

## State Bank, IBA launch Consumer Confidence Survey Website

Governor State Bank of Pakistan Mr. Yaseen Anwar has said that information provided by consumer confidence survey brings him in touch with the ground realities of Pakistan. He was speaking at the occasion of the official launch of the IBA-SBP consumer confidence survey website.

Introducing the audience to the IBA-SBP Consumer Confidence Survey, he said that in January 2012, together with Dr. Ishrat “we inaugurated the Centre for Survey Research (CSR), housed on the 2<sup>nd</sup> floor of SBP LRC building. In this centre, students and teachers from IBA and SBP officers have been meeting every other month to collect data on households’ views about various economic propositions.”

Mr. Anwar said that consumer confidence and inflation expectations reflect the confidence of the households in the economy. These “expectations regarding inflation, interest rate, stock prices, and employment are important for policy formulation, which explains why many developed and developing countries are using consumer surveys for policymaking and research purposes.”

He added that results from these surveys help us study not only the expectations of consumers but also their reaction to different economic and policy shocks. The information gathered from this exercise is expected to help in the process of designing a forward-looking monetary policy in the country.

Referring to the moving stories of households suffering from gas shortage and loadshedding, Mr. Anwar said that the “project provides me an opportunity to get a glimpse into the thought process of Pakistani households as well as their livelihood.”

According to Mr. Anwar, the impact of the project is indeed much wider in scope than keeping the policymaker informed about the ground realities of the economy. “We have been increasingly using the concepts of consumer sentiments and inflation expectations in our flagship publications of annual and quarterly reports as well as most recently in our Monetary Policy Statements,” he added.

He informed the audience that twelve waves of the survey had been completed. “In each wave, we surveyed in excess of 1800 households. The sample of households is spread all over Pakistan and households are chosen randomly from the PTCL directory. Furthermore, the sample is stratified on the basis of population.”

Mr. Anwar said that the project had been developed in-house but “we have benefitted from our colleagues from the Federal Reserve Bank of New York, CIMS at University of Surrey and Yale University in the form of theoretical background, development and implementation.”

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After launch, the general public will be able to benefit from the results of the past and forthcoming waves of this project from a dedicated webpage on SBP and IBA web portals.

Governor SBP expressed hope that the project would be of great help to the future policy makers in Pakistan, primarily by having a trustworthy record of consumers' expectations. He said that the survey would serve as a flagship enterprise in promoting the capacity building measures at both institutions, i.e. the SBP and the IBA. Mr Yaseen Anwar also announced launching of the Business Confidence Index Survey as the next step between SBP and IBA that will incorporate the views of the business community nationwide. Dr Ishrat Husain endorsed the announcement made by Governor SBP.

He thanked the Institute of Business Administration and the international allies for joining hands with State Bank of Pakistan in order to undertake such a monumental task of national importance.

Dr. Ishrat Husain said that we as a nation hold strong opinions, not based on evidence. "We see everything in black-n-white, failing to see the grey areas. This makes our policy making process defective." He said the consumer confidence survey informs the policy making process based on solid evidence. He termed the sample of 1800 households a microcosm of Pakistan, as they represent rural and urban areas and all provinces of the country.

Governor SBP and Dr. Ishrat Husain inaugurated the website by clicking on the mouse. Later, Mr. Anwar and Dr. Husain along with media representatives visited the Centre for Survey Research.

Consumer Confidence Survey results and data can be accessed at the following link.

<http://www.sbp.org.pk/>

<http://dsqx.sbp.org.pk/ccs/index.php>

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