



## CONSUMER SURVEY, JULY 2016

In July 2016 the total consumer confidence indicator decreases by 0.6 percentage points compared to April (Annex, Figure 1) which is due to the decreased confidence among the urban inhabitants. The level of the indicator for the rural population remains unchanged.

The consumers' total assessment about the development of the economic situation in the country over the last 12 months is less negative in comparison with the previous inquiry as a result of which the balance indicator increases by 1.6 percentage points (Annex, Figure 2). However, in their expectations for the next 12 months certain pessimism is observed (Annex, Figure 3).

The consumers continue to consider that over the last 12 months there has been an increase of consumer prices, but at a lower rate compared to the assessments registered in the previous inquiry. At the same time their inflation expectations about the next 12 months are strengthened (Annex, Figure 4). Their expectations about the unemployment in the country over the next 12 months are also more negative in comparison with April (Annex, Figure 5).

As regards the financial situation of the households the assessments and expectations of the consumers living in the cities are worsened while among the rural inhabitants certain optimism is observed (Annex, Figure 6).

The last inquiry registers a slight improvement of the total assessment of the present situation for making major purchases of durable goods<sup>1</sup>, as the intentions of the consumers to make such expenditures over the next 12 months are also favourable.

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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 older.

The persons of 16 years and older are the object of the survey; the sample method is random, clustered, proportional to the population by regions, incl. urban/rural inhabitants (154 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

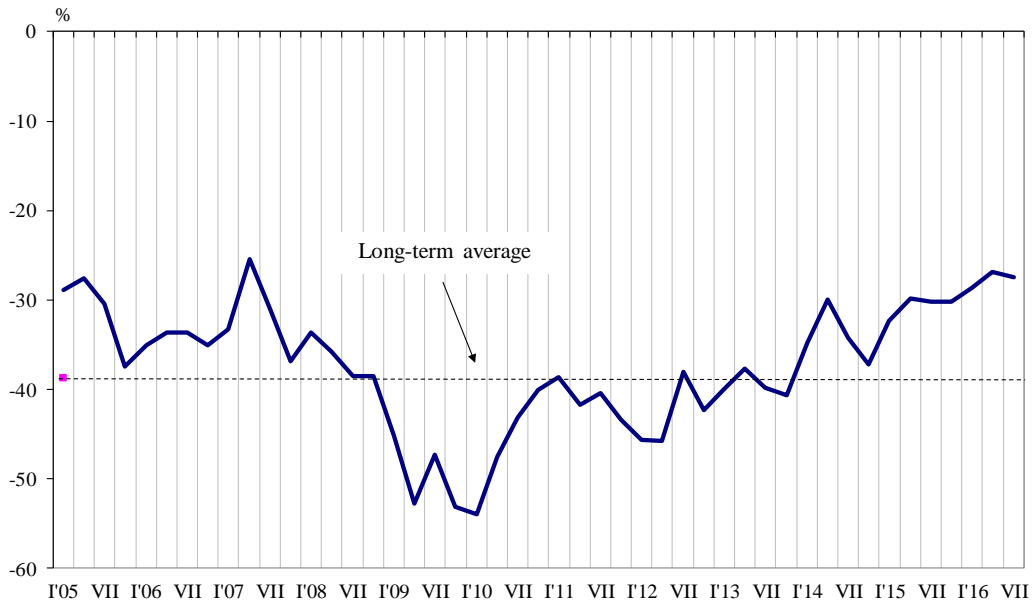
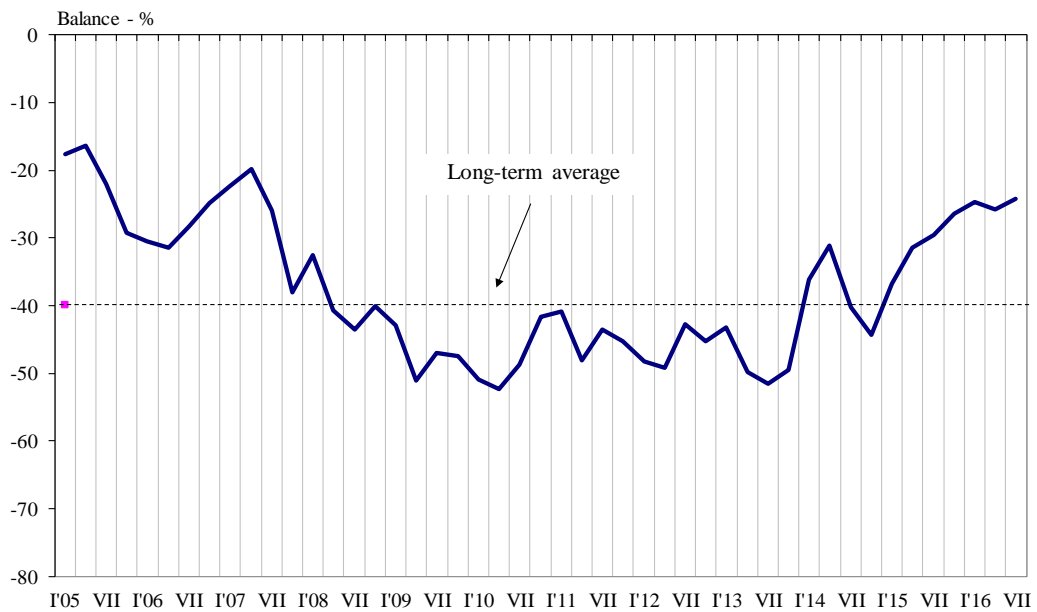
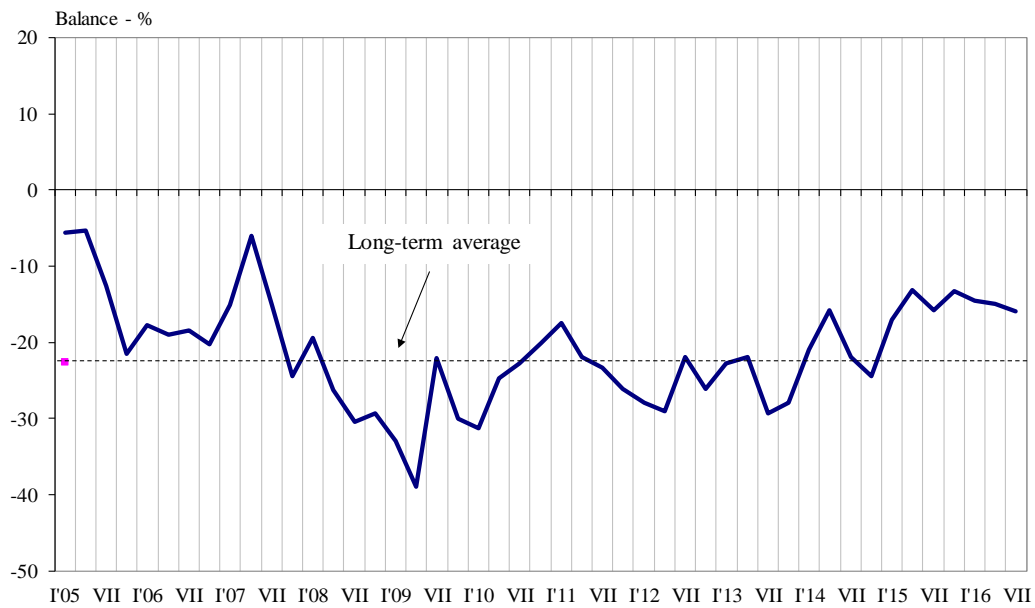


Figure 2. Assessment of the general economic situation over the last 12 months

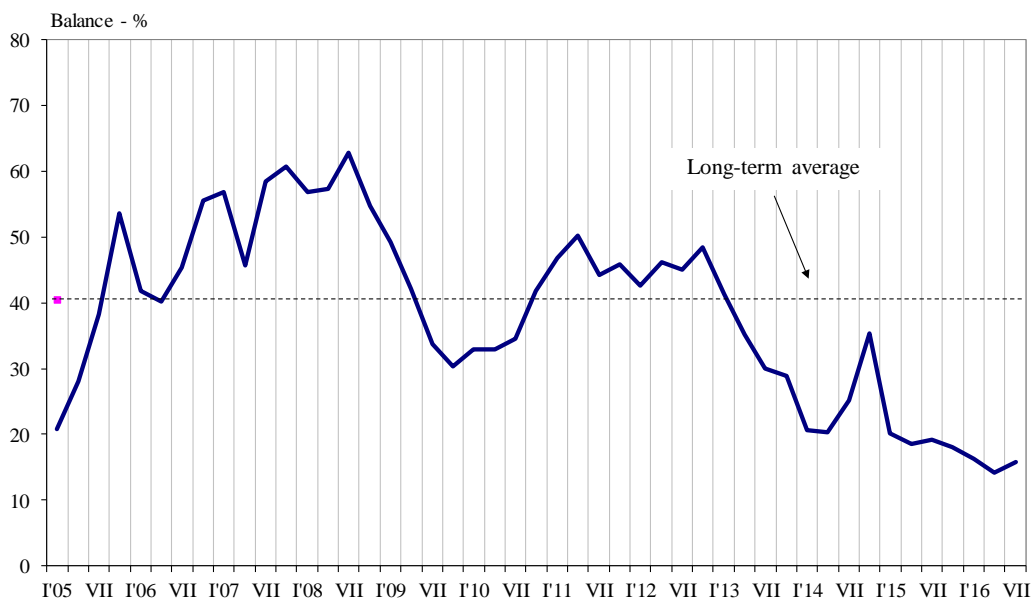




**Figure 3. Expectations about the general economic situation over the next 12 months**

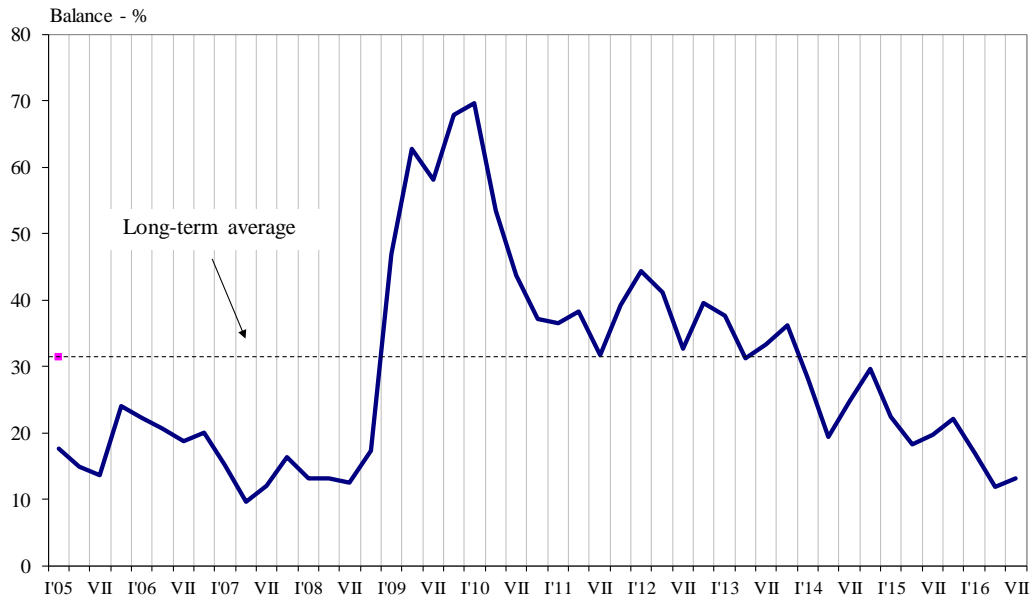


**Figure 4. Inflation expectations over the next 12 months**





**Figure 5. Unemployment expectations over the next 12 months**



**Figure 6. Expectations about the financial situation of households over the next 12 months**

