



CONSUMER SURVEY JULY 2010

The consumer survey carried out by the National Statistical Institute in July 2010 registers an increase of the total consumer confidence indicator by 4.5 percentage points in comparison with April (Figure 1). The indicator goes up both for the urban and for the rural population (an increase of the indicators by 3.9 and 6.1 percentage points respectively). As a whole the July inquiry reports on a decrease of pessimism in consumers' assessments and expectations in comparison with April.

The consumers' opinions of the development of the general economic situation in the country over the last 12 months and the expectations about the next 12 months are less negative than they were in the previous survey, which is why the balance indicators increase by 3.5 and 2.0 percentage points (Figure 2). Less pessimistic in comparison with April are also the assessments of the changes in the financial situation of households over the last 12 months and the expectations about the next 12 months (Figure 3).

The consumers living in the villages considered that their financial situation currently is relatively worse than it was 3 months ago (a decrease of the balance indicator by 4.8 percentage points), while the urban population' situation is almost unchanged - the balance indicator decreases by 0.3 percentage points (Figure 4).

The total assessment of the conditions for saving in the present economic situation in the country continues to be unfavourable, but there is a certain positive change in the urban population's opinions (Figure 5). With regard to the next 12 months a minimal improvement of the conditions for saving 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, and over the next 12 months a slight acceleration of inflation is expected (Figure 6, Figure 7). The consumers' expectations about the unemployment are that the process of reduction of personnel is going to be more moderate (a decrease of the balance indicator by 9.7 percentage points) (Figure 8).

In comparison with April the last inquiry registers an increase of optimism in the total assessment of the present situation to make major purchases of durable goods¹. In July a slight increase of the balance indicator regarding the intentions of such purchases over the next 12 months is also recorded. The balance assessments of the intentions of "buying a car", "making expenditures on home improvements" and "buying or building a home (villa)" over the next 12 months have also improved.

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

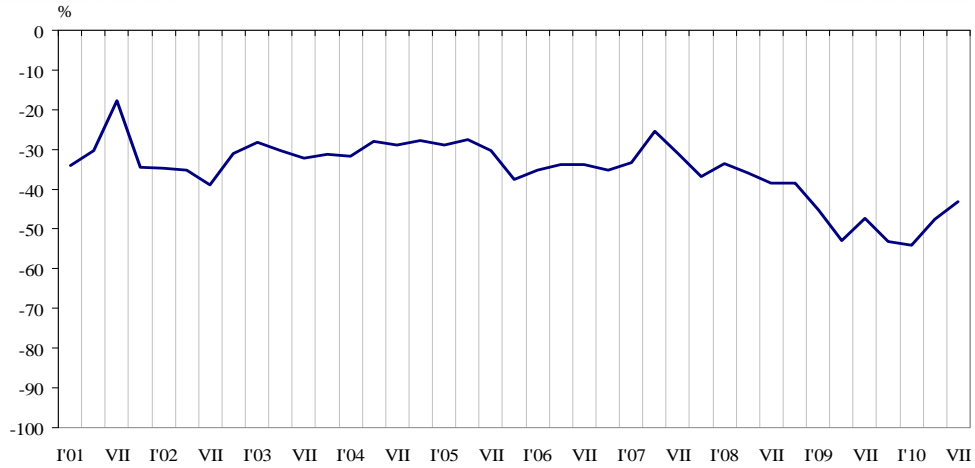


Figure 2. Assessment of the general economic situation over the last 12 months

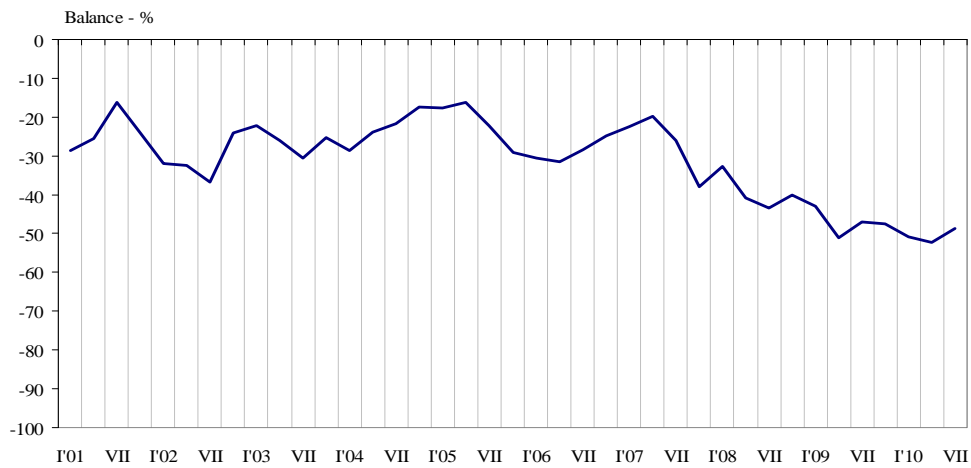


Figure 3. Assessment of the financial situation of households compared to 12 months ago

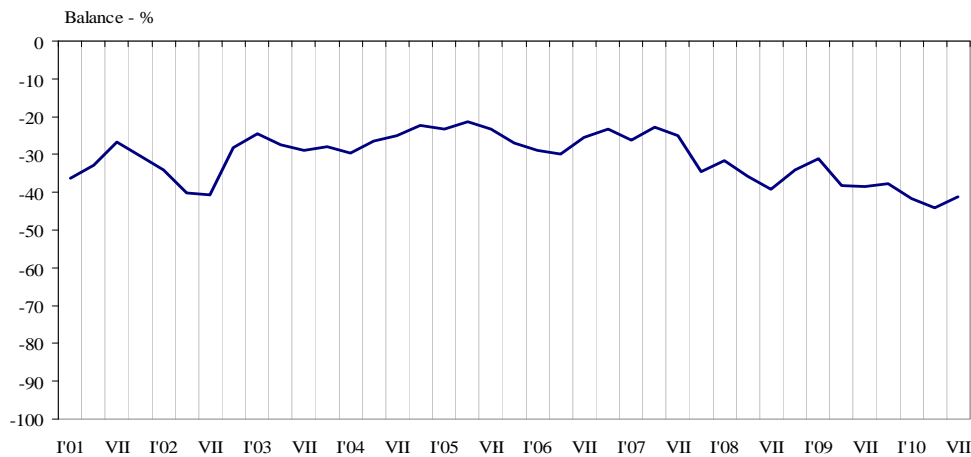




Figure 4. Present situation of households' budget

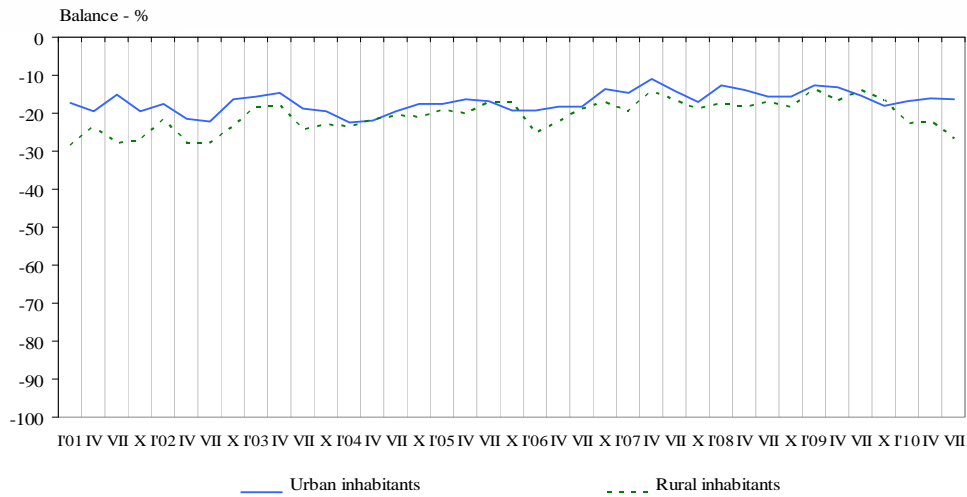


Figure 5. Savings/General economic situation - present situation

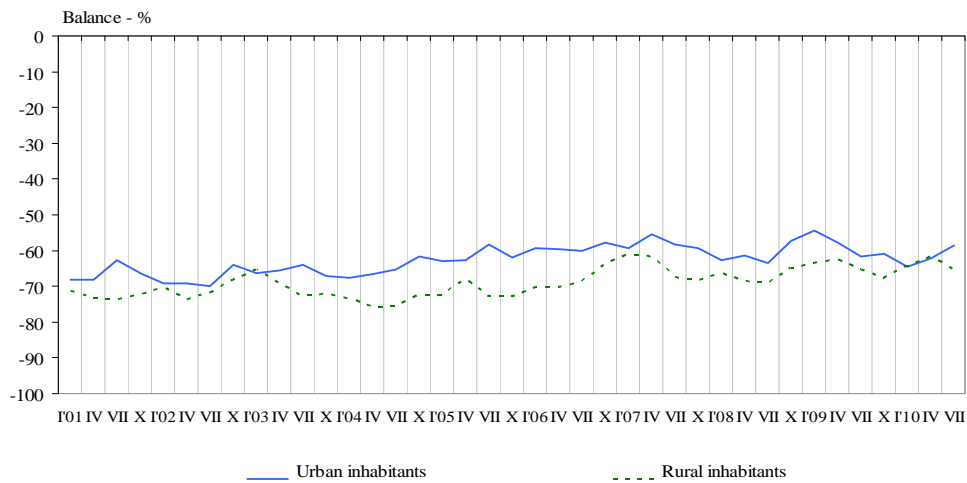


Figure 6. Assessment of the inflation over the last 12 months

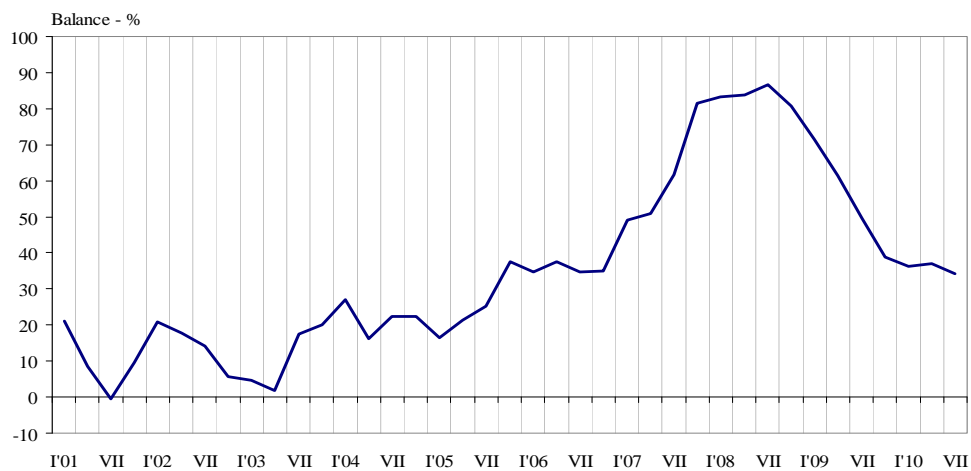




Figure 7. Inflation expectations over the next 12 months

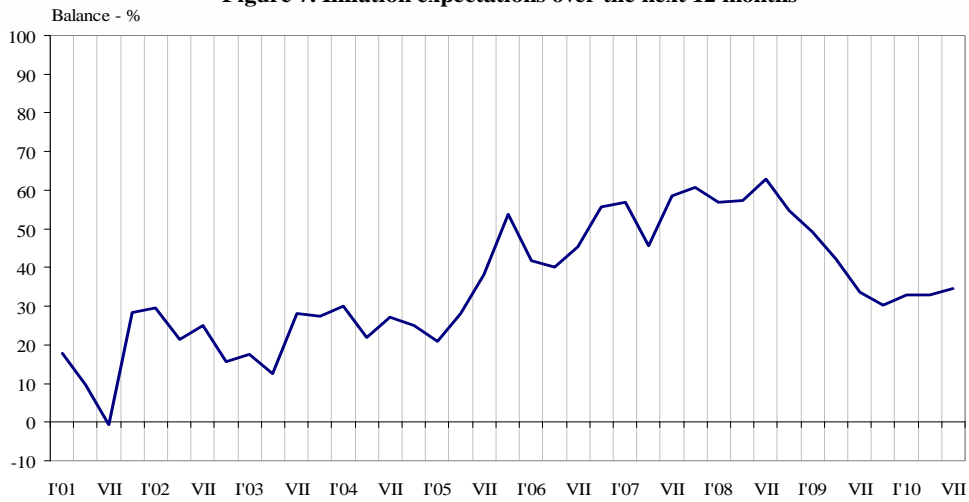


Figure 8. Unemployment expectations over the next 12 months

