

Consumer Confidence In Hong Kong at All Time High

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CONSUMER CONFIDENCE IN HONG KONG ALL TIME HIGH AT THE WORLD'S FIFTH BUT SOFTENING GLOBALLY
INVESTING IN THE STOCK MARKET IS AS IMPORTANT AS SAVING FOR HK PEOPLE

Hong Kong, 6 June 2007 --- Consumers in Hong Kong, Vietnam, Indonesia and Sweden appear to be riding a wave of confidence in the midst of a general softening of consumer sentiment globally, according to the latest Global Consumer Confidence Study issued by The Nielsen Company.

The Nielsen Company recorded a Global Consumer Confidence Index of 97 in its May 2007 survey, down slightly by two points from 99 in November 2006. Indians continue to register in the Nielsen Index as the most optimistic people in the world, with a confidence index of 135, albeit down slightly from 137 recorded in November 2006. Hong Kong is the world's fifth most upbeat market securing an index score of 118, a big jump from the 10th spot in the last survey.

In the six months since the survey was last conducted in November 2006, consumer confidence fell in 35 of the 47 countries covered by Nielsen's global consumer survey, said Ms Fanny Chan, Managing Director, The Nielsen Company, Hong Kong. Consumers in HK and Sweden however registered a significant increase of 6-7 points from the last survey. Hong Kong consumer sentiment, in particular, appears to have reached an all-time high, with an Index of 118, up from 111 in 2006.

The survey polled over 26,000 internet users in 47 markets from Europe, Asia Pacific, North America and the Middle East about their job prospects, the state of their own finances, and what they do with their spare cash. 500 people aged 15 and above were interviewed in HK.

Vietnam, a market increasingly in the spotlight, appears to have enjoyed a steady increase in consumer confidence from 106 in the first half of 2006 to 116 in the second half of the same year, to 118 this time round, making it one of the top five most confident markets in the world, along with HK.

Globally, consumers appear to have erred on the side of caution in the first half of this year with a softening of consumer confidence across the board according to our survey, and the performance within Asia Pacific has proved to be split with Korea (50), Japan (68) and Taiwan (75) remain on the bottom of the Index scale, added Ms Chan.

Globally, about half of the world consumers are optimistic about the local job prospect in the next 12 months with 86 percent in Hong Kong sharing the same positive sentiment. 58 percent of global consumers are optimistic about the state of their personal finances in the next 12 months, led by the Indians while Hong Kong has recorded the greatest increase in their confidence about the personal finance with three quarters optimistic compared with just two-thirds in Nov 2006.

And while only 40 percent of consumers globally consider the next 12 months a good time to buy the things they want and need, more than 60 percent of people in the Nordics, Hong Kong and India consider it a good time to spend. Hong Kong consumers top the Asia Pacific markets in their willingness to spend with a seven-percentage point increase in the attitude. Overall, an improvement in Hong Kong consumers' sentiment has been observed on all fronts and has significantly surpassed the global performance.

What consumers are buying, once they've covered the essential. Be it in good or bad times, saving for a rainy day continues to be the main priority for 43 percent of the world consumers, when they consider what they will do with their spare cash after covering essential living expenses, led by consumers in Asia.

Vacations (36%) and New Clothes (32%) are the top two most popular spending options for consumers across the globe. With the global stock markets riding high in recent months, consumers' intention to invest in share of stocks/mutual funds is on the increase, up from 17 percent in November 2006 to 23 percent this year. The desire to put spare cash into

retirement/ pension funds strengthened along similar lines. Hong Kong (58%) tops the world with the most people saying they will invest in stocks and shares followed by their other purchase/holidays plans like taking Holidays/Vacation, buying new clothes and out of home entertainment (Chart 3). It's also worth noting that Hong Kong consumers seem to be less conservative about their personal financial situation with the number of people who claimed to have NO spare cash declined from nine percent to 3 percent this time round benefiting from an improving job market and a hot stock market.

Major concerns

With the softened consumer sentiment, it is not surprising that the Economy (41%), Health (37%) and Job Security (30%) remain the major concerns for the world consumers in the next six months. Despite a more upbeat sentiment, Hong Kong consumers seem to remain cautious about the Economy. "The lesson from the 1997 financial crisis is still top of mind among many people in Hong Kong, while the economy is improving, people are still concerned about how long it is going to last or how to play safe in the case of a decline," Ms Chan explained. "Meanwhile with an improving job market, Hong Kong people's concern about job security has come down significantly from 47 percent to 34 percent."

Global Warming capturing the world's attention

Global Warming is fast emerging as the forth major concerns among the world's consumers with 16 percent citing it as a major concern, up from seven percent in November 2006. "Widespread awareness and concern for climate change has reached new heights in the last six months with the level of concern not only increased across the board but doubled in some markets," Ms Chan added. "It's time for the government to listen to a global consumer - call for action and people around the world should also do their part to save the planet."

The Least Optimistic

The world's most pessimistic consumers hail mainly from Europe, although South Korea (50). Japan (68) and Taiwan (75) remain at the bottom of the list as far as the Asia region is concerned. Globally, the majority of consumers in Portugal, Korea, Japan, Taiwan and Hungary are quite pessimistic, whether about the job market, state of their personal finances or readiness to spend.

The Survey

The Nielsen Online Consumer Confidence and Opinion Survey is the largest half-yearly survey of its kind, aimed at gauging current confidence levels, spending habits/intentions and current major concerns of consumers across the globe. The Nielsen Consumer Confidence Index is developed based on consumer's confidence in the job market, status of their personal finance and their readiness to spend. The latest survey, conducted in the last two weeks of April, polled about 26,486 internet users in 47 markets from Europe, Asia Pacific, North America and the Middle East.

About The Nielsen Company

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