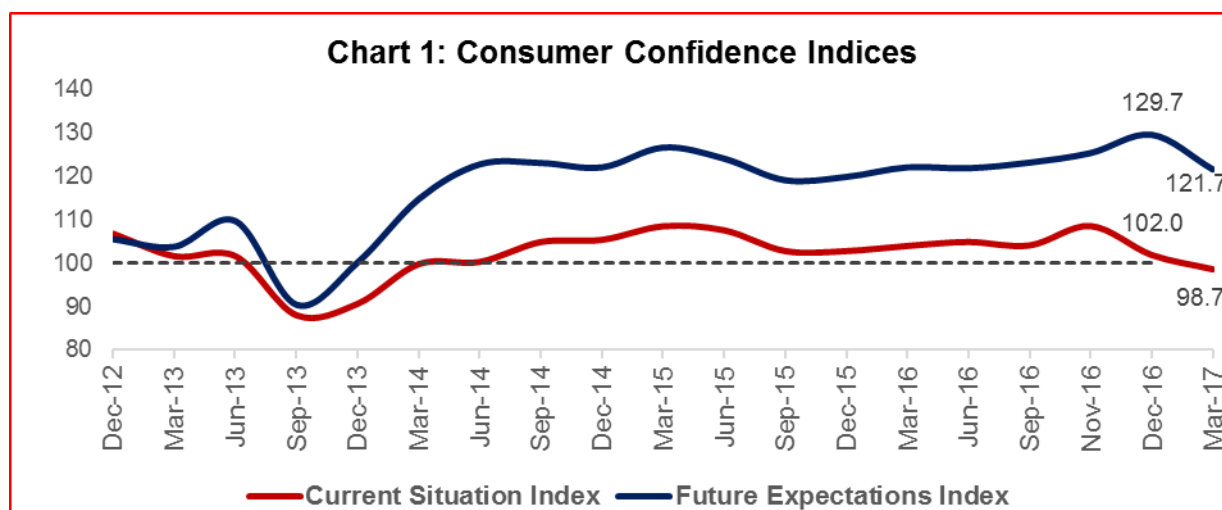


Consumer Confidence Survey

The March 2017 round of the Consumer Confidence Survey (CCS)¹ conducted by the Reserve Bank in six metropolitan cities - Bengaluru; Chennai; Hyderabad; Kolkata; Mumbai; and New Delhi- obtained 4,890 responses on households' perceptions and expectations of general economic conditions, the employment scenario, the price situation in the country and their own income and spending.

Highlights:

- I. The Current Situation Index (CSI)² entered into the pessimistic zone (98.7) in March 2017 due to worsening sentiments on economic conditions and price situation.
- II. The Future Expectations Index (FEI) also declined sharply to 121.7 in March 2017 from 129.7 in the December 2016 round, with the outlook on all parameters, barring spending, worsening (Chart 1).



- III. Households' current perceptions on the economic situation worsened significantly in March 2017, with the net response slipping into negative zone for the first time since September 2014; respondents' outlook on future economic conditions also worsened, though it remained in the optimistic zone. (Table 1).

¹ The survey results are based on the views of the respondents and are not necessarily shared by the Reserve Bank of India.

² CSI & FEI are compiled using net responses on economic conditions, income, spending, employment and price level for current and one-year ahead periods, respectively. CSI/FEI = 100 + Average of Net Responses.

IV. Households' current perceptions on their income level picked up marginally in March 2017, from the 'low' in the December 2016 round; however, their outlook on income one year ahead was less optimistic than in the December 2016 (Table 2).

Summary based on Net Response						
Main Variables	Current Perception compared with 1-year ago			One year ahead Expectations compared with current situation		
	Dec-16	Mar-17	Change	Dec-16	Mar-17	Change
Economic conditions	15.4	-4.5	↓	49.2	25.6	↓
Income	1.3	2.7	↑	43.1	40.1	↓
Spending	67.9	82.3	↑	72.4	85.4	↑
Employment	-8.3	-6.4	↑	38.7	30.1	↓
Price Level	-66.2	-80.7	↓	-55.0	-72.4	↓
Consumer Confidence Index	102.0	98.7	↓	129.7	121.7	↓
↑ Positive Sentiment with sign of improvement compared to last round			↑ Negative Sentiment with sign of improvement compared to last round			
↓ Positive Sentiment with sign of deterioration compared to last round			↓ Negative Sentiment with sign of deterioration compared to last round			

- V. Respondents reported increase in overall spending in March 2017 and expected it to rise further over the year ahead (Table 3) in respect of both essential and non-essential spending (Table 4 & 5).
- VI. Perceptions on employment remained pessimistic (Table 6).
- VII. The assessment of/ outlook on current/future inflation showed significant worsening in the March 2017 round, contrary to the improvement observed in the December 2016. (Table 7 and 8).

Table 1: Perceptions and Expectations on Economic Conditions

Survey Round	Current Perception				One year Ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will improve	Will remain same	Will worsen	Net Response
Sep-15	36.5	32.7	30.9	5.6	47.7	32.1	20.3	27.4
Dec-15	38.0	30.9	31.1	7.0	51.0	27.6	21.4	29.6
Mar-16	39.9	30.3	29.8	10.1	54.6	27.2	18.2	36.4
June-16	40.2	27.9	31.9	8.2	54.2	25.5	20.4	33.8
Sept-16	44.6	30.1	25.3	19.4	57.7	24.3	18.0	39.6
Nov-16	49.5	26.6	23.9	25.6	63.0	18.7	18.3	44.8
Dec-16	45.7	24.1	30.3	15.4	66.3	16.6	17.1	49.2
Mar-17	35.6	24.4	40.0	-4.5	52.1	21.4	26.5	25.6

Table 2: Perceptions and Expectations on Income

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	29.1	50.4	20.5	8.6	47.1	42.4	10.5	36.6
Dec-15	28.7	50.2	21.1	7.7	49.1	40.4	10.5	38.6
Mar-16	31.3	48.9	19.8	11.5	52.1	39.3	8.6	43.5
June-16	29.9	51.8	18.4	11.5	51.2	39.9	8.9	42.3
Sept-16	31.2	48.6	20.2	11.1	52.3	36.4	11.3	41.1
Nov-16	37.3	45.5	17.2	20.1	57.1	33.4	9.4	47.7
Dec-16	27.1	47.1	25.8	1.3	54.8	33.5	11.7	43.1
Mar-17	27.7	47.3	25.0	2.7	51.8	36.5	11.7	40.1

Table 3: Perceptions and Expectations on Spending

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	81.0	10.7	8.2	72.8	80.9	11.2	7.9	73.0
Dec-15	78.7	9.8	11.5	67.2	79.3	10.1	10.6	68.6
Mar-16	78.0	9.9	12.1	65.9	78.5	10.6	11.0	67.5
June-16	82.7	8.4	8.8	73.9	82.2	10.2	7.6	74.6
Sept-16	70.3	24.1	5.7	64.6	79.1	17.0	3.9	75.2
Nov-16	73.2	23.6	3.2	70.0	77.3	20.3	2.5	74.8
Dec-16	73.5	20.8	5.6	67.9	78.3	15.8	5.9	72.4
Mar-17	84.4	13.4	2.1	82.3	88.5	8.3	3.1	85.4

Table 4: Perceptions and Expectations on Spending-Essential Items

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	82.0	9.7	8.4	73.6	80.1	11.6	8.3	71.9
Dec-15	81.4	9.0	9.6	71.8	81.5	9.4	9.1	72.4
Mar-16	79.6	9.3	11.1	68.5	78.6	11.9	9.6	69.0
June-16	83.0	8.2	8.8	74.3	81.1	10.6	8.3	72.8
Sept-16	79.1	16.9	4.0	75.1	82.5	12.7	4.8	77.6
Nov-16	81.7	15.2	3.1	78.6	85.1	10.9	4.0	81.1
Dec-16	76.9	18.4	4.7	72.2	77.5	14.9	7.7	69.8
Mar-17	85.8	11.1	3.1	82.7	87.0	9.2	3.8	83.2

Table 5: Perceptions and Expectations on Spending-Non-Essential Items

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	41.2	35.0	23.8	17.4	44	34.2	21.8	22.2
Dec-15	45.3	28.9	25.8	19.5	49.2	28.6	22.2	27.1
Mar-16	37.7	31.7	30.6	7.1	44.7	33.2	22.1	22.6
June-16	43.9	32.3	23.8	20.1	51.2	30.3	18.5	32.7
Sept-16	50.2	37.6	12.2	38.0	60.6	29.5	9.9	50.7
Nov-16	52.2	36.8	11.1	41.1	62.7	27.6	9.7	53.0
Dec-16	37.3	44.7	18.1	19.2	49.6	35.8	14.7	34.9
Mar-17	48.9	36.4	14.7	34.2	57.8	30.3	11.8	46.0

Table 6: Perceptions and Expectations on Employment

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will improve	Will remain same	Will worsen	Net Response
Sep-15	31.9	34.8	33.3	-1.4	47.1	33.4	19.5	27.6
Dec-15	34.0	34.7	31.3	2.6	51.6	29.8	18.7	32.9
Mar-16	34.3	31.1	34.6	-0.3	50.4	31.4	18.1	32.3
June-16	35.6	28.7	35.7	-0.2	51.1	29.6	19.3	31.8
Sept-16	31.7	36.4	31.9	-0.2	50.5	30.5	19.0	31.5
Nov-16	37.6	30.9	31.4	6.2	55.7	26.6	17.7	37.9
Dec-16	31.0	29.8	39.2	-8.3	57.3	24.1	18.6	38.7
Mar-17	32.6	28.4	39.0	-6.4	52.8	24.5	22.7	30.1

Table 7: Perceptions and Expectations on Price Level

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	80.9	9.4	9.8	-71.1	78.0	12.4	9.5	-68.5
Dec-15	79.5	10.9	9.6	-70.0	78.9	11.7	9.4	-69.5
Mar-16	77.3	12.4	10.4	-66.9	78.6	11.7	9.7	-68.8
June-16	78.1	12.5	9.4	-68.7	80.5	11.5	8.0	-72.6
Sept-16	78.2	17.2	4.6	-73.6	77.8	15.4	6.9	-70.9
Nov-16	82.2	14.3	3.6	-78.6	82.9	11.9	5.2	-77.7
Dec-16	73.9	18.3	7.7	-66.2	69.5	16.0	14.5	-55.0
Mar-17	85.8	9.1	5.1	-80.7	81.0	10.4	8.6	-72.4

Table 8: Perceptions and Expectations on Rate of Change in Price Level (Inflation)*

(Percentage responses)

Survey Round	Current Perception				One year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Sep-15	82.7	14.6	2.7	-80.0	81.1	16.3	2.6	-78.5
Dec-15	86.3	10.8	2.9	-83.4	85.4	11.7	2.8	-82.6
Mar-16	82.7	13.9	3.4	-79.3	82.4	13.2	4.4	-78.0
June-16	85.3	12.4	2.3	-83.0	83.3	13.0	3.7	-79.6
Sept-16	61.8	22.4	15.8	-45.9	64.3	22.4	13.3	-51.0
Nov-16	64.5	18.2	17.3	-47.2	66.8	18.6	14.6	-52.1
Dec-16	57.8	18.0	24.2	-33.5	62.4	17.1	20.6	-41.8
Mar-17	80.5	12.5	7.0	-73.5	79.9	13.8	6.3	-73.6

*Applicable only for those respondents who felt price has increased/price will increase.
