

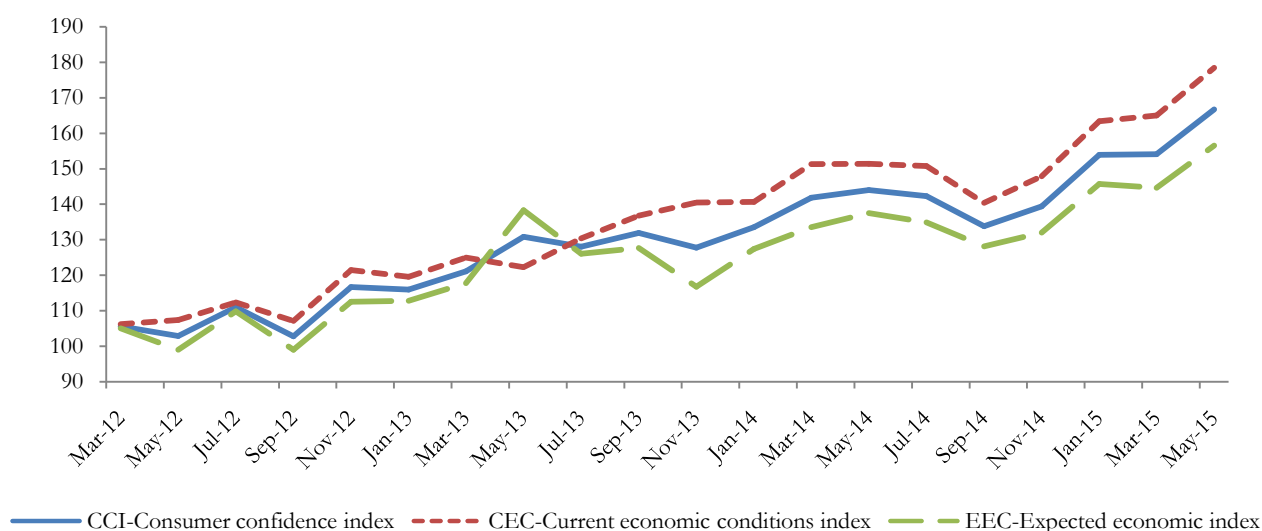
CONSUMER CONFIDENCE SURVEY

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 1750 surveyed households. Of these, about 33 percent households were interviewed back in November 2014 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1st- 6th May 2015¹.

I. Overview

The main results of May 2015 wave are summarized below:

- The Consumer Confidence Index (CCI) showed significant increase of 8.2 percent and reached to 166.70 from 154.10 (March 2015) - the highest level since Jan 2012 (see **Table 1**);
- Sub indices CEC and EEC also registered an increase of 8.1 and 8.2 percent respectively from March 2015 survey (see **Table 1**)
- Food, energy and non-food non-energy items are expected to be lower for the next six months (see **Table 2**).



¹ Rotating sample from Gawadar couldn't be covered in this wave due to technical problems, similarly few other areas were also affected. The issue has been handled through post-stratification so there's no significant impact on validity of overall results.

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II. Tables

Table 1: Consumer Indices

Indices	May-2015	March-2015	January-2015
Consumer Confidence Index (CCI)	166.70	154.10	153.93
Current Economic Conditions Index (CEC)	178.41	164.98	163.39
Expected Economic Conditions Index (EEC)	156.48	144.59	145.67

Table 2: Inflation Expectations by Group

Percentage of households expecting a rise in price of:	May-2015		March-2015		January-2015	
	Positive	Negative	Positive	Negative	Positive	Negative
All items of daily-use	5.00	38.20	5.58	35.67	7.49	35.80
Food items	7.32	33.15	6.00	36.13	7.13	34.44
Energy items	9.41	30.23	7.58	34.49	12.20	29.72
Non-food non-energy items	6.50	31.97	5.87	33.75	5.63	33.07

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	May-2015		March-2015		January-2015	
	Positive	Negative	Positive	Negative	Positive	Negative
Unemployment	9.46	31.52	6.41	34.99	7.99	34.18
Interest rate	5.12	17.64	4.32	19.98	3.91	18.35
Income a year later	20.90	8.40	22.28	7.78	21.02	7.40
Next six months for buying durable items	9.80	20.29	8.45	22.75	8.00	25.66
Next six months for buying a car	9.97	22.79	9.41	24.26	9.04	28.02
Current times for buying a house	13.87	27.37	10.86	30.57	9.83	34.27
Better financial conditions in next six months	19.42	13.60	18.25	17.52	18.92	17.29

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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.