



## CONSUMER SURVEY JULY 2009

The regular consumer survey carried out by the National Statistical Institute in July 2009 shows an increase of 5.5 percentage points of the total consumer confidence indicator as the increase in “confidence” is relatively higher for the rural population - a rise of the indicator of 6.4 percentage points in comparison with 5.0 percentage points for the urban population (Figure 1).

With regard to the development of the general economic situation in the country during the last 12 months a certain share of the consumers has changed their evaluations from negative to neutral or positive in comparison with April 2009. At the same time the inquiry registers significantly more favorable expectations about the economic situation during the next 12 months (Figure 2). (The balance indicators go up respectively by 4.1 and 16.9 percentage points.)

In comparison with three months earlier there is a slight improvement of the consumers’ assessments of the conditions for making expenditures for durable goods during the present economic situation and a worsening of the evaluations of the conditions for savings (Figure 3).

The assessments of the changes in consumer prices over the last 12 months are more favorable in comparison with April (Figure 4). As usual the prevailing opinions are that prices have increased but there is a continuous increase of the number of opinions that prices have not changed or that they have decreased which is why the balance indicator decreases by 11.8 percentage points. There is less of a negativism in the inflation expectations about the next 12 months as well - an improvement of 8.5 percentage points of the indicator (Figure 5).

The opinions about the unemployment in the country over the next 12 months have changed to being more moderate - from “will increase sharply” to “will increase slightly”, “will remain the same” and even to being positive - “will fall slightly”. The average change of opinions is in the direction of a decrease of the balance indicator of 4.7 percentage points but this can not compensate for the accumulated negative expectations about unemployment registered during the previous 2 surveys of this year when the indicator increased respectively by 29.5 percentage points in January and by 15.9 percentage points in April (Figure 6).

With regard to the changes of the financial situation of households during the last 12 months the pessimists are more than the optimists and are almost as many as they were three months ago (Figure 7). There is an increase of the positive expectations about the financial situation during the next 12 months - an improvement of 4.4 percentage points of the indicator (Figure 8). However this is still not accompanied by higher expectations of savings, buying a car<sup>1</sup>, purchasing or building a home or home improvements during the next 12 months (Figure 9 and 10).

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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. But for the purpose of the economic analysis is important the direction of development of balances of opinions as indicators of positive or negative change.



## METHODOLOGICAL NOTES

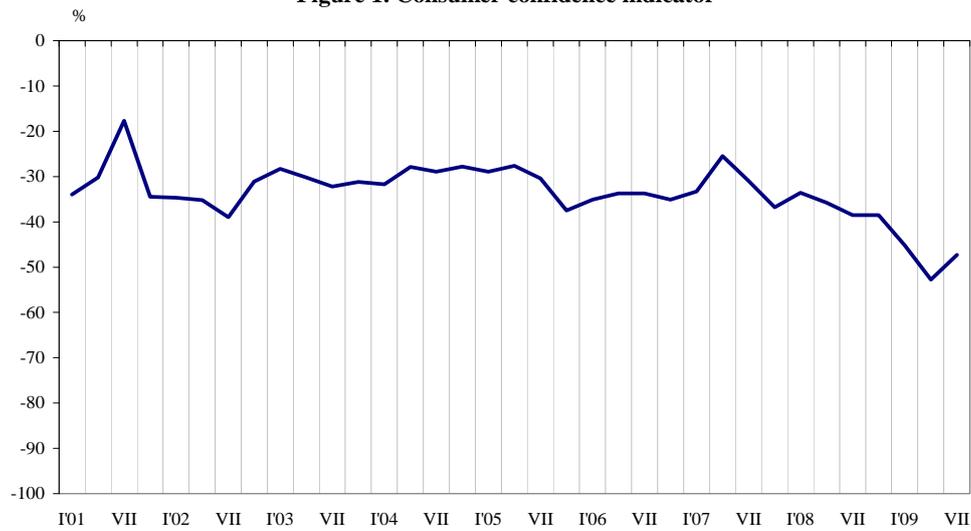
The survey is a part of the harmonized program of European Union for business and consumer surveys and it is representative for the population of 16 years and older.

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 inquire sheet 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 with one peculiarity that to the strong positive opinion and to the strong negative opinion a coefficient of 1 is applied and to the lower positive and lower negative opinions – a coefficient of half of one.

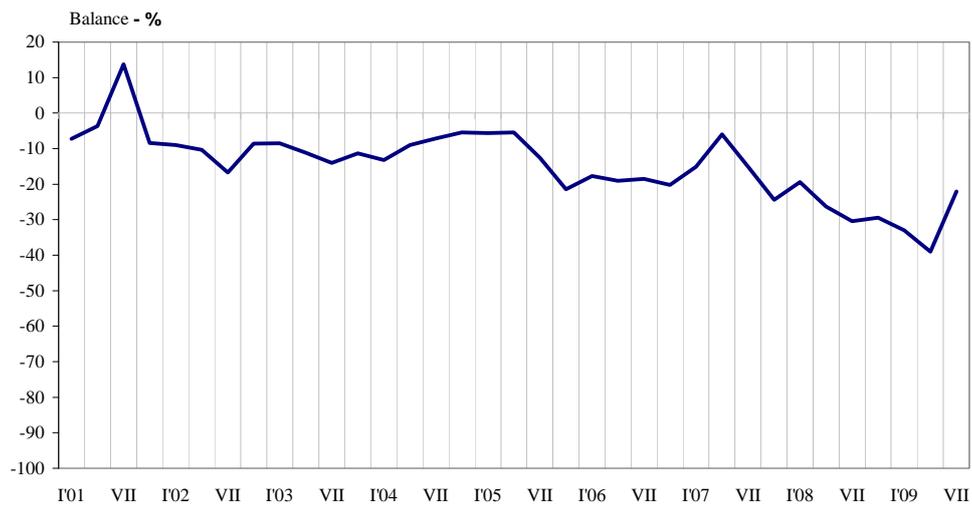
With the surveys results, it is aimed to pick point the direction of change of surveyed variables incl. of consumer confidence level, which gives an opportunity to investigate the tendencies in the development of public opinions on significant economic phenomenon.

**The consumer confidence indicator** is an arithmetic mean of balances of opinions regarding the expected in the next 12 months development of financial situation of households, general economic situation, saving and unemployment, the last taken with inverted sign.

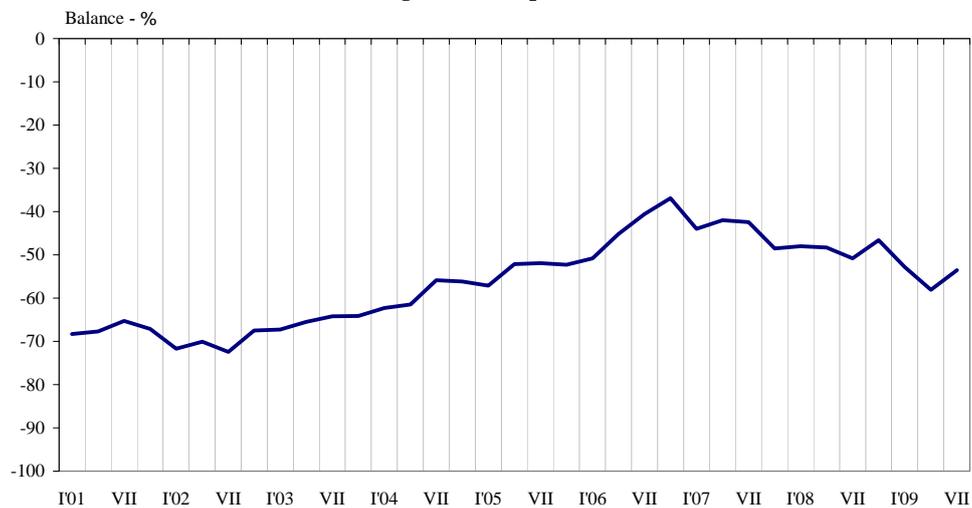
**Figure 1. Consumer confidence indicator**



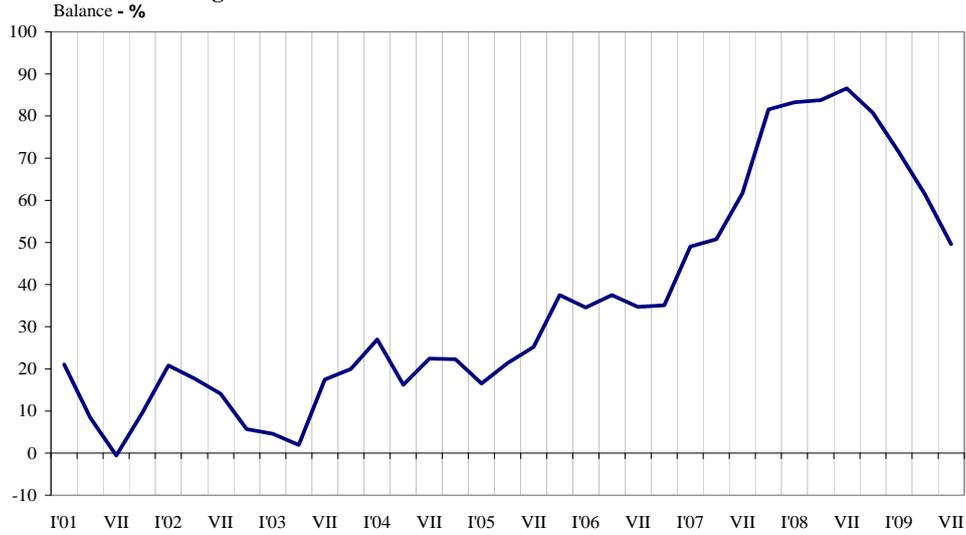
**Figure 2. Expectations about the general economic situation over the next 12 months**



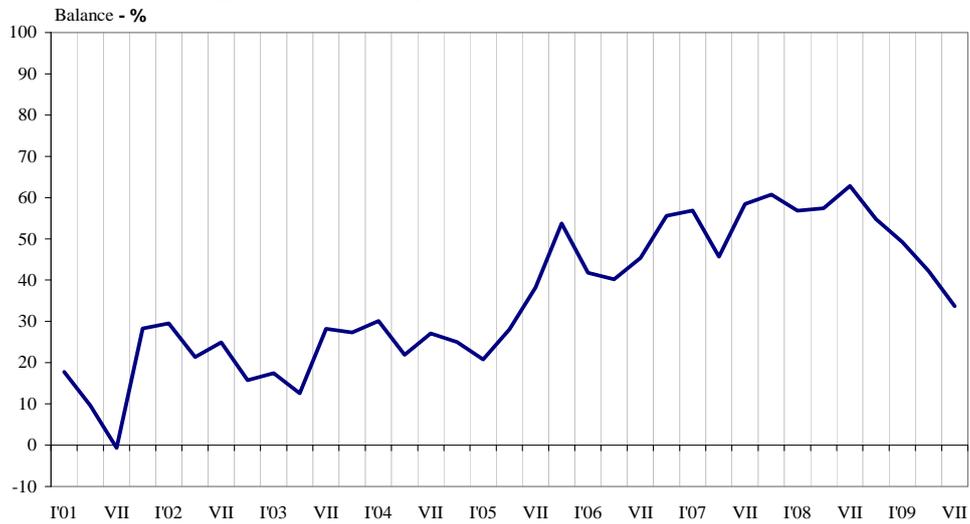
**Figure 3. Assessment of the advantage of making major purchases of durable goods in the present situation**



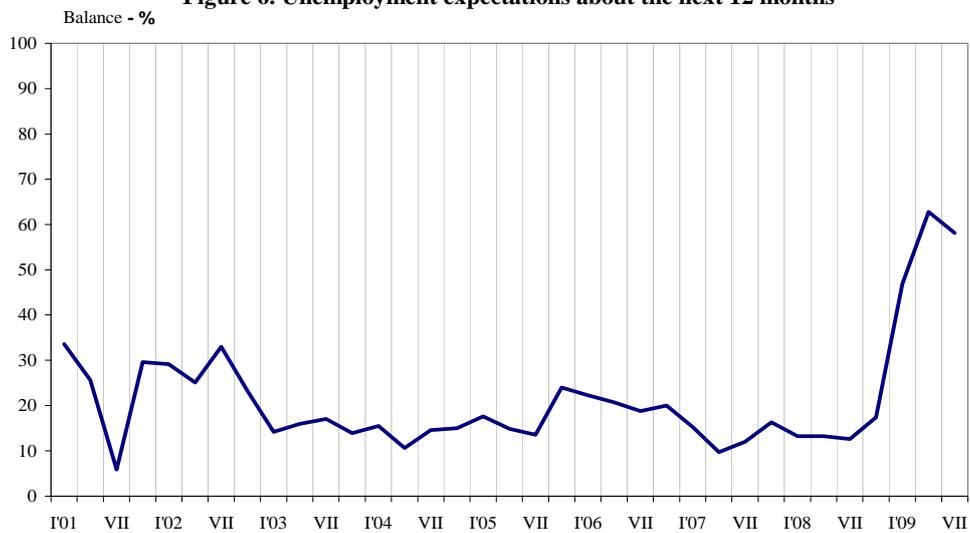
**Figure 4. Assessment of the inflation over the last 12 months**



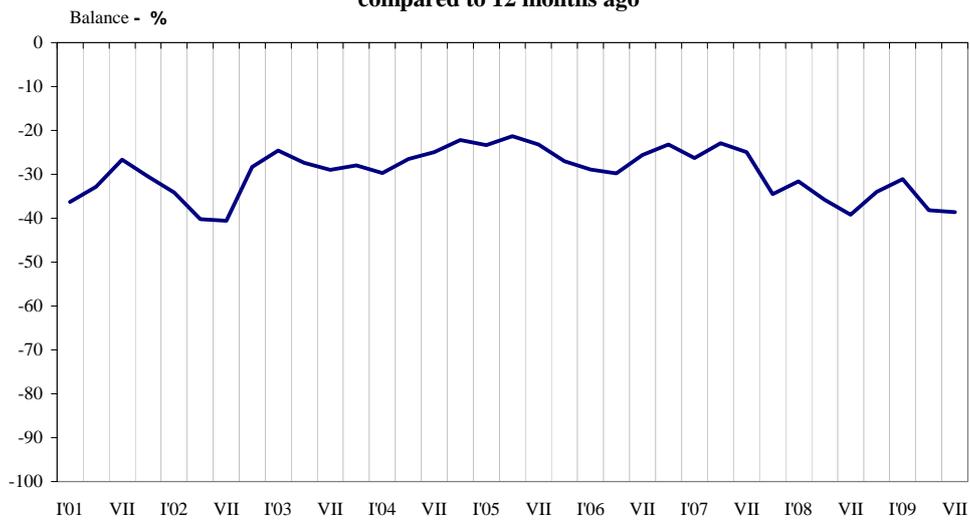
**Figure 5. Inflation expectations about the next 12 months**



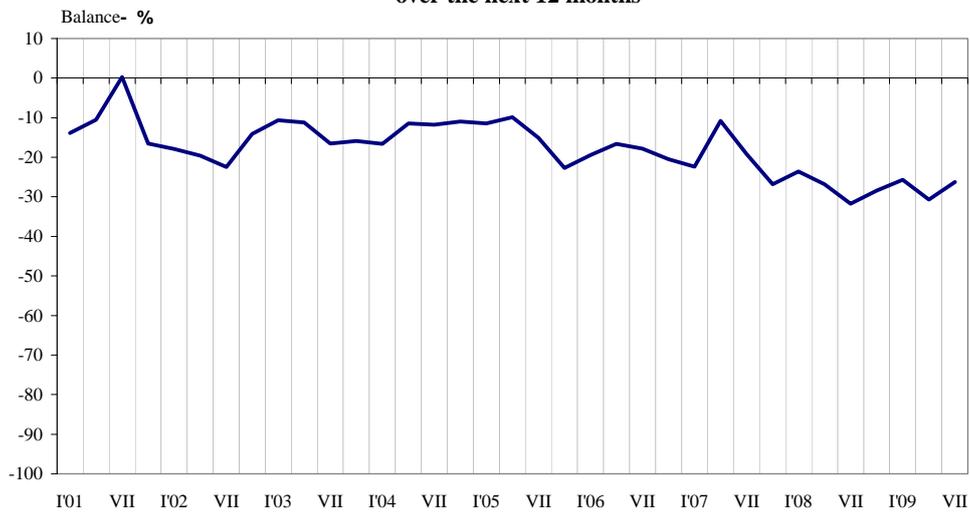
**Figure 6. Unemployment expectations about the next 12 months**



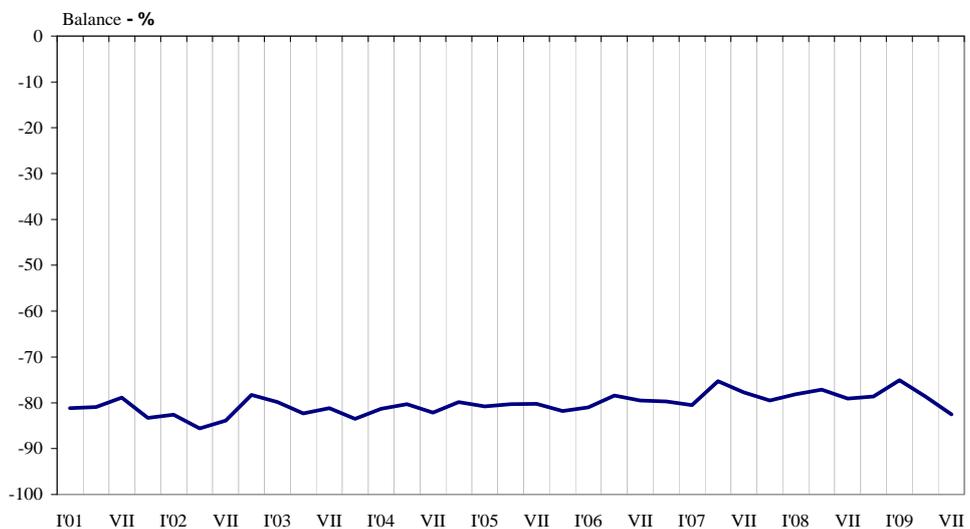
**Figure 7. Assessment of the financial situation of households compared to 12 months ago**



**Figure 8. Expectations about the financial situation of households over the next 12 months**



**Figure 9. Expected tendency in savings over the next 12 months**



**Figure 10. Expectations about buying a car in the next 12 months**

