



CONSUMER SURVEY, OCTOBER 2008

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 inquiry sheet contains standardized questions about the financial situation of households, general economic situation, inflation, unemployment, saving, intentions of making major purchases for 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 with one peculiarity that to the strong positive opinion and to the strong negative opinion a coefficient of 1 is applied and to the lower positive and lower negative opinions – a coefficient of half of one.

With the surveys results, it is aimed to pick point the direction of change of surveyed variables incl. of consumer confidence level, which gives an opportunity to investigate the tendencies in the development of public opinions on significant economic phenomena.

The consumer confidence indicator is an arithmetic mean of balances of opinions regarding the expected in the next 12 months development of financial situation of households, general economic situation, saving and unemployment, the last taken with inverted sign.

On the background of the appeared symptoms of economic conjuncture deterioration in the country (according to the data of NSI business inquiries) the consumers' assessments and expectations about significant economic processes and phenomena expressed in the last regular quarterly survey in October 2008 noted no essential changes in negative direction. The consumer confidence indicator kept its level from three months before (-38.5%), as the confidence of urban inhabitants increased by 1.3 percentage points, whereas among rural inhabitants it decreased by 2.7 percentage points.

The assessments regarding the set-in changes in the financial situation of households in the last 12 months as well as expectations for the next 12 months improved, as the increase of balance indicators compared to the previous (July) survey was 5.2 and 3.3 percentage points respectively. The urban inhabitants were disposed significantly more optimistic.

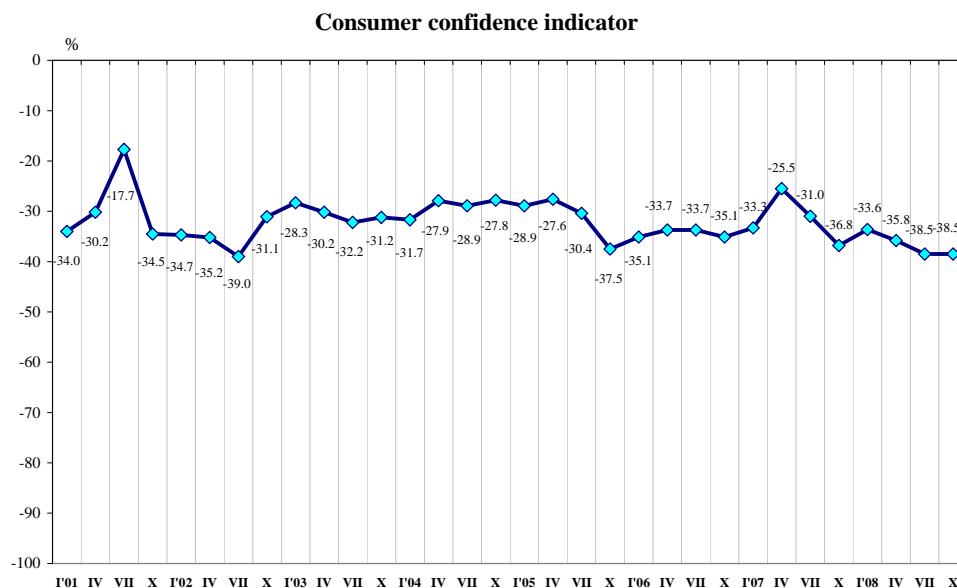
In comparison with July survey the negative consumer assessments about the present development of the economic situation in the country decreased (an increase of the balance indicator by 3.4 percentage points) and at the same time their expectations for the next 12 months were also slightly increased. But contrariwise to the urban consumers, the rural inhabitants continued to strengthen their pessimism, as it was recorded with the surveys after April 2008.

The consumers continued to consider that consumer prices were raising but in the opinions on prices changes in the last 12 months a shifting to the more moderate assessments as regards the rate of price increase (from “risen a lot” to “risen moderately” and “risen slightly”) was observed, which reduced the balance indicator by 5.8 percentage points. In the inflation expectations over the next 12 months the negativism also decreased (a reduction of the balance indicator by 8 percentage points).

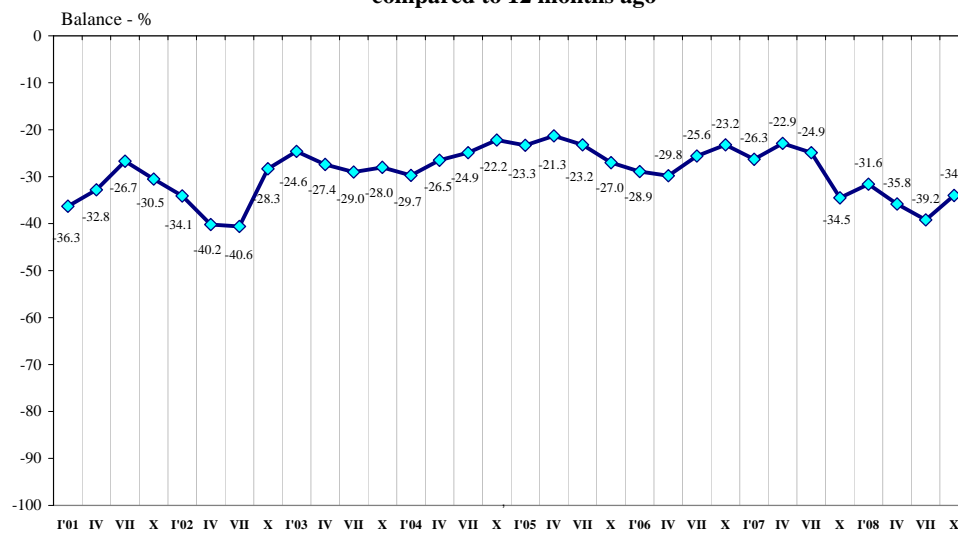
In October the outlined since July 2007 descending tendency in the consumer assessments about the economic situation in the country in the context of “a right time for savings/ a bad time for savings” discontinued. The value of the balance indicator changed already in an increase direction (by 5.6 percentage points) due to the improved assessments of both the urban and the rural inhabitants.

In comparison with three months before the October survey registered a deterioration of the prognoses regarding the unemployment over the next 12 months (an increase of the balance indicator by 4.8 percentage points).

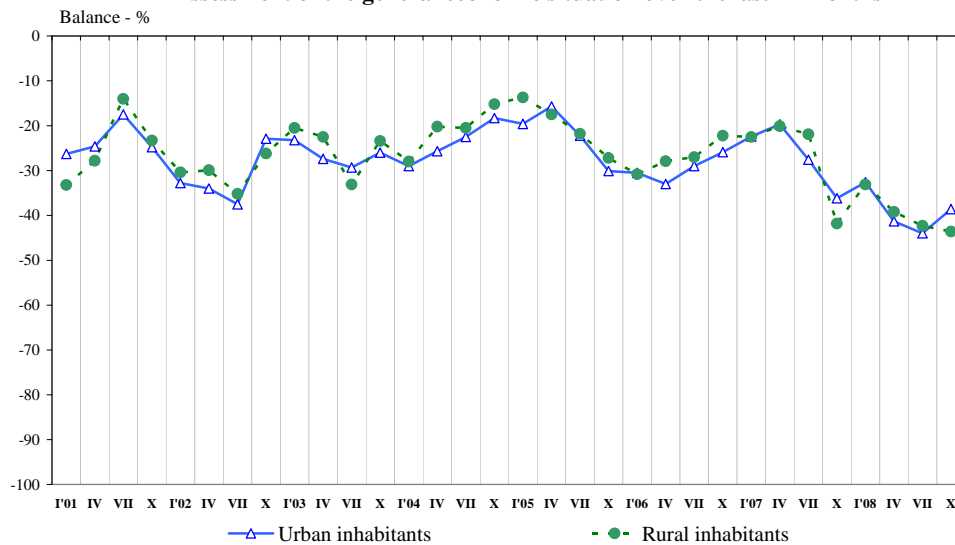
The last inquiry recorded a more favorable total assessment of the present situation of making major purchases for durable goods. The consumers’ expectations as regards “intentions to buy or build a home” and “intentions of buying a car”¹ in the next 12 months were also more optimistic compared to the previous survey.



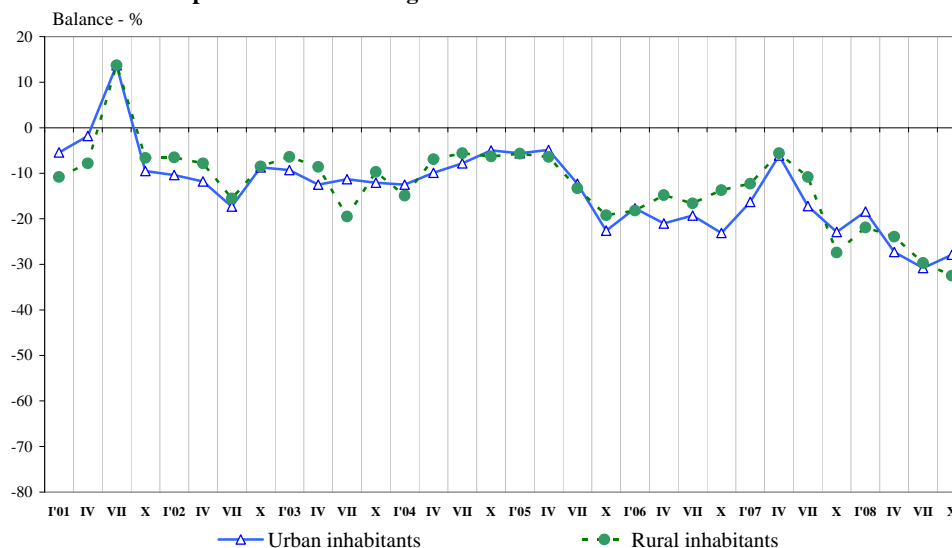
Assessment of the financial situation of households compared to 12 months ago



Assessment of the general economic situation over the last 12 months

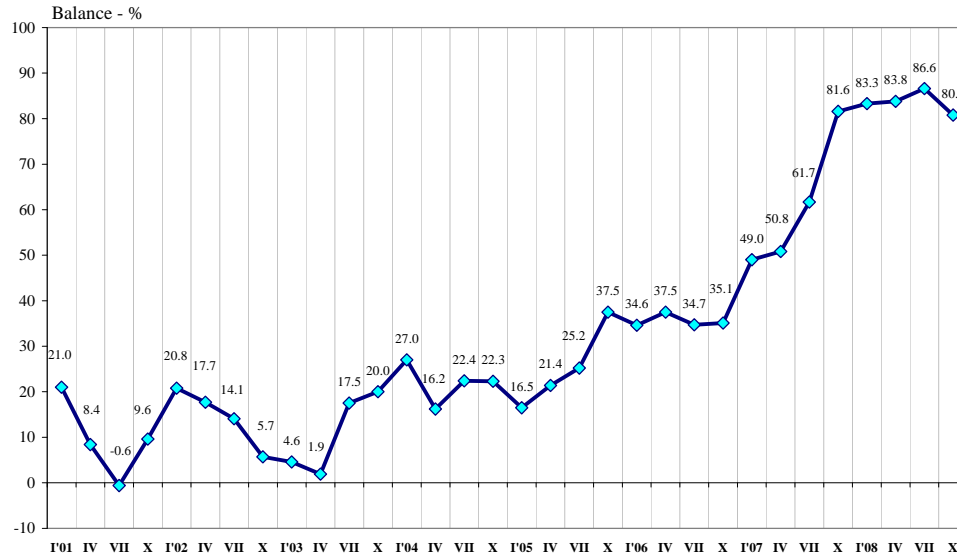


Expectations about the general economic situation in the next 12 months

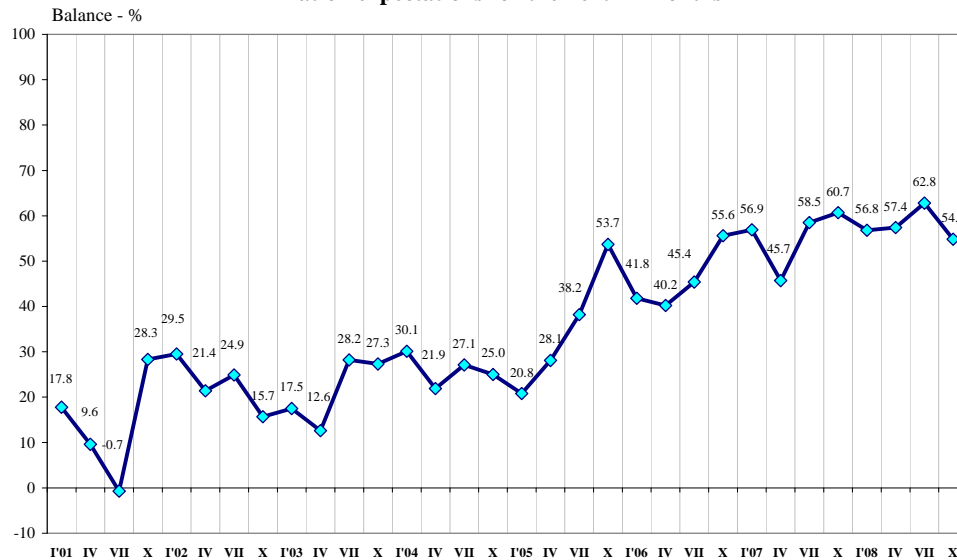




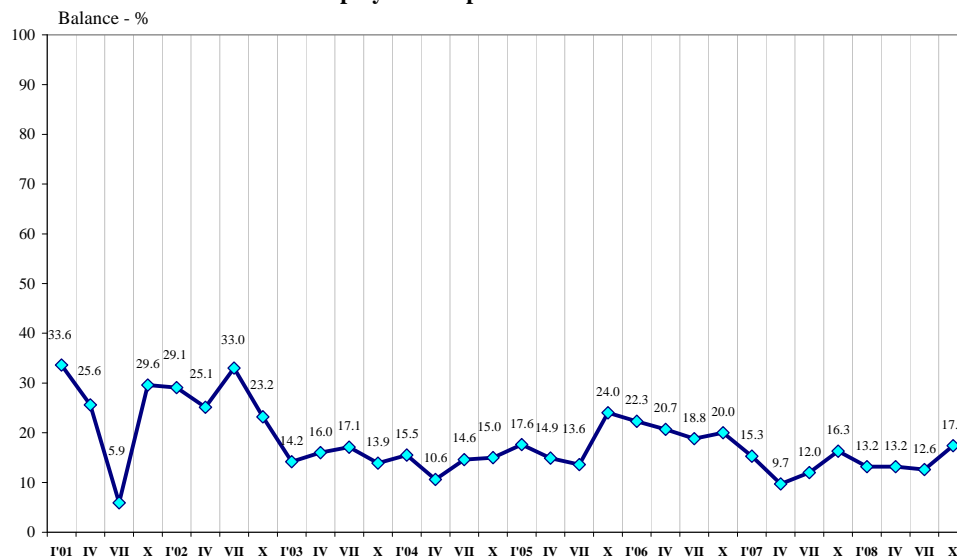
Assessment of the inflation in the last 12 months



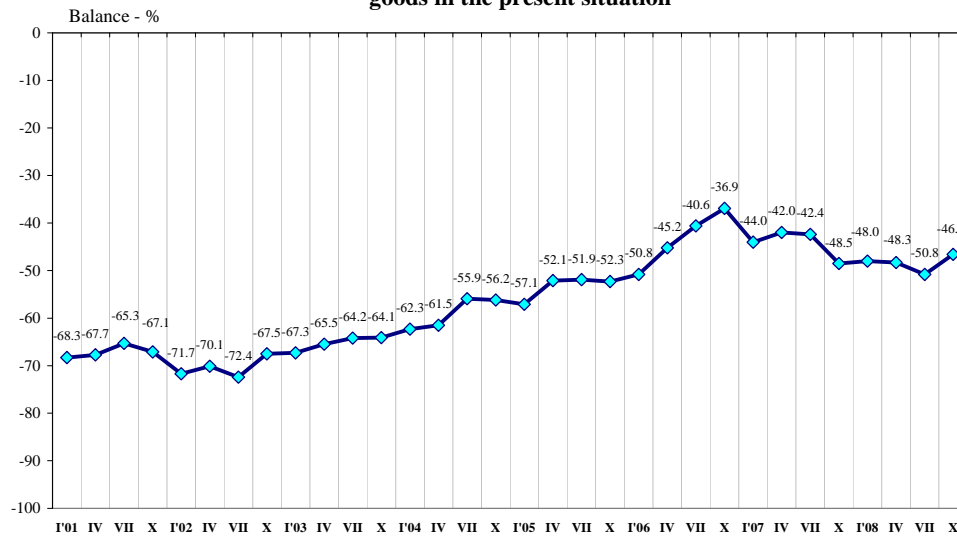
Inflation expectations for the next 12 months



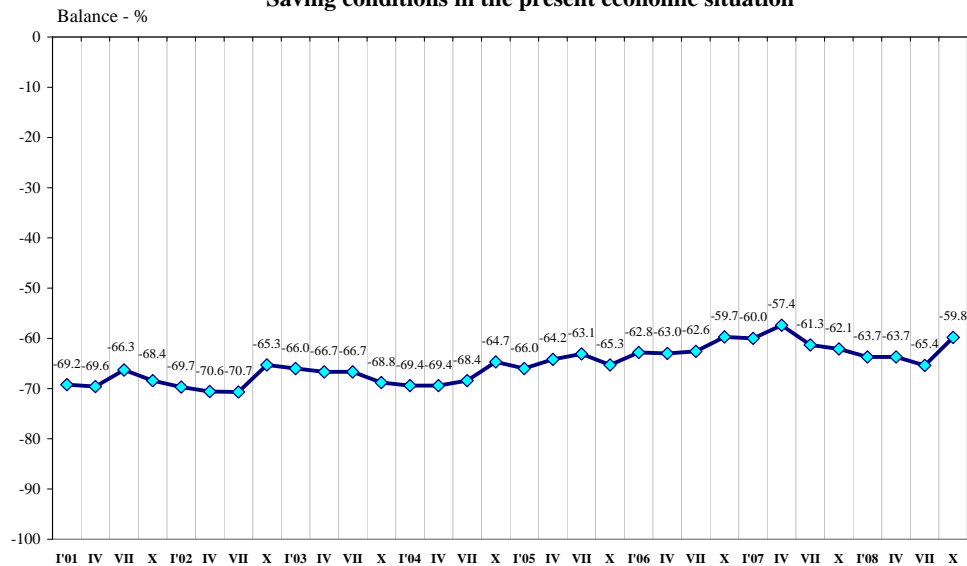
Unemployment expectations in the next 12 months



Assessment of the advantage for making major purchases for durable goods in the present situation



Saving conditions in the present economic situation



¹ At the comment of 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 periodicity. In that connection, it is normally the prevailing values of balances of opinions to be permanently situated in the negative zone of the graphs. But for the purpose of economic analysis is important the direction of development of balances of opinions as indicators of positive or negative change.