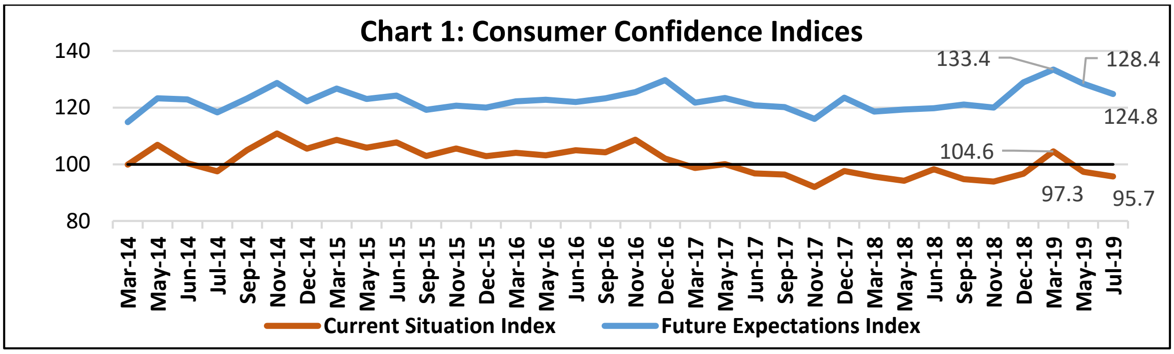
Consumer Confidence Survey

Today, the Reserve Bank released the results of the July 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 5,351 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 declined in July as reflected in the current situation index (CSI)[2]; the future expectations index (FEI) fell by about 4 points (Chart 1).



Note: Please see the excel file for time series data

II. Consumers' perceptions on the general economic situation (Table 1) and the employment scenario (Table 2) softened, while their assessment of their own incomes (Table 5) turned out to be less optimistic than in May 2019.

III. Respondents perceived a rise in the price level and the majority expect prices to rise over the year ahead (Tables 3 and 4); this boosted sentiments on overall spending, but they were less optimistic about discretionary spending (Tables 6, 7 and 8).

Summary based on Net Response						
Main Variables	**Current Perception compared with one-year ago**			**One year ahead Expectations compared with current situation**		
	May-19	**July-19**	**Change**	**May-19**	**July-19**	**Change**
Economic Situation	1.1	-1.0		40.5	34.8	
Employment	-10.5	-13.1		36.2	30.9	
Price Level	-77.3	-78.4		-59.3	-63.9	
Income	8.2	2.9		52.9	48.5	
Spending	65.2	68.3		71.8	73.6	
Consumer Confidence Index	**97.3**	**95.7**		**128.4**	**124.8**	
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			

[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.

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
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
Jul-19	37.4	24.2	38.4	-1.0	59.4	16.0	24.6	34.8

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
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
Jul-19	32.5	21.9	45.6	-13.1	56.7	17.5	25.8	30.9

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
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
Jul-19	81.7	15.0	3.3	-78.4	73.9	16.1	10.0	-63.9

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
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
Jul-19	72.5	22.3	5.2	-67.3	77.8	18.0	4.1	-73.7

*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
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
Jul-19	25.8	51.3	22.9	2.9	55.4	37.7	6.9	48.5

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
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
Jul-19	71.7	25.0	3.4	68.3	76.8	20.1	3.2	73.6

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
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
Jul-19	81.7	15.7	2.6	79.1	82.9	14.3	2.8	80.1

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
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
Jul-19	31.0	44.9	24.1	6.9	36.2	42.2	21.6	14.6

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