



To be released on 27 October 2008 at 9.00 a.m.

Business Confidence Still Weakening

Finnish manufacturing confidence indicator has continued in a decline. The confidence indicator fell to -14 points in October (revised figure -12 in September). The long-term average is +4.

Production expectations have shown no change since September, but no and no increase in production volumes is expected for the rest of the year. Order books shrank further and they are well below long-term average. Capacity utilisation rate decreased as well. Stocks of finished goods stayed stable, although they are above normal.

Finnish construction confidence indicator lost a few points, too. It scored -19 points in October (-17 in September). The indicator is clearly below its long-term average. Order books are smaller than normal and workforce decrease is expected over the next few months.

Service sector confidence indicator fell below long-term average in October. The service sector confidence indicator scored +10 points (revised figure +23 in September). Sales growth rate has been decreasing and only slow growth is expected for the coming months.

EK business tendency surveys are part of the EU's harmonised system of business surveys. The surveys are carried out between the 1st and 25th of each month. Industrial confidence indicator is calculated from the responses of manufacturing executives to three questions: production expectations in the next few months, order books as well as (-) finished goods inventories compared to normal. The confidence indicator for construction is the average from answers to two questions: order books compared to normal and personnel expectations in the next few months. The confidence indicator for services is the average of three questions: current business situation, sales development in recent past and sales expectations. In January 2006 the Tramo-Seats seasonal adjustment was introduced.

Figure 1. Industrial Confidence Indicator

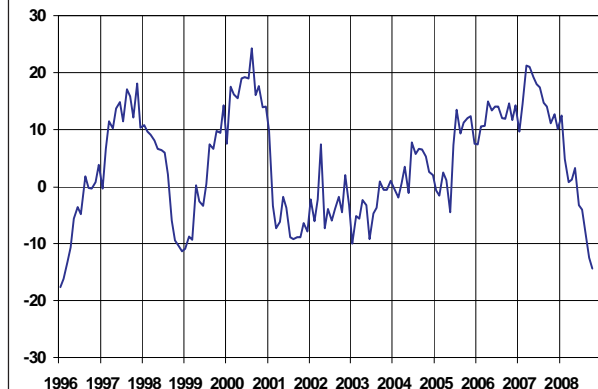


Figure 2. Construction Confidence Indicator

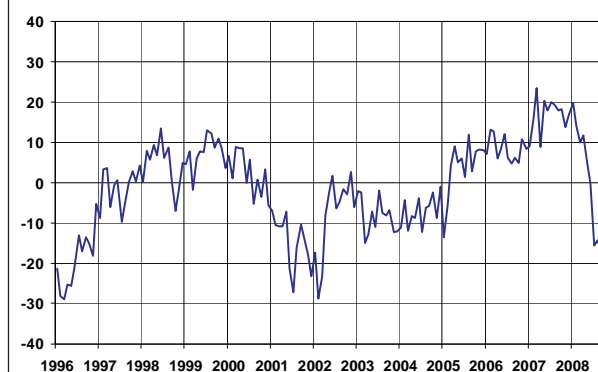
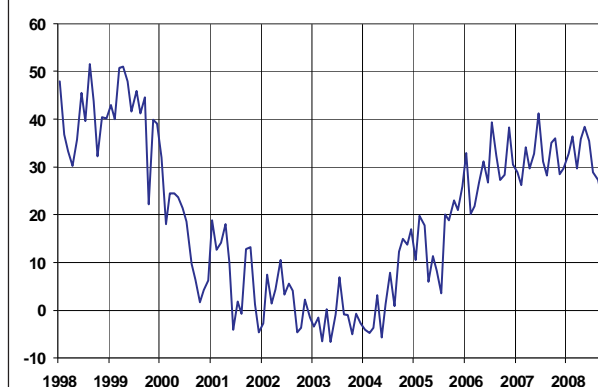


Figure 3. Services Confidence Indicator



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