

Bank Austria presents the first CEE Sentiment Indicator

21.07.2008 CEE youth internationally oriented, optimistic and flexible

Survey of 15,000 people in fourteen CEE countries and Austria

Bank Austria optimism-index: Young people in Central and Eastern Europe look to the future with confidence

Young people in Central and Eastern Europe (CEE) have a consistently positive outlook on the future and show a high level of career flexibility and a willingness to be mobile. Young people recognise great opportunities in increasing internationalisation and aspire to work abroad for a limited period of time, according to the results of the first Bank Austria CEE sentiment barometer. "For more than thirty years, we have been closely connected to the CEE countries, a region with a lot of potential. Thus we are all the more pleased to see that especially young people recognise the opportunities inherent in a united Europe and know how to take advantage of them. In doing so, young people are creating the foundation for a successful future," says Ralph Müller, member of Bank Austria's Management Board.

A representative survey of 15,000 people in fifteen countries[1] regarding their personal and professional expectations was commissioned by Bank Austria and conducted by well-known institutes such as the **GfK Group**, RmPlus, TNS and PENTOR[2]. The responses indicate a consistently positive trend but also show some very interesting differences. "Especially in Poland, Serbia, Russia, Bosnia-Herzegovina and Bulgaria, but also in Kazakhstan, the young generation believes that their country is experiencing an extremely good economic development," says Martin Mayr, the deputy head of Market Research at Bank Austria. "Austrian young people hold a less euphoric view: They do not have a pessimistic opinion of economic development in their country, but they lack a sense of optimism." The sentiment in Turkey is decidedly worse. In addition to a tense and unstable political environment, other causes for this sentiment are strong inflation, large price fluctuations and high interest rates. The attitude is likewise pessimistic in Hungary, where the extremely difficult economic situation following the necessary fiscal changes is clearly being felt.

Youth confident of a positive future

There are also major differences between the countries in the expectations held by young people regarding the development of their personal situation. The average value[3] calculated for this item shows that young people expect their situation to develop very well especially in Kazakhstan, with a value of 71; in Romania and Poland, with 69; and in Serbia, with 66; whereas the total population clearly has more conservative estimates of their personal situation, with an average value of 63 in Kazakhstan, 54 in Romania, 57 in Poland and 59 in Serbia. The difference is even more noticeable in Ukraine, where young people believe in a promising future (average value 60), whereas the average population sees no real perspectives, with an average value of 46. "The changes in countries such as Kazakhstan and Ukraine are happening now, and the young generation sees this as their chance to be involved in the dynamic development," says Ralph Müller. Similarly, there are also major differences in Austria. The young generation expects a completely positive development (average value 67), whereas the average population is still positive but clearly more conservative (average value 55).

Tied to their roots and future self-made men and women

Young people in some CEE countries see self-employment as a very good employment alternative. Thus a generation of self-made men and women is emerging, especially in Turkey, where 38 per cent could imagine being self-employed, as well as in Serbia (25 per cent) and Hungary (22 per cent).

The young generation in some countries appears to be completely flexible when it comes to their workplace. The willingness to be mobile is three times higher among Slovaks and Hungarians than among young Austrians. Thus 15 per cent of Slovaks and Hungarians as well as 14 per cent of Bosnians, but only 5 per cent of Austrians, could imagine working outside of their home countries.

"In general, the majority of young people would like to work in their own country in the future, whereby this especially applies to young people from Slovenia, Russia, Ukraine and Austria," says Mayr. "In addition, they select their future employers very carefully." Especially in Russia (46 per cent), Slovenia

(48 per cent), Bulgaria (43 per cent) and also in Austria (46 per cent), a domestic employer is preferred over international corporate groups. In Poland and Slovakia, however, there is a very high level of interest in international companies. Roughly 39 per cent of young Poles want to start their career in the Polish branch of an international company and only 13 per cent in a domestic company.

Bank Austria optimism-index

"The survey made it possible for us to calculate an optimism-index. We can clearly see that, apart from a few exceptions, the young people in all of the CEE countries surveyed have a very positive view of the future," says Müller. "With an index of 68, the Polish youth are in the lead ahead of all other countries, closely followed by the Kazakhs and the Romanians, who, with an index of 66, also believe that their country and their personal situation will develop quite well." This first optimism-index of CEE countries will form the basis for future studies by Bank Austria. "The optimism-index connects us even more closely with the CEE region, but it also serves as an additional clear indicator of future developments in the countries. And as the leading banking group in the region, we will actively support the young people in CEE on their path to the future."

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About UniCredit Group

With total assets of more than €1,000 billion, ranking among the top financial groups in Europe, UniCredit has a presence in 23 countries, with over 40 million clients, round 10,000 branches and some 180,000 employees.

In the CEE region, UniCredit operates the largest international banking network with over 3,900 branches and outlets, where more than 80,000 employees serve about 27 million customers. The Group operates in the following countries: Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkey and Ukraine.

[1] Bosnia-Herzegovina, Bulgaria, Kazakhstan, Croatia, Austria, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Czech Republic, Turkey, Ukraine, Hungary.

[2] GfK Group: subsidiaries of GfK Austria; RmPlus: Company for Market Research and Marketing; TNS: Taylor Nelson Sofres; Pentor: Pentor Research International

[3] Indexed average: All values over 50 are positive, all values under 50 are negative.