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CONSUMER CONFIDENCE FELL IN 25 OUT OF 52 COUNTRIES INCLUDING RUSSIA IN Q4 2010 AMID UNEMPLOYMENT AND INFLATION CONCERNS

In Q4 2010, Consumer confidence fell in 25 out of 52 countries including Russia as hope for a global economic recovery evaporated at the end of last year, according to the latest edition of the Nielsen Global Consumer Confidence Index, which tracks consumer confidence, major concerns and spending intentions among online consumers. According to the survey, which polled over 29,000 Internet consumers in 52 countries last November 2010, confidence levels fell in half of the countries surveyed as widespread concern for unemployment, job creation, rising food and utility costs eradicated any expectation of sustained economic recovery.

In the end of Q4'2010 Consumer Confidence Index in Russia recoiled back to the level of Q2'2010 down and comprised 88 points. Since the beginning of recession the Index never rose higher than 90 points and was fluctuating in the range of 86-90 points.

"Consumers in Russia have retained confidence in job market and many believe in the stability of personal financial situation. But with growing grocery and utilities prices they now find themselves with less disposable income. This is one of the reasons of the slow recovery of Consumer Confidence in Russia," said Dwight Watson, Managing Director, Nielsen Russia and North-Eastern Europe.

Nielsen's Survey shows that Russians today are less ready to spend than ever, while the focus on savings remains. According to Nielsen, only 31% of Russians say it is a good time to buy things they want or need, compared to 41% in Q3'2010. The number of those who put spare cash into savings remains stable and high – 42%.

"Russians have weathered the worst of the economic storm, but are still cautious in their expectations about the future. We can expect that pragmatic approach to shopping and moderate consumption they demonstrated in 2010 may continue to influence the market in 2011 and slow down the recovery process," said Dwight Watson. "The main economy strategies - focus on value and the essentials; buying the non-essentials only when needed - will remain. And with growing utility bills, consumers will now watch their energy and gas spending more carefully".

Notwithstanding the fluctuating consumer confidence and their decreasing readiness to spend, Russia with 88 points of Consumer Confidence Index is in top-10 of the most optimistic markets in Europe (9th place). In other 14 countries of Euro-zone consumer mood is much gloomier. Europe was the



world's most pessimistic region at 78 index points (+2 year-on-year). The world's most optimistic region was Latin America at 100 points (+6 points year on year), followed by Asia Pacific at 97 points (+6 points year-on-year). North America ended 2010 at 83 index points, (-2 year on year).

The Nielsen Consumer Confidence Index provides a single indicator of consumer sentiment towards the current economic situation as well as intentions and expectations for the future. Levels above a baseline of 100 indicate degrees of optimism.