

CONSUMER CONFIDENCE SURVEY

Consumer Confidence Survey (CCS) is a stratified random telephone survey of households across Pakistan. Launched in January 2012 and having a two-monthly frequency, the survey is conducted by the Institute of Business Administration (IBA), Karachi and the State Bank of Pakistan (SBP). This report summarizes the results of more than 1800 surveyed households. Of these, about 33 percent households were interviewed back in March 2014 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1st- 6th September 2014.

I. Overview

The main results of May 2014 wave are summarized below:

- a) The Consumer Confidence Index (CCI) showed significant decline to 133.81 (September 2014) from 142.26 (July 2014) a decline of 5.9 percent (see **Table 1**);
- b) Sub indices CEC and EEC registered a decline of 6.6 and 5.1 percent respectively from July 2014 survey. The decline in CEC is sharper compare to EEC (see **Table 1**);
- c) Despite the overall decline in consumer confidence, inflation expectation over the next six months have not changed in a significant way (see **Table 2**);
- d) Expenditures on durable items are expected to fall over the next six months (see **Table 2**).

CONSUMER CONFIDENCE SURVEY

II. Tables

Table 1: Consumer Indices

Indices	Sep 2014	July 2014	May 2014
Consumer Confidence Index (CCI)	133.81	142.26	143.99
Current Economic Conditions Index (CEC)	140.37	150.74	151.39
Expected Economic Conditions Index (EEC)	128.09	134.85	137.52

Table 2: Inflation Expectations by Group

Percentage of households expecting a rise in price of:	Sep 2014		July 2014		May 2014	
	Positive	Negative	Positive	Negative	Positive	Negative
All items of daily-use	1.25	47.96	1.28	49.04	3.66	44.26
Food items	2.50	47.32	1.75	44.74	3.31	43.09
Energy items	2.54	48.18	1.29	46.68	3.32	42.63
Non-food non-energy items	2.32	43.93	1.14	43.13	2.68	41.44

Notes:

* We report the percentage of people expecting an increase in prices. This percentage is collated from respondents choosing from 'increase,' 'no change' and 'decrease' in reply to the following specific questions:

a: How do you expect that prices in general will develop over the next 6 months from now?

b: How would you expect prices of food items will change over the next six months?

c: How would you expect prices of Energy group i.e. electricity, gas, oil, etc. will change over the next six months?

d: How would you expect prices of Items of daily use other than food items & Energy group will change over the next six months?

Table 3: Other Highlights

Percentage of households	Sep-14		July-14		May-14	
	Positive	Negative	Positive	Negative	Positive	Negative
Unemployment	5.20	37.54	5.86	37.51	6.81	37.98
Interest rate	2.98	18.95	3.02	16.39	3.65	19.36
Income a year later	21.27	10.58	18.58	8.18	22.98	6.87
Next six months for buying durable items	5.47	33.74	5.19	30.04	7.46	31.14
Next six months for buying a car	4.45	35.72	5.26	31.87	7.21	33.34
Current times for buying a house	6.84	37.16	6.83	39.67	9.42	38.17
Better financial conditions in next six months	15.66	23.88	15.01	21.48	15.37	19.48

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ⁱ About the report

This report on consumer perceptions covers three broad themes: (i) overall consumer confidence indices; (ii) inflationary expectations and; (iii) other key highlights about households' perception of important indicators.

a) The consumer confidence (CC) index is a blend of current households' perceptions relative to six months in the past and in the future. The perceptions are about personal financial conditions, the overall economy, unemployment and consumption of durable goods. The CC index is further assessed by splitting it into two distinct parts: current and future perceptions, which then form indices of their own. The former is known as current economic conditions (CEC) index and the later as expected economic conditions (EEC) index.

b) Inflationary expectations are based on the results of quantitative and qualitative queries regarding the perception of respondents about the price changes of different groups of commodities. The quantitative assessment is based on households' expected value for a basket of commodities (which is currently worth Rs100) six-months down the road.

c) Other key highlights are derived from a cross-sectional analysis of participants' responses to queries that were included in the consumer confidence survey, but are not a part of the consumer confidence index or included in the calculations of inflationary expectations.

Rotating Panel:

From July 2012 a rotating panel equivalent to 33 % of the overall sample size has been introduced, in which the surveys are conducted from the households surveyed six months earlier, while the remaining 67 % are fresh. The stratification scheme of the survey is implemented in rotating panel too.