

EUROPEAN ECONOMY

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

Supplement C — No 3 — December 1983

Consumer survey results

Confidence weakens. — Consumer confidence in the Community deteriorated between May and October 1983, losing 2 of the 7 points gained in the period January to May. Some deterioration is observed in all Member States, except Ireland (+6) and the Netherlands (no change). With the exception of France (-10) and Ireland (-2) however, the results are still better than those recorded in January and the trend is upward. For 1983 the EC confidence index is 2 points higher than in 1982 and 4 points above the 1981 level.

The weakening of the confidence indicator up to October contrasts with the buoyant state of retail sales in some Member States and might indicate a levelling off of the growth of private consumption in the near future.

Less favourable expectations. — Households' views on the general economic situation and their financial situation over the next 12 months have become more pessimistic since May as have their perception of the recent past. The downward revision has reflected opinions on expectations more than judgements on the last 12 months, however. Nevertheless, in both respects, answers were still more optimistic in October than in January.

This analysis of expectations applies neither to France, where the assessment of the economic situation over the next 12 months is marginally more optimistic now than in May, nor to the Netherlands where consumers have a better opinion of the economy of their country but revise downwards the assessment of their personal situation.

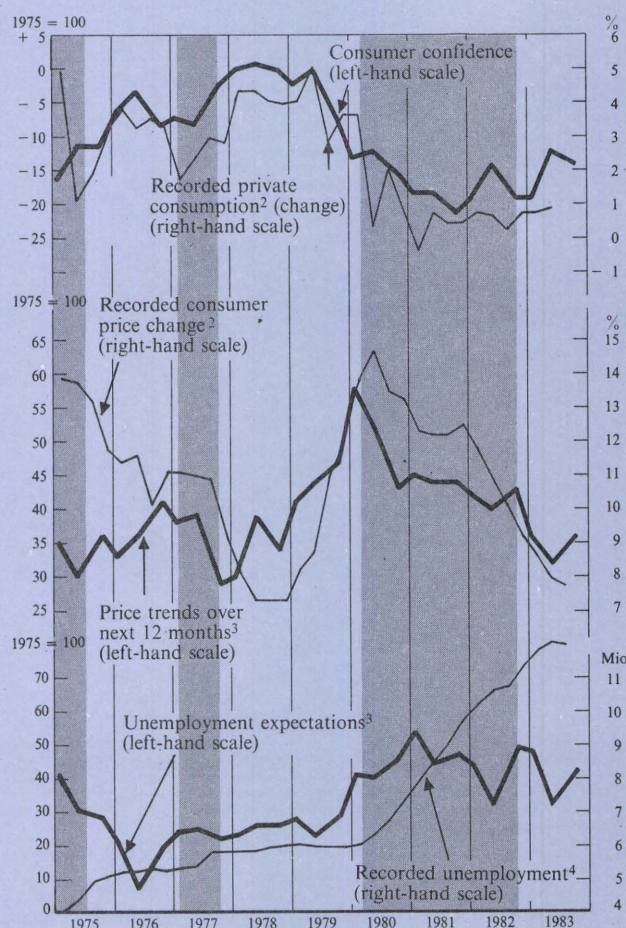
Unemployment fears appear to have risen again since May (+10 points for the EC). This is, however, partly due to large increases in very unstable series for Germany (+23) and Denmark (+16). Indeed, the assessment of unemployment in the Netherlands has fallen since May (-2).

Saving intentions remain low. — While in October there was an increase in the number of consumers who considered it an appropriate time to save (+2 points), actual expectations on savings over the next 12 months were for a further slight fall (-1 point). Except in 1979, EC consumers had never considered it to be a more appropriate time to save than at present. Yet, their savings expectations remain at the lowest level recorded since the launching of the survey. This may be partly explained by the downward trend in the assessment of the financial situation of households.

The stability of the saving expectations between 1982 and 1983 coupled with a minor improvement (+1) of the balance

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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.

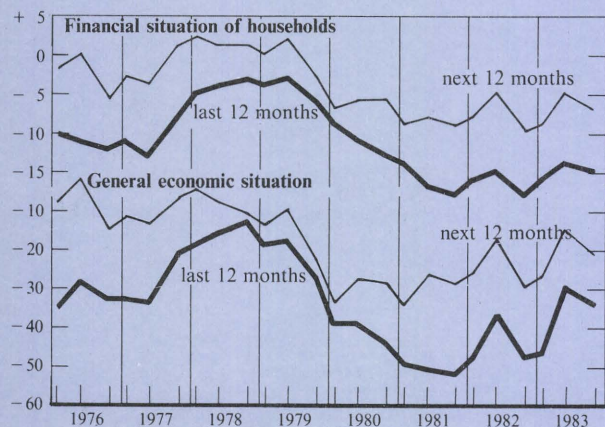
referring to the future financial situation of households may suggest that no rise in the households saving ratio should be expected in the coming months.

Durable goods. — The balance of intentions on the purchase on consumer durables has not improved and remains at its lowest since 1976. Only in Germany, Denmark and the United Kingdom, can a positive trend be observed: the October results confirm the improvement noticed in May. The replies to the question on whether it is the right time to buy durables are also in line with answers on intentions to buy.

Slight rise in inflation expectations. — EC households appeared during the recent past to have an accurate feeling for current inflation trends. From October 1981 to May 1982 their answers on inflation over the last 12 months accurately tracked the decreasing inflation rate (Graph 1). In October, both the price index and the balance of answers referring to past prices remained fairly stable with respect to May. EC consumers expect inflation to rise over the next 12 months; the increase of 4 points is of exactly the same magnitude as the fall between January and May. The most significant increases in inflation expectations occurred in the low inflation countries (Germany +8, Netherlands +7 and the United Kingdom +14). In contrast, consumers in France were more confident about inflation than in May and the expectations index fell by 6 points. Inflationary expectations remained lower than in 1982, for all Member States, except the United Kingdom.

13 December 1983.

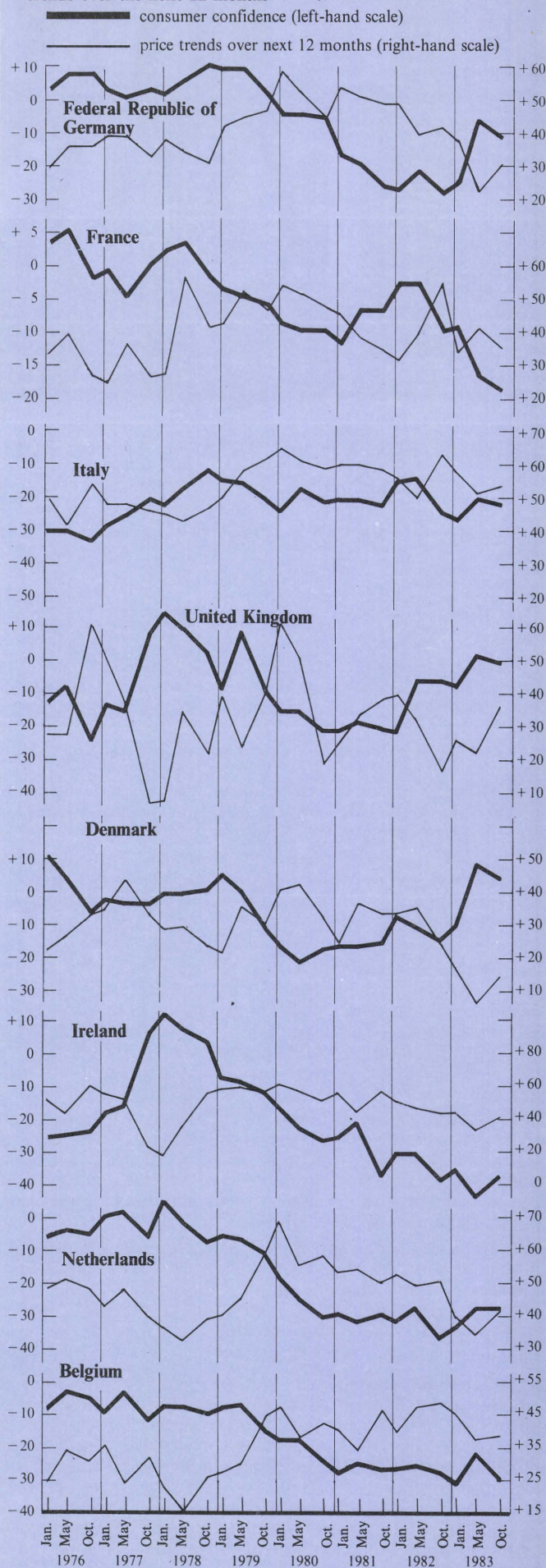
GRAPH 2: Consumers' views on past versus future developments — European Community total



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

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

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 (+½), the same (0), a little worse (-½), a lot worse (-1), don't know.

- Price levels now compared to 12 months ago? Much higher (+1), moderately higher (+½), a little higher (0), about the same (-½), lower (-1), don't know.
- Price trends over the next 12 months? More rapid increase (+1), same increase (+½), slower increase (0), stability (-½), fall slightly (-1), don't know.
- Unemployment level in the country over the next 12 months? Increase sharply (+1), increase slightly (+½), remain the same (0), fall slightly (-½), 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 (+½), the same (0), a little less (-½), 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 (+½), probably not (-½), certainly not (-1), don't know.

- Financial situation of households at present — financial asset accumulation? Borrowing (-1), drawing on savings (-½), just making ends meet (0), saving a little (+½), 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.

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