

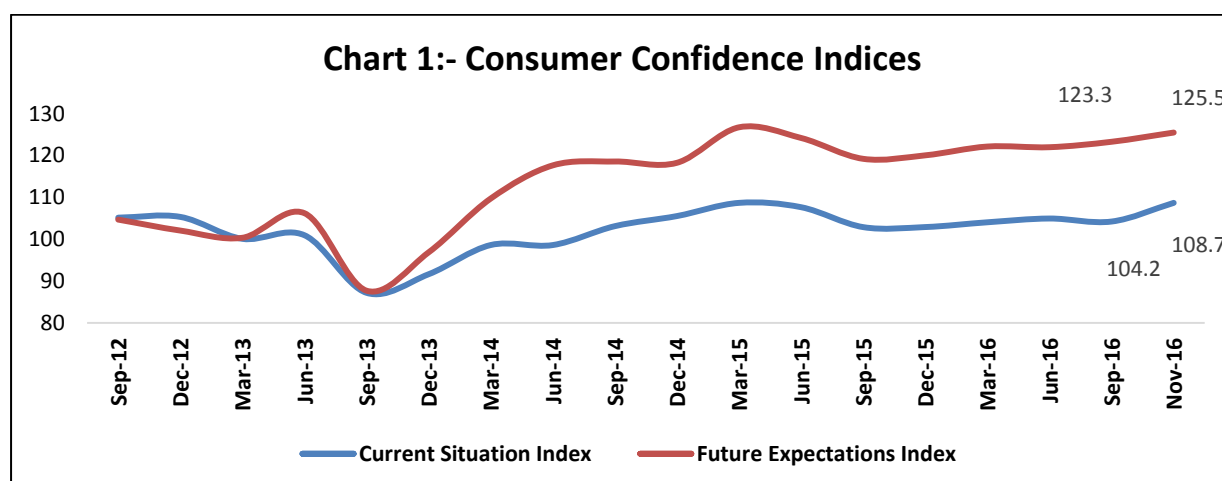
RBI's Consumer Confidence Survey: November 2016 Round¹

Improvement in overall consumer confidence in November 2016

The Consumer Confidence Survey (CCS)² provides an assessment of respondents' perceptions on general economic conditions and own financial situation during the current period and a year ahead. The survey captures qualitative information on a three point scale i.e., improve, remain the same or worsen, from respondents spread across six metropolitan cities namely, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi. The information so collected is analysed in two parts, namely, current situation as compared with a year ago and the expectations for a year ahead compared with current situation. The salient findings of the survey, based on 4,686 responses are presented below.

Highlights:

1. Current Situation Index (CSI)³ showed a turnaround and improved by 4.5 percentage points in November 2016 round of the survey due to increase in the net response of all parameters except price level. Future Expectations Index (FEI) also improved, however, by a lower magnitude of 2.2 percentage points and reached 125.5 in the current round of the survey, due to enhanced expectations on future economic conditions, income and employment (Chart 1).







¹ Besides the quarterly rounds of the survey, two additional rounds (May & November) were introduced in 2014 on a pilot basis to align the survey with bi-monthly monetary policy. As the surveys have now stabilized, the results are being placed in the public domain for the first time. The field work was carried out between October 27, 2016 and November 13, 2016.

² The survey results are based on the views of the respondents and are not necessarily shared by the Reserve Bank of India.

³ 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.

- II. The perceptions and expectations of the respondents in November 2016 round of the survey indicated strong improvement in the general economic conditions, as measured by net response for both current as well as for one-year ahead period (Table 1).
- III. Current income perceptions and income expectations a year ahead depicted signs of strengthening as compared to September 2016 round of the survey, due to strong rise in positive sentiments and a decline in negative sentiments. The optimism regarding one-year ahead income continued to be strong in November 2016 round of survey (Table 2).

Summary based on Net Response						
Main Variables	Current Perception compared with 1-year ago			1-year ahead Expectations compared with current situation		
	Sep-16	Nov-16	Change	Sep-16	Nov-16	Change
Economic conditions	19.4	25.6	↑	39.6	44.8	↑
Income	11.1	20.1	↑	41.1	47.7	↑
Spending	64.6	70.0	↑	75.2	74.8	↓
Employment	-0.2	6.2	↑	31.5	37.9	↑
Price Level	-73.6	-78.6	↓	-70.9	-77.7	↓
Consumer Confidence Index	104.2	108.7	↑	123.3	125.5	↑
 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			

- IV. The level of confidence on current spending increased by 5.4 percentage points in November 2016 round of the survey as compared to September 2016 round. Expectations on future spending also remained strong (Table 3).
- V. More than 80 per cent respondents reported increase in spending on essential items for the current as well as one-year ahead period. Net response for current and future spending on non-essential items also improved during this round of the survey (Tables 4 & 5).
- VI. Current employment perceptions turned positive and employment outlook improved further during this round of the survey (Table 6).
- VII. As regards price level, current sentiments and outlook for one-year ahead, further worsened during this round of the survey as compared with September 2016 round of the survey (Table 7).

Table 1: Perceptions and Expectations on Economic Conditions

Survey Round	Current Perception				1-year Ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will improve	Will remain same	Will worsen	Net Response
Jun-15	43.1	27.8	29.1	14.0	57.6	22.3	20.2	37.4
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

Table 2: Perceptions and Expectations on Income

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	34.9	43.7	21.4	13.6	52.7	35.6	11.6	41.1
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

Table 3: Perceptions and Expectations on Spending

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	87.4	9.5	3.1	84.4	86.2	9.6	4.2	82.0
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

Table 4: Perceptions and Expectations on Spending-Essential Items

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	91.8	6.1	2.1	89.7	87	8.8	4.2	82.8
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

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

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	46.9	25.5	27.6	19.3	52.3	24.3	23.4	28.9
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

Table 6: Perceptions and Expectations on Employment

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will improve	Will remain same	Will worsen	Net Response
Jun-15	36.0	32.2	31.8	4.2	53.7	26.9	19.4	34.4
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

Table 7: Perceptions and Expectations on price level

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	84.3	9.1	6.6	-77.6	82.3	9.1	8.5	-73.8
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

Table 8: Perceptions and Expectations on rate of change in price level (Inflation)*

(Percentage responses)								
Survey Round	Current Perception				1-year Ahead Expectation			
	Increased	Remained same	Decreased	Net Response	Will increase	Will remain same	Will decrease	Net Response
Jun-15	87.9	9.7	2.4	-85.5	83.8	12.9	3.3	-80.5
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

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