

October sees fall in UK's consumer confidence

LONDON, UK: The latest index shows consumer confidence in the UK at its 10th lowest figure since it began in 1974. In fact, it is only the third occasion in its history that it has breached -32. On both previous occasions - June 2008 and March 1990 - consumer confidence was entering periods of sustained weakness and the UK economy was going into recession.



Nick Moon, managing director of GfK NOP Social Research, comments: "At this point in time, consumers' outlook is becoming increasingly pessimistic about the UK's general economic situation over the coming year. In addition, the climate for major purchases has worsened, suggesting the government can't rely on people spending their way out of the double-dip recession that is likely to be on the horizon."

UK Consumer Confidence Measures - October 2011

The overall index score this month has increased by 2 points to -32, 13 points lower than this time last year. Three of the measures saw decreases this month, and 2 measures staying at the same levels as September 2011. The annual moving average drops 1 point to -27.

Measure	Oct 2011	Sept 2011	Oct 2010
Index Score	-32	-30	-19
Personal financial situation - last 12 months	-24	-24	-13
Personal financial situation - next 12 months	-10	-10	-2
General economic situation - last 12 months	-62	-58	-43
General economic situation - next 12 months	-31	-27	-20
Climate for major purchases, such as furniture or electrical goods	-32	-28	-15

Personal financial situation

The index measuring changes in personal finances during the *last* 12 months has stayed the same this month at -24; this is 11 points lower than this time last year.

The forecast for personal finances over the *next* 12 months has stayed the same this month at -10; this is 8 points lower than October '10.

General economic situation

The measure for the general economic situation of the country during the *last* 12 months has decreased 4 points this month at -62; 19 points lower than this time last year.

An expectation for the general economic situation over the next 12 months has decreased by 4 points to -31, 11 points lower than October '10.

Climate for major purchases

The major purchases measure has decrease 4 points this month to -32, which is 17 points lower than this time last year.

Savings index

The 'now is a good time to save' Index, has increased four4 points to -10, which is 4 points lower than October '10.

About the survey

The UK Consumer Confidence Barometer is conducted by GfK NOP on behalf of the EU, with similar surveys being conducted in each European country. In producing its own reports on the whole of Europe, the EU applies a seasonal adjustment to the data, to smooth out any changes that are functions at least in part of the time of year.

- Historically, the UK data have not been seasonally adjusted in this way, and to maintain comparability, GfK NOP continues not to apply this adjustment. This can lead to situations where the EU figures show different movements in a particular month from those produced by GfK NOP. Individual months may be affected, but the long term trend is not.
- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2000 individuals aged 16+ on behalf of the European Commission.
- Quotas are imposed on age, sex, region and social class to ensure the final sample is representative of the UK population.
- Interviewing was carried out during 30 September - 9 October 2011.
- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%
- Results for the Consumer Confidence Barometer are normally available on the last working day of each month at 00.01am; the release date for November is Wednesday 30 November 2011.
- This study has been running since 1974. Back data is available from 1996.

Research carried out by GfK NOP on behalf of the European Commission

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