

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement C — No 2 — July 1983

Consumer survey results

Improved consumer sentiment. — Consumers' opinions relating to the economic situation in the Community showed a marked improvement between January and May 1983, in broad agreement with other indicators. Moreover, consumers generally expect a slower rise in unemployment over the next 12 months.

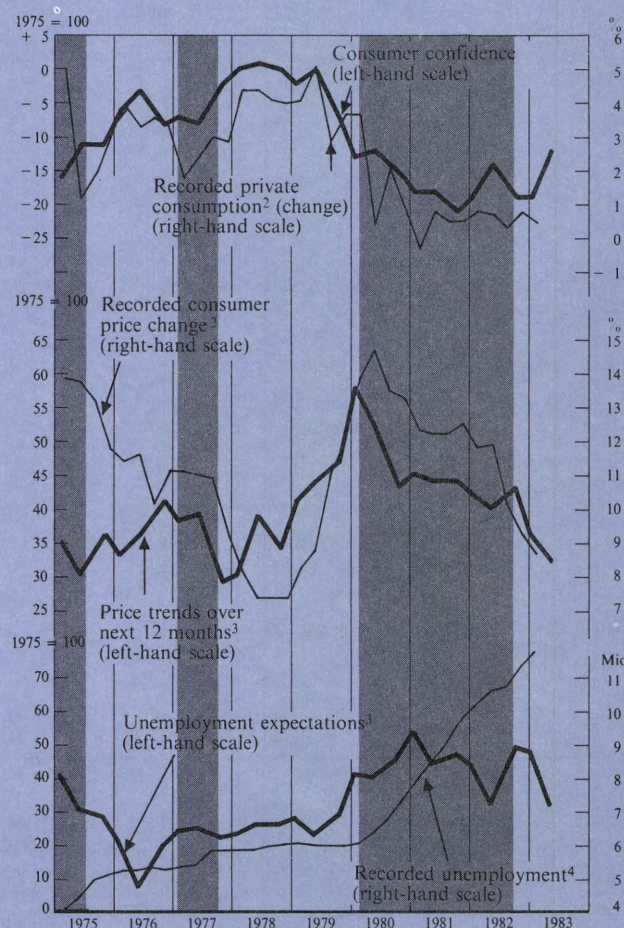
The Federal Republic of Germany and Denmark lead the advance in consumer confidence, with the United Kingdom, Belgium, the Netherlands and Italy also showing clear improvement. To appreciate these relative performances, it should be noted also that the January observation of consumer sentiment in the United Kingdom was already at a high level, owing to the sharp improvement observed there in May 1982.

In contrast with the rest of the Community, consumers' perceptions of economic conditions in France and Ireland became more pessimistic in the first half of 1983. This is no doubt a reaction to the relatively restrictive turn of economic policy in these two Member States.

Inflation expected to moderate. — The May survey reveals a continuing decline in consumers' inflationary perceptions and expectations. However, France and, to a lesser extent, Ireland are at variance with the other Member States also in this respect; for these two countries, consumers reported an increase in perceived inflation in May by comparison with the January survey, although consumer price indices show the contrary to be the case in fact: the year-to-year change in the French consumer price index was 9,6% in January as opposed to 9,0% in May 1983, while in the case of Ireland, the increase was 12,5% in the first quarter of 1983 and 9,2% in the second. Inflation, as measured by the deflator of private consumption, is forecast, also, to decrease significantly in both countries in the course of 1983/84.¹

Mixed attitudes towards savings. — The survey results for May are complex with respect to judgments as to whether the present is a good time to save. For the Community as a whole, the indicator based on this question recovered to the high level of October 1979, but there are contrasts at the national level in views on this issue. German, Danish, British and Italian consumers show significantly more positive savings attitudes, views are on the whole unfavourable with respect to savings in Ireland and in the Netherlands, while Belgium and France are in an intermediate position. In the case of the Federal Republic of Germany, Denmark and the United Kingdom, positive savings attitudes are in line with consumers' views on the general economic situation; consumers presumably take the view that savings in these circumstances should bring a good return.

GRAPH 1: Survey results and objective economic indicators. — European Community total



Shaded areas indicate periods of recession. The timing of the end of the latest recession is yet to be determined.

For notes, see overleaf, column 1.

Sources: European Community consumer survey and Eurostat.

¹ See European Economy, Supplement A of June 1983, Table 3.

However, the negative attitude in the Netherlands runs counter to the tendencies observed in the variables referring to the economic situation. This may be related to the unfavourable public reaction to the conditions attached to the May issue of Government bonds.

Purchasing attitudes still cautious. — In the Federal Republic of Germany and France, attitudes to the purchase of durable goods are consistent with those referring to the general economic situation. In the United Kingdom, the beneficial influence on purchasing attitudes of the liberalization of consumer credit in July 1982 seems now to have diminished, while in Ireland, the measures taken in March by the Central Bank to tighten consumer credit as well as the austerity budget appear to have exerted a restrictive effect on attitudes towards the purchase of durable goods. Italian consumers are still hesitant as to the advisability of buying durable goods, probably under the influence of the tighter policy on wages decided in January 1983.

18 July 1983

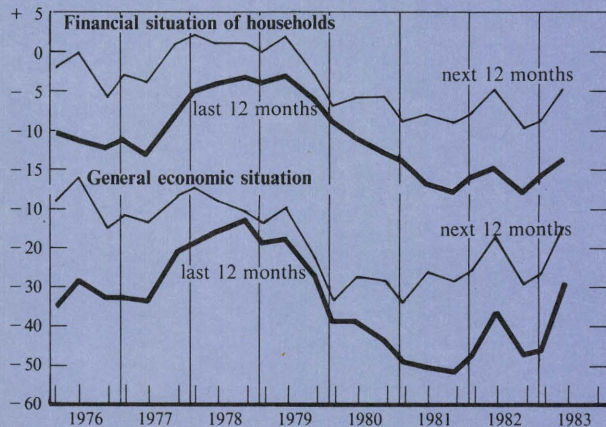
Note to readers

In pre-1983 issues of this publication, the results of the EC consumer survey were presented in the form of indices (1975 = 100), calculated from the weighted totals of percentage responses to the various questions. Starting with issue No 1, 1983, the results are published as weighted totals of the percentage responses, with no further transformation. This allows the reader to compare the absolute level of average responses as between questions or between countries, as well as developments over time. It also standardizes the range of possible variation, which previously depended upon the base year value and, consequently, could differ considerably across countries for any given question.

The weighting system applied to the answer categories for each question has also been modified, so that in the revised method the possible values for all series range from -100 to +100; the 'don't know' responses are redistributed between the other answer categories according to the latter's percentage distribution. The new weights are set out on the last page.

The January 1983 number presented historical series of answers to the survey questions, on the revised basis, since the beginning of the consumer surveys in 1972.

GRAPH 2: Consumers' views on past versus future developments — European Community total



Notes on graphs

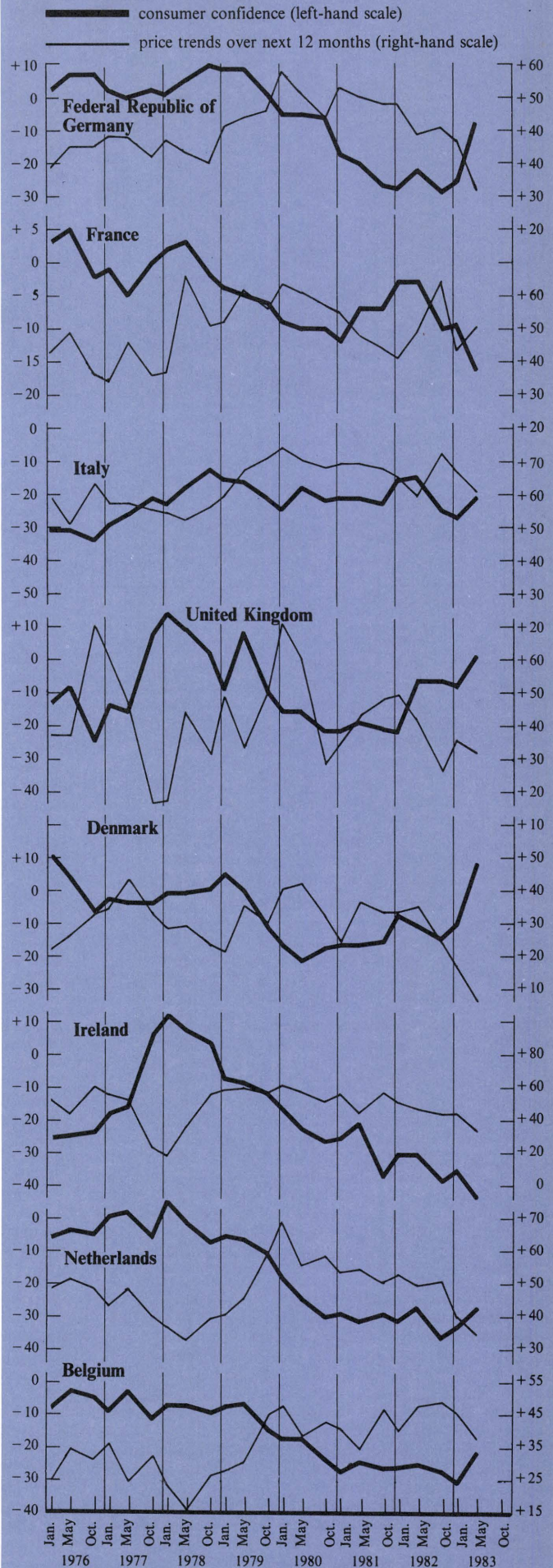
¹ The climate of consumer confidence is measured by an index based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods (see Table on pages 3 and 4 for data and notes).

² Quarterly data - percentage change on corresponding quarter of preceding year.

³ See Table on pages 3 and 4 for data and notes.

⁴ Quarterly data - seasonally adjusted.

GRAPH 3: Climate of consumer confidence¹ and opinion on price trends over the next 12 months³



Source: European Community consumer survey.

TABLE: Consumer opinion on economic and financial conditions¹

		1976	1977	1978	1979	1980	1981	1982	1980		1981			1982			1983			
		B	DK	D	F	IRL	I	NL	UK	EC 8	May	Oct.	Jan.	May	Oct.	Jan.	May	Oct.	Jan.	May
CONSUMER CONFIDENCE INDEX ²		- 5	- 8	- 8	-10	-20	-27	-27	-18	-24	-28	-25	-27	-27	-26	-28	-31	-22		
		2	- 3	- 1	- 2	-19	-17	-12	-22	-18	-17	-17	-16	- 8	-11	-15	-11	8		
		5	1	5	6	- 5	-22	-26	- 5	- 6	-17	-20	-27	-28	-22	-29	-26	- 7		
		2	- 2	1	- 5	-10	- 9	- 5	-10	-10	-12	- 7	- 7	- 3	- 3	-10	- 9	-17		
		-25	-10	8	-10	-22	-28	-34	-23	-27	-26	-21	-38	-31	-31	-39	-36	-44		
		-32	-25	-18	-17	-22	-22	-18	-18	-22	-21	-21	-23	-16	-15	-25	-27	-21		
		- 5	- 2	- 1	- 8	-25	-31	-32	-25	-31	-30	-32	-30	-32	-28	-37	-34	-28		
		-15	- 8	8	- 4	-18	-21	-12	-16	-22	-22	-19	-21	-22	- 7	- 7	- 8	- 1		
FINANCIAL SITUATION OF HOUSEHOLDS		-11	-12	-11	-11	-15	-19	-25	-14	-16	-18	-18	-20	-22	-24	-28	-29	-27		
		7	3	2	1	10	-12	- 7	-13	-12	-11	-12	-12	- 8	- 6	- 6	- 5	- 4		
		- 4	- 2	1	2	- 4	-16	-18	- 3	- 5	-12	-17	-18	-18	-15	-21	-20	-12		
		- 3	- 4	- 2	- 4	- 7	- 8	- 7	- 7	- 7	- 8	- 7	- 8	- 5	- 5	-11	- 8	-11		
— over last 12 months		-34	-28	- 9	-21	-32	-38	-41	-32	-38	-34	-32	-47	-41	-40	-41	-37	-48		
		-25	-20	-14	-13	-14	-14	-13	-12	-14	-13	-15	-15	- 9	-12	-17	-17	-14		
		- 3	0	4	1	- 9	-18	-20	- 9	-14	-14	-19	-20	-20	-20	-21	-25	-29		
		-30	-34	-10	- 1	-24	-30	-27	-26	-31	-26	-32	-30	-34	-26	-21	-18	-19		
EC 8		- 6	- 6	0	- 3	-13	-19	-17	-12	-15	-18	-18	-21	-19	-14	-19	-19	-12		
		0	- 3	- 3	- 3	- 6	- 9	-12	- 4	- 7	-12	- 9	- 7	-10	-12	-14	-17	-11		
		9	6	6	3	- 8	- 4	- 2	-10	- 6	- 5	- 5	- 2	- 1	- 2	- 7	- 5	- 4		
		1	0	2	2	- 3	-12	-14	- 4	- 2	-12	-11	-14	-14	-10	-17	-16	- 5		
		5	4	4	0	2	0	0	- 2	- 2	- 2	2	0	3	2	- 4	1	- 6		
— over next 12 months		-22	-11	1	-13	-19	-24	-23	-19	-21	-24	-14	-32	-24	-21	-25	-24	-31		
		-13	-11	- 6	- 7	-10	- 8	- 6	- 9	- 8	- 7	- 8	- 8	- 2	- 5	-11	-10	- 5		
		- 7	0	1	1	- 9	-13	-14	- 7	-15	-13	-13	-12	-13	- 9	-20	-21	-19		
		-11	- 7	3	- 1	-13	-15	- 9	-11	-14	-15	-14	-15	-17	- 8	- 3	- 4	- 1		
EC 8		- 3	- 2	2	0	- 6	- 9	- 8	- 6	- 6	- 9	- 8	- 9	- 8	- 5	-10	- 9	- 5		
GENERAL ECONOMIC SITUATION		-49	-47	-47	-44	-58	-69	-68	-55	-63	-70	-65	-73	-70	-70	-65	-69	-55		
		-35	-43	-31	-34	-56	-47	-42	-62	-48	-45	-47	-49	-33	-42	-51	-34	15		
		- 4	-11	- 5	3	-18	-46	-51	-17	-20	-38	-48	-51	-54	-44	-55	-54	-14		
		-19	-23	-18	-27	-39	-37	-28	-41	-39	-42	-36	-34	-26	-23	-37	-33	-43		
— over last 12 months		-60	-38	- 4	-35	-56	-66	-74	-53	-65	-65	-62	-73	-73	-68	-82	-75	-82		
		-75	-61	-45	-43	-57	-60	-51	-51	-59	-58	-62	-60	-53	-40	-61	-62	-53		
		-42	-31	-23	-30	-55	-64	-64	-57	-64	-65	-67	-60	-64	-58	-69	-66	-49		
		-56	-38	0	-33	-55	-62	-40	-51	-63	-65	-59	-62	-60	-28	-31	-37	-15		
EC 8		-32	-29	-16	-22	-41	-51	-44	-39	-44	-50	-51	-52	-48	-37	-48	-47	-30		
		-15	-25	-28	-29	-45	-51	-43	-40	-49	-55	-47	-51	-45	-42	-42	-48	-27		
		-14	-26	-21	-24	-42	-29	-23	-47	-37	-29	-30	-29	-17	-31	-20	-12	16		
		8	- 5	- 1	1	-19	-33	-32	-17	-17	-35	-29	-36	-37	-23	-36	-31	1		
		-15	-18	-15	-29	-40	-27	-23	-40	-39	-40	-20	-21	-16	-18	-33	-27	-42		
— over next 12 months		-38	-13	2	-26	-35	-38	-42	-36	-36	-40	-26	-47	-42	-36	-48	-43	-48		
		-29	-23	-14	-19	-30	-30	-24	-24	-31	-28	-32	-29	-21	-15	-35	-30	-22		
		-14	-15	-16	-26	-48	-42	-42	-43	-52	-48	-41	-36	-41	-36	-51	-42	-24		
		- 7	6	5	-16	-24	-23	-10	-22	-19	-28	-18	-22	-23	- 1	- 5	-14	6		
EC 8		- 8	-11	- 8	-16	-30	-30	-25	-28	-29	-35	-27	-29	-26	-18	-30	-27	-15		
PRICE TRENDS		92	85	59	55	65	69	77	62	66	67	64	77	73	78	78	78	77		
		50	55	47	39	50	51	48	54	51	41	54	58	50	47	47	34	22		
		36	28	16	25	44	52	46	48	36	46	56	54	51	43	43	37	13		
		76	73	60	70	79	77	62	80	77	78	75	79	73	70	42	47	61		
— over last 12 months		87	81	57	80	85	87	87	88	84	85	87	89	88	88	86	77	85		
		84	80	67	72	80	79	72	79	79	80	81	77	75	66	75	74	67		
		87	78	47	43	62	68	63	68	64	64	71	69	67	65	58	44	39		
		58	64	35	48	59	41	31	64	49	41	42	42	42	30	22	18	12		
EC 8		62	59	42	49	63	62	53	65	58	60	63	63	59	53	46	43	37		
		30	30	22	33	42	40	45	37	42	40	34	46	39	47	48	45	37		
		27	36	27	29	38	31	31	42	32	23	36	33	33	35	24	16	6		
		33	36	33	44	51	50	43	52	44	53	50	48	48	39	41	37	22		
		33	29	41	46	50	39	42	51	47	45	38	34	31	39	55	34	41		
— over next 12 months		51	43	36	58	56	52	46	57	51	55	44	56	50	46	43	43	33		
		48	47	44	56	60	58	56	60	58	59	59	57	55	49	62	57	51		
		49	43	36	48	61	52	50	55	58	53	54	50	52	49	50	39	34		
		38	31	21	34	43	31	29	50	18	24	33	38	39	31	16	25	22		
EC 8		37	35	34	44	51	44	42	52	43	45	44	44	42	40	43	36	32		
UNEMPLOYMENT		26	34	42	42	57	67	60	52	67	69	63	68	64	56	62	68	48		
		0	29	29	22	39	37	29	34	45	44	32	37	25	29	33	41	17		
		-12	8	10	3	20	43	43	20	19	43	36	50	48	28	54	52	8		
		18	27	30	44	47	43	30	45	52	59	38	32	30	23	37	30	43		
— over next 12 months		38	12	6	12	34	47	56	34	47	54	36	51	56	50	62	65	65		
		51	45	42	41	51	52	56	42	64	50	50	55	55	52	62	59	54		
		39	45	42	35	59	72	72	53	72	78	64	73	75	61	81	80	62		
		26	22	20	30	58	50	34	59	55	59	48	44	41	21	41	48	30		
EC 8		16	24	25	27	43	48	42	40	46	54	44	47	44	32	49	48	32		

¹ The survey questions are set out on the last page. The sums of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

² The index represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

Source: European Community consumer survey.

TABLE (continued): Consumer opinion on economic and financial conditions

			1976	1977	1978	1979	1980	1981	1982	1980		1981			1982			1983		
			May	Oct.	Jan.	May	Oct.	Jan.	May	Oct.	Jan.	May	Oct.	Jan.	May					
MAJOR PURCHASES	B		48	46	46	38	23	15	13	24	13	15	16	14	12	18	10	5	11	
	DK		46	43	41	42	21	10	16	16	24	12	6	11	13	18	20	9	3	8
	D		26	24	31	25	18	-1	-17	-17	15	16	11	3	-18	-19	-17	-16	-10	-5
	F		42	31	34	35	39	28	18	28	43	35	33	23	27	28	28	34	23	19
	IRL		30	42	49	46	30	24	13	13	26	23	34	29	10	27	11	1	1	-13
	I	at present	-18	-12	-10	-3	2	4	1	1	4	4	3	10	-1	7	-1	-3	-15	-13
	NL		40	38	28	13	-2	-17	-21	-21	-8	-10	-10	-19	-23	-22	-17	-23	-18	-17
	UK		29	35	43	43	28	26	25	25	29	20	26	27	24	22	26	28	33	27
	EC 8		26	25	29	27	22	12	7	7	22	18	17	13	5	6	6	8	6	6
	— over next 12 months	B		-32	-29	-28	-29	-26	-28	-28		-26	-29	-26	-30	-29	-26	-28	-29	-28
DK			-11	-11	-9	-8	-14	-12	-10	-10	-14	-15	-12	-12	-12	-10	-9	-12	-13	-6
D			-21	-19	-15	-15	-19	-25	-28	-28	-18	-21	-24	-27	-25	-26	-27	-32	-33	-27
F			-13	-15	-13	-16	-18	-13	-9	-9	-19	-19	-11	-18	-10	-9	-9	-8	-10	-11
IRL			-21	-17	-13	-17	-19	-22	-27	-27	-19	-18	-22	-19	-24	-27	-26	-27	-32	-35
I			-4	-12	-16	-10	-17	-18	-22	-22	-18	-14	-21	-18	-16	-24	-21	-21	-22	-22
NL			-15	-14	-14	-19	-23	-27	-27	-27	-22	-27	-26	-27	-27	-27	-24	-29	-28	-29
UK			-18	-16	-9	-6	-14	-19	-18	-18	-13	-19	-20	-18	-19	-22	-17	-16	-19	-13
EC 8			-15	-15	-12	-12	-17	-20	-20	-20	-17	-20	-20	-21	-19	-21	-19	-20	-22	-19
SAVINGS		B		32	34	35	40	38	41	40	38	41	44	45	33	40	40	41	49	51
	DK		20	9	7	11	15	23	26	26	13	22	28	23	20	26	21	30	36	43
	D		48	44	34	46	43	32	27	27	43	39	39	37	18	27	29	24	27	35
	F		2	6	10	8	3	-2	-5	-5	-8	-2	-1	-1	-6	-3	-7	-6	-1	-2
	IRL		-2	-3	14	8	5	-3	-9	-9	5	0	1	0	-10	-12	-13	-2	9	-12
	I	at present	-6	2	6	4	-6	-7	10	10	-8	-9	-3	-8	-10	2	15	12	19	23
	NL		3	7	13	19	19	27	38	38	17	22	22	25	35	35	41		37	32
	UK		-24	-17	-10	-5	6	5	5	5	2	2	6	3	6	5	9	2	4	11
	EC 8		13	15	16	21	15	12	12	12	13	14	16	14	8	12	15	10	16	20
	— over next 12 months	B		-11	-12	-14	-14	-20	-21	-25	-17	-24	-24	-24	-16	-24	-24	-26	-23	-26
DK			-7	-12	-11	-12	-20	-19	-18	-18	-24	-21	-14	-18	-24	-17	-17	-20	-12	-9
D			44	44	43	46	44	23	-2	-2	42	44	39	32	-1	-1	3	-6	-2	3
F			-30	-29	-27	-29	-32	-32	-32	-32	-32	-34	-31	-31	-32	-29	-31	-35	-30	-37
IRL			-21	-15	-5	-11	-13	-19	-22	-22	-17	-14	-17	-14	-26	-24	-19	-24	-18	-31
I			-48	-41	-35	-34	-32	-30	-22	-22	-32	-31	-26	-31	-32	-15	-23	-28	-27	-26
NL			-2	2	6	8	0	-1	-3	-3	-1	-1	1	-2	-1	-4	-1	-2	-6	-8
UK			-8	-15	-4	-4	-16	-20	-17	-17	-10	-30	-19	-20	-21	-22	-15	-14	-16	-11
EC 8			-2	-3	1	2	-4	-11	-16	-16	-4	-7	-5	-8	-18	-16	-15	-18	-16	-16
FINANCIAL SITUATION OF HOUSEHOLDS		B		12	12	11	12	9	7	6	9	8	7	7	7	7	7	4	5	5
	DK		12	12	10	9	4	4	4	4	3	5	4	6	3	4	5	5	7	12
	D		20	22	23	22	21	16	12	12	20	21	21	15	12	12	13	10	10	14
	F		10	10	10	10	8	8	8	8	8	7	8	8	7	9	9	6	8	5
	IRL		7	8	11	8	2	-4	-1	-1	4	-5	-3	-7	-3	0	-2	-3	-3	1
	I	index of net acquisition of financial assets	1	4	7	8	8	8	13	13	9	9	9	8	8	16	12	10	9	10
	NL		7	9	14	22	19	18	17	17	18	18	20	17	18	16	17	18	16	16
	UK		9	3	8	10	8	9	9	9	9	7	11	8	8	6	11	11	10	12
	EC 8		812	12	14	15	12	11	10	10	12	12	13	10	9	10	11	9	9	10

European Community consumer survey

The Community's survey of consumer opinion, which was started in 1972, is carried out in all Member States except Luxembourg. In Belgium, Denmark, France, Ireland and the Netherlands a random sampling of households is undertaken three times a year, in January, May and October (except for France, where the Autumn survey is conducted during the first half of November). In Italy the survey arrangements were as above until 1982; since January 1982 the Italian survey of households has been carried out on a monthly basis. Random surveys of households were also carried out in the United Kingdom until October 1980 and in the Federal Republic of Germany until May 1981, subsequent results being based on a monthly quota sampling of adults. For the three countries (the Federal Republic of Germany, Italy and the United Kingdom) where monthly surveys are undertaken, results published here are centred three-month averages (e.g., October's result is the average of September, October and November).

The questions for which results are published in this Supplement are listed below. The numbers in parentheses are the weights given to each percentage response to obtain the average answer to each question.

- Financial situation of your household now compared to 12 months ago?
- Financial situation of your household, prospects over the next 12 months?
- General economic situation in the country now compared to 12 months ago?
- General economic situation in the country, prospects over the next 12 months?

For the above four questions the possible responses are: a lot better (+1), a little better (+ 1/2), the same (0), a little worse (- 1/2), a lot worse (-1), don't know.

- Price levels now compared to 12 months ago? Much higher (+1), moderately higher (+ 1/2), a little higher (0), about the same (- 1/2), lower (-1), don't know.
- Price trends over the next 12 months? More rapid increase (+1), same increase (+ 1/2), slower increase (0), stability (- 1/2), fall slightly (-1), don't know.
- Unemployment level in the country over the next 12 months? Increase sharply (+1), increase slightly (+ 1/2), remain the same (0), fall slightly (- 1/2), fall sharply (-1), don't know.

- Major purchases (furniture, washing machine, TV, etc.) at present? Yes, right time (+1), neither right nor wrong time (0), wrong time, should postpone (-1), don't know.

- Major purchases next 12 months compared to last 12 months? Much more (+1), a little more (+ 1/2), the same (0), a little less (- 1/2), much less (-1), don't know.

- Savings at present, a reasonable time to save?

- Savings by you or your household over the next 12 months?

For the above two questions the possible answers are: yes, certainly (+1), Yes, perhaps (+ 1/2), probably not (- 1/2), certainly not (-1), don't know.

- Financial situation of households at present — financial asset accumulation? Borrowing (-1), drawing on savings (- 1/2), just making ends meet (0), saving a little (+ 1/2), saving a substantial amount (+1), don't know.

The consumer confidence index is an arithmetic average of the answers to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases.

The surveys are undertaken by:

B — Belgium: INS (Institut National de la Statistique)

DK — Denmark: Danmarks Statistik

D — Federal Republic of Germany: GfK (Gesellschaft für Konsum- Markt- und Absatzforschung)

GR — Greece: National Statistical Service of Greece

F — France: INSEE (Institut National de la Statistique et des Études Économiques)

IRL — Ireland: the Agricultural Institute

I — Italy: ISCO (Istituto Nazionale per lo Studio della Congiuntura)

NL — Netherlands: CBS (Centraal Bureau voor de Statistiek)

UK — United Kingdom: Social Surveys (Gallup Poll) Ltd.

The annual subscription for this publication runs from 1 January to 31 December of each year.

Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.

Prices are set out on page 4 of the cover of European Economy.

These are surface mail rates; for air subscription rates please apply to the agents.



OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES

