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Consumer confidence in the economy strengthened slightly in July

Consumers' views on Finland's general economic development improved somewhat in July. Furthermore, consumers still had strong faith in their own economy. The consumer confidence indicator was 9.4, i.e. a few units higher than in June. In July, consumers considered the time particularly favourable for taking out a loan and buying consumer durables. The data are based on Statistics Finland's Consumer Survey, for which 1,565 persons resident in Finland were interviewed between 1 and 18 July 2003.

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

	July 2003 balance	June 2002 balance	July 2002 balance	Average 10/95-7/03
Consumer confidence indicator	9.4	7.2	13.3	13.8
Own economic situation in 12 months' time	9.4	10.7	9.9	8.5
Household's saving possibilities in the next 12 months	43.4	43.8	41.4	28.2
General economic situation in Finland in 12 months' time	1.4	-5.1	4.9	7.9
Unemployment in 12 months' time	-16.8	-20.6	-3.2	10.6
Price trend over the next 12 months. %	1.5	1.5	1.7	1.9
Financial situation of household at present	31.4	30.4	27.4	23.0
Favourable time to make major purchases at present	34.9	30.3	8.9	18.6
Favourable time to save at present	9.6	12.2	19.2	3.2
Favourable time to raise a loan at present	35.6	32.2	24.4	20.6

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 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 July, 29 per cent of consumers believed that Finland's economic situation would improve in the next 12 months, while 25 per cent thought the country's economy would deteriorate. The corresponding proportions were 23 and 32 per cent in June. In all, 26 per cent of consumers believed in July that their own economy would improve and just 9 per cent feared their own economic situation would worsen in the next 12 months.

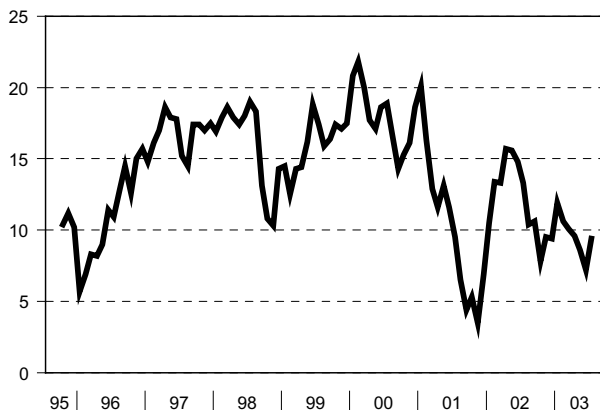
Altogether 47 per cent of consumers thought in July that unemployment would increase in the next 12 months, and only 17 per cent believed unemployment would decrease. One month previously these figures were 53 and 16 per cent. Around one employed person in ten reckoned that they were personally either fairly or very likely to become unemployed within the next 12 months. Consumers predicted that the rate of inflation would be 1.5 per cent in July 2004.

In July, as many as 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 57 per cent of consumers considered saving worthwhile in July. Sixty-four per cent of households had been able to lay aside money and 75 per cent of households believed they would be able to do so in the next 12 months.

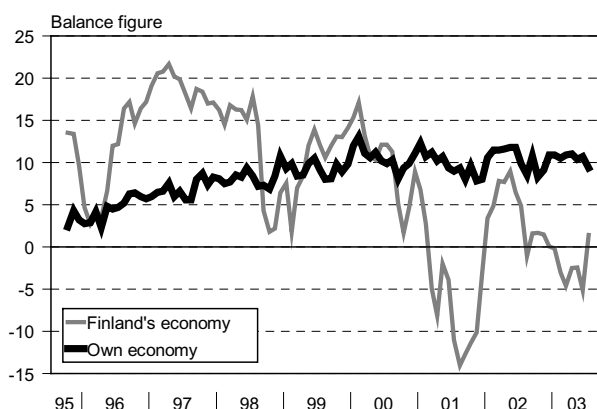
In July, 54 per cent of consumers considered the time favourable for buying consumer durables. The corresponding proportion was 37 per cent in last year's July. Households still had plenty of diverse consumption intentions, such as household appliances. Of households 19 per cent were either fairly

or very certain to buy a car and 9 per cent a dwelling in the next 12 months. Ten per cent of households intended to buy a digital TV set-top box or a digital TV by the end of the year.

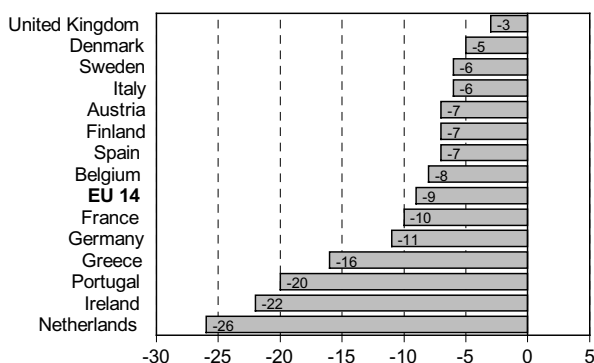
Consumer confidence indicator 10/1995-7/2003



Consumers' expectations concerning their own and Finland's economy in 12 months' time 10/1995-7/2003



Consumer confidence indicator in EU Member States, June 2003 Deviation of indicator from country average 10/1995-6/2003*



*Calculated on the basis of seasonally adjusted series.

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

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

Source: Consumer Survey 2003, July. Statistics Finland