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Consumers' confidence in the economy strengthened further in June

The consumer confidence indicator measuring consumers' economic expectations stood at 14.3 in June, or slightly higher than in May and clearly higher than 12 months earlier. Of the four components of the confidence indicator, assessments of saving possibilities improved from May and views about their own and Finland's economy and about unemployment remained more or less unchanged. The data are based on Statistics Finland's Consumer Survey, for which 1,589 persons resident in Finland were interviewed between 1 and 17 June.

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

	June 2004 balance	May 2004 balance	June 2003 balance	Average 10/95-6/04
Consumer confidence indicator	14.3	13.5	7.2	13.6
Own economic situation in 12 months' time	10.4	10.7	10.7	8.8
Household's saving possibilities in the next 12 months	49.8	47.0	43.8	29.9
General economic situation in Finland in 12 months' time	5.9	5.7	-5.1	7.7
Unemployment in 12 months' time	-8.9	-9.5	-20.6	7.9
Inflation in 12 months' time, %	1.8	2.0	1.5	1.9
Personal threat of unemployment at present	5.2	3.4
Financial situation of household at present	31.1	30.7	30.4	23.7
Favourable time to make major purchases at present	28.8	27.2	30.3	19.9
Favourable time to save at present	13.7	15.0	12.2	4.2
Favourable time to raise a loan at present	26.3	29.6	32.2	21.7

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.

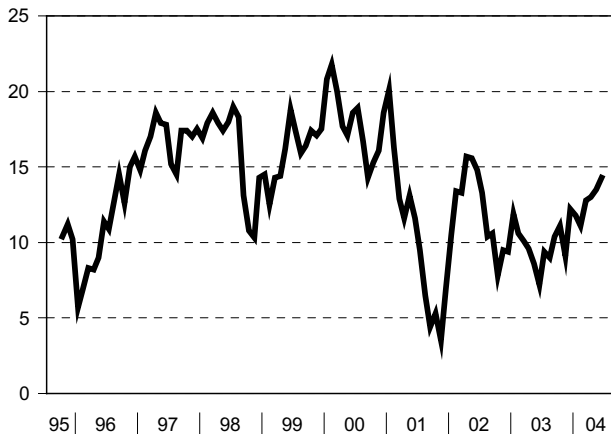
In June, 31 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 19 per cent of them thought the country's economy would deteriorate. In June 2003 the corresponding proportions were 23 and 32 per cent. In all, 27 per cent of consumers believed in June that their own economy would improve and only 9 per cent feared it would worsen over the year.

Altogether 38 per cent of consumers thought in June that unemployment would increase in the next 12 months while 22 per cent believed it would decrease. Twelve months earlier the corresponding proportions were 53 and 16 per cent. Fourteen per cent of employed persons reckoned that their personal threat of unemployment had grown over the past few months but slightly more, or 17 per cent, of them thought it had lessened. Consumers predicted that consumer prices would rise by 1.8 per cent over the next 12 months.

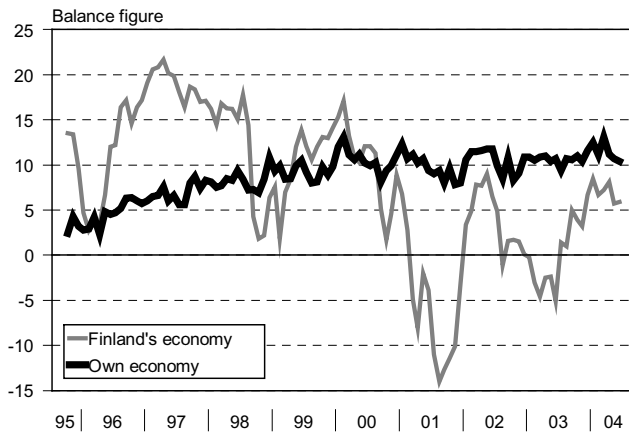
Seventy per cent of consumers thought the time was favourable for raising a loan in June, and 16 per cent of households were planning to do so in the next 12 months. Saving was considered worthwhile by 61 per cent of consumers, and 63 per cent of households had been able to lay aside some money while a record 79 per cent of them believed they would be able to do so in the next 12 months.

In June, 52 per cent of consumers thought the time was favourable for buying consumer durables. Forty-two per cent of households were planning to purchase different entertainment electronics during the summer or autumn. Seventeen per cent of households were either fairly or very certain to buy a car within the next 12 months. Slightly fewer than before, or 6 per cent, of households were thinking of buying a dwelling.

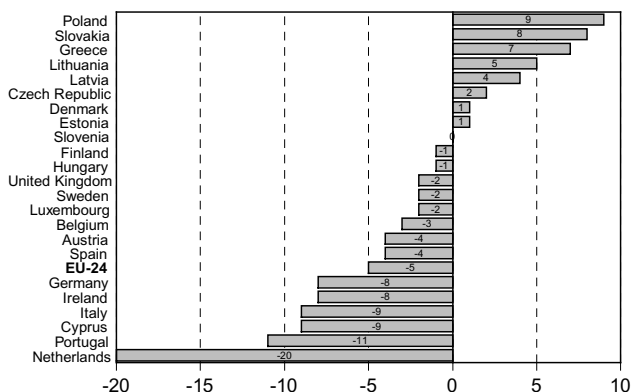
Consumer confidence indicator 10/1995-6/2004



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-6/2004



Consumer confidence indicator in EU Member States, May 2004 Deviation of indicator from country average 10/1995-5/2004*



* Calculated from seasonally adjusted series. Data for France are missing due to break in series.

Averages from 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, May 2004

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

Source: Consumer Survey 2004, June. Statistics Finland