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Consumer confidence indicator stood at 11.1 in October

The gradual strengthening of Finnish consumers' confidence in the economy continued in October. The consumer confidence indicator stood at 11.1 in October, having been 10.4 in September and 7.8 twelve months ago. Consumers' views about the future of their own economy brightened even further. By contrast, their views on Finland's economy and on the development of unemployment remained fairly gloomy. The data are based on Statistics Finland's Consumer Survey, for which 1,613 persons resident in Finland were interviewed between 1 and 21 October.

Consumer views on the economic and financial conditions in Finland in October 2003

	October 2003 balance	September 2003 balance	October 2002 balance	Average 10/95-10/03
Consumer confidence indicator	11.1	10.4	7.8	13.7
Own economic situation in 12 months' time	11.0	10.6	8.3	8.6
Household's saving possibilities in the next 12 months	45.2	43.2	34.7	28.7
General economic situation in Finland in 12 months' time	3.9	5.0	1.7	7.7
Unemployment in 12 months' time	-15.8	-17.1	-13.4	9.8
Price trend over the next 12 months, %	1.9	1.8	1.6	1.9
Financial situation of household at present	30.3	28.1	26.1	23.2
Favourable time to make major purchases at present	32.5	31.7	7.9	19.1
Favourable time to save at present	12.8	10.6	13.9	3.5
Favourable time to raise a loan at present	34.1	30.6	25.6	21.0

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 four balance figures 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.

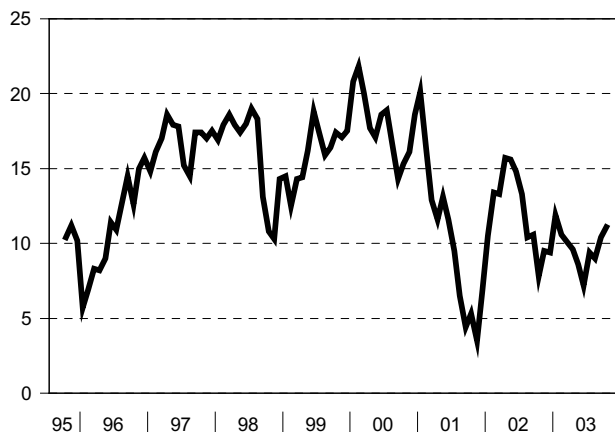
In October, 32 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 23 per cent of them thought the country's economy would deteriorate. In all, 29 per cent of consumers believed in October that their own economy would improve and only 10 per cent feared it would worsen over the year.

Altogether 48 per cent of consumers thought in October that unemployment would increase in the next 12 months and only 19 per cent believed it would decrease. One employed person in ten reckoned in October that they were personally either fairly or very likely to become unemployed within the next 12 months. Consumers predicted that the rate of inflation in October 2004 would be 1.9 per cent.

In October, 75 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. Altogether 60 per cent of consumers considered saving worthwhile in October. Sixty-three per cent of households had been able to lay aside some money and 78 per cent of them believed they would be able to do so in the next 12 months. Savings are increasingly being invested in diverse forms of insurance besides bank accounts.

Fifty-five per cent of consumers considered October a favourable time for buying consumer durables. Twelve months before the corresponding proportion was 36 per cent. Households had plenty of diverse consumption intentions. Altogether 21 per cent of them were either fairly or very certain to buy a car and 7 per cent a dwelling in the next 12 months.

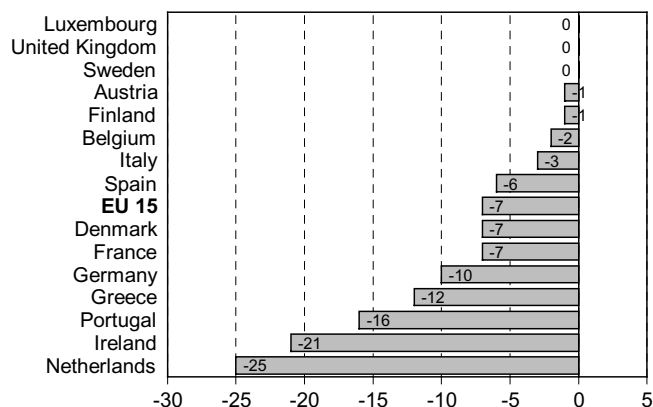
Consumer confidence indicator 10/1995-10/2003



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-10/2003



Consumer confidence indicator in EU Member States, September 2003 Deviation of indicator from country average 10/1995-9/2003*



*Calculated from seasonally adjusted series; Luxembourg average from 1/2002-

Source: European Commission, DG ECFIN, Business and Consumer Survey Results, September 2003

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

Source: Consumer Survey 2003, October. Statistics Finland