance) | 4,7 | 9,8 | -4,0 | 5,0 | 3,2 | 3,2 | - |
| - Better (%) | 24,2 | 30,6 | 16,7 | 24,5 | 23,3 | 20,9 | |
| - Worse (%) | 15,7 | 22,7 | 11,4 | 16,5 | 18,0 | 16,2 | |
| B2 Own economy in 12 months' time (balance) | 9,0 | 14,1 | 2,3 | 8,3 | 4,6 | 6,1 | -- |
| - Better (%) | 26,2 | 33,4 | 18,2 | 26,1 | 22,3 | 23,0 | |
| - Worse (%) | 10,6 | 17,2 | 6,6 | 12,4 | 14,4 | 13,9 | |
| B3 Finland's economy now (balance) | 2,2 | 29,5 | -60,9 | 12,9 | -31,3 | -27,6 | -- |
| - Better (%) | 29,8 | 62,1 | 2,0 | 47,0 | 6,7 | 6,9 | |
| - Worse (%) | 23,2 | 88,5 | 4,2 | 20,2 | 60,8 | 56,8 | |
| B4 Finland's economy in 12 months' time (balance) | 4,5 | 25,3 | -27,1 | 10,1 | -22,0 | -13,0 | -- |
| - Better (%) | 31,4 | 57,3 | 11,6 | 39,9 | 14,1 | 20,6 | |
| - Worse (%) | 21,3 | 57,3 | 6,0 | 18,2 | 50,7 | 42,2 | |
| B5 Inflation now (per cent) | 2,3 | 5,8 | -2,0 | 3,2 | 3,6 | 3,5 | |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 3,1 | 3,1 | 3,1 | |
| B7 Unemployment in Finland in 12 months' time (balance) | 0,7 | 27,6 | -51,1 | 3,8 | -29,9 | -23,5 | -- |
| - Less (%) | 33,7 | 60,8 | 6,4 | 34,4 | 10,6 | 13,6 | |
| - More (%) | 30,1 | 83,3 | 6,9 | 25,5 | 63,4 | 55,9 | |
| B8 Own threat of unemployment now (balance) | 1,0 | 7,6 | -18,8 | 4,4 | -6,9 | 0,9 | +/- |
| - Decreased (%) | 13,9 | 20,0 | 5,3 | 17,8 | 8,8 | 13,7 | |
| - Increased (%) | 15,0 | 31,9 | 7,9 | 14,2 | 21,7 | 15,5 | |
| C1 Favourability of time for buying durable goods (balance) | 20,6 | 41,8 | -14,2 | 27,5 | -0,0 | 17,6 | - |
| - Favourable time (%) | 45,5 | 62,4 | 29,6 | 50,8 | 36,6 | 46,7 | |
| - Unfavourable time (%) | 24,9 | 45,7 | 17,7 | 23,3 | 36,6 | 29,1 | |
| C2 Favourability of time for saving (balance) | 11,6 | 36,8 | -19,6 | 19,9 | 20,1 | 15,1 | + |
| - Good time (%) | 58,9 | 80,7 | 33,4 | 65,7 | 64,8 | 60,8 | |
| - Bad time (%) | 35,2 | 58,5 | 15,5 | 29,7 | 31,6 | 34,1 | |
| C3 Favourability of time for raising a loan (balance) | 17,6 | 42,0 | -47,1 | 22,5 | -10,7 | 2,5 | - |
| - Good time (%) | 62,3 | 78,2 | 13,3 | 67,7 | 40,4 | 50,0 | |
| - Bad time (%) | 30,3 | 83,4 | 12,1 | 27,0 | 55,1 | 44,0 | |
| D1 Household's financial situation now (balance) | 27,5 | 35,1 | 14,7 | 33,2 | 32,5 | 31,2 | + |
| - Can save (%) | 58,2 | 70,0 | 38,6 | 67,0 | 66,3 | 64,8 | |
| - Uses savings or gets into debt (%) | 6,7 | 10,1 | 4,5 | 5,9 | 6,1 | 6,6 | |

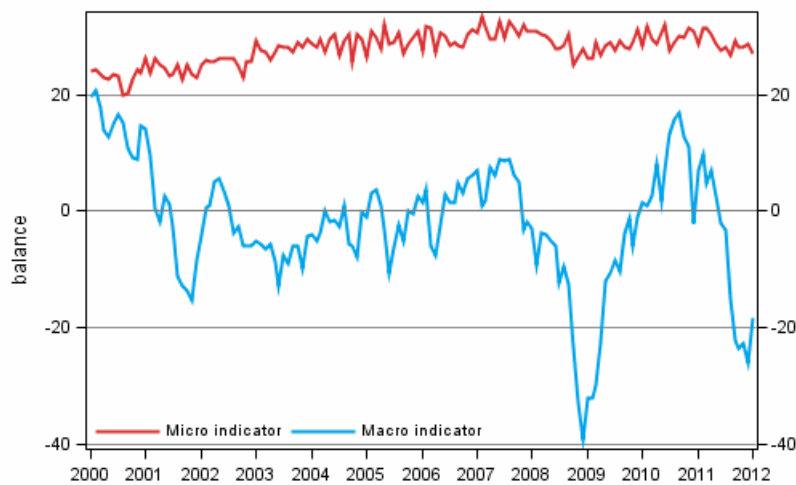
| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 01/2011 | 12/2011 | 01/2012 | Outlook |
|---|---------------------|---------------|---------------|---------|---------|---------|---------|
| D2 Household's saving possibilities in the next 12 months (balance) | 37,8 | 52,2 | 10,9 | 44,2 | 48,9 | 44,0 | + |
| - Can save (%) | 72,9 | 82,3 | 56,6 | 77,8 | 80,9 | 77,6 | |
| - Cannot save (%) | 25,1 | 40,3 | 16,5 | 21,7 | 18,1 | 21,1 | |
| D5 Household's intentions to raise a loan in the next 12 months (% of households) | 13,5 | 17,8 | 9,1 | 12,6 | 11,6 | 11,1 | -- |
| - Yes, certainly (%) | 5,6 | 8,5 | 3,1 | 5,6 | 5,2 | 5,1 | |
| - Possibly (%) | 7,8 | 11,4 | 5,2 | 7,0 | 6,4 | 6,0 | |
| E1 Spending on durable goods, next 12 months vs last 12 months (balance) | -7,9 | -2,4 | -18,2 | -7,3 | -12,5 | -11,8 | -- |
| - More (%) | 22,7 | 30,8 | 14,3 | 20,1 | 17,4 | 16,2 | |
| - Less (%) | 32,4 | 40,4 | 26,5 | 29,6 | 34,4 | 32,2 | |
| E2 Intentions to buy a car in the next 12 months (% of households) | 17,5 | 21,7 | 14,2 | 15,4 | 14,8 | 16,3 | - |
| - Very likely (%) | 9,0 | 12,1 | 6,3 | 7,5 | 6,6 | 7,3 | |
| - Fairly likely (%) | 8,4 | 10,4 | 6,2 | 7,9 | 8,1 | 9,0 | |
| E4 Intentions to buy a dwelling in the next 12 months (% of households) | 7,1 | 11,3 | 4,1 | 8,6 | 7,3 | 7,3 | +/- |
| - Yes, certainly (%) | 3,1 | 5,2 | 1,3 | 3,7 | 3,3 | 2,8 | |
| - Possibly (%) | 4,0 | 6,2 | 2,2 | 4,9 | 4,0 | 4,5 | |
| E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households) | 18,5 | 27,0 | 9,8 | 21,6 | 21,6 | 19,0 | +/- |
| - Very likely (%) | 12,1 | 19,0 | 5,0 | 13,5 | 13,9 | 13,4 | |
| - Fairly likely (%) | 6,4 | 9,1 | 3,2 | 8,1 | 7,6 | 5,5 | |

Appendix figures

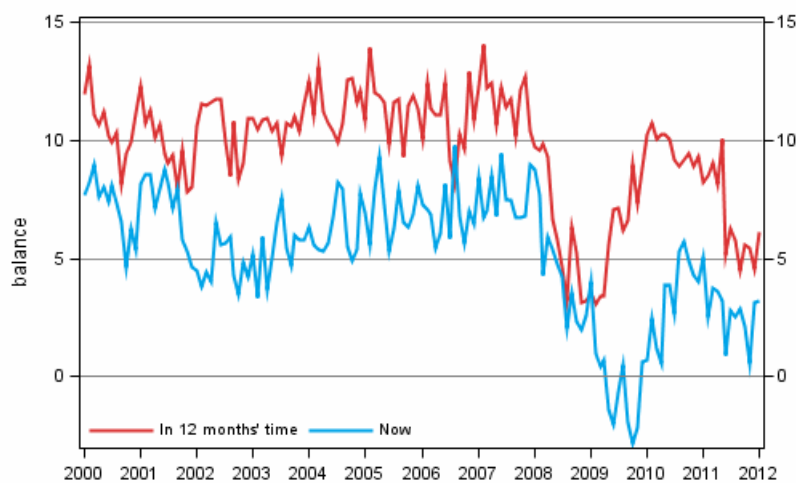
Appendix figure 1. Consumer confidence indicator (CCI)



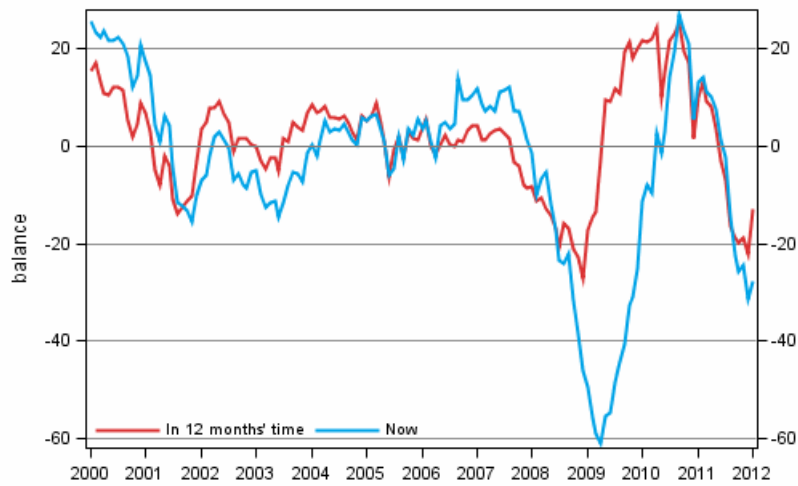
Appendix figure 2. Micro and macro indicators



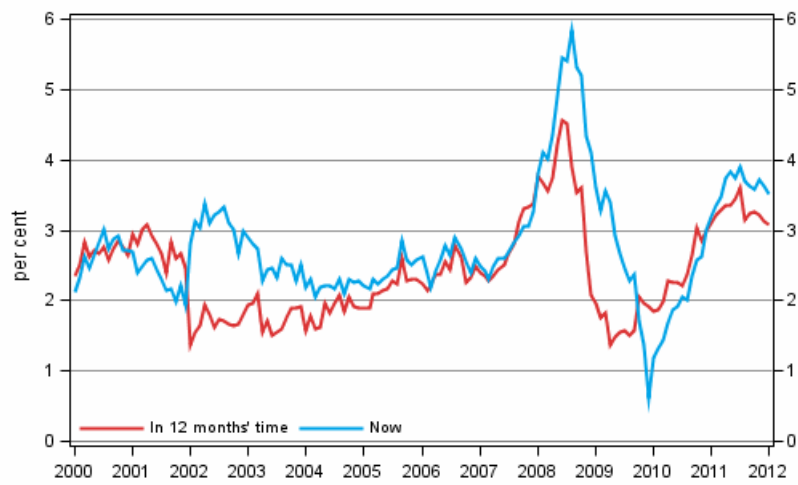
Appendix figure 3. Own economy



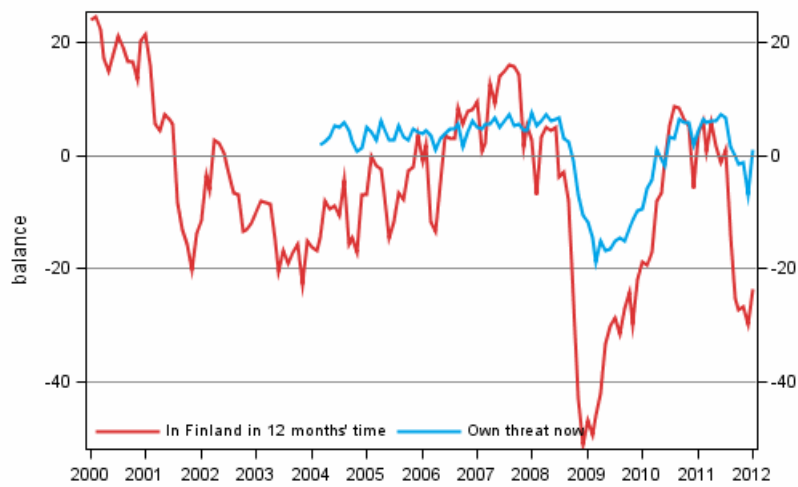
Appendix figure 4. Finland's economy



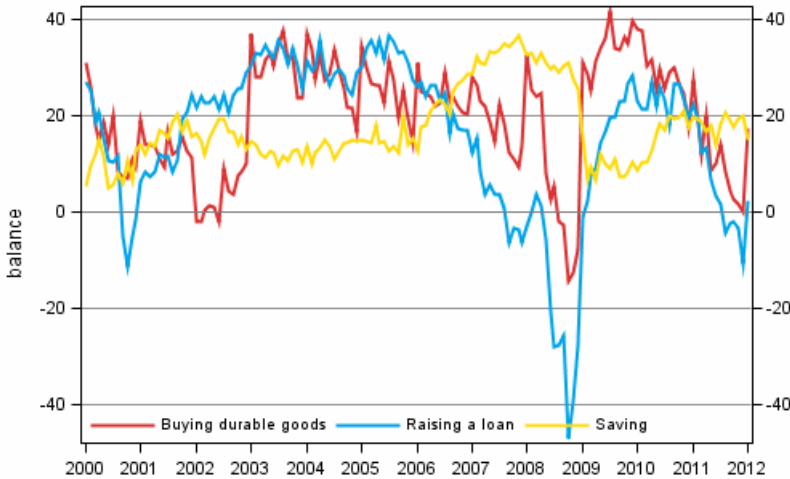
Appendix figure 5. Inflation



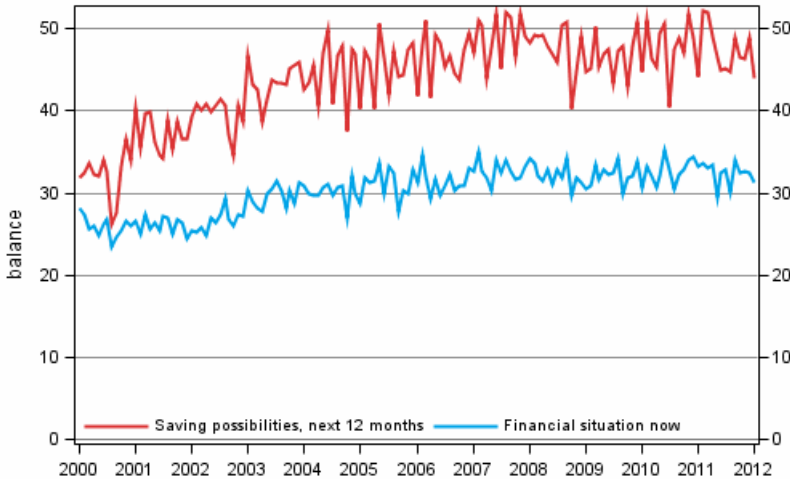
Appendix figure 6. Unemployment



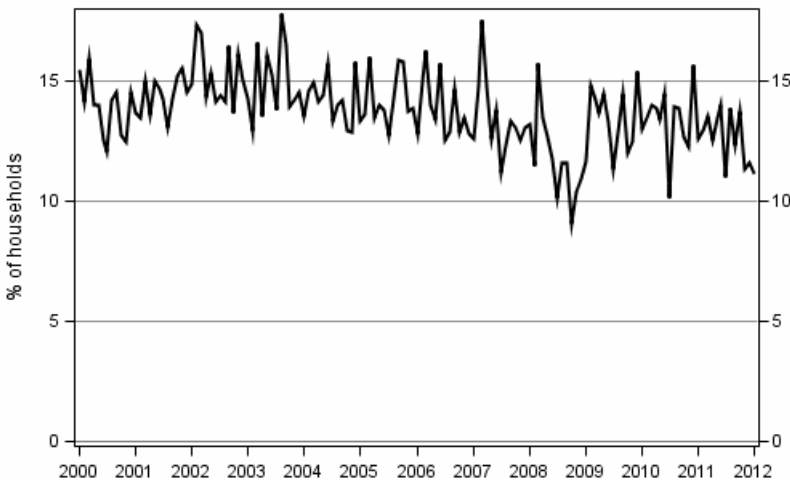
Appendix figure 7. Favourability of time for



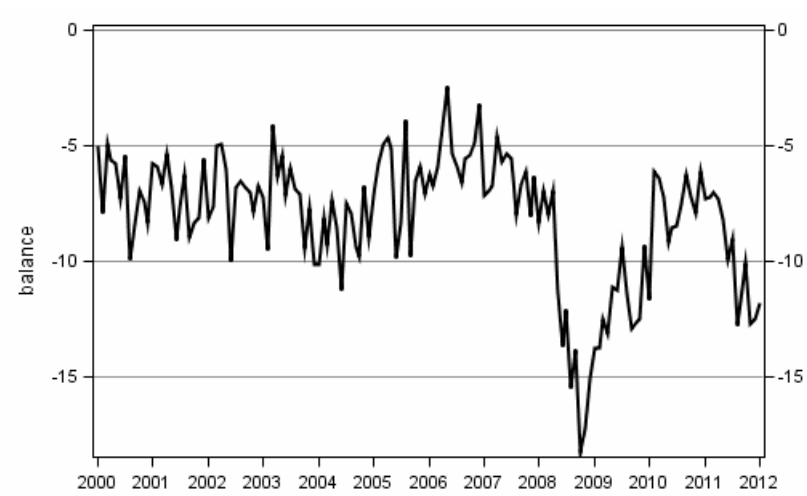
Appendix figure 8. Household's financial situation



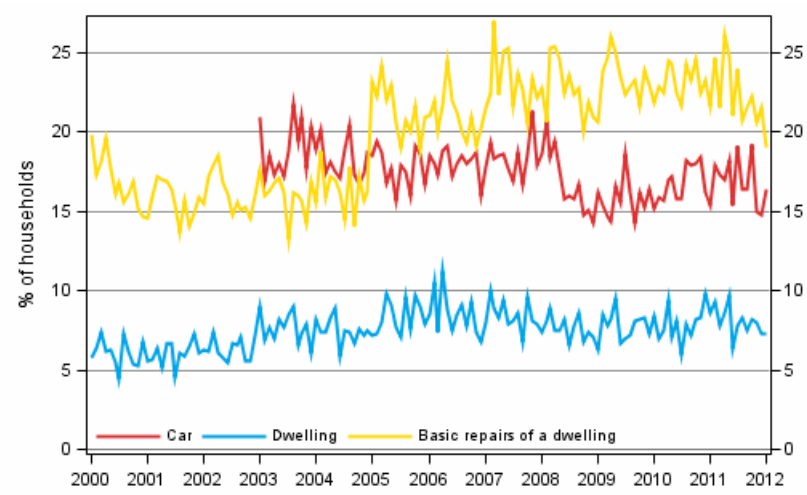
Appendix figure 9. Intentions to raise a loan, next 12 months



Appendix figure10. Spending on durable goods, next 12 months vs last 12 months



Appendix figure 11. Intentions to buy, next 12 months



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Income and Consumption 2012

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Source: Consumer Survey 2012, January. Statistics Finland