

UK Confidence at an all time low

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The GfK NOP Index has dropped by a further 5 points in July to -39, which is the lowest level ever recorded.

Confidence in the home over the next 12 months drops by 9 points to a new low, 31 points down on this time last year.

Confidence in the economy over the next 12 months drops by 7 points to -52, down 39 points on this time last year.

Donna Culverwell in the Consumer Confidence team at GfK NOP commented:

“The Index score has dropped again this month and is now at its lowest level since the survey began in 1974. At -39, this is 4 points lower than in March 1990 when the UK was heading into the grip of the last recession. With the cost of living still on the increase, the housing market in a depression and reports of possible further increases in energy prices, levels of confidence amongst consumers are not surprisingly low, especially amongst women or those over the age of 50. There seems to be little sign of any relief either; with the growing spectre of the UK going into recession, people are pessimistic and concerned about their future, reflected in the biggest drop this month being seen in people’s confidence in their own personal financial situation over coming twelve months.”

In a separate survey also carried out by GfK NOP in July, it was found that the UK consumer is tightening the belt and spending less on food, leisure activities and holidays.

42% have changed to buying supermarket own brands rather than branded goods and 28% have switched to a discount supermarket.

41% are going out to pubs or restaurants less.

38% have cut back on the amount of holiday travel they plan to do

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Soaring oil prices and general concerns about the environment have also led to a reduction in car travel and increased the attraction of public transport as an alternative.

50% of drivers have reduced the number of journeys they make by car

21% of drivers are using public transport more, rather than travel by car

UK Consumer Confidence Measures “ July 2008

The overall index score this month has fallen five points to -39, thirty-three points lower than this time last year and four points lower than the lowest previously recorded level of -34, back in March 1990. This has been caused by falls across all five measures. The annual moving average has dropped to -17.

Personal Financial Situation

The index measuring changes in personal finances during the last year has dropped by three points to a score of -20; this is twenty points lower than this time last year. This level has not been seen since April 1995.

The forecast for personal finances over the next year has dropped nine points to a score of -18. This is thirty one points lower than this time last year. This level has not been seen since May 1994.

General Economic Situation

The measure for the general economic situation of the country during the last twelve months dropped three points to a score of -69; this is a massive forty-four points lower than this time last year. This score has not been this low since December 1992 when it was -67.

Expectations for the general economic situation over the next twelve months have dropped by a further seven points to -52; thirty-nine points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Â Climate for Major Purchases

The major purchases measure has fallen by two points, from -35 to -37; this is thirty-five points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Â Savings Index

The "now is a good time to save"™ Index, has dropped by two points to +20, this is twenty two points lower than this time last year