

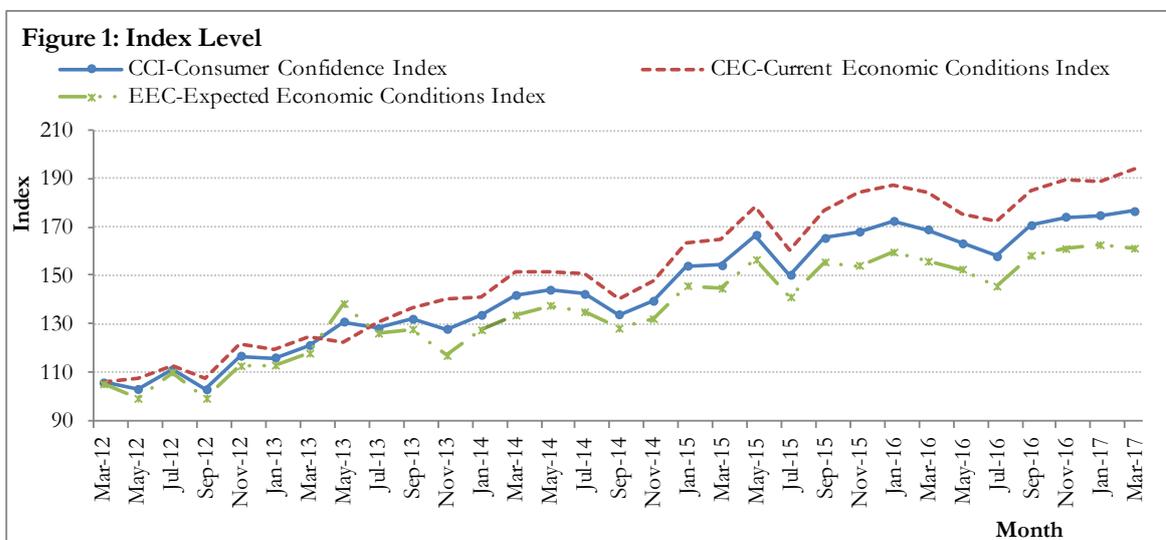
CONSUMER CONFIDENCE SURVEY: PRELIMINARY RESULTS

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 views of more than 1799 surveyed households. Of these, about 33 percent households were interviewed back in Sep 2016 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1st-5th March 2017.

I. Overview

The main results of March 2017 survey are summarized below:

- a) The Consumer Confidence Index (CCI) increased moderately by 0.95%, whereas Overall Inflation Expectations remained stable in that respondents anticipate the same level of inflation as they did in the previous survey;
- b) The moderate increase in CCI is mainly on account of current economic conditions index (CEC), which rose by 2.75 percent from Jan 2017 survey. However, this increase was partly offset by a decline of 0.88 percent in the expected economic conditions index (EEC) from its value in the previous survey (see **Table 1**);
- c) On the inflation expectation front, the index is flat depicting stability. However, when asked for views at a granular level (food, energy, and non-food-non-energy categories), respondents expect relatively high inflation compared to the last survey. Further, since Jan 2015 we document a dispersion in the ‘overall’ and ‘group-wise’ categories of inflation expectations.



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II. Tables

Table 1: Consumer Indices

Month	Mar17	Jan-17	Nov-16
CCI	176.51	174.85	174.19
CEC	194.07	188.88	189.28
EEC	161.17	162.61	161.01

Table 2: Inflation Expectations by Group

	Mar-17		Jan-17		Nov-16	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Overall	43.92%	1.74%	43.96%	1.77%	46.49%	1.51%
Food items	37.95%	2.32%	35.23%	2.18%	33.28%	2.34%
Energy items	36.82%	2.96%	32.67%	4.43%	28.50%	4.33%
Non-food non-energy items	36.65%	2.81%	33.34%	3.55%	31.55%	3.36%

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	Mar-17		Jan-17		Nov-16	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Unemployment	30.48%	6.03%	28.55%	6.40%	26.42%	5.11%
Interest rate	16.42%	3.51%	14.13%	4.51%	12.15%	5.39%
Income a year later	23.74%	6.02%	20.61%	6.13%	22.89%	4.51%
Next six months for buying durable items	12.25%	14.76%	11.16%	15.32%	9.09%	14.95%
Next six months for buying a car	12.25%	17.25%	11.21%	17.58%	10.26%	18.26%
Current times for buying a house	13.14%	22.77%	11.26%	27.85%	10.81%	27.06%
Better financial conditions in next six months	24.35%	8.07%	22.68%	9.02%	20.44%	8.49%

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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.