



## CONSUMER SURVEY JULY 2011

In July 2011 the total consumer confidence indicator increases by 1.3 percentage points (Figure 1) which is due to the increase by 1.9 percentage points of confidence among the urban inhabitants. The value of the indicator for the rural inhabitants registers a drop of 0.5 percentage points.

The last inquiry shows a decrease of negativity in the consumers' assessments about present development of the general economic situation in the country during the last 12 months (Figure 2).

The consumers' opinions about the change of the consumer prices over the last 12 months are more favourable compared 3 months earlier. Traditionally the opinions are that the prices are increased but consumer feelings for "increase" are weaker in comparison with opinions expressed in April this year (Figure 3). The inflation expectations about the next 12 months are "weaker" too (Figure 4).

As regards the unemployment in the country over the next 12 months the pessimisms also decreases. The expectation shifts to more moderate assessments from "increase sharply" to "increase slightly" or 'remain the same' as the balance indicator declines by 6.5 percentage points (Figure 5).

The consumers' expectations about the development of the the general economic situation in the country over the next 12 months as a whole are more unfavourable compared to the opinions expressed before 3 months (Figure 6).

The consumers with respect to their own finances remain pessimists (Figure 7). Although the rural population in July improve its assessment of household budget situation by 1 percentage point, this can not compensate the deterioration of the indicator of 10.2 percentage points registered in the previous inquiry (in April 2011). As regards urban households finances the deterioration is gradually and smoothly - on an average by 1.4 percentage points per quarter since October last year onwards.

The slight improvement in some indicators such as assessment of the current economic situation in the country in the context of "favorable - unfavorable for savings" (Figure 8) or intent for purchase of durable goods<sup>1</sup> over the next 12 months is due entirely to the urban population.

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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.

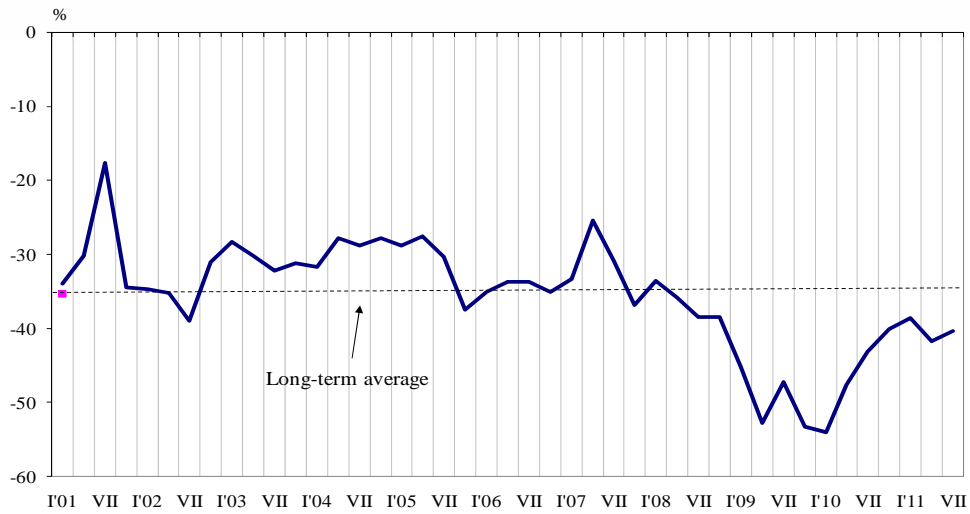
The persons of 16 years and older are the object of the survey; the sample method is random, clustered, proportional to the population by regions, incl. urban/rural inhabitants (153 clusters with 8 persons per cluster). The interviewing method is face to face. The questionnaire contains standardized 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.

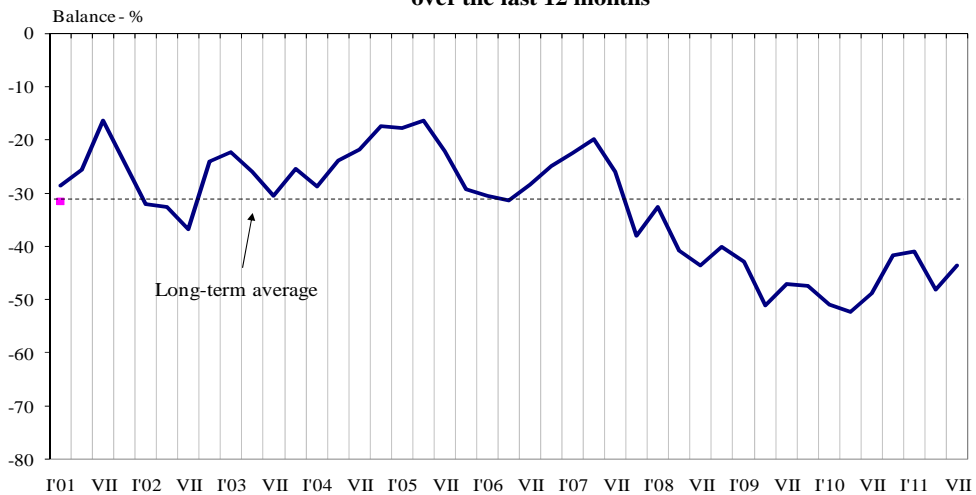
**The consumer confidence indicator** is an arithmetic mean of the balances of the expectations about the development over the next 12 months of the financial situation of households, general economic situation, savings and unemployment, as the last is taken with a negative sign.



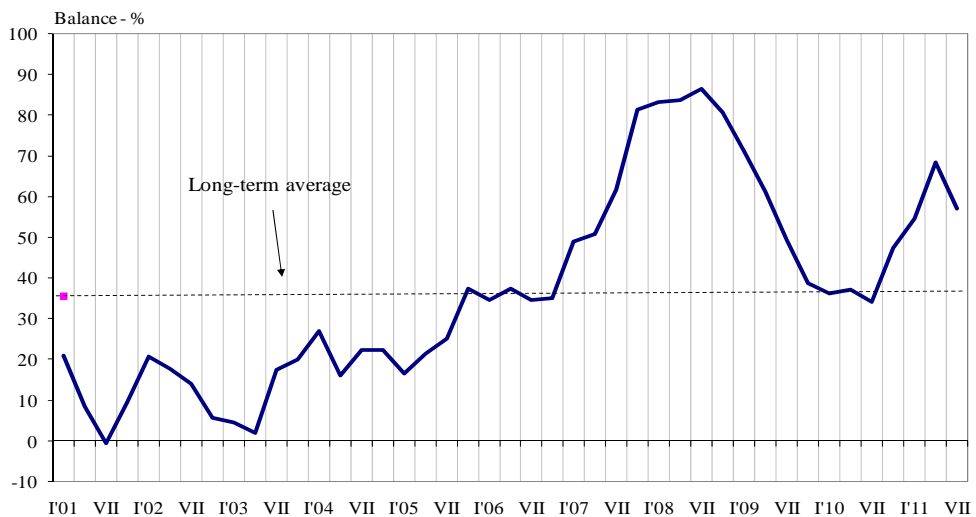
**Figure 1. Consumer confidence indicator**



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

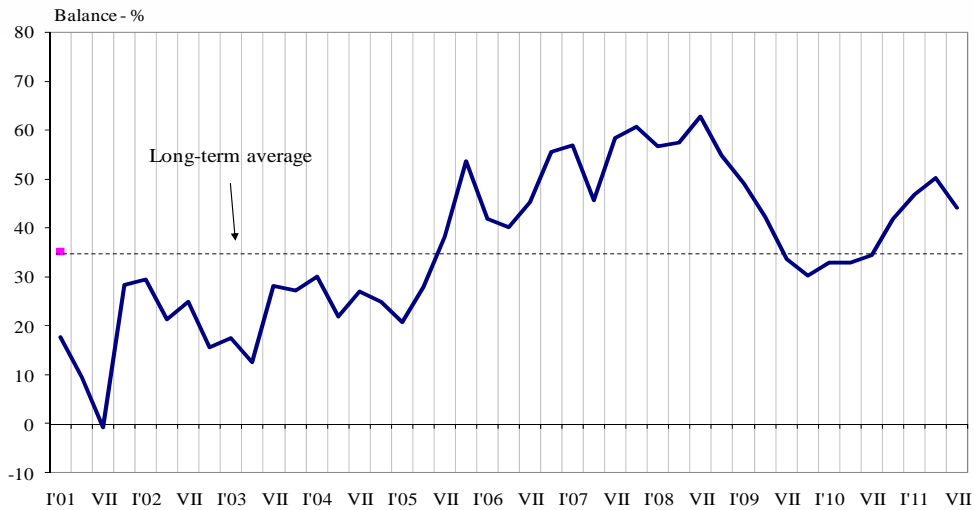


**Figure 3. Assessment of the inflation over the last 12 months**

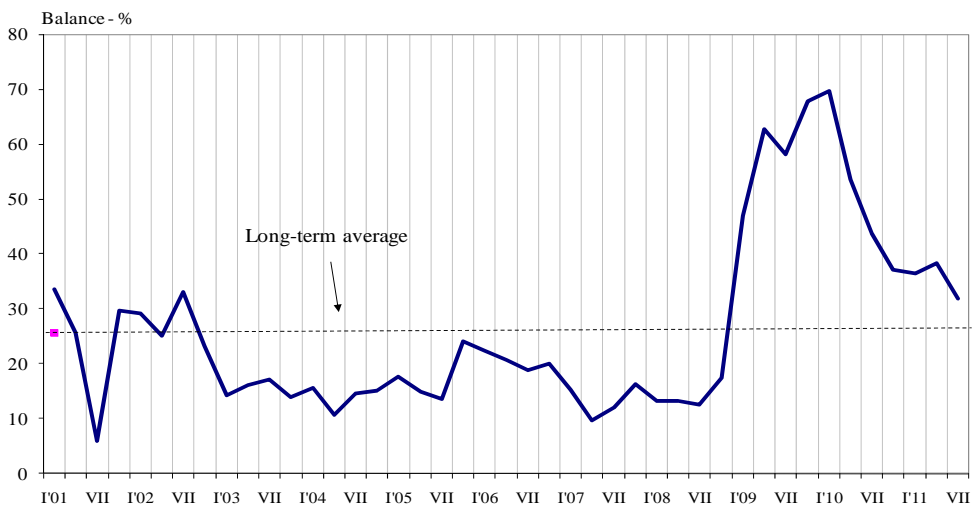




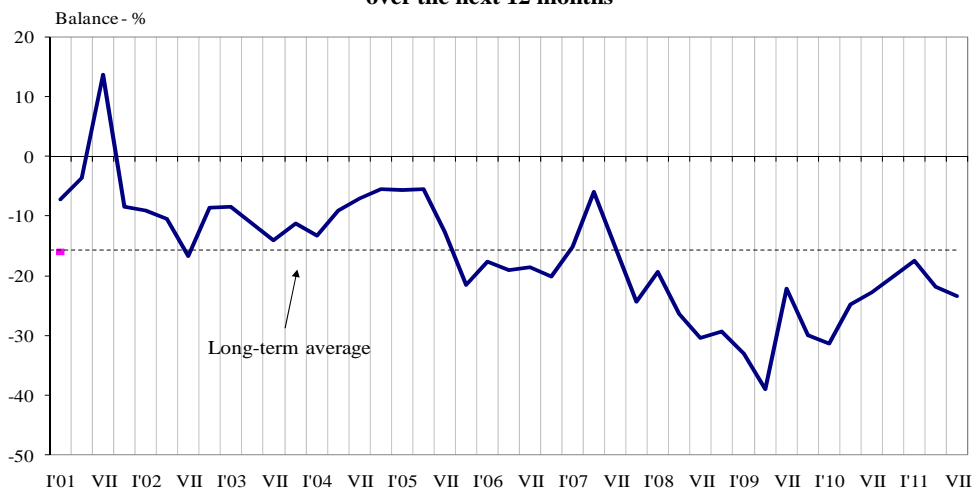
**Figure 4. Inflation expectations over the next 12 months**



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

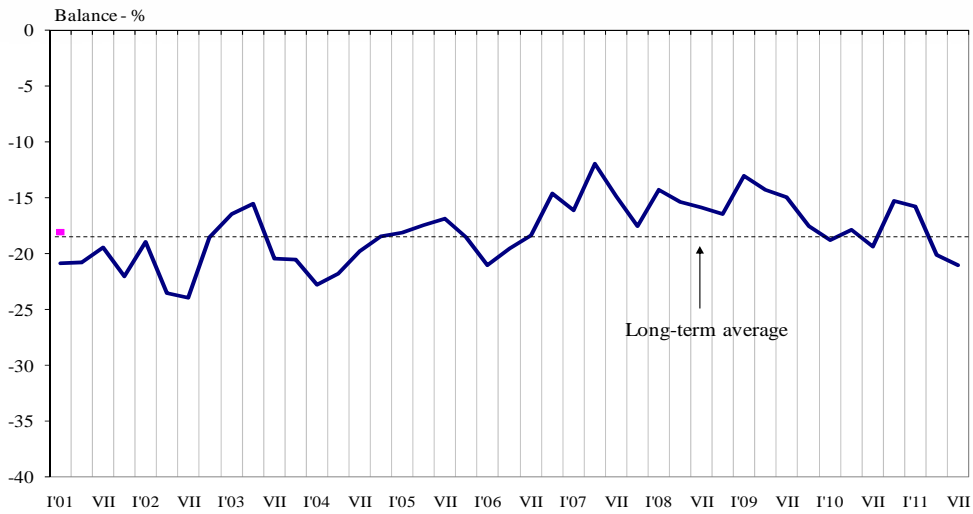


**Figure 6. Expectations about the general economic situation over the next 12 months**





**Figure 7. Present situation of households' budget**



**Figure 8. Savings/General economic situation - present situation**

