



CONSUMER SURVEY JANUARY 2011

In January 2011 the total consumer confidence indicator increases by 1.5 percentage points in comparison with October 2010 (Figure 1), and it is only 3.3 percentage points below its average value for the last 10 years. This improvement over the last 3 months is due to the increase of confidence among the rural inhabitants. The value of the indicator for the urban inhabitants remains unchanged.

The consumers' total assessment of the current development of the general economic situation in the country is improving according to the rural population (an increase of the balance indicator by 5.7 percentage points) (Figure 2), whereas the inquiry registers a decrease of 1.5 percentage points with regard to the urban inhabitants' opinions. With regard to the expectations about the economic situation over the next 12 months the improvement is barely visible for the urban population - by 0.5 percentage points, and it is more significant for the rural population - by 7.4 percentage points (Figure 3).

According to the consumers' assessments there is no positive change in the financial situation of households over the last 12 months, but with regard to the expectations about the next 12 months the inquiry registers a favourable tendency of decrease of the pessimistic expectations about the finances of households and respectively an increase of the balance indicator. In January 2011 it is near its long-term average value, as it is below it only by 0.2 percentage points (Figure 4).

The present economic situation in the country continues to be assessed by most of the consumers as unfavourable for savings, and the expectations are that the economic conditions for saving are going to get worsened over the next 12 months.

The consumers' opinion is that over the last 12 months the consumer prices continued to increase (the balance indicator goes up by 7.3 percentage points) (Figure 5). The inflation expectations about the next 12 months are preserved as well (an increase of the balance indicator by 5.1 percentage points) (Figure 6). With regard to the unemployment the prevailing expectations are for a reduction of personnel over the next 12 months, but with a more moderate rate (Figure 7).

The last inquiry registers an unfavourable total assessment of the present situation to make major purchases of durable goods¹ (Figure 8), and respectively the intentions of making such purchases are also more reserved. The consumers also continue to express negative opinions regarding the intentions of "making expenditures on home improvements" over the next 12 months. With regard to "buying a car" over the next 12 months the last inquiries report on a tendency of increase of the balance indicator (Figure 9).

¹ When commenting the replies regarding the purchases (expenditures), one has to take into account that the questions are asked on a quarterly basis, although these purchases (expenditures) are to be made by the consumers in a longer period of time. That is why it is normal for the prevailing values of balances of opinions to be permanently situated in the negative zone of the graphs. However for the purpose of the economic analysis is important to consider the direction of development of balances of opinions as indicators of positive or negative change.

METHODOLOGICAL NOTES

The survey is a part of the harmonized program of European Union for business and consumer surveys and it is representative of the population of 16 years and older.

The object of the survey is the population aged 16 years and older; the sampling method is random, clustered, and proportional to the population by regions, incl. urban/rural inhabitants (153 clusters with 8 persons per cluster). The interviewing method is face to face. The questionnaire contains standardized questions about the financial situation of households, general economic situation, inflation, unemployment, saving, intentions of making major purchases on durable goods or purchasing/building a home or buying a car. The proposed variants of answers give an opportunity to arrange them from optimistic, through neutral to pessimistic. The balance of opinions is calculated as a difference between relative shares of positive opinions and relative shares of negative opinions, as there is one specification: the strong positive opinions and the strong negative opinions are given a coefficient of 1, and the more moderate positive and negative opinions - a coefficient of 0.5.

The survey results are used to capture the direction of change of surveyed variables incl. that of the consumer confidence level, which gives an opportunity to analyze the tendencies in the development of public opinions on significant economic phenomena.

The consumer confidence indicator is an arithmetic mean of the balances of the expectations about the development over the next 12 months of the financial situation of households, general economic situation, savings and unemployment, as the last is taken with a negative sign.



Figure 1. Consumer confidence indicator

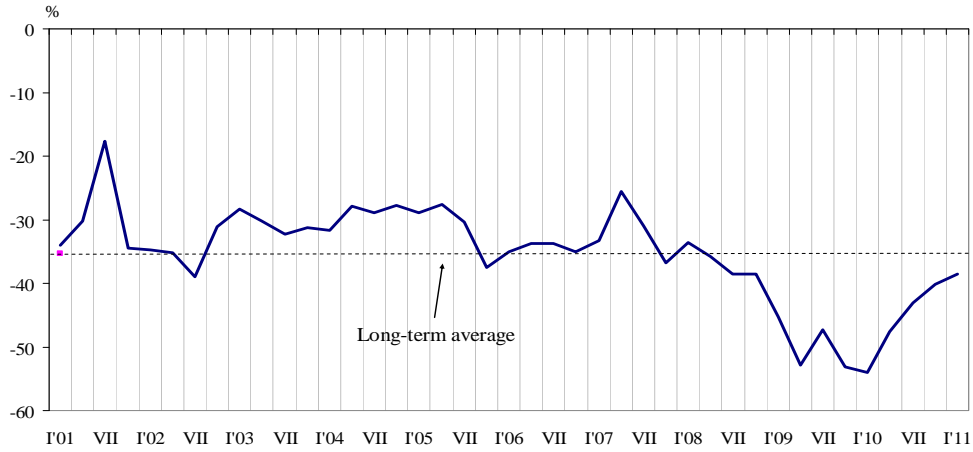


Figure 2. Assessment of the general economic situation over the last 12 months

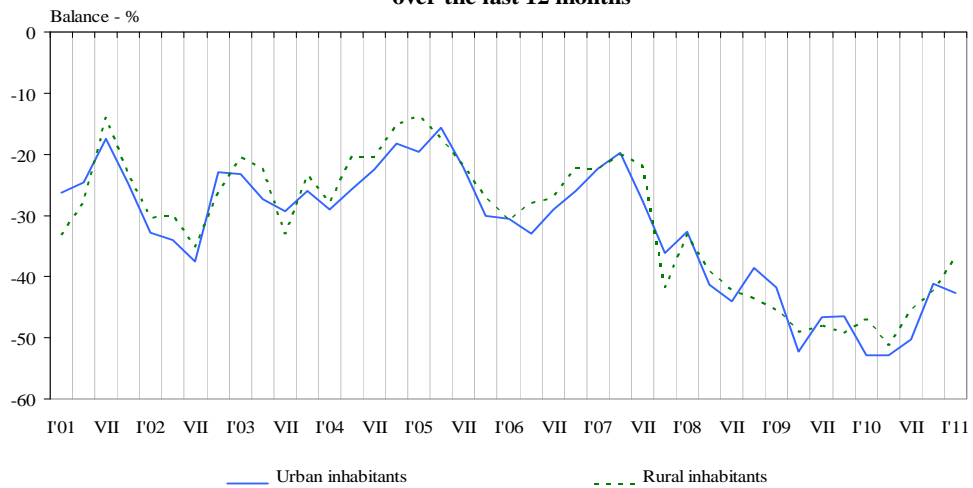


Figure 3. Expectations about the general economic situation over the next 12 months

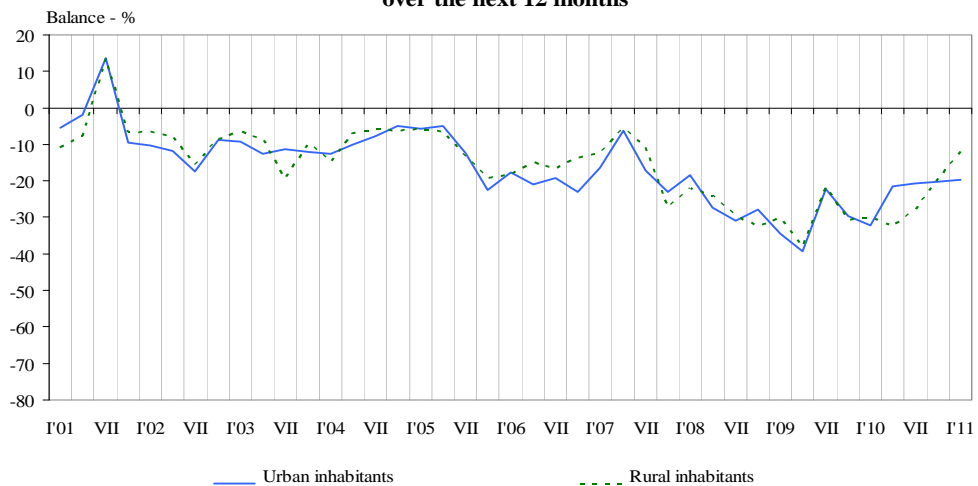




Figure 4. Expectations about the financial situation of households over the next 12 months

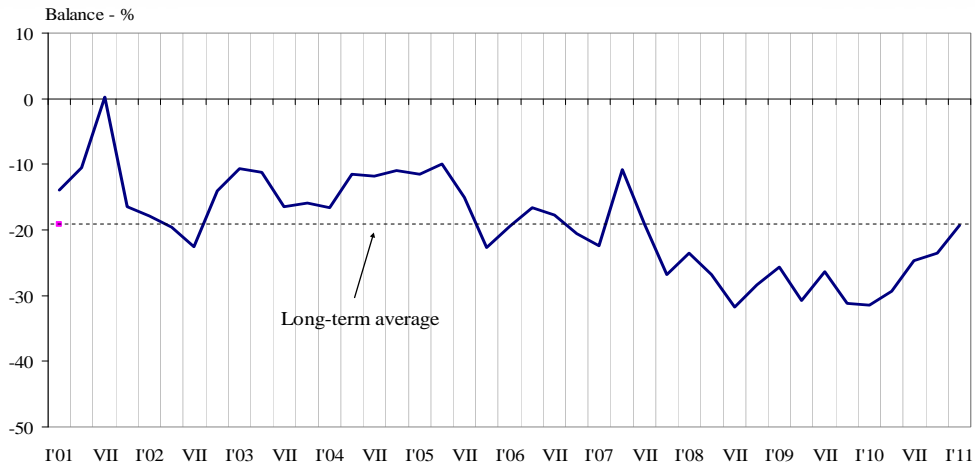


Figure 5. Assessment of the inflation over the last 12 months

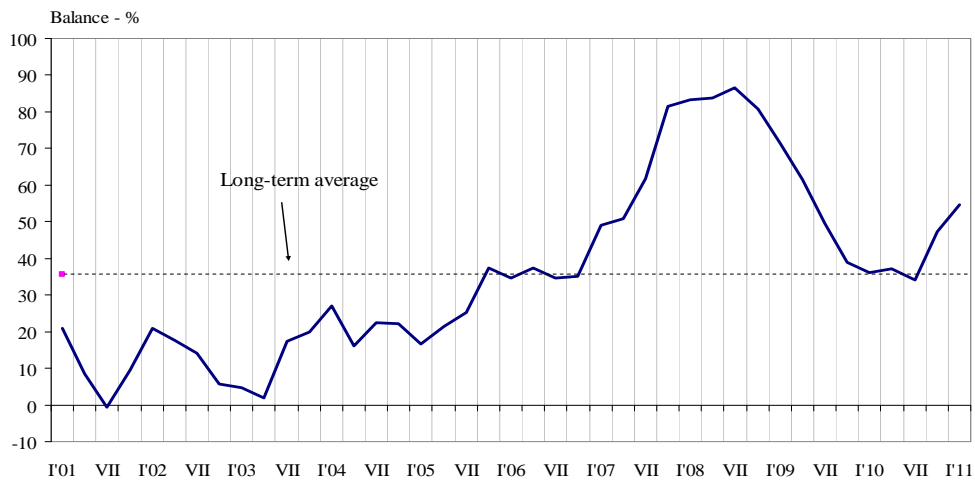


Figure 6. Inflation expectations over the next 12 months

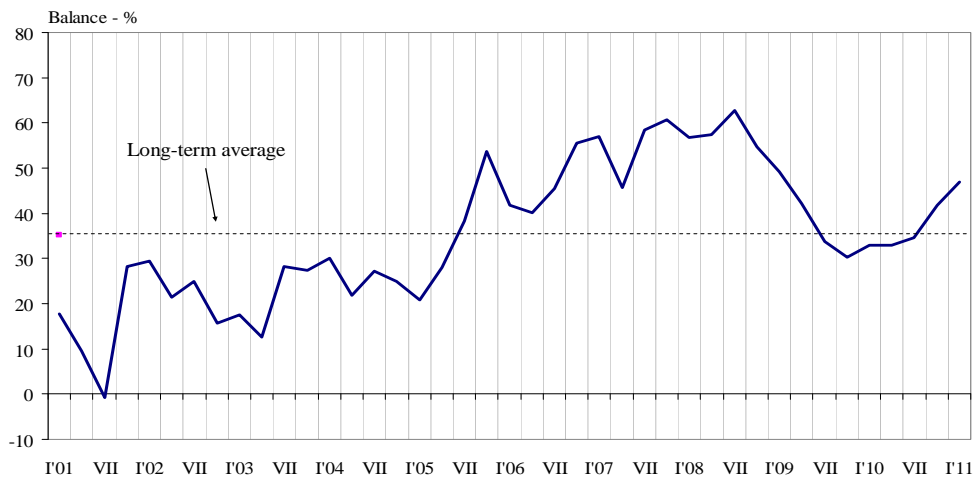




Figure 7. Unemployment expectations over the next 12 months

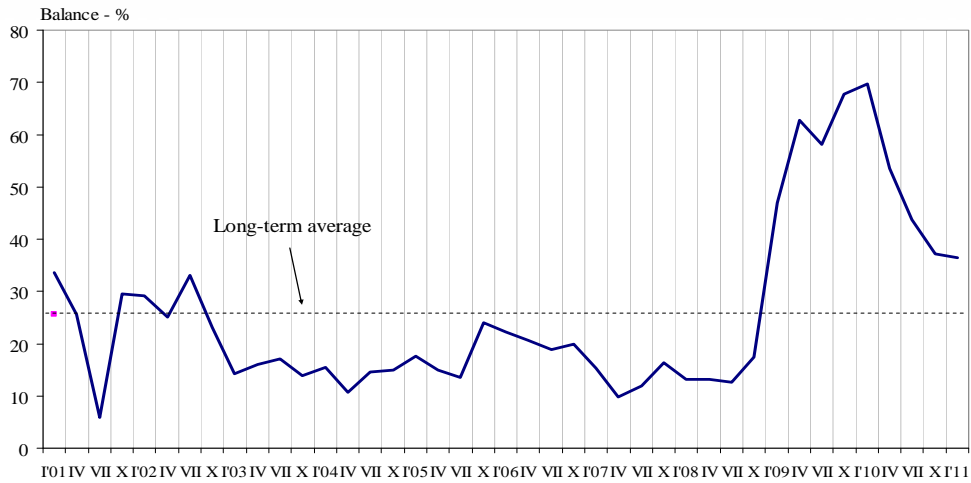


Figure 8. Assessment of the advantage of making major purchases of durable goods in the present situation

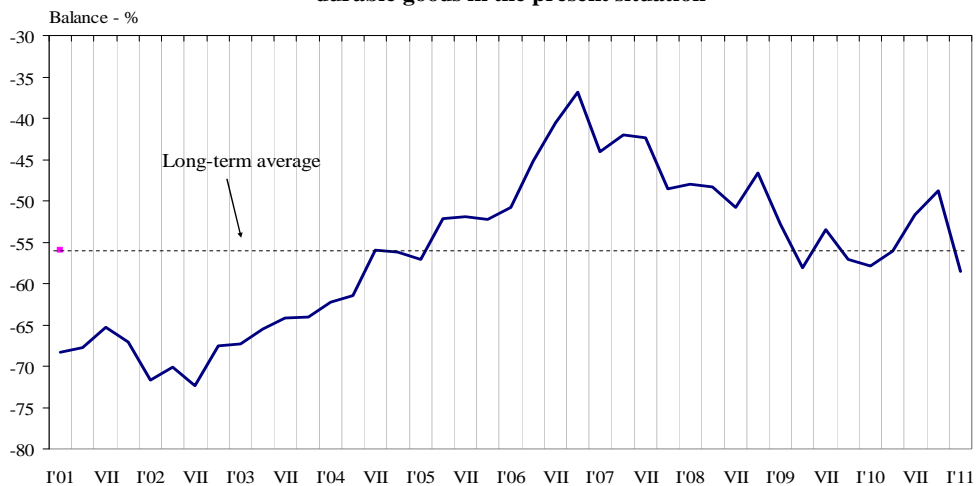


Figure 9. Expectations about buying a car in the next 12 months

