

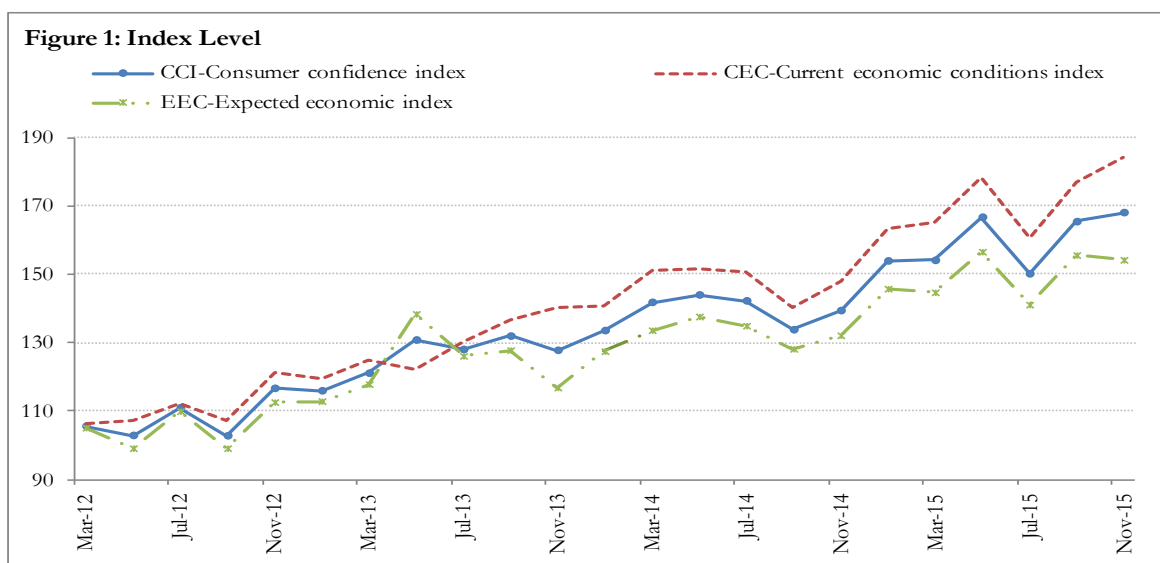
CONSUMER CONFIDENCE SURVEY: PRELIMINARY RESULTS

Consumer Confidence Survey (CCS) is a stratified random telephone survey of households across Pakistan¹. 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 1773 surveyed households. Of these, about 33 percent households were interviewed back in May 2015 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1st- 6th November 2015.

I. Overview

The main results of November 2015 wave are summarized below:

- The Consumer Confidence Index (CCI) showed a marginal increase of 1.60 percent reaching the new level of 168.05 from 165.40 (see **Table 1**);
- CCI can be partitioned into current and expected economic conditions indices. The former, denoted by CEC, recorded an increase of 4.12 percent from September 2015 survey, whereas the latter, denoted by EEC, recorded a small decline of 0.90 percent relative to the previous survey (see **Table 1**);
- Overall inflation expectations recorded a small increase relative to the last survey. This is explained by marginally higher expectations of prices in the next six months of food and energy items. However, price expectations of non-food and non-energy items continue on their declining trajectory.



¹ Due to some technical problems, we had to skip fresh sample (10) from Gawadar. The impact of this omission is considered to be insignificant given the very small weight in overall sample.

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II. Tables

Table 1: Consumer Indices

Month	Nov 2015	Sep 2015	July 2015
CCI	168.05	165.40	150.16
CEC	184.04	176.76	160.66
EEC	154.09	155.49	141.00

Table 2: Inflation Expectations by Group

	Nov-2015		Sep-2015		July-2015	
	Positive	Negative	Positive	Negative	Positive	Negative
Overall	2.51	42.09	4.52	39.35	2.51	42.28
Food items	3.37	36.82	4.17	35.25	3.43	36.64
Energy items	3.74	36.88	4.44	36.64	3.54	39.25
Non-food non-energy items	2.97	35.69	2.83	37.31	2.64	38.27

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	Nov-2015		Sep-2015		July-2015	
	Positive	Negative	Positive	Negative	Positive	Negative
Unemployment	7.70	32.67	8.44	34.51	6.44	35.17
Interest rate	5.29	18.41	4.77	18.85	5.08	19.46
Income a year later	19.86	8.37	18.92	9.24	17.91	9.89
Next six months for buying durable items	10.16	20.48	9.50	20.28	8.29	23.80
Next six months for buying a car	10.83	21.67	9.99	23.58	8.38	27.74
Current times for buying a house	12.41	26.36	10.09	31.30	9.41	37.71
Better financial conditions in next six months	19.21	11.20	20.63	11.79	15.24	16.99

Note: Negative and positive responses are categorized according to the index interpretation; Improvements in income, general economic conditions, good times to buy durables goods and houses refers to positive responses, while decrease in prices, unemployment and interest rate are interpreted as positive.

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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.