



## CONSUMER SURVEY, JULY 2012

In July 2012 the total consumer confidence indicator increases by 7.8 percentage points compared to its April level (Figure 1), as for the urban population the increase is 9.1 percentage points and for the rural population - 4.6 percentage points.

The consumers' opinions of the development of the general economic situation in the country over the last 12 months (Figure 2) and the expectations about the next 12 months (Figure 3) are less negative than they are in the previous survey. In comparison with April the reduction of the pessimism in consumers' assessments about changes in the financial situation of households over the last 12 months and the expectations about the next 12 months is also observed (Figure 4).

In July the living in the cities considered that budget of their households currently is relatively better in comparison with 3 months earlier (an increase of the balance indicator by 7.4 percentage points), while the rural population' situation reported to deterioration (Figure 5). The total assessment of the conditions for saving in the present economic situation in the country continues to be unfavourable (Figure 6), but as regards the next 12 months certain improvement is expected.

The consumers' opinion is that over the last 12 months there has been an increase of consumer prices but with a lower rate (Figure 7) and their inflation expectations are preserved for the next 12 months. As regards the unemployment in the country in the next 12 months the expectations are shifting towards preserving or slightly reduction (Figure 8).

The last inquiry registers a slight optimism in the total assessment of the present situation to make major purchases of durable goods<sup>1</sup>. In July an increase of the balance indicator regarding the intentions of such purchases in the next 12 months is also recorded. The balance assessments of making expenditures on "home improvements" (Figure 9) and the intentions of "buying a car" and "buying or building a home (villa)" in the next 12 months are also higher.

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<sup>1</sup>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 for the population of 16 years and over.

The persons of 16 years and over are the object of the survey; the sample 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.

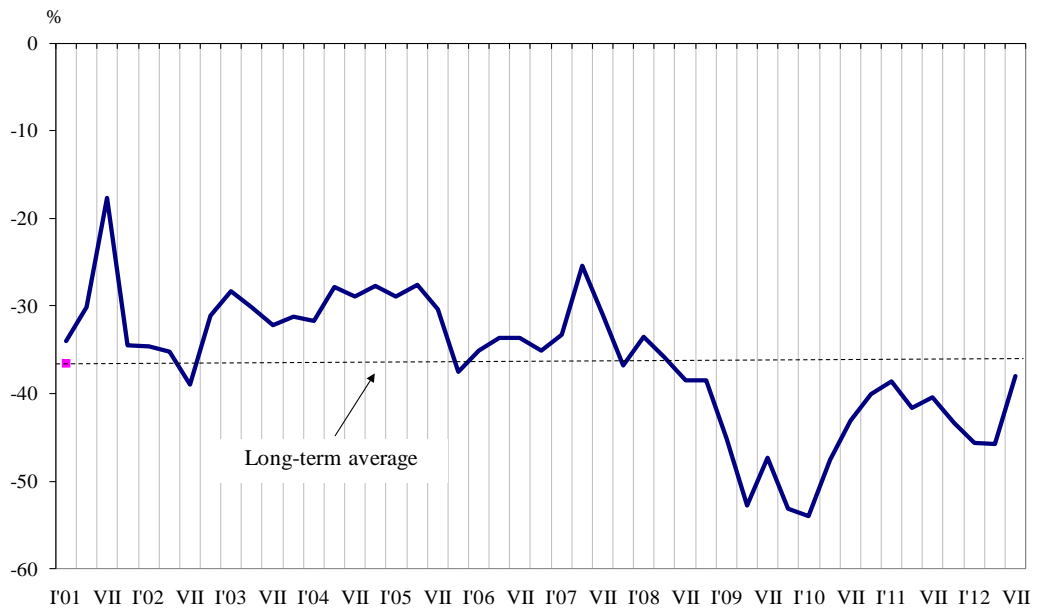
The survey results are used to capture the direction of change of surveyed variables incl. that of the consumer confidence level, which gives an opportunity to analyze the tendencies in the development of public opinions on significant economic phenomena.

**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.

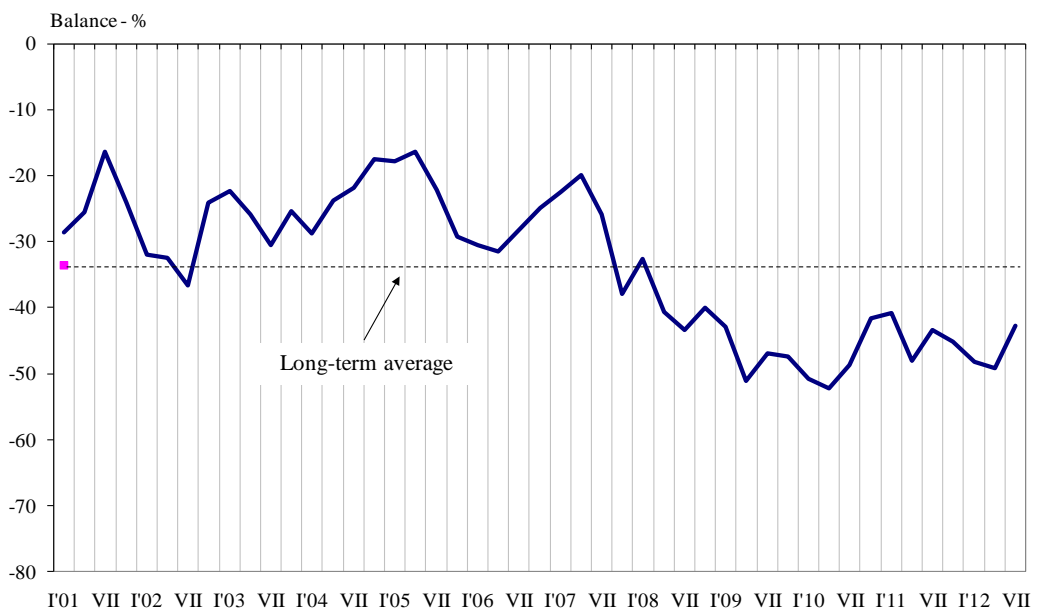


**Annex**

**Figure 1. Consumer confidence indicator**

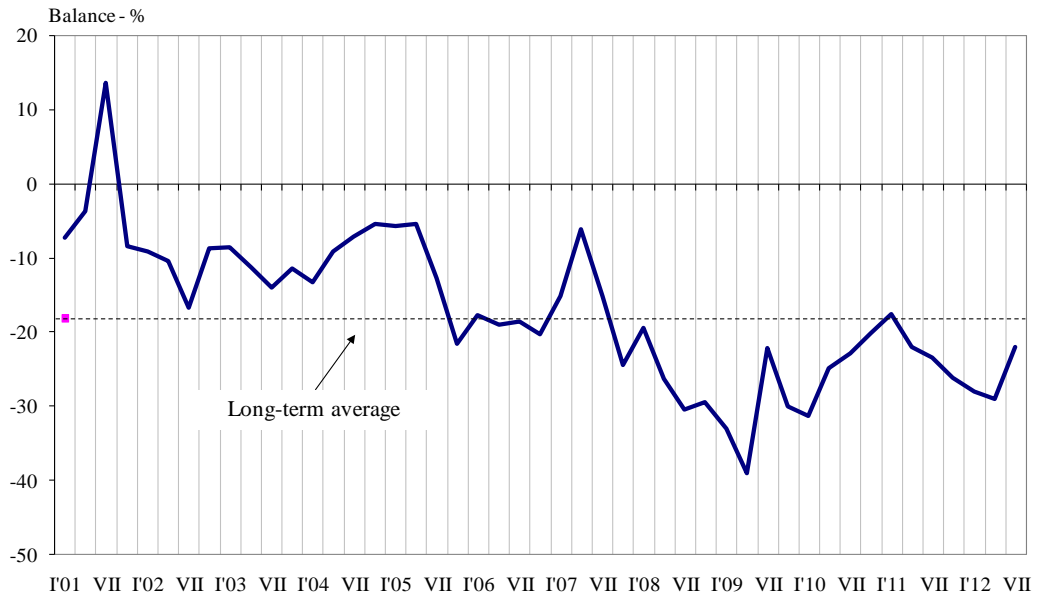


**Figure 2. Assessment of the general economic situation over the last 12 months**

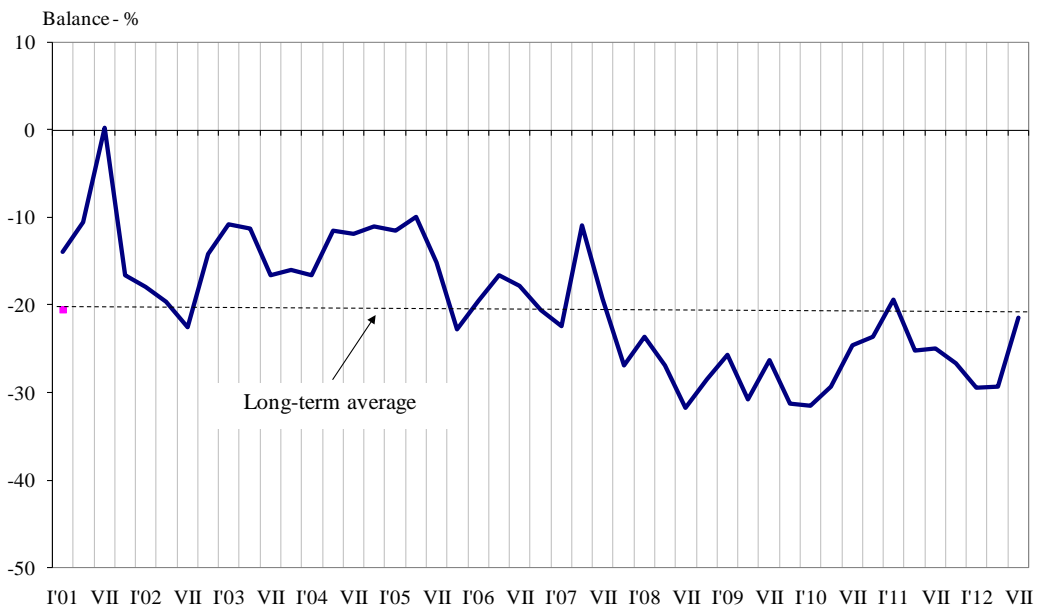




**Figure 3. Expectations about the general economic situation over the next 12 months**

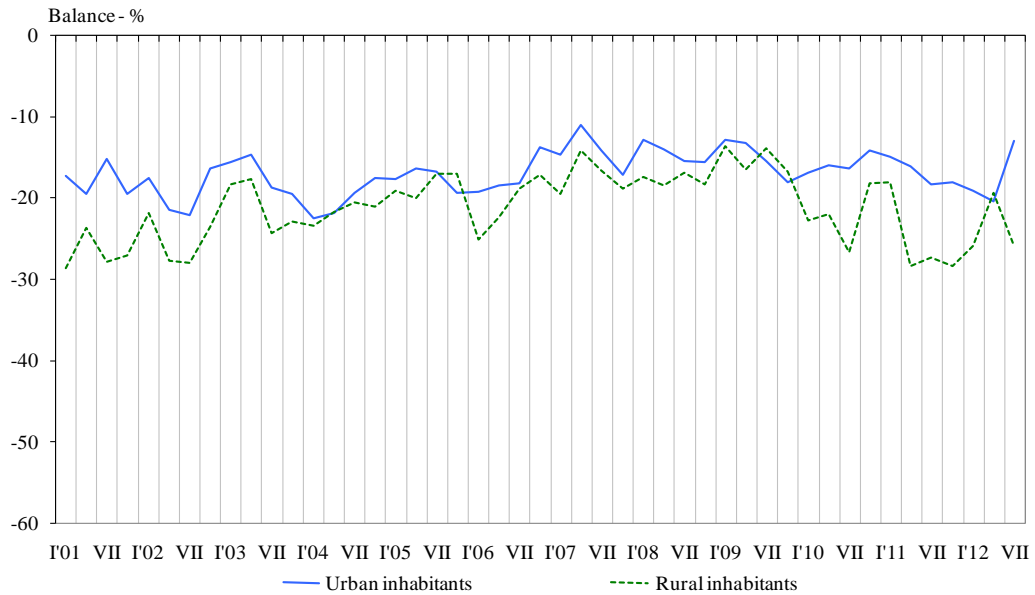


**Figure 4. Expectations about the financial situation of households over the next 12 months**

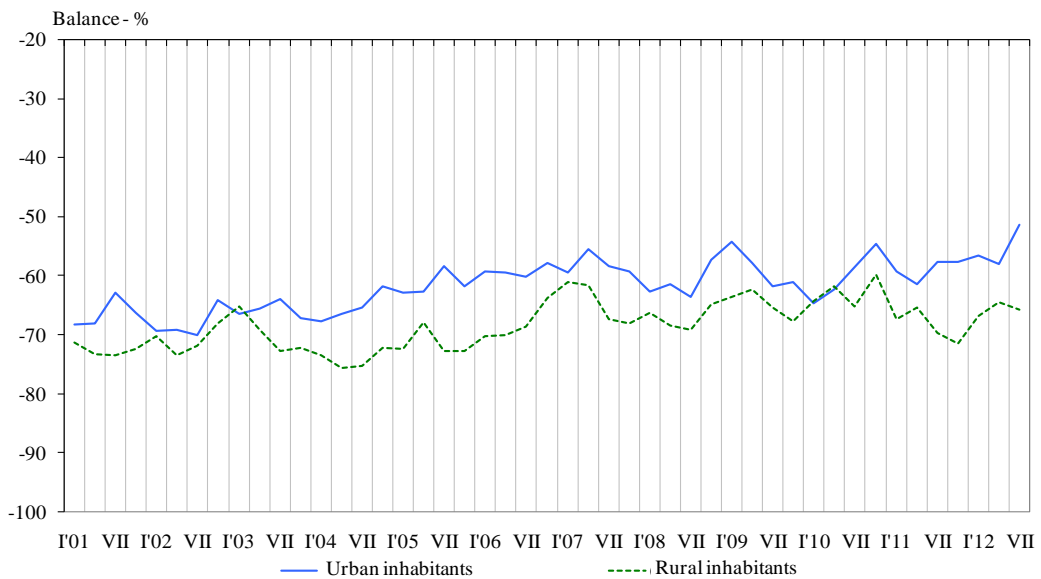




**Figure 5. Present situation of households' budget**

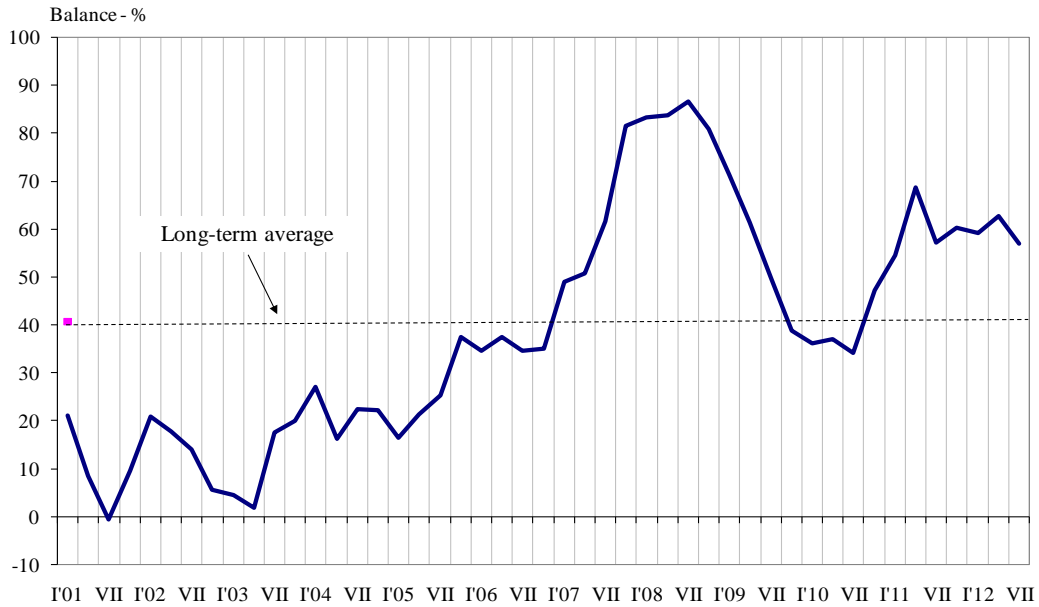


**Figure 6. Assessment of the conditions for saving in the present economic situation**

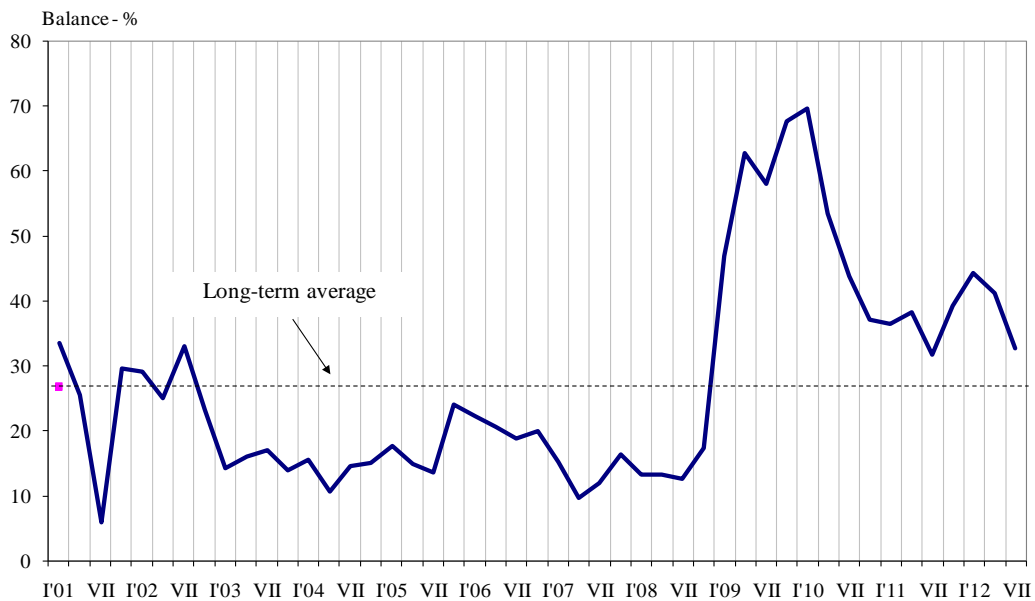




**Figure 7. Assessment of the inflation over the last 12 months**



**Figure 8. Unemployment expectations over the next 12 months**





**Figure 9. Tendency in purchases for home improvements over the next 12 months**

