

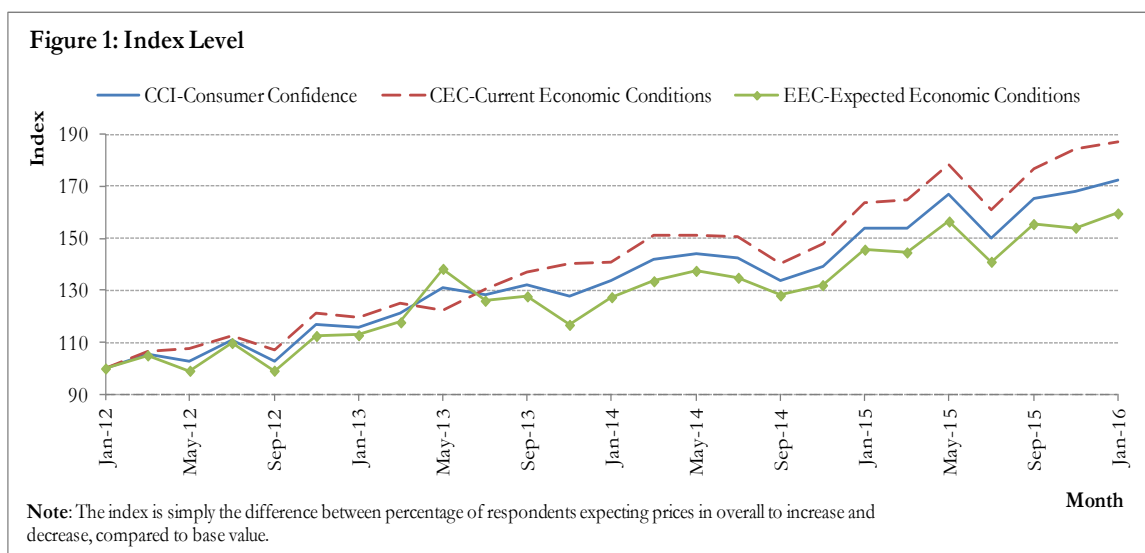
## CONSUMER CONFIDENCE SURVEY: PRELIMINARY RESULTS

*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 1790 surveyed households. Of these, about 33 percent households were interviewed back in July 2015 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1<sup>st</sup>- 6<sup>th</sup> January 2016.*

### I. Overview

The main results of January 2016 wave are summarized below:

- The Consumer Confidence Index (CCI) showed an increase of 2.63 percent reaching the new level of 172.47 from 168.05 (see **Table 1**);
- CCI can be partitioned into current and expected economic conditions indices. The former, denoted by CEC, registered an increase of 1.73 percent from November 2015 survey, similarly the latter, denoted by EEC, recorded an increase of 3.56 percent relative to the previous survey (see **Table 1**);
- Overall inflation expectations show a significant decline relative to the last survey. Similarly the low inflation expectations are evident for all the commodity groups, food, energy, and non-food non-energy items (see **Figure 2**).



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## II. Tables

Table 1: Consumer Indices

Month	Jan 2016	Nov 2015	Sep 2015
CCI	172.47	168.05	165.40
CEC	187.23	184.04	176.76
EEC	159.57	154.09	155.49

Table 2: Inflation Expectations by Group

	Jan 2016		Nov 2015		Sep 2015	
	Positive	Negative	Positive	Negative	Positive	Negative
Overall	2.82	38.25	2.51	42.09	4.52	39.35
Food items	3.99	31.59	3.37	36.82	4.17	35.25
Energy items	6.06	30.25	3.74	36.88	4.44	36.64
Non-food non-energy items	4.51	31.01	2.97	35.69	2.83	37.31

## 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:

- How do you expect that prices in general will develop over the next 6 months from now?
- How would you expect prices of food items will change over the next six months?
- How would you expect prices of Energy group i.e. electricity, gas, oil, etc. will change over the next six months?
- 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	Jan 2016		Nov 2015		Sep 2015	
	Positive	Negative	Positive	Negative	Positive	Negative
Unemployment	8.93	30.97	7.70	32.67	8.44	34.51
Interest rate	6.39	18.28	5.29	18.41	4.77	18.85
Income a year later	22.82	7.14	19.86	8.37	18.92	9.24
Next six months for buying durable items	10.43	18.48	10.16	20.48	9.50	20.28
Next six months for buying a car	11.90	19.54	10.83	21.67	9.99	23.58
Current times for buying a house	14.53	25.14	12.41	26.36	10.09	31.30
Better financial conditions in next six months	21.50	10.68	19.21	11.20	20.63	11.79

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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**<sup>i</sup> 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.