

Written by 3K Admin

Friday, 04 September 2009 09:38 - Last Updated Friday, 04 September 2009 11:43

◆ 14 May 2009
Kuala Lumpur

Consumer confidence in Malaysia has plummeted to a record new low in the past six months, falling a further seven Index points from 88 to 81, according to the latest twice-yearly Nielsen Global Consumer Confidence Index which tracks consumer confidence, major concerns and spending habits among 25,140 internet users in 50 countries. This is Malaysia's fifth consecutive decline from its high point of 114 recorded in late 2006. (Chart 1)

[!\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\)Chart 1](images/stories/pictures/chart1_4-9-09.gif "Chart 1")

Elsewhere around the world, consumer confidence took a similar beating, reaching its lowest point of 77, down seven Index points from 84 six months ago. In the latest Nielsen Global Consumer Confidence Survey conducted in 19 March - 2 April 2009, the emerging markets of Russia, UAE, and Brazil suffered the biggest falls in consumer confidence over the past six months as currency devaluation, weakening export markets and falling global commodity prices took their toll. While consumer confidence in Europe and developed markets tumbled dramatically between May and October 2008, in recent months the emerging markets of Russia and Latin America have been hit hardest.

Indonesia topped Nielsen's Global Consumer Confidence Index at 104 points, followed by Denmark (102 points) and India (99 points). The world's most pessimistic nations in the Nielsen Index are South Korea (31 points), followed by Portugal and Latvia at 48 Index points. Confidence fell in 48 out of 49 * countries - Taiwan was the only country to buck the global trend, edging up three Index points from 60 to 63, although still 14 points below the global average.

◆ Global consumers, and Malaysians notwithstanding, have been battered and bruised by a constant onslaught of bad news in the last six months, said Paul Richmond, Managing Director, Consumer Group, The Nielsen Company Malaysia and Singapore. ◆ All over the world, announcements of job cuts and company profit warnings, bankruptcies and foreclosures, lowered GDP expectations, among other negative reports, have combined to hit consumer confidence hard.

Regionally, Latin America suffered the biggest consumer confidence hit, falling 15 Index points (down to 82 points from 97). Consumer confidence in Asia Pacific and Europe both fell by seven Index points to 78 and 70 respectively, while North America dropped by a further three points to hit 80.

While global consumer confidence plunged to a new low, fears of unemployment and job uncertainty reached new heights. Job security was cited as the leading concern among Internet consumers in 31 of 50 countries surveyed. Global concern for job security rose to 22 percent globally from nine percent in the latest round of the survey. Consumers who cited job security as their top concern in life today include China (29%), Hong Kong (33%), India (29%), Singapore (32%), Vietnam (36%), Italy (24%), Spain (34%), Hungary (31%) and Mexico (29%). ◆ ◆ These numbers reflect the level of increasing concern for a depressed job market in every region. For the first time in this survey, job security has become a top concern in life, said Mr Richmond.

The top two concerns of Malaysians are aligned with the rest of the world. Despite a sharp 23 percent spike in concerns over job security (32%), the economy remains at the forefront of one in two (53%) Malaysians' minds - up 10 percentage points since the last survey. In fact, Malaysia now ranks fourth in the world whose consumers are most concerned about the economy. (Charts 2 & 3)

[!\[\]\(1ef1ef0bf9af6c6996401964cf280f2d_img.jpg\)chart 2](images/stories/pictures/chart2_4-9-09.gif "chart 2")

◆ Chart

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2</p><p align="justify"></p><p align="justify">Chart 3</p><p align="justify">Uncertainty in the labour force also remains a worry for the near future. One in five (26%) global consumers described their job prospects in the next 12 months as bad compared with 17 percent in October 2008. Three-quarters of Asia Pacific consumers are having a skeptical job outlook, with the most pessimistic of the lot coming from the Koreans (95%), Hong Kongers (94%) and Japanese (91%) ♦where over nine in 10 felt that their local job prospects in the next year were either not so good or bad. (Chart 4)</p><p align="justify"></p><p align="justify">Chart 4</p><p align="justify">In Malaysia, 13 percent and 65 percent respectively think job prospects would be bad and not so good for the next 12 months. These latest figures reflect an increased pessimism towards job prospects since the last survey, amongst one in five consumers here (22%). (Chart 5)</p><p align="justify"></p><p align="justify">Chart 5</p><p align="justify">This current period of economic uncertainty is providing Malaysians an even more compelling reason to save, and they are now the world♦s third greatest savers, after Singapore (75%) and Hong Kong (74%)! The intention to save is now seen in seven out of 10 (69%) Malaysian consumers♦a slight increment of two percent compared to six months ago. At 41 percent, paying off debts/credit cards/loans and holidays/vacations remain second and third priority when it comes to allocation of spare cash. (Chart 6)</p><p align="justify"></p><p align="justify">Chart 6</p><p align="justify">
Source: http://www.acnielsen.com.my/news/20090514.shtml</p>