

Consumer Survey

2016, October

Consumer confidence remains on a good level

The consumer confidence indicator (CCI) stood at 15.8 in October, having been 14.4 in September and 15.7 in August. In last year's October the CCI received the value 1.3. The long-term average for the CCI is 11.7. The data are based on Statistics Finland's Consumer Survey, for which 1,252 people resident in Finland were interviewed between 3 and 19 October.

Consumer confidence indicator (CCI)



1) average 10/1995 - 10/2016

Of the four components of the CCI, expectations on own and Finland's economy and own saving possibilities improved slightly in October from September. The assessment about the development of unemployment remained more or less unchanged. Compared with the corresponding period last year, all the components improved clearly in October.

In October, consumers' expectations concerning Finland's economy were bright. Expectations on the consumer's own economy and general unemployment were at long-term average levels. Consumers considered their own saving possibilities good over the next 12 months.

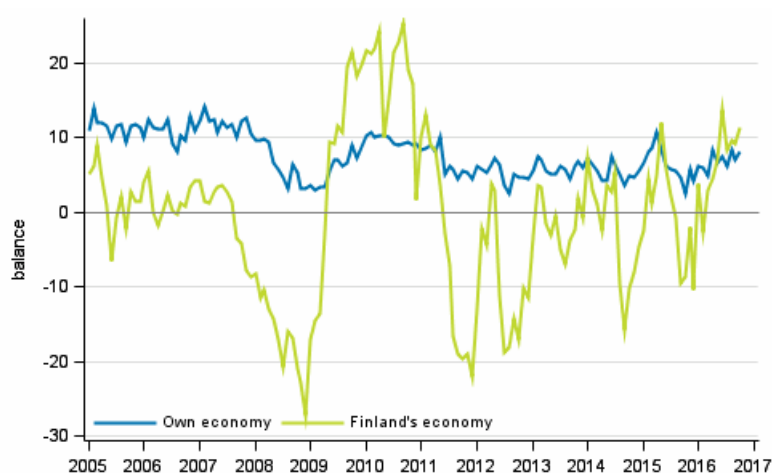
In October, consumers regarded the time favourable for buying durable goods and especially for taking out a loan but not so much for saving. In October, employed consumers felt personally somewhat threatened by unemployment.

Consumers' own and Finland's economy

In October, 41 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 17 per cent of them thought that the country's economy would deteriorate. The corresponding proportions were 39 and 19 per cent in September and pessimistic 27 and 37 per cent one year ago.

In October, 26 per cent of consumers believed that their own economy would improve and 13 per cent of them feared it would worsen over the year. One year ago the respective proportions were 22 and 18 per cent.

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



Unemployment and inflation

Altogether 30 per cent of consumers thought in October that unemployment would decrease over the year, while 32 per cent of them believed it would increase. The corresponding proportions were 28 and 30 per cent in September and gloomy 12 and 60 per cent one year ago.

Thirteen per cent of employed persons reckoned in October that their personal threat of unemployment had lessened over the past few months, while 18 per cent thought it had grown. Twenty-three per cent of employed persons felt that they were not threatened by unemployment at all.

Consumers predicted in October that consumer prices would go up by 1.5 per cent over the next 12 months. One year previously, the predicted inflation rate was 1.2 per cent. The long-term predicted average inflation rate is 2.2 per cent.

Buying of durable goods

In October, 47 per cent of consumers thought the time was favourable for buying durable goods. General intentions to spend money were still moderate. 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. In October, 18 per cent of households were planning to spend money on renovating their dwelling within a year.

Saving and taking out a loan

In all, 57 per cent of consumers considered saving worthwhile in October. In all, 68 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. In the long term, an average of 60 and 74 per cent of households have been saving or think they will be able to save. In October, households mainly planned on saving for a rainy day or for a holiday trip. Next to various bank accounts, the most planned investment targets were investment funds.

In October, 73 per cent of consumers regarded the time good for raising a loan. Slightly more households than usual, that is, 14 per cent considered taking out a loan with a year – mainly for a dwelling in a housing company or consumption.

Consumer confidence by major region and population group

In October, consumers' confidence in the economy was strongest in Greater Helsinki and Northern Finland. Among population groups, upper-level salaried employees were most optimistic. Pensioners and unemployed persons had the gloomiest expectations concerning economic development.

Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2015	09/2016	10/2016	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11.7	22.9	-6.5	1.3	14.4	15.8	+
B2 Own economy in 12 months' time (balance)	8.3	14.1	2.3	2.5	7.1	8.0	=
B4 Finland's economy in 12 months' time (balance)	3.2	25.3	-27.1	-8.7	9.2	11.4	+
B6 Inflation in 12 months' time (per cent)	2.2	4.6	0.6	1.2	1.3	1.5	
B7 Unemployment in Finland in 12 months' time (balance)	-4.1	27.6	-51.1	-27.7	-1.7	-2.0	=
B8 Own threat of unemployment now (balance)	-1.5	7.6	-18.8	-5.7	-3.1	-3.2	-
C1 Favourability of time for purchasing durables (balance)	18.3	41.8	-14.2	15.6	21.4	22.4	+
C2 Favourability of time for saving (balance)	10.4	36.8	-19.6	2.5	3.7	8.3	=
C3 Favourability of time for raising a loan (balance)	17.4	42.0	-47.1	14.4	29.5	31.3	+
D2 Household's saving possibilities in the next 12 months (balance)	39.4	52.2	10.9	39.1	42.9	45.6	+

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.

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

Contents

1. Method of the Consumer Survey.....	6
---------------------------------------	---

Tables

Appendix tables

Appendix table 1. Consumers' views and intentions.....	7
--	---

Figures

Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI).....	9
Appendix figure 2. Micro and macro indicators.....	9
Appendix figure 3. Own economy.....	9
Appendix figure 4. Finland's economy.....	10
Appendix figure 5. Inflation.....	10
Appendix figure 6. Unemployment.....	10
Appendix figure 7. Favourability of time for.....	11
Appendix figure 8. Household's financial situation and saving possibilities.....	11
Appendix figure 9. Household's intentions to raise a loan, next 12 months.....	11
Appendix figure 10. Spending on durables, next 12 months vs last 12 months.....	12
Appendix figure 11. Household's intentions to buy, next 12 months.....	12

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 equipment are in households. For the Consumer Survey, answers are given by means of answer options (qualitative survey).

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

The population of the Consumer Survey comprises 4.5 million persons aged 15 to 84 and their 2.6 million households in Finland. A sample of 2,350 persons is drawn for the survey for every month. The same sample is also used for the data collection of the Finnish Travel Survey. The target area is the whole country and the respondents of the survey represent the population in Finland, according to age, gender, region of domicile and native language.

The interviews of the Consumer Survey are conducted from Statistics Finland's Telephone Interview Centre (CATI) during the first two or three weeks of the month. In October 2016, in all, 1,252 responses were gained, so the non-response rate of the survey was 46.7 per cent (incl. over-coverage). 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 response data of the Consumer Survey are expanded to the whole population with weighting coefficients. 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

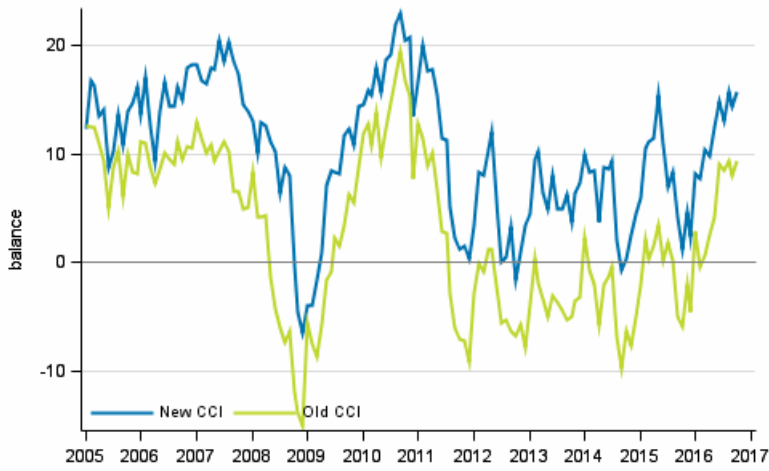
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2015	09/2016	10/2016	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11.7	22.9	-6.5	1.3	14.4	15.8	+
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6.0	19.4	-15.0	-5.9	8.1	9.4	+
A3 Micro indicator = (B2+D1+D2)/3	25.4	33.4	9.5	23.4	27.5	29.0	+
A4 Macro indicator = (B4+B7)/2	-0.5	22.8	-39.1	-18.2	3.8	4.7	+
B1 Own economy now (balance)	3.8	9.8	-4.0	-2.5	2.7	4.5	=
- Better (%)	23.3	30.6	16.4	16.5	22.2	24.9	
- Worse (%)	16.4	22.7	11.4	19.4	17.0	17.5	
B2 Own economy in 12 months' time (balance)	8.3	14.1	2.3	2.5	7.1	8.0	=
- Better (%)	25.7	33.4	18.2	21.8	25.2	26.1	
- Worse (%)	11.4	17.7	6.6	17.7	14.4	12.8	
B3 Finland's economy now (balance)	-3.4	29.5	-60.9	-36.4	0.1	0.5	=
- Better (%)	25.7	62.1	2.0	5.4	26.3	29.0	
- Worse (%)	29.0	88.5	4.2	63.0	23.7	25.5	
B4 Finland's economy in 12 months' time (balance)	3.2	25.3	-27.1	-8.7	9.2	11.4	+
- Better (%)	31.1	57.3	11.6	26.7	38.9	40.8	
- Worse (%)	23.1	57.3	6.0	36.6	18.8	16.8	
B5 Inflation now (per cent)	2.3	5.8	-2.0	0.5	0.7	0.8	
B6 Inflation in 12 months' time (per cent)	2.2	4.6	0.6	1.2	1.3	1.5	
B7 Unemployment in Finland in 12 months' time (balance)	-4.1	27.6	-51.1	-27.7	-1.7	-2.0	=
- Less (%)	29.7	60.8	6.4	12.1	28.3	29.5	
- More (%)	35.0	83.3	6.9	59.8	29.9	31.9	
B8 Own threat of unemployment now (balance)	-1.5	7.6	-18.8	-5.7	-3.1	-3.2	-
- Decreased (%)	12.8	20.0	5.3	11.7	13.0	12.9	
- Increased (%)	17.3	31.9	7.9	21.2	20.1	18.2	
C1 Favourability of time for purchasing durables (balance)	18.3	41.8	-14.2	15.6	21.4	22.4	+
- Favourable time (%)	44.6	62.4	29.6	44.4	47.2	46.8	
- Unfavourable time (%)	26.3	45.7	17.7	28.8	25.7	24.4	
C2 Favourability of time for saving (balance)	10.4	36.8	-19.6	2.5	3.7	8.3	=
- Good time (%)	57.8	80.7	33.4	50.4	51.6	56.8	
- Bad time (%)	36.6	58.5	15.5	44.4	43.8	38.8	
C3 Favourability of time for raising a loan (balance)	17.4	42.0	-47.1	14.4	29.5	31.3	+
- Good time (%)	61.9	78.2	13.3	58.4	70.1	72.7	
- Bad time (%)	31.0	83.4	12.1	35.2	24.1	22.3	
D1 Household's financial situation now (balance)	28.4	35.1	14.7	28.7	32.4	33.3	+
- Can save (%)	59.7	70.0	38.6	62.3	65.9	67.6	
- Uses savings or gets into debt (%)	6.8	10.1	4.5	9.7	7.3	7.0	

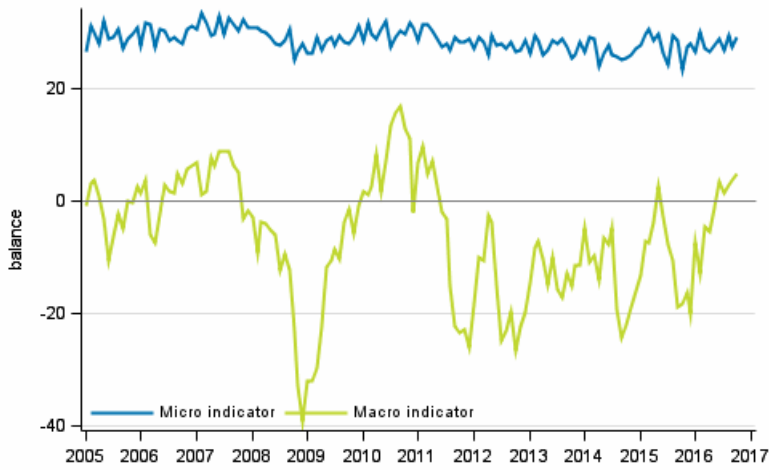
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2015	09/2016	10/2016	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	39.4	52.2	10.9	39.1	42.9	45.6	+
- Can save (%)	74.0	82.3	56.6	74.2	76.7	77.9	
- Cannot save (%)	24.2	40.3	16.5	25.0	22.1	20.3	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13.2	17.8	9.1	10.8	12.3	13.6	+
- Yes, certainly (%)	5.6	8.5	3.1	5.8	5.9	5.7	
- Possibly (%)	7.6	11.4	5.0	5.0	6.4	7.9	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8.9	-2.4	-18.2	-12.6	-10.8	-9.7	=
- More (%)	21.4	30.8	13.9	16.6	18.3	19.1	
- Less (%)	32.8	40.4	26.5	33.5	32.6	31.9	
E2 Intentions to buy a car in the next 12 months (% of households)	16.8	21.7	12.7	15.6	16.2	15.7	-
- Very likely (%)	8.6	12.1	5.1	7.1	8.1	7.9	
- Fairly likely (%)	8.2	10.4	5.3	8.6	8.2	7.8	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7.0	11.3	4.1	5.3	5.7	7.2	=
- Yes, certainly (%)	3.0	5.2	1.3	2.3	1.8	2.8	
- Possibly (%)	4.0	6.2	2.2	2.9	3.9	4.4	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18.8	27.0	9.8	18.8	19.4	17.6	-
- Very likely (%)	12.5	19.0	5.0	12.1	13.7	11.4	
- Fairly likely (%)	6.4	9.1	3.2	6.7	5.7	6.2	

Appendix figures

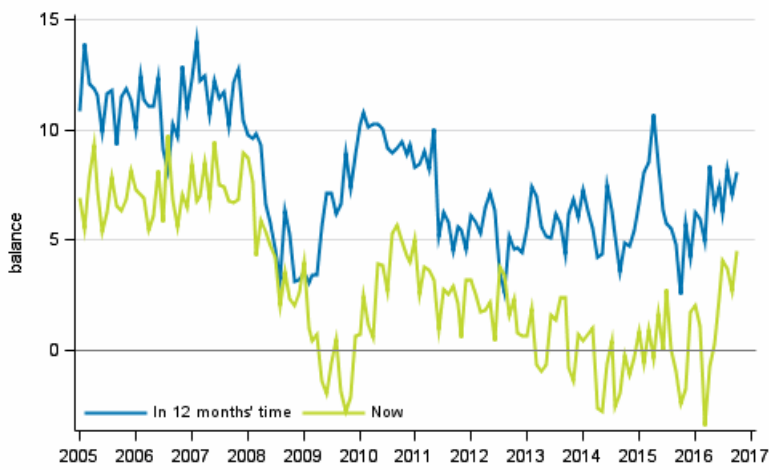
Appendix figure 1. Consumer confidence indicator (CCI)



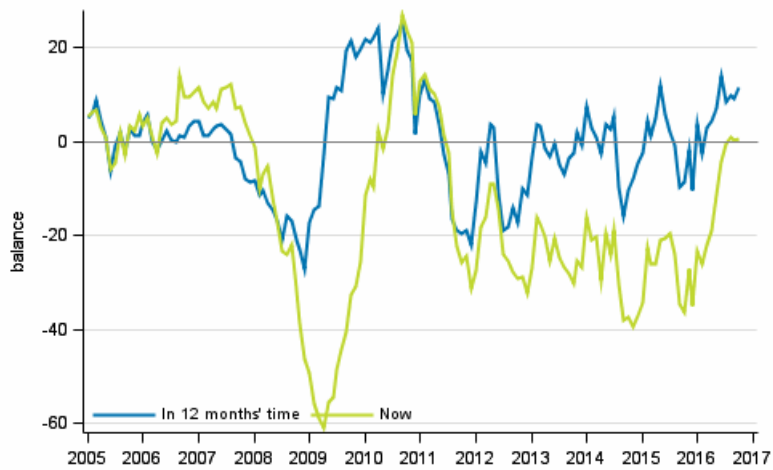
Appendix figure 2. Micro and macro indicators



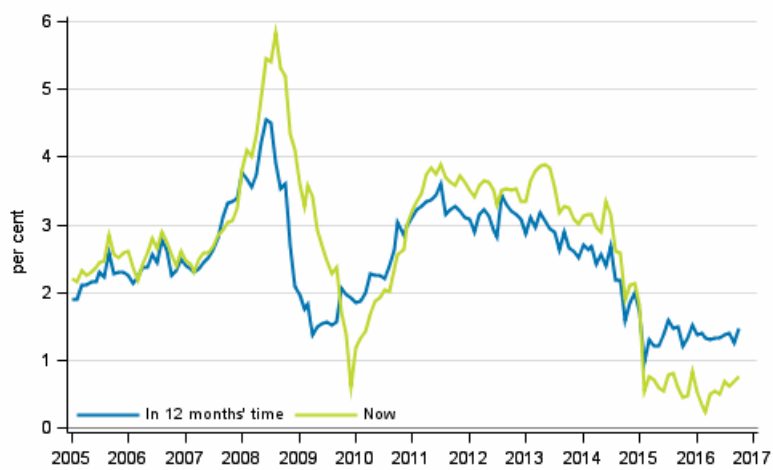
Appendix figure 3. Own economy



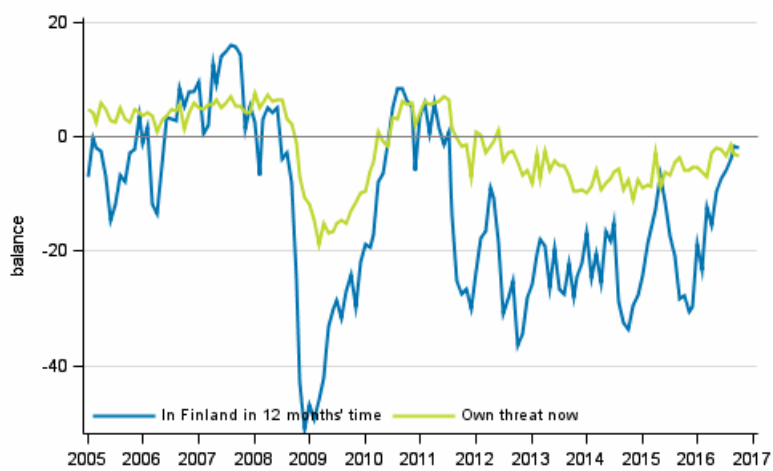
Appendix figure 4. Finland's economy



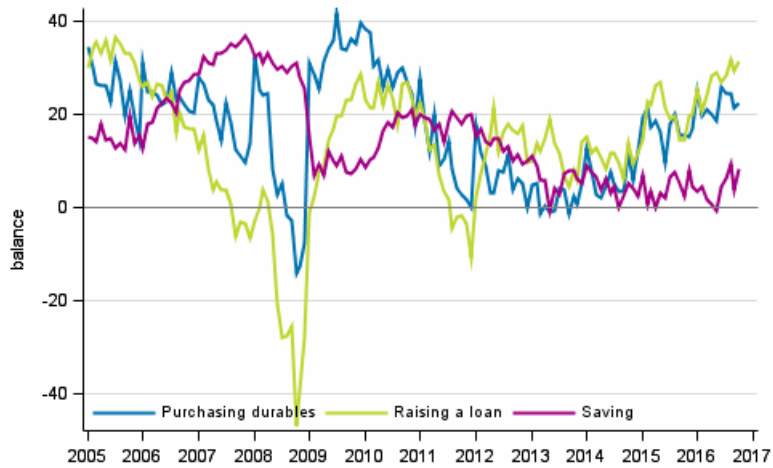
Appendix figure 5. Inflation



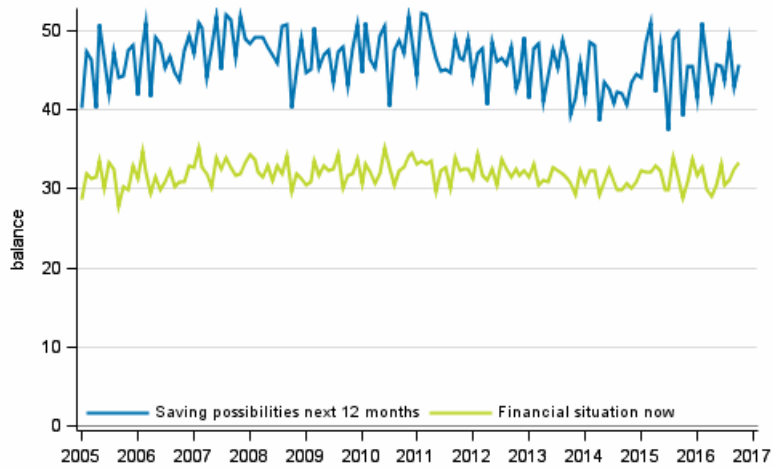
Appendix figure 6. Unemployment



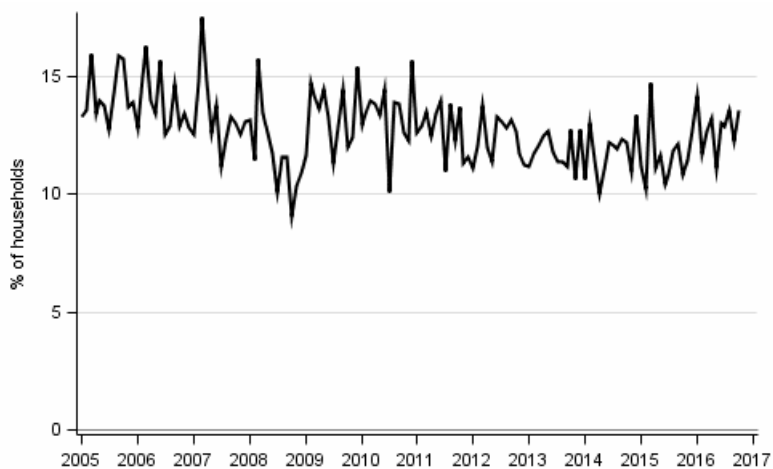
Appendix figure 7. Favourability of time for



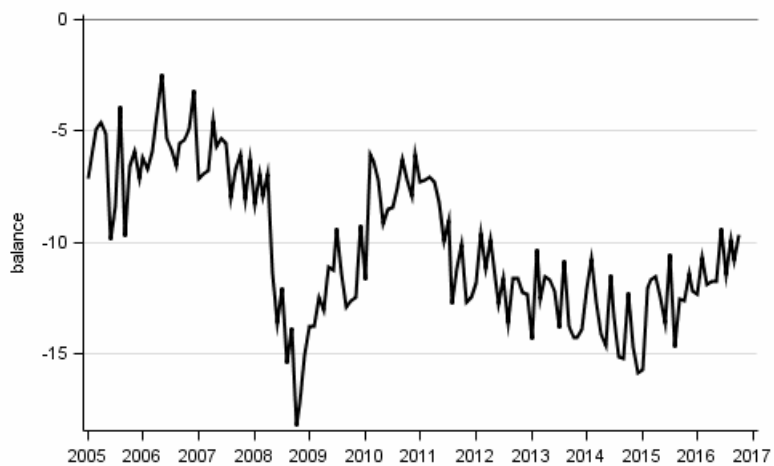
Appendix figure 8. Household's financial situation and saving possibilities



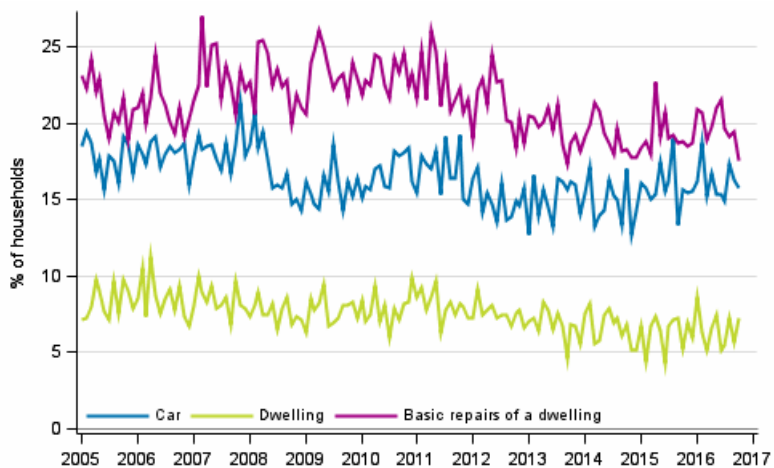
Appendix figure 9. Household's intentions to raise a loan, next 12 months



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



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



Inquiries

Pertti Kangassalo 029 551 3598
Director in charge:
Jari Tarkoma

consumer.survey@stat.fi
www.stat.fi

Source: Consumer Survey 2016, October. Statistics Finland