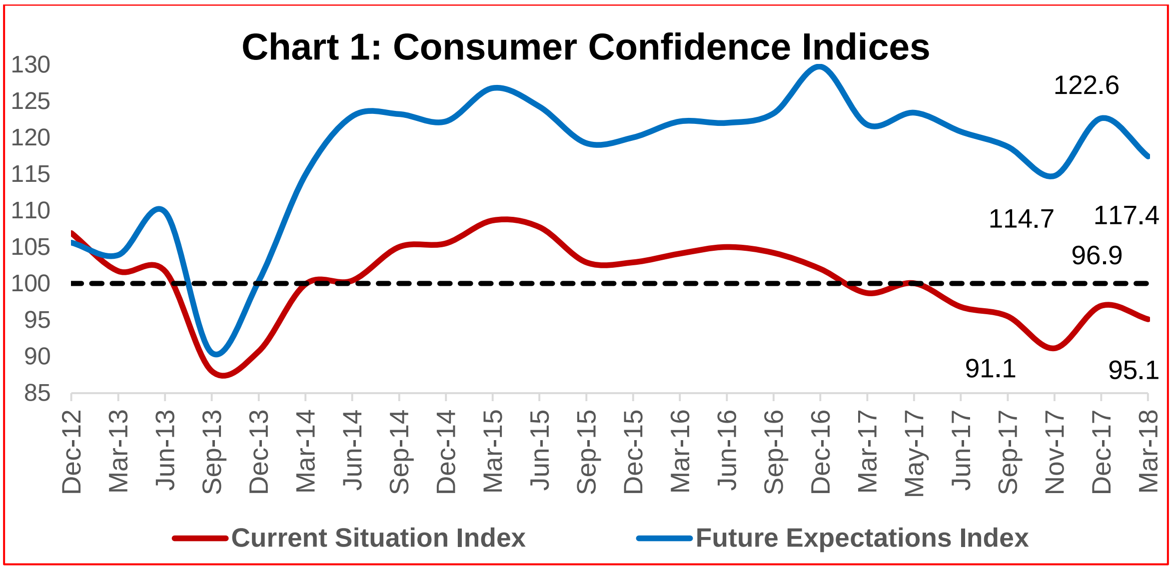
Consumer Confidence Survey

Today, the Reserve Bank released the results of the March 2018 round of the Consumer Confidence Survey (CCS)[1]. The survey was conducted in six metropolitan cities - Bengaluru; Chennai; Hyderabad; Kolkata; Mumbai; and New Delhi - and obtained 5,297 responses on households' perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and their own income and spending.

Highlights:

I. Consumer confidence waned again in March 2018 after showing some improvement in the December 2017 round.

II. The current situation index (CSI)[2] has remained in the pessimistic zone since March 2017, while the future expectations index (FEI) followed a similar trajectory (Chart 1).



III. Households' current perceptions on the general economic situation dived sharply from the neutral level polled in the last round; their one year ahead outlook also deteriorated, but remained in the optimistic domain (Table 1).

IV. Respondents continued to express concern about the current employment situation, and outlook for the year ahead was less positive than in the previous round (Table 2).

V. Households' assessment of the current price situation and the outlook a year ahead have broadly remained unchanged (Tables 3 and 4).

[1] The survey results are based on the views of respondents.

[2] CSI and FEI are compiled on the basis of net responses on the economic situation, income, spending, employment and the price level for the current period and a year ahead, respectively. CSI/FEI = 100 + Average of Net Responses of the above parameters.

Summary based on Net Response						
Main Variables	**Current Perception compared with one-year ago**			**One year ahead Expectations compared with current situation**		
	Dec-17	**Mar-18**	**Change**	**Dec-17**	**Mar-18**	**Change**
Economic Situation	-0.6	-8.2	↓	31.5	20.7	↓
Income	1.1	-1.6	↓	40.5	35.2	↓
Spending	82.1	81.7	↓	81.8	82.7	↑
Employment	-11.0	-13.3	↓	32.0	23.9	↓
Price Level	-86.9	-83.1	↑	-72.6	-75.5	↓
Consumer Confidence Index	**96.9**	**95.1**	↓	**122.6**	**117.4**	↓

↑ **Positive** Sentiments with sign of **improvement** compared to last round	↑ **Negative** Sentiments with sign of **improvement** compared to last round
↓ **Positive** Sentiments with sign of **deterioration** compared to last round	↓ **Negative** Sentiments with sign of **deterioration** compared to last round

VI. With respondents evenly divided in their assessment on current income compared to a year ago, the net response has been hovering around the neutral zone since the December 2016 round, with the outlook still positive but having deteriorated in the latest survey round (Table 5).

VII. While a slightly lower proportion of respondents reported an increase in spending compared to a year ago, the outlook on spending improved from the preceding round (Table 6).

VIII. For the March 2018 round, households' assessment and outlook on non-essential spending improved (Tables 7 and 8).

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Table 1: Perceptions and Expectations on General Economic Situation

(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
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
May-17	36.4	25.9	37.7	-1.3	52.4	23.5	24.1	28.3
Jun-17	32.4	27.7	39.9	-7.5	48.6	25.9	25.5	23.1
Sep-17	34.6	24.7	40.7	-6.2	50.8	22.8	26.3	24.5
Nov-17	28.9	23.3	47.9	-18.9	45.2	24.1	30.6	14.6
Dec-17	36.8	25.8	37.4	-0.6	54.4	22.7	22.9	31.5
Mar-18	33.7	24.5	41.8	-8.1	48.3	24.0	27.6	20.7

Table 2: 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
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
May-17	32.5	28.3	39.2	-6.8	52.7	26.7	20.7	32.0
Jun-17	30.8	30.3	38.9	-8.1	49.6	29.3	21.2	28.4
Sep-17	30.1	26.3	43.7	-13.6	49.9	24.0	26.1	23.8
Nov-17	27.5	25.7	46.8	-19.2	45.1	27.5	27.4	17.8
Dec-17	30.3	28.4	41.3	-11.0	53.1	25.9	21.1	32.0
Mar-18	29.9	26.9	43.2	-13.3	49.5	25.0	25.5	23.9

Table 3: 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
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
May-17	83.3	11.3	5.4	-78.0	79.7	11.5	8.8	-70.9
Jun-17	85.2	11.4	3.4	-81.8	76.1	13.8	10.1	-66.0
Sep-17	87.7	8.7	3.6	-84.1	81.0	12.5	6.5	-74.5
Nov-17	89.9	7.1	3.0	-86.9	82.9	10.4	6.7	-76.2
Dec-17	89.9	7.1	3.0	-86.9	80.1	12.4	7.5	-72.6
Mar-18	86.7	9.8	3.6	-83.1	82.1	11.4	6.6	-75.5

Table 4: 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
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
May-17	82.0	10.0	8.0	-74.0	82.6	10.9	6.5	-76.1
Jun-17	79.9	11.5	8.5	-71.4	78.7	13.5	7.9	-70.8
Sep-17	80.6	10.4	9.0	-71.5	78.6	14.1	7.2	-71.4
Nov-17	82.9	9.0	8.1	-74.8	80.4	12.1	7.5	-72.9
Dec-17	80.4	12.8	6.8	-73.6	76.9	17.0	6.1	-70.8
Mar-18	79.9	13.2	6.9	-73.0	80.2	13.4	6.4	-73.8

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

Table 5: 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
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
May-17	28.2	48.0	23.8	4.4	52.8	38.1	9.1	43.6
Jun-17	23.8	53.8	22.4	1.4	47.1	43.5	9.4	37.7
Sep-17	26.6	46.8	26.6	-0.1	48.5	39.0	12.5	36.1
Nov-17	24.4	47.6	28.0	-3.6	45.6	41.8	12.6	33.0
Dec-17	25.2	50.7	24.1	1.1	50.7	39.1	10.3	40.5
Mar-18	23.5	51.5	25.1	-1.6	46.9	41.3	11.7	35.2

Table 6: 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
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
May-17	83.4	14.9	1.6	81.8	86.0	11.9	2.0	84.0
Jun-17	81.3	17.2	1.5	79.8	83.5	13.7	2.8	80.7
Sep-17	83.2	15.0	1.8	81.5	85.8	12.3	2.0	83.8
Nov-17	85.6	13.1	1.3	84.2	86.8	11.0	2.3	84.6
Dec-17	83.9	14.3	1.8	82.1	84.7	12.5	2.9	81.8
Mar-18	83.5	14.7	1.8	81.7	85.0	12.6	2.4	82.7

Table 7: 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
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
May-17	85.7	11.6	2.8	82.9	86.9	9.6	3.5	83.4
Jun-17	82.2	15.3	2.5	79.7	81.9	13.5	4.6	77.2
Sep-17	85.0	12.6	2.4	82.6	86.1	10.9	3.0	83.1
Nov-17	86.8	11.3	1.9	85.0	86.2	10.7	3.2	83.0
Dec-17	85.2	13.0	1.8	83.4	85.2	10.9	4.0	81.2
Mar-18	83.9	13.8	2.3	81.5	84.8	12.3	3.0	81.8

Table 8: 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
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
May-17	51.9	34.6	13.5	38.3	59.9	31.1	9.0	50.9
Jun-17	51.6	35.5	13.0	38.6	56.3	32.6	11.1	45.2
Sep-17	54.0	34.4	11.7	42.4	60.2	30.6	9.2	50.9
Nov-17	56.5	32.5	11.0	45.5	60.6	31.1	8.3	52.3
Dec-17	51.1	36.6	12.3	38.8	57.3	33.6	9.1	48.2
Mar-18	54.5	32.5	12.9	41.6	61.2	29.4	9.4	51.8

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