

EUROPEAN ECONOMY

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

Supplement C — No 1 — March 1984

Consumer survey results

Consumer confidence improves. — Consumer confidence in the Community rose again in the four months up to January. This improvement was observed in all Member States, except France and Greece. The rise of 2 points in the consumer confidence index for the Community reverses the small decline recorded in October and confirms the recovery which started at the end of 1981.

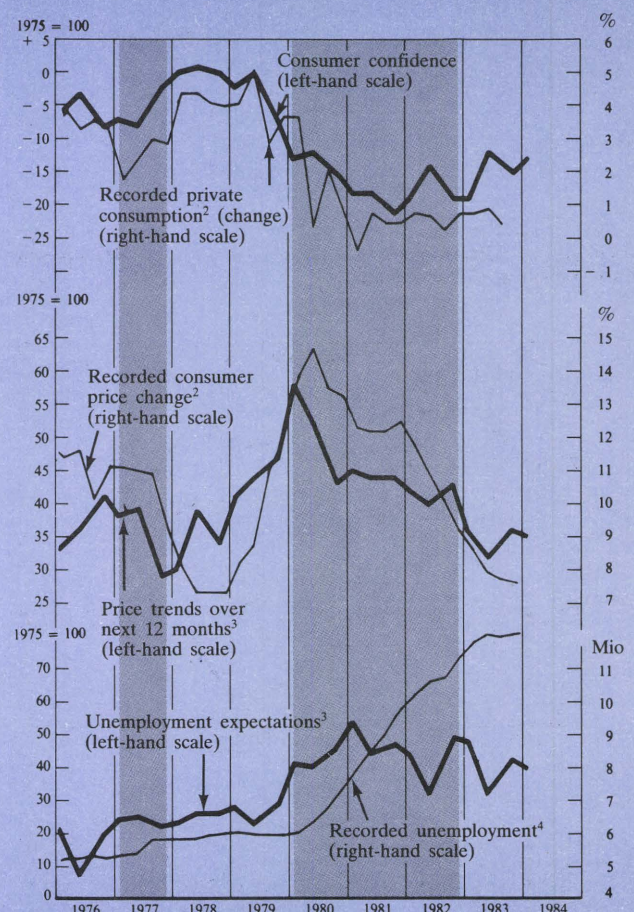
The confidence index improved strongly between October and January in Denmark (+ 6 points), Ireland (+ 5), Germany (+ 4) and Italy (+ 4). Slightly more modest gains were recorded in the Netherlands (+ 2), Belgium (+ 2) and the United Kingdom (+ 1), while the index fell marginally in France (– 1) and Greece (– 2).

During the current cycle sentiment has improved most clearly in the United Kingdom, Germany and Denmark. Whereas the recovery of the confidence index in the United Kingdom began in the early part of 1982, the improvement in Germany and Denmark began one year later. As expected the other Member States are lagging behind these countries in the cyclical recovery but there are already signs of an improvement in confidence in Italy, Ireland and the Netherlands. The decline in consumer confidence in France also appears to be flattening out. These results provide supporting evidence for the Commission's forecast of a continuation of the modest recovery in private consumption at the Community level through 1984.

More favourable assessment of the economic situation. — Households' assessments of the general economic situation, both over the last year and for the coming year, improved between October and January. Interestingly, the rise in confidence about the future economic situation was particularly marked in Ireland, Denmark and the Netherlands, Member States where relatively restrictive domestic adjustment policies have recently been followed. Confidence in the economic situation also strengthened further in Germany and the United Kingdom as expected, and also in Italy.

On the other hand, the financial situation of households was judged to have improved only slightly between October and January. This is true for the Community and across Member States and reflects the relatively low increase in real wages over the past year. This in turn has clearly affected expectations on real wage increases for the coming year in most countries.

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



For notes, see overleaf, column 1.

Sources: European Community consumer survey and Eurostat.

Household's assessments of their future financial situation may be related to their judgement on the course of inflation over the coming year. Indeed, at the Community level, expectations on inflation do not appear to have changed since October, though in some individual Member States (notably Denmark and the Netherlands) the balance of respondents expecting prices to rise fell sharply. After several years of disinflation therefore, households could possibly be losing confidence in further advances in the fight against inflation.

Little change in savings intentions. — Falling household savings ratios reflected the strengthening of private consumption in Germany and the United Kingdom in the early part of the current cyclical recovery under the constraint of very low increases or falls in real disposable income. The answers to the question on the appropriateness of the current period for savings suggest that households are now considering increasing their savings. Savings intentions for the coming year have also been more or less unchanged over the last year, though remaining at a very low level. These results are supported by the survey of intentions on major purchases, which reveals hardly any change in a rather negative picture, with households being little more disposed to make major purchases now than in the October survey.

Less pessimism on the employment outlook. — The outlook for unemployment, as perceived by households, improved considerably between last October and January in all countries, except France and Greece. Denmark, Ireland and the Netherlands registered particularly large declines in the net balance of households expecting unemployment to rise.

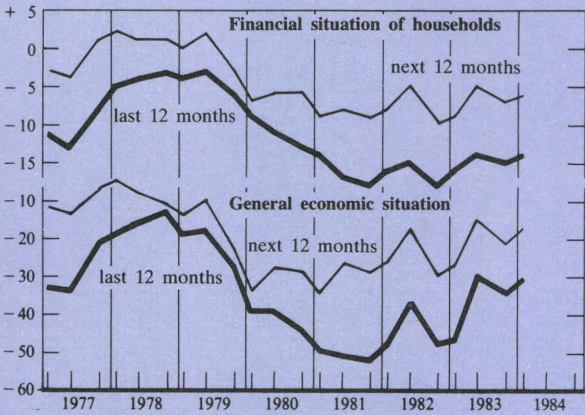
13 March 1984

Note to readers

Consumer surveys have been conducted in Greece since January 1982. Their results are published for the first time in the present issue of this publication.

The EC totals refer now to all Member States, except Luxembourg.

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



Notes on graphs

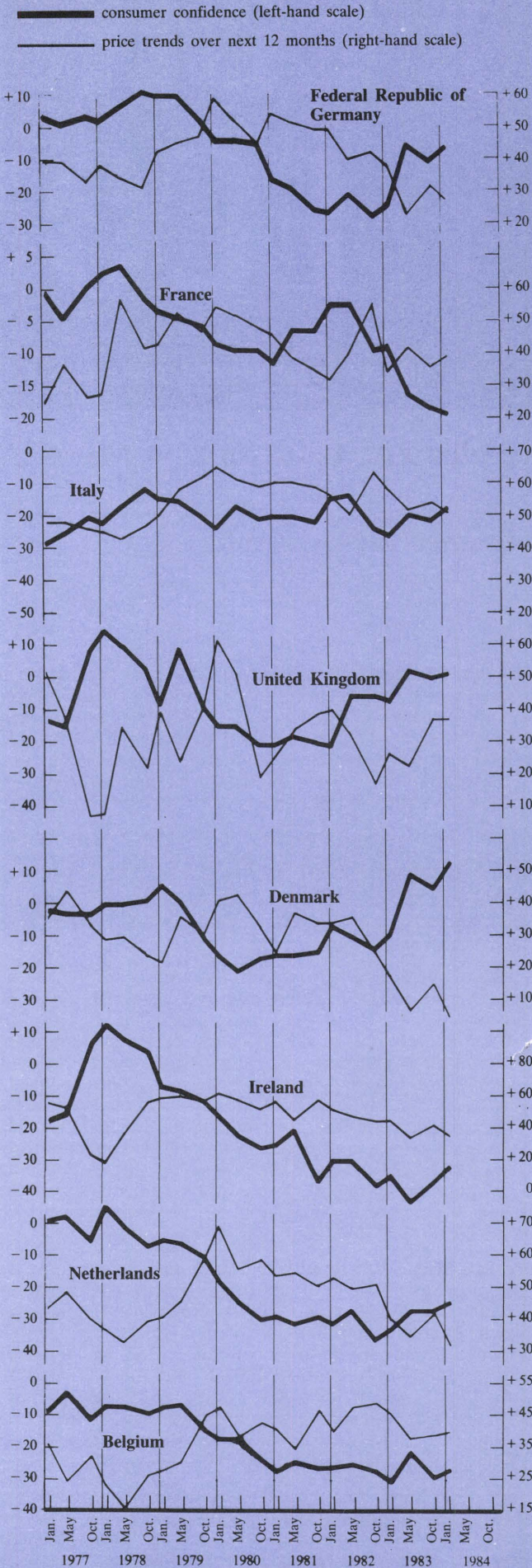
¹ The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods (see table on pages 3 and 4 for data and notes).

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 months²



Source: European Community consumer survey.

TABLE: Consumer opinion on economic and financial conditions¹

		1976	1977	1978	1979	1980	1981	1982	1983	1981		1982			1983			1984
										May	Oct.	Jan.	May	Oct.	Jan.	May	Oct.	Jan.
CONSUMER CONFIDENCE INDICATOR ²	B	-5	-8	-8	-10	-20	-27	-27	-28	-25	-27	-27	-26	-28	-31	-22	-30	-28
	DK	2	-3	-1	-2	-19	-17	-12	0	-17	-16	-8	-11	-15	-11	8	5	11
	D	5	1	5	6	-5	-22	-26	-15	-20	-27	-28	-22	-29	-26	-7	-12	-8
	GR	:	:	:	:	:	:	0	-11	:	:	0	-3	3	-14	-10	-7	-9
	F	-2	-2	1	-5	-10	-9	-5	-15	-7	-7	-3	-3	-10	-9	-17	-19	-20
	IRL	-25	-10	8	-10	-22	-28	-34	-39	-21	-38	-31	-31	-39	-36	-44	-38	-33
	I	-32	-25	-18	-17	-22	-22	-18	-24	-21	-23	-16	-15	-25	-27	-21	-23	-19
	NL	-5	-2	-1	-8	-25	-31	-32	-30	-32	-30	-32	-28	-37	-34	-28	-28	-26
	UK	-15	-8	8	-4	-18	-21	-12	-3	-19	-21	-22	-7	-7	-8	1	-1	0
	EC 9	-6	-6	0	-3	-13	-19	-17	-15	-18	-21	-19	-14	-19	-19	-12	-15	-13
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-12	-11	-11	-15	-19	-25	-29	-18	-20	-22	-24	-28	-29	-27	-32	-32
	DK	7	3	2	1	-10	-12	-7	-4	-12	-12	-8	-6	-6	-5	-4	-3	-1
	D	-4	-2	1	2	-4	-16	-18	-14	-17	-18	-18	-15	-21	-20	-12	-12	-11
	GR	:	:	:	:	:	:	-2	-13	:	:	-2	-5	2	-12	-15	-12	-12
	F	-3	4	-2	-4	-7	-8	-7	-11	-7	-8	-5	-5	11	-8	-11	-14	-13
	IRL	-34	-28	-9	-21	-32	-38	-41	-43	-32	-47	-41	-40	-41	-37	-48	-42	-43
	I	-25	-20	-14	-13	-14	-13	-15	-15	-15	-15	-9	-12	-17	-17	-14	-15	-13
	NL	-3	0	4	1	-9	-18	-20	-28	-19	-20	-20	-20	-21	-25	-29	-31	-27
	UK	-30	-34	-10	-11	-24	-30	-27	-15	-32	-32	-34	-26	-21	-18	-15	-13	-13
	EC 9	-11	-11	-4	-5	-11	-17	-16	-15	-17	-18	-16	-15	-18	-16	-14	-15	-14
— over last 12 months	B	0	-3	-3	-3	-6	-9	-12	-15	-9	-7	-10	-12	-14	-17	-11	-18	-18
	DK	9	6	6	3	-8	-4	-2	0	-5	-2	-1	-2	-7	-5	4	2	2
	D	1	0	2	2	-3	-12	-14	-9	-11	-14	-14	-10	-17	-16	-5	-7	-6
	GR	:	:	:	:	:	:	15	0	:	:	20	12	14	-7	2	7	3
	F	5	4	4	0	-2	0	0	-4	2	0	3	2	-4	1	-6	-6	-6
	IRL	-22	-11	1	-13	-19	-24	-23	-26	-14	-32	-24	-21	-25	-24	-31	-25	-23
	I	-13	-11	-6	-7	-10	-8	-6	-8	-8	-8	-2	-5	-11	-10	-5	-8	-4
	NL	-7	0	1	1	-9	-13	-14	-21	-13	-12	-13	-9	-20	-21	-19	-23	-21
	UK	-11	-7	3	-1	-13	-15	-9	-2	-14	-15	-17	-8	-3	-4	1	-3	-2
	EC 9	-3	-2	2	0	-6	-9	-8	-7	-8	-9	-8	-5	-10	-9	-5	-7	-6
GENERAL ECONOMIC SITUATION	B	-49	-47	-47	-44	-58	-69	-68	-62	-65	-73	-70	-70	-65	-69	-55	-63	-58
	DK	-35	-43	-31	-34	-56	-47	-42	-4	-47	-49	-33	-42	-51	-34	15	8	20
	D	-4	-11	-5	3	-18	-46	-51	-29	-48	-51	-54	-44	-55	-54	-14	-19	-13
	GR	:	:	:	:	:	:	-2	-11	:	:	-13	-2	8	-11	-11	-10	-9
	F	-19	-23	-18	-27	-39	-37	-28	-41	-36	-34	-26	-23	-37	-33	-43	-49	-49
	IRL	-60	-38	-4	-35	-56	-66	-74	-77	-62	-73	-73	-68	-82	-75	-82	-74	-66
	I	-75	-61	-45	-43	-57	-60	-51	-57	-62	-60	-53	-40	-61	-62	-53	-54	-47
	NL	-42	-31	-23	-30	-55	-64	-64	-54	-67	-60	-64	-58	-69	-66	-49	-46	-32
	UK	-56	-38	0	-33	-55	-62	-40	-23	-59	-62	-60	-28	-31	-37	-15	-18	-16
	EC 9	-32	-29	-16	-22	-41	-51	-44	-37	-51	-52	-48	-37	-47	-47	-30	-34	-30
— over next 12 months	B	-15	-25	-28	-29	-45	-51	-43	-38	-47	-51	-45	-42	-42	-48	-27	-40	-34
	DK	-14	-26	-21	-24	-42	-29	-23	3	-30	-29	-17	-31	-20	-12	16	7	18
	D	8	-5	-1	1	-19	-33	-32	-14	-29	-36	-37	-23	-26	-31	1	-13	-7
	GR	:	:	:	:	:	:	25	6	:	:	29	21	24	-4	10	12	5
	F	-15	-18	-15	-29	-40	-27	-23	-36	-20	-21	-16	-18	-33	-27	-42	-41	-43
	IRL	-38	-13	2	-26	-35	-38	-42	-45	-26	-47	-42	-36	-48	-43	-48	-43	-28
	I	-29	-23	-14	-19	-30	-30	-24	-25	-32	-29	-21	-15	-35	-30	-22	-24	-15
	NL	-14	-15	-16	-26	-48	-42	-42	-28	-41	-36	-41	-36	-51	-42	-24	-19	-7
	UK	-7	6	5	-16	-24	-23	-10	-5	-18	-22	-23	-1	-5	-14	6	-8	-4
	EC 9	-8	-11	-8	-16	-30	-30	-24	-21	-27	-29	-26	-18	-29	-27	-14	-21	-17
PRICE TRENDS	B	92	85	59	55	65	69	77	78	64	77	73	78	78	78	77	79	77
	DK	50	55	47	39	50	51	48	26	54	58	50	47	47	34	22	24	12
	D	36	28	16	25	44	52	46	23	56	54	51	43	43	37	13	18	14
	GR	:	:	:	:	:	:	15	30	:	:	10	19	18	30	31	29	29
	F	76	73	60	70	79	77	62	55	75	79	73	70	42	47	61	58	58
	IRL	87	81	57	80	85	87	87	80	87	89	88	88	86	77	85	79	71
	I	84	80	67	72	80	79	72	69	81	77	75	66	75	74	67	66	61
	NL	87	78	47	43	62	68	63	43	71	69	67	65	58	44	39	47	44
	UK	58	64	35	48	59	41	31	15	42	42	42	30	22	18	12	14	15
	EC 9	-62	59	42	49	63	62	53	40	63	63	59	53	46	44	38	39	37
— over next 12 months	B	30	30	22	33	42	40	45	40	34	46	39	47	48	45	37	38	39
	DK	27	36	27	29	38	31	31	12	36	33	33	35	24	16	6	14	4
	D	33	36	33	44	51	50	43	30	50	48	48	39	41	37	22	30	26
	GR	:	:	:	:	:	:	25	37	:	:	14	30	32	44	32	35	43
	F	33	29	41	46	50	39	42	37	38	34	31	39	55	34	41	35	38
	IRL	51	43	36	58	56	52	46	39	44	56	50	46	43	43	33	40	33
	I	48	47	44	56	60	58	56	54	59	57	55	49	62	57	51	53	50
	NL	49	43	36	48	61	52	50	38	54	50	52	49	50	39	34	41	31
	UK	38	31	21	34	43	31	29	27	33	38	39	31	16	25	22	36	36
	EC 9	37	35	34	44	51	44	42	35	44	44	42	40	43	37	32	36	35

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 indicator 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			1984
										May	Oct.	Jan.	May	Oct.	Jan.	May	Oct.	Jan.
UNEMPLOYMENT	B	26	34	42	42	57	67	60	57	63	68	64	56	62	68	48	56	46
	DK	0	29	29	22	39	37	29	30	32	37	25	29	33	41	17	33	8
	D	-12	8	10	3	20	43	43	30	36	50	48	28	54	52	8	31	21
	GR	:	:	:	:	:	:	11	10	:	:	1	15	17	24	19	9	15
	F	18	27	30	44	47	43	30	41	38	32	30	23	37	30	43	50	60
	IRL	38	12	6	12	34	47	56	67	36	51	56	50	62	65	65	71	53
	I	51	45	42	41	51	52	56	57	50	55	55	52	62	59	54	59	53
	NL	39	45	42	35	59	72	72	67	64	73	75	61	81	80	62	60	55
	UK	26	22	20	30	58	50	34	37	48	44	41	21	41	48	30	32	26
	EC 9	16	24	25	27	43	48	42	41	44	47	44	32	50	49	33	43	39
MAJOR PURCHASES	B	48	46	46	38	23	15	13	6	16	14	12	18	10	5	11	3	5
	DK	46	43	41	42	21	10	16	7	11	13	18	20	9	3	8	10	16
	D	26	24	31	25	18	-1	-17	-8	3	-18	-19	-17	-16	-10	-5	-8	-5
	GR	:	:	:	:	:	:	-35	-35	:	:	-36	-39	-31	-36	-37	-34	-30
	F	42	31	34	35	39	28	30	19	23	27	28	28	34	23	19	14	12
	IRL	30	42	49	46	30	24	13	-6	29	10	27	11	1	1	-13	-6	-7
	I	-18	-12	-10	-3	2	4	1	-13	10	-1	7	-1	-3	-15	-13	-13	-15
	NL	40	38	28	13	-2	-17	-21	-18	-19	-23	-22	-17	-23	-18	-17	-19	-44
	UK	29	35	43	43	28	26	25	32	27	24	22	26	28	33	27	37	37
	EC 9	26	25	29	27	22	12	6	5	13	5	6	6	7	5	5	4	3
— over next 12 months	B	-32	-29	-28	-29	-26	-28	-28	-30	-26	-30	-29	-26	-28	-29	-28	-34	-32
	DK	-11	-11	-9	-8	-14	-12	-10	-8	-12	-12	-10	-9	-12	-13	-6	-6	-8
	D	-21	-19	-15	-15	-19	-25	-28	-29	-27	-25	-26	-27	-32	-33	-27	-27	-26
	GR	:	:	:	:	:	:	-24	-33	:	:	-22	-25	-24	-36	-25	-39	-42
	F	-13	-15	-13	-16	-18	-13	-9	-10	-18	-10	-9	-9	-8	-10	-11	-10	-9
	IRL	-21	-17	-13	-17	-19	-22	-27	-31	-19	-24	-27	-26	-27	-32	-35	-25	-25
	I	-4	-12	-16	-10	-17	-18	-22	-22	-18	-16	-24	-21	-21	-22	-22	-22	-22
	NL	-15	-14	-14	-19	-23	-27	-27	-29	-27	-27	-27	-24	-29	-28	-29	-32	-29
	UK	-18	-16	-9	-6	-14	-19	-18	-15	-18	-19	-22	-17	-16	-19	-13	-13	-13
	EC 9	-15	-15	-12	-12	-17	-20	-20	-21	-21	-19	-21	-19	-21	-22	-20	-20	-19
SAVINGS	B	32	34	35	40	38	41	40	46	45	33	40	40	41	49	51	38	45
	DK	20	9	7	11	15	23	26	40	23	20	26	21	30	36	43	43	44
	D	48	44	34	46	43	32	27	33	37	18	27	29	24	27	35	36	35
	GR	:	:	:	:	:	:	-25	-29	:	:	-28	-27	-21	-36	-30	-21	-24
	F	2	6	10	8	-3	-2	-5	0	-1	-6	-3	-7	-6	-1	-2	4	8
	IRL	-2	-3	14	8	5	-3	-9	-3	0	-10	-12	-13	-2	9	-12	-5	-7
	I	-6	2	6	4	-6	-7	10	21	-8	-10	2	15	12	19	23	21	28
	NL	3	7	13	19	19	27	38	35	25	35	35	41	:	37	32	35	35
	UK	-24	-17	-10	-5	6	5	5	10	3	6	5	9	2	4	11	16	15
	EC 9	13	15	16	21	15	12	12	19	14	8	12	15	10	16	19	21	23
— over next 12 months	B	-11	-12	-14	-14	-20	-21	-25	-26	-24	-16	-24	-24	-26	-23	-26	-31	-26
	DK	-7	-12	-11	-12	-20	-19	-18	-12	-18	-24	-17	-17	-20	-12	-9	-14	-10
	D	44	44	43	46	44	23	-2	1	32	-1	-1	3	-6	-2	3	3	3
	GR	:	:	:	:	:	:	-37	-41	:	:	-34	-41	-36	-45	-42	-38	-40
	F	-30	-29	-27	-29	-32	-32	-32	-35	-31	-32	-29	-31	-35	-30	-37	-38	-35
	IRL	-21	-15	-5	-11	-13	-19	-22	-25	-14	-26	-24	-19	-24	-18	-31	-26	-27
	I	-48	-41	-35	-34	-32	-30	-22	27	-31	-32	-15	-23	-28	-27	-26	-27	-22
	NL	-2	2	6	8	0	-1	-3	-8	-2	-1	-4	-1	-2	-6	-8	-9	-3
	UK	-8	-15	-4	-4	-16	-20	-17	-13	-20	-21	-22	-15	-14	-16	-11	-12	-15
	EC 9	-2	-3	1	2	-4	-11	-17	-17	-8	-18	-16	-15	-19	-17	-16	-17	-16
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	12	11	12	9	7	6	5	7	7	7	7	4	5	5	5	6
	DK	12	12	10	9	4	4	4	8	6	3	4	5	5	7	12	6	9
	D	20	22	23	22	21	16	12	11	15	12	12	13	10	10	14	11	11
	GR	:	:	:	:	:	:	0	0	:	:	0	0	1	-2	0	1	1
	F	10	10	10	10	8	8	8	6	8	7	9	9	6	8	5	5	5
	IRL	7	8	11	8	2	-4	-1	-1	-7	-3	0	-2	-3	-3	1	-1	-1
	I	1	4	7	8	8	8	13	9	9	8	8	16	12	10	9	10	10
	NL	7	9	14	22	19	18	17	15	17	18	16	17	18	16	16	13	15
	UK	9	3	8	10	8	9	9	12	8	8	6	11	11	10	12	12	11
	EC 9	12	12	14	15	12	11	10	9	10	9	10	11	9	9	10	9	9
— indicator of net acquisition of financial assets																		

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