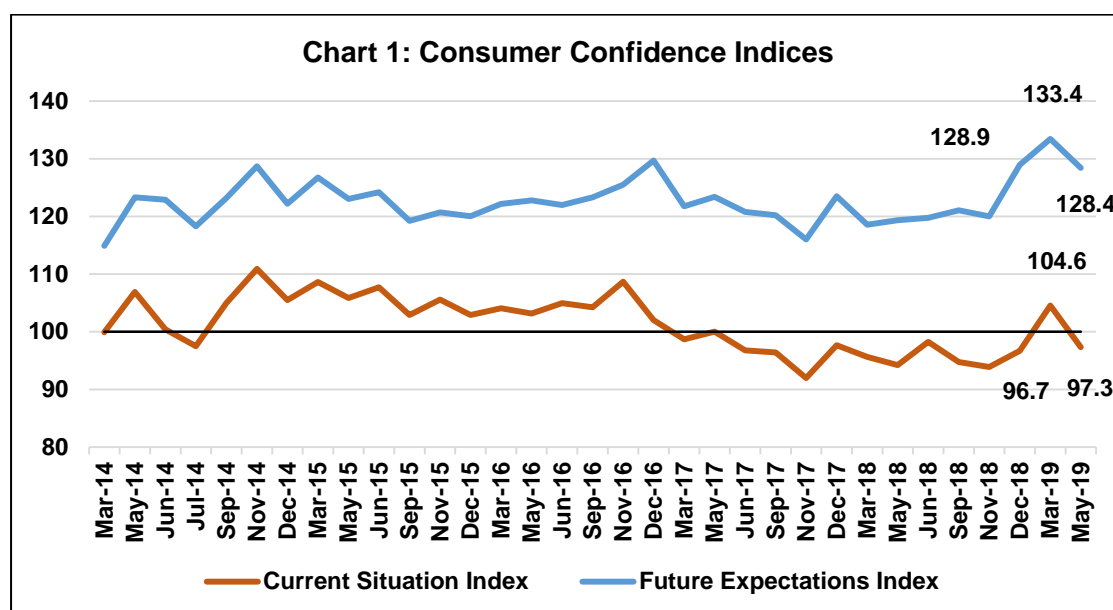


Consumer Confidence Survey

Today, the Reserve Bank released the results of the May 2019 round of its Consumer Confidence Survey (CCS)¹. The survey was conducted in 13 major cities – Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram - and obtained 5,245 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. After a sharp upsurge in the March 2019 round, consumer confidence fell in the May 2019 round.
- II. The current situation index (CSI)², which had entered optimistic territory after a gap of two years in the March 2019 round, returned to pessimism; the future expectations index (FEI) slipped from its all-time high in the March 2019 round (Chart 1).
- III. Weakening confidence is primarily attributable to the deterioration in sentiments on the economic situation and employment.



Note: [Please see the excel file for time series data](#)

- IV. Consumers' perception of the general economic situation remained in optimistic territory, despite a sharp lowering of sentiments in the current round; while the one year ahead outlook also turned out to be less optimistic, more than 60 per cent of respondents expect improvement in the general economic situation in the year ahead (Table 1).

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. $CSI/FEI = 100 + \text{Average of Net Responses of the above parameters}$.

Summary based on Net Response						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	Mar-19	May-19	Change	Mar-19	May-19	Change
Economic Situation	13.7	1.1	↓	48.6	40.5	↓
Employment	3.9	-10.5	↓	46.4	36.2	↓
Price Level	-72.0	-77.3	↓	-57.8	-59.3	↓
Income	10.2	8.2	↓	55.1	52.9	↓
Spending	67.0	65.2	↓	74.9	71.8	↓
Consumer Confidence Index	104.6	97.3	↓	133.4	128.4	↓
↑ 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			

- V. Sentiments on the current employment scenario returned to pessimistic territory, and there was lowering of optimism in the outlook (Table 2).
- VI. Respondents perceived a rise in price level over the last one year, and they expect further deterioration in the price situation for the year ahead (Tables 3 and 4).
- VII. Half the respondents continued to report stagnant income over the last one year, but a majority still expect their incomes to rise in the coming year (Table 5).
- VIII. Despite a marginal increase in spending on essential items, a sharp fall in the discretionary spending led to lower overall spending by households and a somewhat less optimistic outlook for the year ahead (Table 6, 7 and 8).

Table 1: Perceptions and Expectations on the 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
May-18	32.5	19.6	47.9	-15.4	50.6	22.1	27.4	23.2
Jun-18	36.4	21.9	41.8	-5.4	50.4	23.0	26.6	23.8
Sep-18	33.7	22.1	44.3	-10.6	53.2	16.7	30.2	23.0
Nov-18	33.2	21.6	45.2	-12.0	53.6	15.3	31.2	22.4
Dec-18	36.7	20.2	43.1	-6.4	59.9	15.8	24.3	35.6
Mar-19	46.2	21.3	32.5	13.7	66.4	15.8	17.8	48.6
May-19	38.8	23.6	37.7	1.1	61.4	17.7	20.9	40.5

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
May-18	32.1	24.0	43.9	-11.8	51.0	24.4	24.6	26.5
Jun-18	34.7	26.4	38.9	-4.1	50.9	25.8	23.4	27.5
Sep-18	35.2	19.3	45.5	-10.3	54.1	17.0	29.0	25.1
Nov-18	33.9	18.9	47.2	-13.3	53.5	16.1	30.4	23.1
Dec-18	35.6	20.1	44.3	-8.7	60.3	17.1	22.7	37.6
Mar-19	41.1	21.7	37.2	3.9	65.3	15.9	18.9	46.4
May-19	33.7	22.1	44.2	-10.5	59.3	17.6	23.1	36.2

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
May-18	87.9	8.7	3.3	-84.6	82.7	11.0	6.4	-76.3
Jun-18	89.1	7.9	3.0	-86.0	82.8	11.8	5.4	-77.4
Sep-18	88.3	8.5	3.2	-85.1	80.1	12.0	7.9	-72.2
Nov-18	88.3	7.8	3.8	-84.5	80.2	11.6	8.2	-72.0
Dec-18	84.3	10.9	4.8	-79.5	71.6	15.9	12.5	-59.1
Mar-19	77.8	16.4	5.8	-72.0	68.7	20.5	10.9	-57.8
May-19	81.6	14.1	4.3	-77.3	70.3	18.7	11.0	-59.3

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
May-18	80.4	12.7	6.9	-73.5	79.2	15.4	5.5	-73.7
Jun-18	81.8	10.5	7.7	-74.2	79.4	13.7	6.9	-72.5
Sep-18	80.8	13.2	6.1	-74.7	79.8	14.2	6.1	-73.7
Nov-18	80.0	13.9	6.1	-73.9	75.9	18.0	6.1	-69.8
Dec-18	77.9	15.2	6.9	-71.0	76.3	17.3	6.4	-69.9
Mar-19	72.5	20.0	7.6	-64.9	72.9	20.8	6.3	-66.6
May-19	74.4	20.8	4.8	-69.6	76.7	18.5	4.8	-71.9

*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
May-18	27.6	47.8	24.6	3.0	51.4	38.2	10.4	41.0
Jun-18	27.1	50.8	22.1	5.0	51.3	38.0	10.7	40.5
Sep-18	28.3	48.3	23.4	4.9	59.1	33.1	7.8	51.3
Nov-18	29.9	49.5	20.5	9.4	59.0	34.3	6.7	52.3
Dec-18	29.8	48.2	22.0	7.8	63.5	30.4	6.2	57.3
Mar-19	30.1	50.0	19.9	10.2	60.8	33.4	5.7	55.1
May-19	29.0	50.2	20.8	8.2	58.9	35.1	6.0	52.9

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
May-18	82.6	14.8	2.7	79.9	84.8	12.6	2.6	82.2
Jun-18	83.8	14.1	2.0	81.8	86.5	11.3	2.2	84.4
Sep-18	78.4	18.2	3.5	74.9	81.2	15.7	3.1	78.1
Nov-18	73.0	23.9	3.1	69.9	77.6	19.0	3.4	74.2
Dec-18	73.8	22.7	3.5	70.3	77.3	18.7	4.0	73.3
Mar-19	70.1	26.8	3.1	67.0	77.5	19.9	2.6	74.9
May-19	68.6	28.0	3.4	65.2	74.7	22.5	2.9	71.8

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
May-18	85.2	11.8	3.0	82.2	85.1	11.2	3.7	81.4
Jun-18	86.6	11.1	2.3	84.3	87.5	10.0	2.5	85.0
Sep-18	83.6	13.1	3.4	80.2	84.2	13.1	2.7	81.5
Nov-18	83.4	13.4	3.2	80.2	84.1	12.5	3.3	80.8
Dec-18	82.4	14.5	3.1	79.3	83.5	13.0	3.4	80.1
Mar-19	78.6	18.2	3.2	75.4	83.4	14.3	2.3	81.1
May-19	80.0	17.1	2.9	77.1	80.7	16.5	2.8	77.9

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
May-18	52.3	32.5	15.1	37.2	58.7	31.0	10.3	48.4
Jun-18	55.4	32.9	11.7	43.8	62.7	28.0	9.3	53.4
Sep-18	44.0	34.3	21.7	22.3	49.2	33.3	17.5	31.7
Nov-18	39.1	37.6	23.3	15.8	44.5	35.9	19.6	24.9
Dec-18	38.4	37.5	24.1	14.3	46.1	33.0	20.9	25.2
Mar-19	36.3	43.3	20.4	15.9	46.1	37.6	16.3	29.8
May-19	32.7	40.3	27.0	5.7	39.4	37.3	23.3	16.1
