

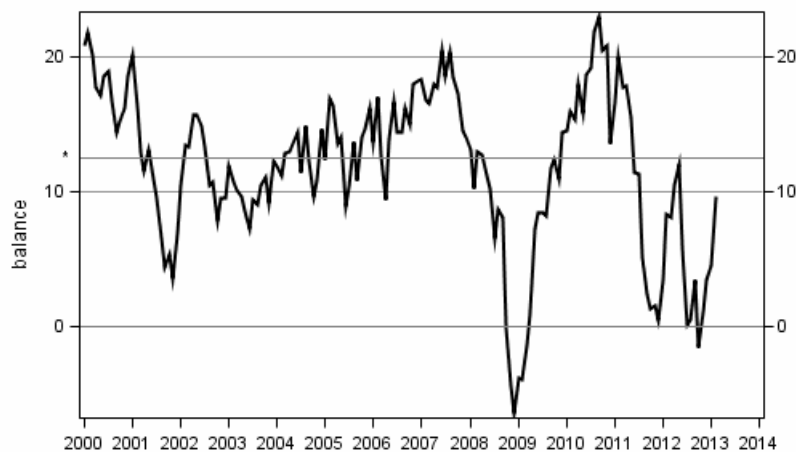
Consumer Survey

2013, February

Consumers' confidence in the economy improved further in February

The consumer confidence indicator stood at 9.6 in February, having been 4.5 in January and 3.5 in December. Confidence in the economy was more or less at the same level as one year ago (8.3) in February, but clearly below its long-term average (12.5). The data are based on Statistics Finland's Consumer Survey, for which 1,453 people resident in Finland were interviewed between 1 and 19 February.

Consumer confidence indicator (CCI)



* average 10/1995 - 02/2013

All four components of the consumer confidence indicator improved slightly in February compared to January. The views about Finland's future economic situation and about own household's saving possibilities improved the most. Consumers' expectations concerning their own economic situation and development of unemployment showed less improvement. The views on employment were still rather gloomy.

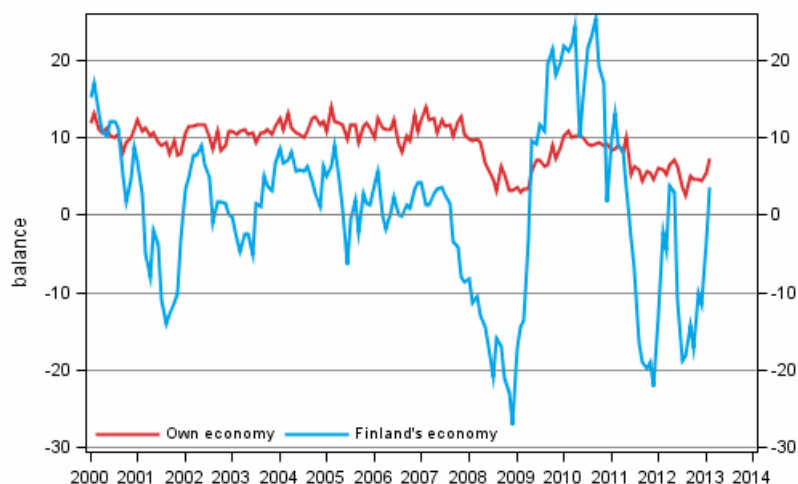
Employed consumers felt in February that the threat of unemployment had decreased slightly from January. Consumers thought that the time was slightly more favourable for raising a loan than for saving or buying durable goods.

Consumers' own and Finland's economy

In February, 35 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 26 per cent of them thought that the country's economy would deteriorate. In January, the corresponding proportions were 29 and 32 per cent and in last year's February 29 and 30 per cent.

In all, 25 per cent of consumers believed in February that their own economy would improve, while 13 per cent of them feared it would worsen over the year. One year ago, the respective proportions were roughly the same at 24 and 15 per cent.

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



Unemployment and inflation

Altogether, 15 per cent of consumers thought in February that unemployment would decrease in Finland during the next 12 months. A little over half (52 per cent), in turn, expected unemployment to increase. In January, the respective proportions were 14 and 59 per cent and twelve months ago 18 and 49 per cent.

In February, 11 per cent of consumers believed that their personal threat of unemployment had lessened over the past few months. Clearly more, or 18 per cent, thought the threat had grown. Twelve months previously, the corresponding proportions were 12 and 15 per cent. In February, 46 per cent of employed persons thought the threat had remained unchanged and 24 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in February 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.

Saving and taking out a loan

Saving was considered worthwhile by 56 per cent of consumers in February. Two thirds of households had been able to lay aside some money and four fifths believed they would be able to do so during the next 12 months.

In February, 59 per cent of consumers regarded the time good for raising a loan. Twelve months ago the respective proportion was 54 per cent. In February, 12 per cent of households were planning to take out a loan within one year.

Buying of durable goods

In February, 37 per cent of consumers thought the time was favourable for buying durable goods. Consumption intentions were clearly more moderate than the long-term average. Seventeen per cent of households were fairly or very certain to buy a car and 7 per cent a dwelling during the next 12 months. Last year in February, the corresponding proportions were 17 and 9 per cent. In February, 20 per cent of households were planning to make renovations to their dwelling.

Consumers' views of the economy

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 02/2012 | 01/2013 | 02/2013 | Outlook |
|--|---------------------|------------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 12,5 | 22,9 | -6,5 | 8,3 | 4,5 | 9,6 | - |
| B2 Own economy in 12 months' time (balance) | 8,7 | 14,1 | 2,3 | 5,8 | 5,5 | 7,4 | - |
| B4 Finland's economy in 12 months' time (balance) | 3,8 | 25,3 | -27,1 | -2,2 | -3,3 | 3,5 | +/- |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 2,9 | 2,9 | 3,1 | |
| B7 Unemployment in Finland in 12 months' time (balance) | -0,8 | 27,6 | -51,1 | -17,6 | -25,8 | -20,3 | -- |
| B8 Own threat of unemployment now (balance) | 0,5 | 7,6 | -18,8 | 0,2 | -8,2 | -3,1 | - |
| C1 Favourability of time for purchasing durables (balance) | 19,7 | 41,8 | -14,2 | 11,8 | 4,9 | 5,0 | -- |
| C2 Favourability of time for saving (balance) | 11,6 | 36,8 | -19,6 | 17,0 | 10,9 | 8,9 | +/- |
| C3 Favourability of time for raising a loan (balance) | 17,4 | 42,0 | -47,1 | 7,2 | 10,1 | 13,6 | - |
| D2 Household's saving possibilities in the next 12 months (balance) | 38,3 | 52,2 | 10,9 | 47,1 | 41,5 | 47,6 | + |

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 population and sample of the Consumer Survey

The population of the Consumer Survey comprises 4.4 million persons aged 15 to 84 and their 2.6 million households in Finland. The population was extended to persons aged 75 to 84 starting from January 2012. The gross size of the monthly sample of the Survey is 2,350 persons (previously 2,200 persons).

In February, the non-response rate of the Survey was 38.2 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.

The extension of the population, that is, responses from persons aged 75 to 84, is estimated to have weakened the value of the consumer confidence indicator by good one unit starting from January 2012. This has mainly been caused by the fall in the balance figure of one component, households' saving

possibilities. The extension of the population has also somewhat affected the results concerning the possession of home technology in households.

EU results

The (seasonally adjusted) Consumer Survey results for all EU countries are 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

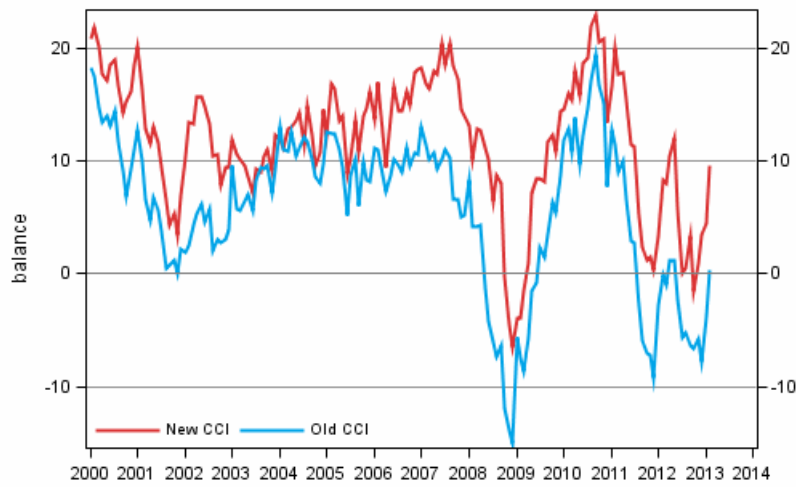
Appendix table 1. Consumers' views and intentions

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 02/2012 | 01/2013 | 02/2013 | Outlook |
|--|---------------------|---------------|---------------|---------|---------|---------|---------|
| A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4 | 12,5 | 22,9 | -6,5 | 8,3 | 4,5 | 9,6 | - |
| A2 Old CCI = (B1+B2+B3+B4+C1)/5 | 7,5 | 19,4 | -15,0 | -0,1 | -3,8 | 0,4 | -- |
| A3 Micro indicator = (B2+D1+D2)/3 | 25,0 | 33,4 | 9,5 | 29,1 | 26,2 | 29,4 | + |
| A4 Macro indicator = (B4+B7)/2 | 1,5 | 22,8 | -39,1 | -9,9 | -14,5 | -8,4 | - |
| B1 Own economy now (balance) | 4,5 | 9,8 | -4,0 | 2,5 | 0,6 | 1,9 | - |
| - Better (%) | 24,0 | 30,6 | 16,7 | 21,7 | 19,4 | 20,5 | |
| - Worse (%) | 15,9 | 22,7 | 11,4 | 17,0 | 17,8 | 17,2 | |
| B2 Own economy in 12 months' time (balance) | 8,7 | 14,1 | 2,3 | 5,8 | 5,5 | 7,4 | - |
| - Better (%) | 26,0 | 33,4 | 18,2 | 24,0 | 23,2 | 24,7 | |
| - Worse (%) | 10,8 | 17,2 | 6,6 | 14,7 | 14,6 | 12,6 | |
| B3 Finland's economy now (balance) | 0,7 | 29,5 | -60,9 | -18,3 | -26,8 | -16,0 | - |
| - Better (%) | 28,7 | 62,1 | 2,0 | 12,8 | 9,0 | 15,0 | |
| - Worse (%) | 24,8 | 88,5 | 4,2 | 45,5 | 55,1 | 42,4 | |
| B4 Finland's economy in 12 months' time (balance) | 3,8 | 25,3 | -27,1 | -2,2 | -3,3 | 3,5 | +/- |
| - Better (%) | 30,9 | 57,3 | 11,6 | 29,0 | 29,4 | 35,5 | |
| - Worse (%) | 22,2 | 57,3 | 6,0 | 30,3 | 31,6 | 26,1 | |
| B5 Inflation now (per cent) | 2,3 | 5,8 | -2,0 | 3,4 | 3,3 | 3,6 | |
| B6 Inflation in 12 months' time (per cent) | 2,2 | 4,6 | 0,6 | 2,9 | 2,9 | 3,1 | |
| B7 Unemployment in Finland in 12 months' time (balance) | -0,8 | 27,6 | -51,1 | -17,6 | -25,8 | -20,3 | -- |
| - Less (%) | 32,5 | 60,8 | 6,4 | 17,6 | 13,6 | 15,3 | |
| - More (%) | 31,7 | 83,3 | 6,9 | 49,2 | 59,4 | 52,2 | |
| B8 Own threat of unemployment now (balance) | 0,5 | 7,6 | -18,8 | 0,2 | -8,2 | -3,1 | - |
| - Decreased (%) | 13,6 | 20,0 | 5,3 | 11,8 | 8,2 | 11,0 | |
| - Increased (%) | 15,4 | 31,9 | 7,9 | 14,6 | 21,7 | 18,3 | |
| C1 Favourability of time for purchasing durables (balance) | 19,7 | 41,8 | -14,2 | 11,8 | 4,9 | 5,0 | -- |
| - Favourable time (%) | 45,0 | 62,4 | 29,6 | 42,3 | 38,1 | 37,4 | |
| - Unfavourable time (%) | 25,4 | 45,7 | 17,7 | 30,5 | 33,1 | 32,3 | |
| C2 Favourability of time for saving (balance) | 11,6 | 36,8 | -19,6 | 17,0 | 10,9 | 8,9 | +/- |
| - Good time (%) | 58,9 | 80,7 | 33,4 | 62,5 | 57,8 | 56,3 | |
| - Bad time (%) | 35,3 | 58,5 | 15,5 | 33,5 | 36,8 | 38,4 | |
| C3 Favourability of time for raising a loan (balance) | 17,4 | 42,0 | -47,1 | 7,2 | 10,1 | 13,6 | - |
| - Good time (%) | 62,1 | 78,2 | 13,3 | 54,4 | 56,3 | 59,0 | |
| - Bad time (%) | 30,5 | 83,4 | 12,1 | 39,4 | 37,5 | 35,7 | |
| D1 Household's financial situation now (balance) | 27,8 | 35,1 | 14,7 | 34,3 | 31,5 | 33,1 | + |
| - Can save (%) | 58,7 | 70,0 | 38,6 | 69,2 | 66,3 | 67,3 | |
| - Uses savings or gets into debt (%) | 6,7 | 10,1 | 4,5 | 5,2 | 7,1 | 6,0 | |

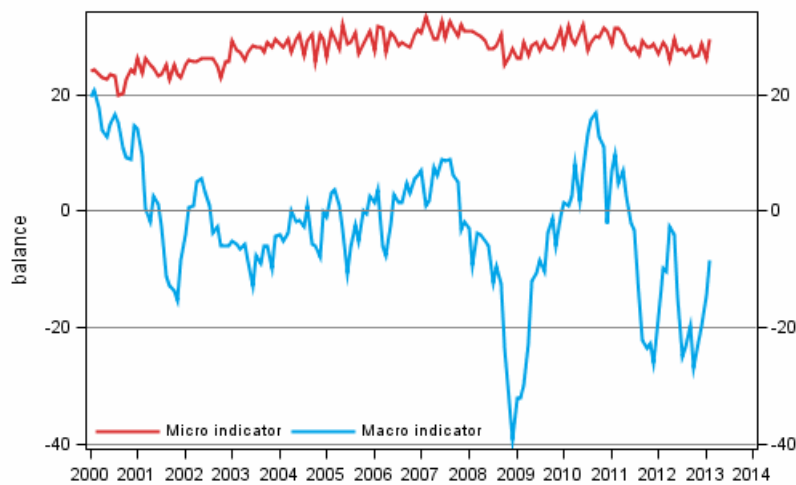
| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 02/2012 | 01/2013 | 02/2013 | Outlook |
|---|---------------------|---------------|---------------|---------|---------|---------|---------|
| D2 Household's saving possibilities in the next 12 months (balance) | 38,3 | 52,2 | 10,9 | 47,1 | 41,5 | 47,6 | + |
| - Can save (%) | 73,3 | 82,3 | 56,6 | 79,8 | 75,7 | 80,0 | |
| - Cannot save (%) | 24,8 | 40,3 | 16,5 | 19,0 | 22,9 | 19,2 | |
| D5 Household's intentions to raise a loan in the next 12 months (% of households) | 13,4 | 17,8 | 9,1 | 12,1 | 11,2 | 11,7 | -- |
| - Yes, certainly (%) | 5,6 | 8,5 | 3,1 | 5,1 | 5,0 | 5,5 | |
| - Possibly (%) | 7,8 | 11,4 | 5,2 | 7,0 | 6,2 | 6,2 | |
| E1 Spending on durables, next 12 months vs last 12 months (balance) | -8,1 | -2,4 | -18,2 | -9,6 | -14,4 | -10,3 | - |
| - More (%) | 22,4 | 30,8 | 14,3 | 20,0 | 16,5 | 17,0 | |
| - Less (%) | 32,5 | 40,4 | 26,5 | 32,3 | 36,4 | 31,2 | |
| E2 Intentions to buy a car in the next 12 months (% of households) | 17,2 | 21,7 | 12,7 | 17,1 | 12,7 | 16,6 | - |
| - Very likely (%) | 8,9 | 12,1 | 5,9 | 8,2 | 5,9 | 9,7 | |
| - Fairly likely (%) | 8,4 | 10,4 | 6,2 | 8,9 | 6,8 | 6,9 | |
| E4 Intentions to buy a dwelling in the next 12 months (% of households) | 7,1 | 11,3 | 4,1 | 9,1 | 7,0 | 7,2 | +/- |
| - Yes, certainly (%) | 3,1 | 5,2 | 1,3 | 3,5 | 2,7 | 3,4 | |
| - Possibly (%) | 4,0 | 6,2 | 2,2 | 5,6 | 4,4 | 3,8 | |
| E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households) | 18,7 | 27,0 | 9,8 | 22,2 | 20,5 | 20,3 | + |
| - Very likely (%) | 12,3 | 19,0 | 5,0 | 14,6 | 13,4 | 14,5 | |
| - Fairly likely (%) | 6,4 | 9,1 | 3,2 | 7,5 | 7,1 | 5,8 | |

Appendix figures

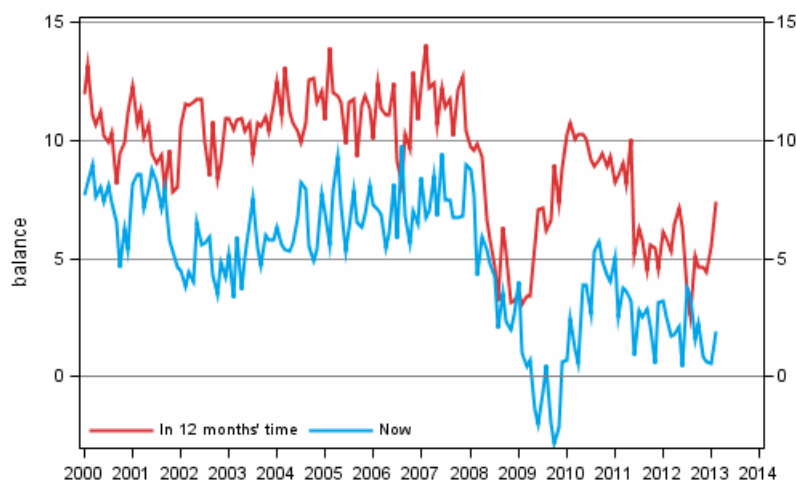
Appendix figure 1. Consumer confidence indicator (CCI)



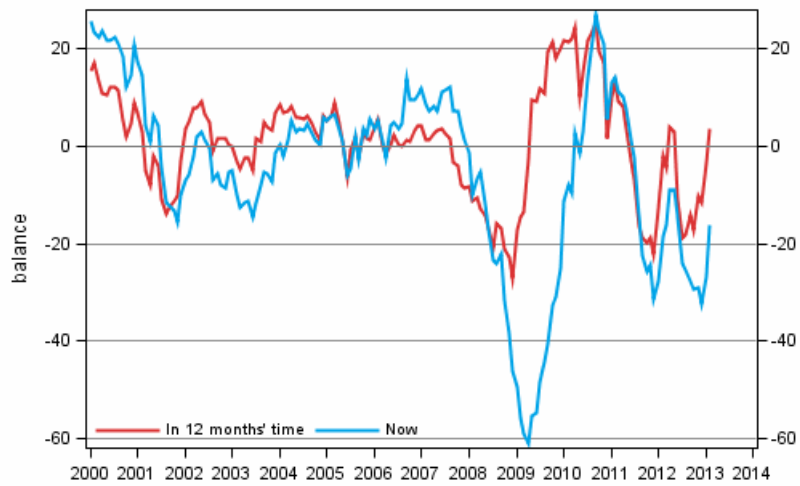
Appendix figure 2. Micro and macro indicators



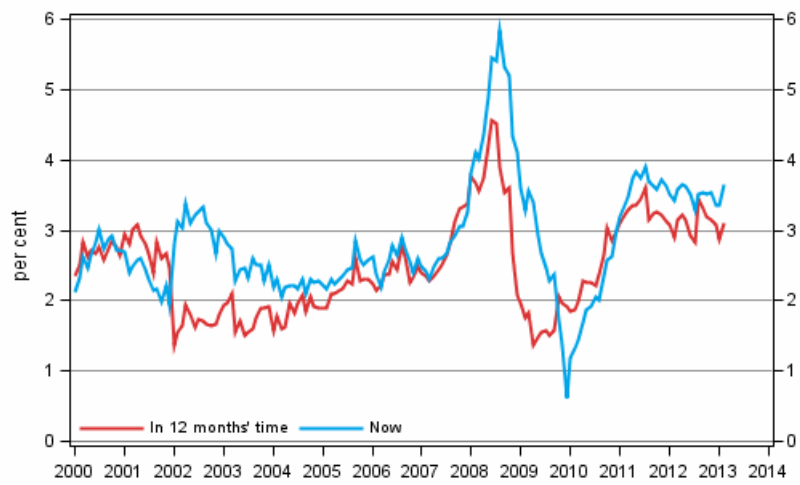
Appendix figure 3. Own economy



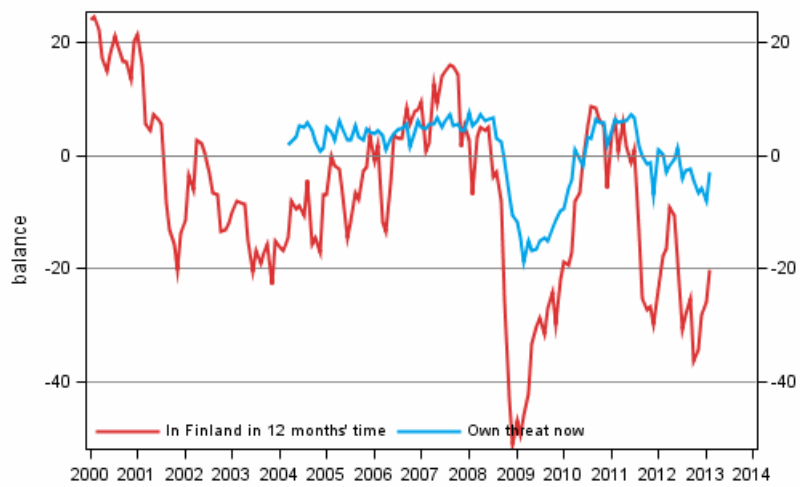
Appendix figure 4. Finland's economy



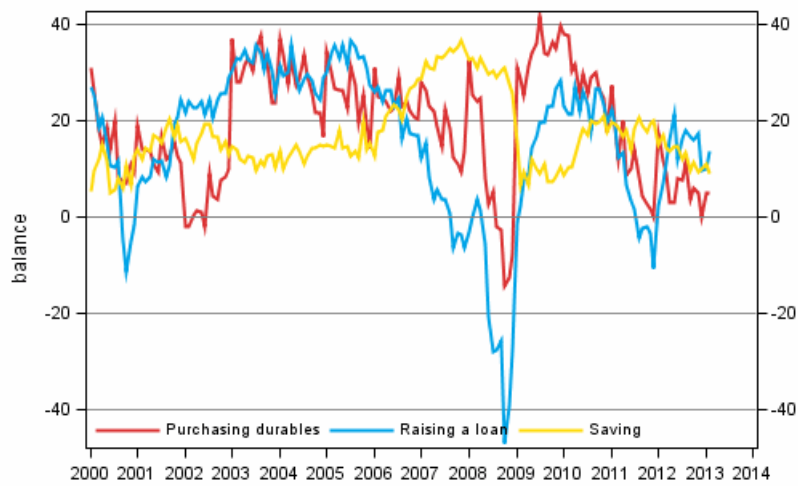
Appendix figure 5. Inflation



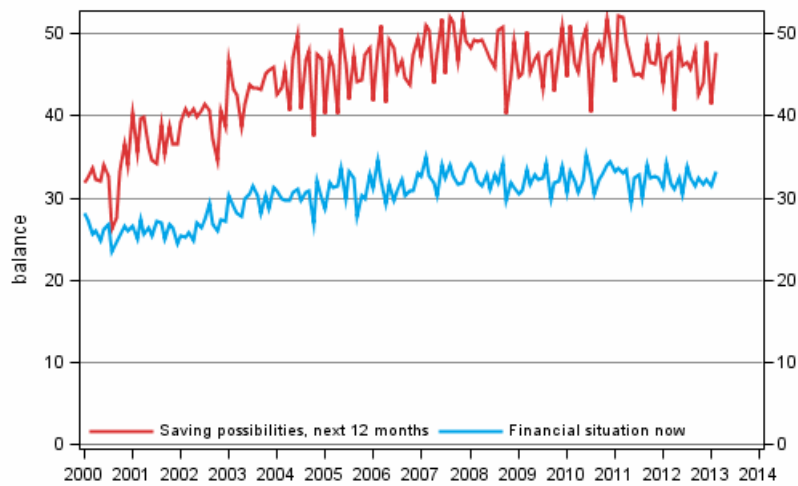
Appendix figure 6. Unemployment



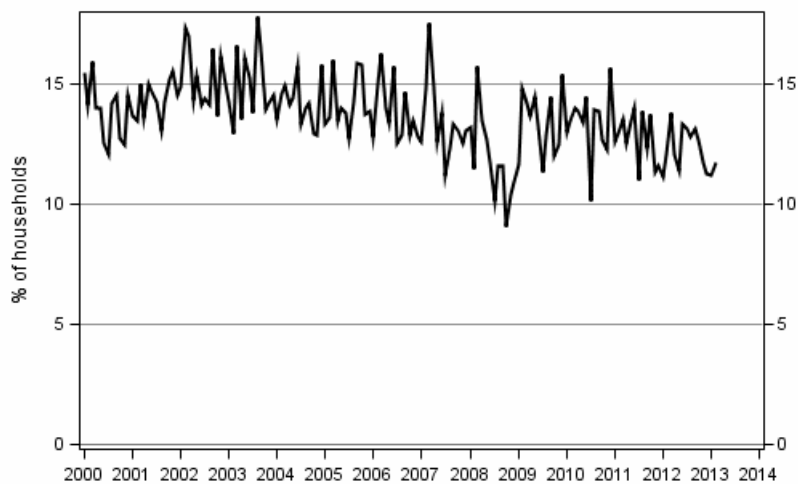
Appendix figure 7. Favourability of time for



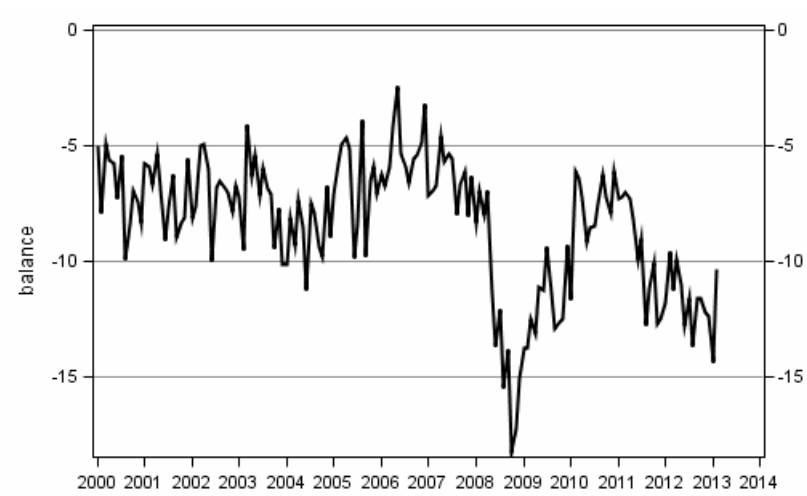
Appendix figure 8. Household's financial situation



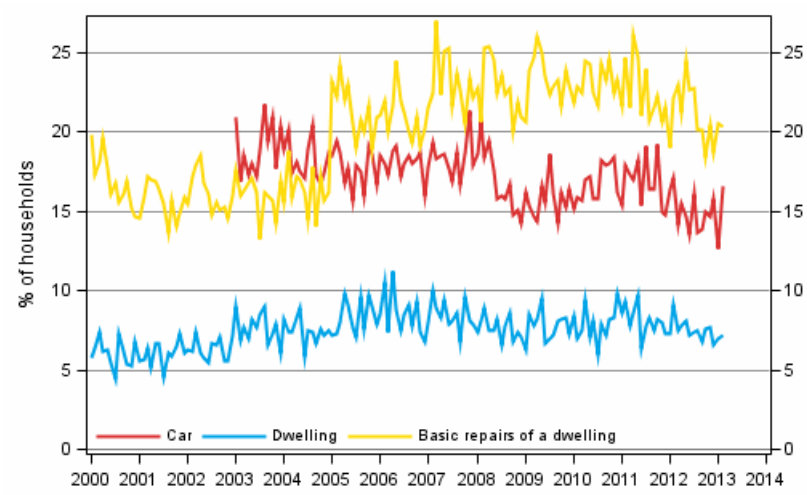
Appendix figure 9. Household's intentions to raise a loan, next 12 months



Appendix figure10. Spending on durables, next 12 months vs last 12 months



Appendix figure 11. Household's intentions to buy, next 12 months



Inquiries

Tara Junes 09 1734 3503

Pertti Kangassalo 09 1734 3598

Director in charge:

Riitta Harala

kuluttaja.barometri@stat.fi

www.stat.fi

Source: Consumer Survey 2013, February. Statistics Finland