



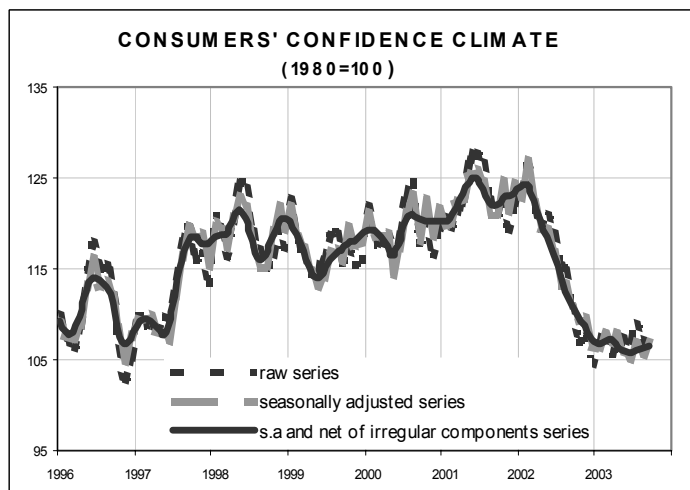
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Date: **September 23, 2003**  
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## ISAE CONSUMER SURVEY

Reference month: September

- In September, the Italian consumers' confidence climate shows a diverging trend according to whether one looks at the raw data or at the seasonally adjusted ones. Indeed, the seasonally adjusted indicator grows by 1.3 points (from the August figure of 105.5 to 106.8), while the indicator adjusted for the seasonal and irregular component goes from 106.4 to 106.2 and the raw index decreases by 0.3 points, namely from 107.1 to 106.8
- The raw data worsening affects evaluations both on the country's general economic situation and on the respondents' own situations
- The (moderately) darker assessments on the current situation go alongside with relatively more cautious short-term expectations: in particular, Italian consumers express their concern on the future labour market trend
- With regard to prices, assessments on the current price trend remain substantially stable, while signals of new price tensions in the next twelve months are confirmed
- In the United States, the consumers' confidence shows a new contraction in September, according to the Michigan University data, probably due to the unsatisfactory trend of the American labour market



Data referring to September shall be diffused on **October 21, 2003**.

Next ISAE surveys are scheduled as follows:

**September 25, 2003: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (Reference month: September)**

**September 26, 2003: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (Reference month: July-August) and ISAE Monthly Business Service Survey (Reference month: August-September)**

**October 1, 2003: Comparative Business Surveys for Italy, Germany and France (Reference Month: August-September)**

The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see web site [www.isae.it](http://www.isae.it))

## I – ISAE CONSUMER SURVEY FOR ITALY

September 2003

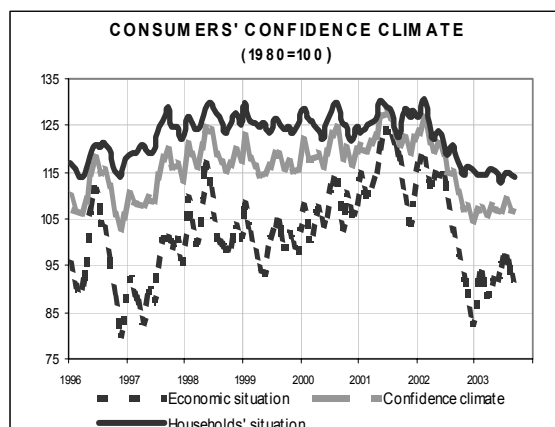
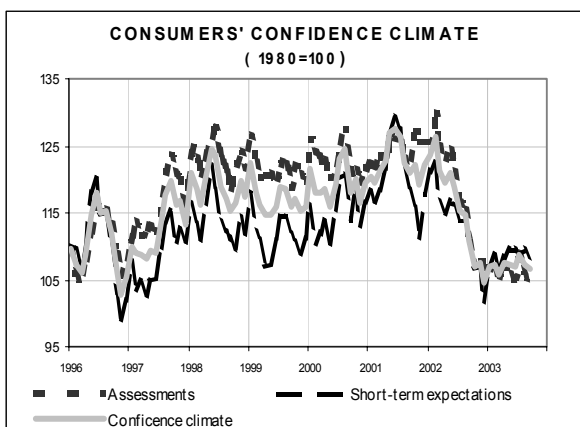
According to the Consumer Survey carried out by ISAE between September 1 and 18 on a sample of 2000 respondents, the Italian consumers' confidence climate shows a diverging trend according to whether one looks at the raw data or at the seasonally adjusted ones. Indeed, the seasonally adjusted indicator grows by 1.3 points (from the August figure of 105.5 to 106.8), while the indicator adjusted for the seasonal and irregular component goes from 106.4 to 106.2 and the raw index decreases by 0.3 points, namely from 107.1 to 106.8.

The slight raw data worsening affects evaluations both on the country's general economic situation and on the respondents' own situations. The (moderately) darker assessments on the current situation go alongside with relatively more cautious short-term expectations: in particular, Italian consumers express their concern on the present labour market trend. With regard to prices, assessments on the current price trend remain substantially stable, while signals of new price tensions in the next twelve months are confirmed.

## Overall situation

In September, the confidence climate raw index on the general economic situation alone shows a further slight deterioration, passing from 92.4 in August to 92.2. The worsening is particularly evident in the short-term expectations on the labour market. Indeed, while the share of those expecting a "strong" unemployment rise or an unemployment fall in the next few months stabilises at 7% and 14% respectively, the number of respondents forecasting a "moderate" unemployment rise goes up to 31% (27% in August) and the percentage of those feeling there will be no relevant labour market change in the next twelve months go down to 41% (47% in August). Also evaluations on the country's general economic situation show a (slight) deterioration: the balance concerning assessments in this area passes from -67 to -68, while the one on expectations goes from -21 to -22.

With regard to prices, the number of respondents deeming prices rose "very much" or "enough" in the past twelve months remains stable at 86%. However, signals of price tensions continue to emerge in expectations for the next twelve months, which confirms the interruption of the slowdown process started in August. Indeed, the share of those expecting prices to rise more than in 2002 grows from 7% to 8%, while the number of those expecting prices to remain substantially stable for the next twelve years falls from 55% to 48%.



## Households' situation

In September, the raw confidence index referring to the respondents' own situations alone decreases from 114.5 to 114.0, thus reaching a level slightly lower than the (already low) average figures of the first half of the year. The result is the synthesis of opposing trends of the index-building variables.

Indeed, assessments on the respondents' own situations improve – the balance passing from 12 to 15 – thanks in particular to a fall in the share of consumers running up debts or consuming their saving (from 14% to 12%). However, consumers are more doubtful on the present convenience to save: even the share of those considering the present phase “certainly or probably” favourable slightly grows, only 37% of respondents express a “definite” assessments on in this area (42% in August). The share of those expecting to save in the next twelve months remains substantially unchanged. With regard to the households' economic situations, assessments remain stable (the balance passing from –35 to –36), while expectations deteriorate (the balance falling from –2 to –4).

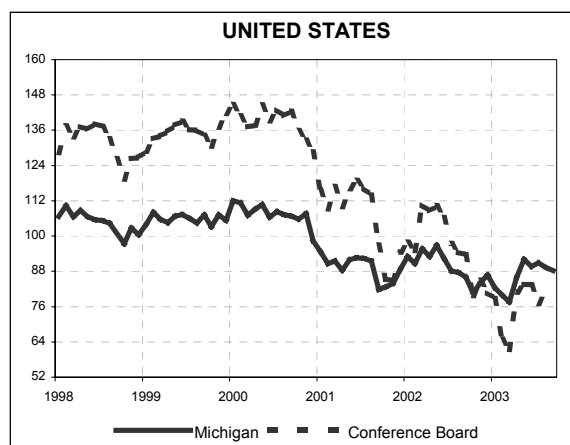
With regard to durables, the present phase continues to be considered quite unfavourable by most respondents (the share remains unchanged at 53%), while a growth is observed in the share of those who cannot express a real assessment (from 3 to 7%, which is close to the peaks of 2001), which probably points to a greater households' uncertainty on their spending opportunities. Besides, consumers are more pessimistic on their future: the number of those expecting to purchase no durables at all in the next twelve months or to make less purchases than in the recent past grows from 63% to 66% and from 6% to 9% respectively.

With regard to major purchases, signals are not homogeneous: partially favourable indications come from the car market, with a shift from 2% to 3% in the number of respondents declaring their readiness to purchase a car in the next twelve months. Conversely, the share of those intending to buy a home goes from

4% to 3%, while the share of respondents intending to spend for home maintenance and improvement in the next twelve months rises from 7% to 8%.

## II - THE AMERICAN CONSUMER SURVEY BY THE MICHIGAN UNIVERSITY<sup>1</sup>

In the United States, the early University of Michigan data on September, provide a further negative signal: the confidence indicator goes from 89.3 in August to 88.2 in September. Indeed, both the indicator concerning the current situation and the one regarding short-term expectations diminish (from 99.7 to 98.9 and from 82.5 to 81.3 respectively). In this particular phase, the households' major concern regards the labour market situation: according to the Department of Commerce data, this goes alongside with a stagnating growth in retail sales (+ 0.6% in August compared to the previous month, in terms of seasonally adjusted data).



<sup>1</sup> The European Commission does not publish the August data on the consumers' confidence indicators in the EU countries.