



CONSUMER SURVEY OCTOBER 2010

In October 2010 the total consumer confidence indicator increased by 3.0 percentage points in comparison with July (Figure 1), which is due to the increase of confidence among urban inhabitants (by 1.9 percentage points) and rural inhabitants (by 5.6 percentage points).

The consumers' total assessment of the current development of the general economic situation in the country is improving (an increase of the balance indicator by 7.2 percentage points) (Figure 2) due to a shifting of the opinions of both urban and rural inhabitants to the neutral and moderately positive assessments (increase of the balance indicators respectively by 9.1 and 3.2 percentage points). The expectations of the rural population about the next 12 months are also more positive, while the urban population almost preserves its opinion from 3 months ago (Figure 3).

According to the consumers' assessments there is a certain positive change in the financial situation of households over the last 12 months (Figure 4). The rural inhabitants' expectations are that it will continue over the next 12 months, whereas the urban inhabitants are slightly more pessimistic than they were 3 months earlier. The present economic situation in the country continues to be assessed by most of the consumers as unfavourable for savings. The expectations are that the economic conditions for saving are going to improve at least to some extent over the next 12 months (Figure 5).

The consumers' opinion is that over the last 12 months the consumer prices continued to increase and it was with a significant rate (an increase of the balance indicator by 13.2 percentage points) (Figure 6). The inflation expectations are preserved for the next 12 months (the balance indicator goes up by 7.3 percentage points) (Figure 7). 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 8).

The last inquiry again registers an unfavourable (but to a lesser extent) total assessment of the present situation to make major purchases of durable goods¹ (Figure 9). The consumers also continue to express negative opinions regarding the intentions of "buying a car", "buying or building a home (villa)", and "making expenditures on home improvements" over the next 12 months.

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 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 (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

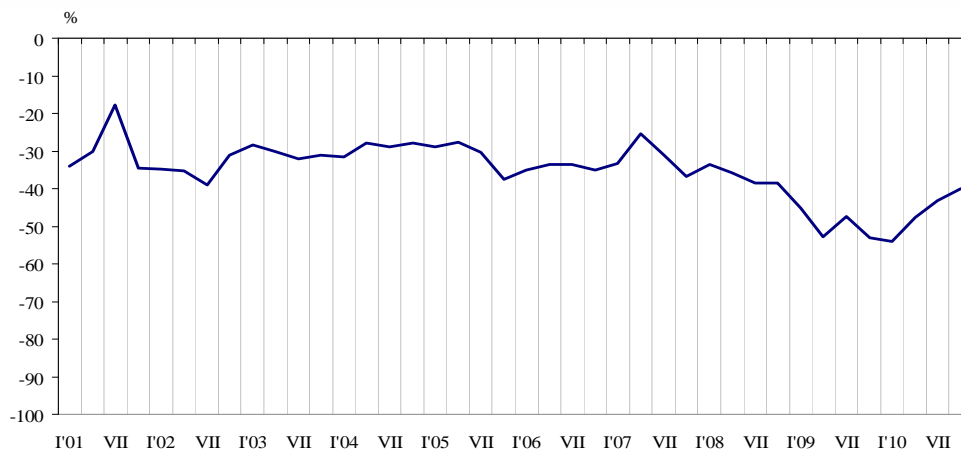


Figure 2. Assessment of the general economic situation over the last 12 months

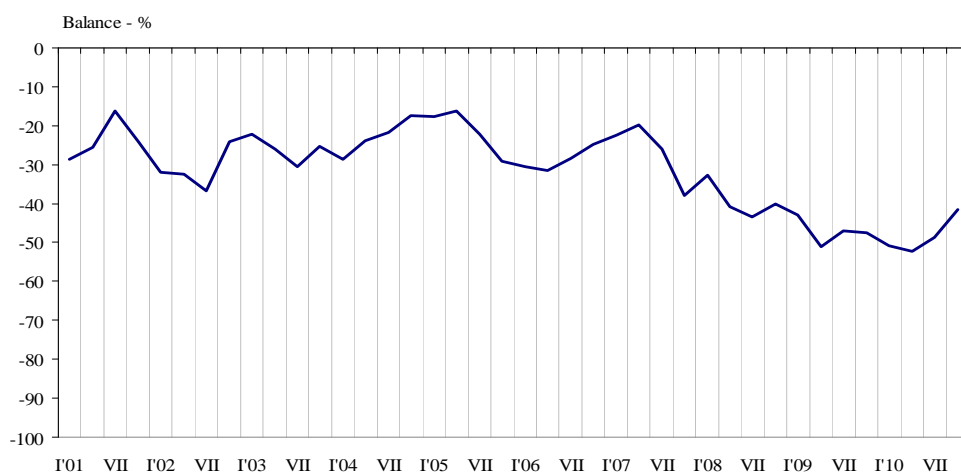


Figure 3. Expectations about the general economic situation over the next 12 months

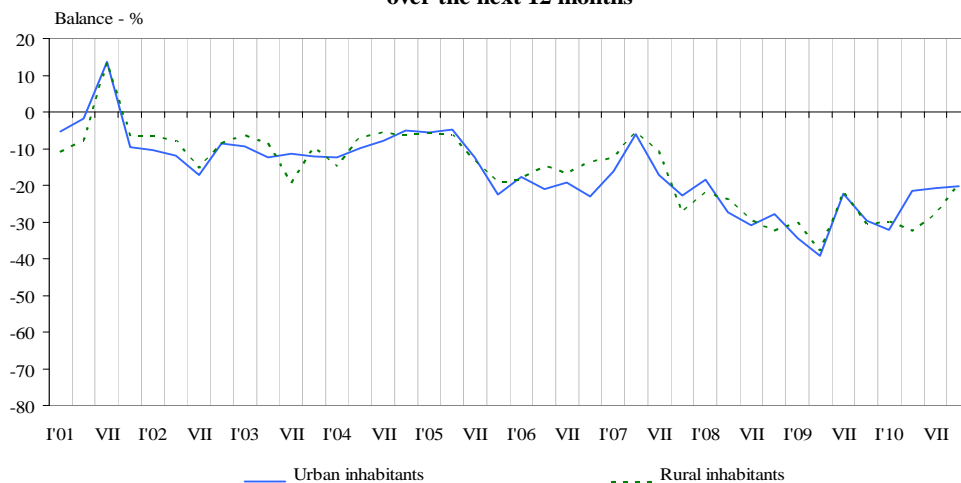




Figure 4. Assessment of the financial situation of households compared to 12 months ago

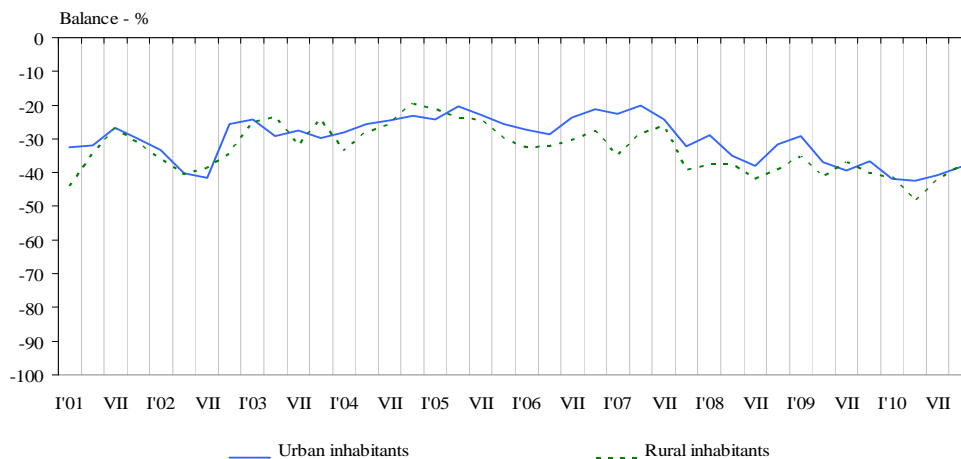


Figure 5. Expected tendency in savings over the next 12 months

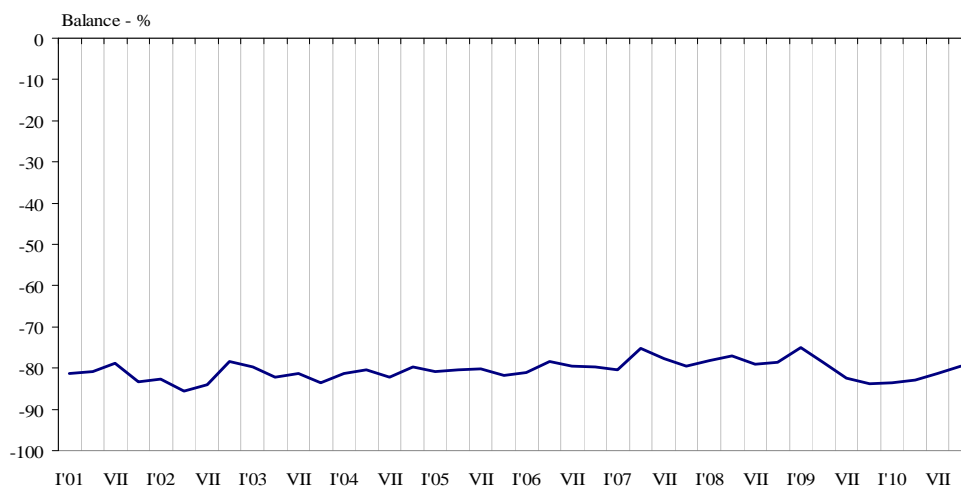


Figure 6. Assessment of the inflation over the last 12 months

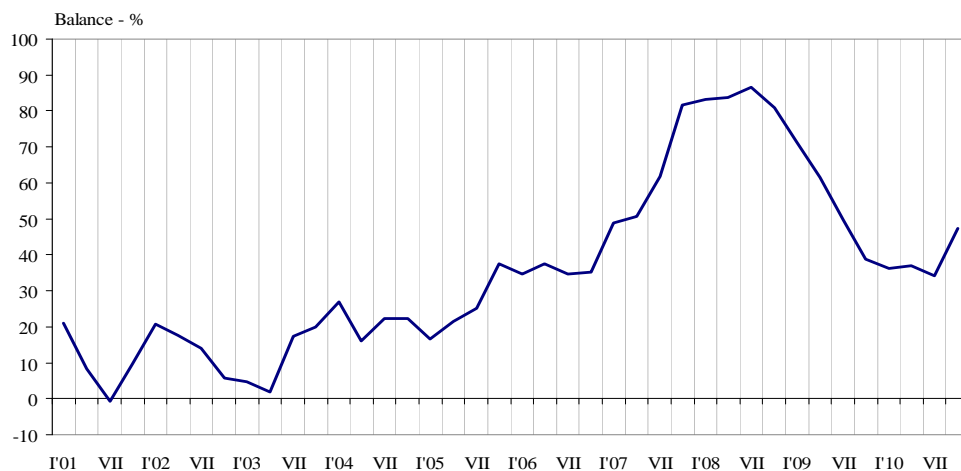




Figure 7. Inflation expectations over the next 12 months

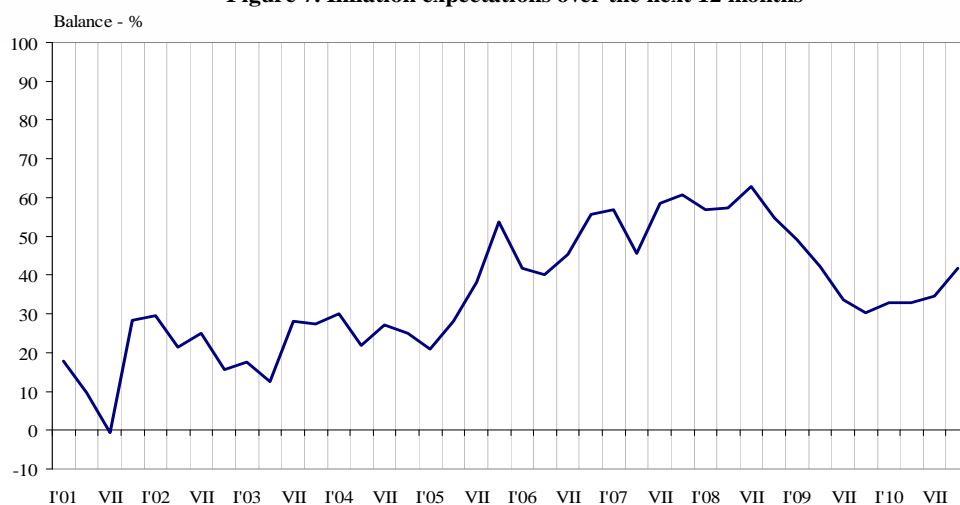


Figure 8. Unemployment expectations over the next 12 months

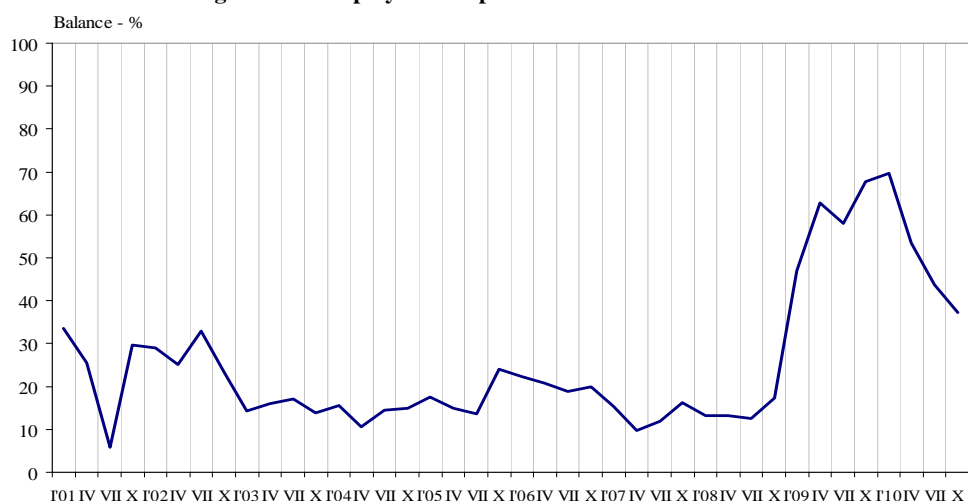


Figure 9. Assessment of the advantage of making major purchases of durable goods in the present situation

