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Consumer Confidence,
Concerns, Spending and
Attitudes to Recession
a global Nielsen
consumer report

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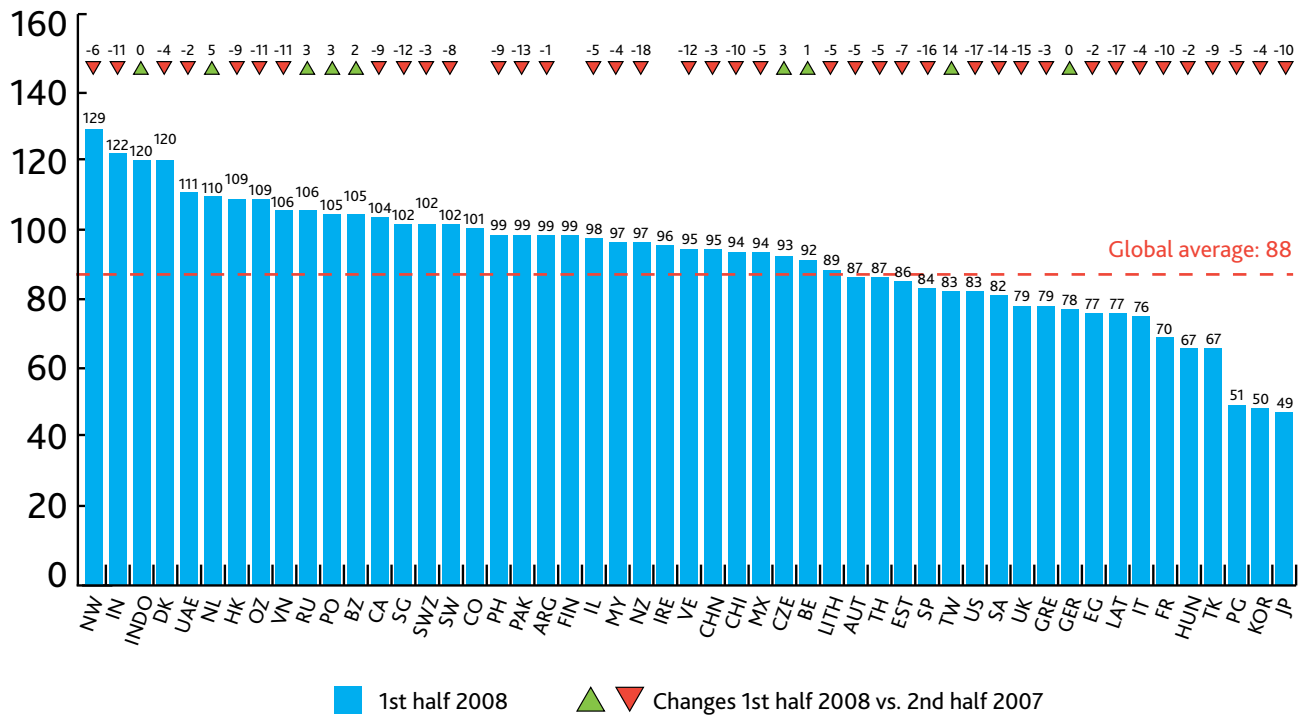
Consumer Confidence takes a tumble

After months of speculation and uncertainty around the global economy, it appears the penny has finally dropped for the world's consumers. Consumer confidence worldwide has fallen to its lowest level in several years, according to the Nielsen Global Consumer Confidence Index, the definitive gauge of consumer

sentiment around economic and social concerns across 51¹ countries. The latest Nielsen Consumer Confidence Index has plunged to 88 - down six points in the last six months – the largest single drop the Index has recorded in the last three years.

Nielsen Global Consumer Confidence Index

1st half, 2008



Base: All respondents

¹51 Markets Covered: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, United Kingdom, US, Venezuela and Vietnam.

Consumer confidence fell in 39 out of 48 countries in the past six months, with New Zealand, USA and Latvia suffering the deepest declines. Among the 39 markets² recording a decline in consumer confidence, 15 fell by double-digits.

"The last six months have been the most turbulent period for the global economy in several decades. When the USA sneezed at the outset of the sub prime disaster nearly a year ago, the rest of the world quickly caught a cold. No region or country has been spared the domino effect of the US sub-prime and credit crisis", observed David Parma, global head of Customized Research, The Nielsen Company.

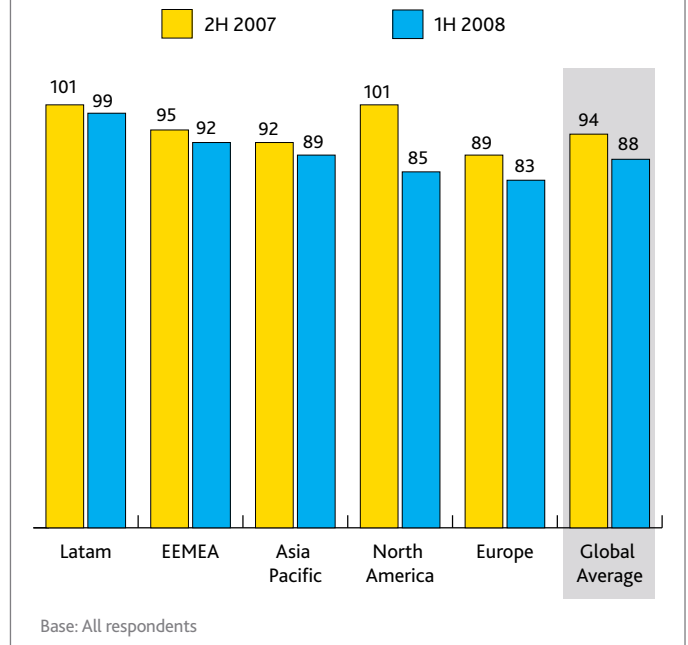
"Consumers around the world are struggling with the same global issues that are impacting their daily lives. It's an unfortunate pendulum. On the one hand we are seeing soaring global oil prices, rising commodity prices which are impacting grocery prices, rising interest rates and increasing inflation. This is happening in tandem with falling property prices, weakening labour markets, decreasing industrial output levels and growing unemployment rates which have all resulted in less spending power for the average person. Overall, it's not a good picture," commented Parma.

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David Parma, global head of Customized Research, The Nielsen Company

Across the regions, the US suffered the biggest fall in confidence, dropping a hefty 17 points, while in Europe, the Nielsen Consumer Confidence Index dropped six points to 83. The Index fell three points in Asia Pacific and EEMEA, and two points in Latin America.

Consumer Confidence Index



Taiwanese consumers on a roll

Only Taiwan bucked the global trend of economic gloom, posting a buoyant 14 point increase in Nielsen's Consumer Confidence Index in the past six months – up to 83 from 69 points, in the face of a landslide election win for Ma Ying-jeou in March on a platform heavily focused around economic growth.

This new-found atmosphere of buoyancy and stability has clearly had a positive effect on consumer sentiment. "Taiwan's new-found optimism is driven by a belief that the new government can inspire confidence and deliver a better future for the country," said Mitch Barns, President, Nielsen Greater China. In past Nielsen Consumer Confidence surveys, Taiwanese consumers cited *political stability* as their major area of concern. In the most recent survey, Taiwanese concern for *political stability* has slipped to sixth place, behind the economy (54%) and personal issues such as work/life balance (38%) and job security (20%). Nowadays, only one in 10 Taiwanese consumers cite political stability as a major concern.

² Three markets – Colombia, Venezuela & Israel – added in April 2008; no trend data available from previous survey.

