

UK near top of economic gloom rankings

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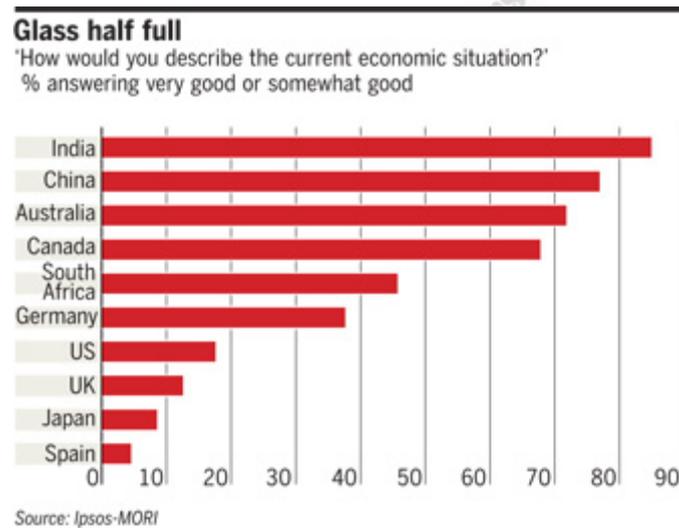
Consumers in the UK are among the most pessimistic in the world over the state of their economy, according to an opinion poll of big countries that lays bare the two-paced nature of the global recovery.

The British economy was thought to be in a “very bad” state by 34 per cent of domestic consumers, a verdict whose gloom is only exceeded by citizens in Spain, where 63 per cent of people came to the same conclusion about their own economy, and Japan, where the figure is 41 per cent.

The poll, by Ipsos Mori, underlines the two-tone nature of the global recovery, with big recession-hit economies in western Europe and the US suffering prolonged declines in consumer confidence, while emerging giants such as China, India and Brazil roar ahead.

In India 85 per cent of consumers see their countries’ economic situation as good, while 77 per cent of people in China and 65 per cent in Brazil are also positive about their economies.

However, in Spain just 5 per cent see their economic situation as good, in France 6 per cent, in the UK 13 per cent and in the US 18 per cent, according to the survey of 19,000 citizens in 24 countries.



The UK proportion is just a third of the international average of 39 per cent who believe that their economy is in a very or somewhat good state.

The gulf in self-belief between the big developing economies, which have grown robustly out of the downturn, and their developed counterparts, which continue to battle fears of renewed recession and sovereign debt problems, underlines the sense of an emerging new world order.

“The global data ... show something quite unexpected – a flatline ‘L’ in consumer confidence. Indeed, after a slight recovery between mid-2009 and the beginning of 2010 – mostly driven by China, Brazil and India – global consumers have remained pessimistic about the economy,” said Cliff Young, a managing director at Ipsos.

Ipsos believes that the absence of a rebound in consumer confidence to match signs of economic recovery reflects the continuing high levels of unemployment being experienced in many developed economies.

The weakness in confidence in western Europe and the US appears to have deepened this year as fears of fresh crisis have emerged over sovereign debt problems.

In the UK confidence has slipped back since March, when the eurozone debt issues were increasingly troubling markets. There have also been sharp drops in confidence in France, Spain and Italy since the end of last year.

However, consumer confidence measures often lag behind figures revealing the true state of the economy. The survey in the UK for June would have been carried out before GDP figures for July revealed that the domestic economy surged by 1.1 per cent in the second quarter, equalling the strongest quarterly growth rate since 2001.

Fonte: Financial Times, London, Aug. 10th 2010, World, online.

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