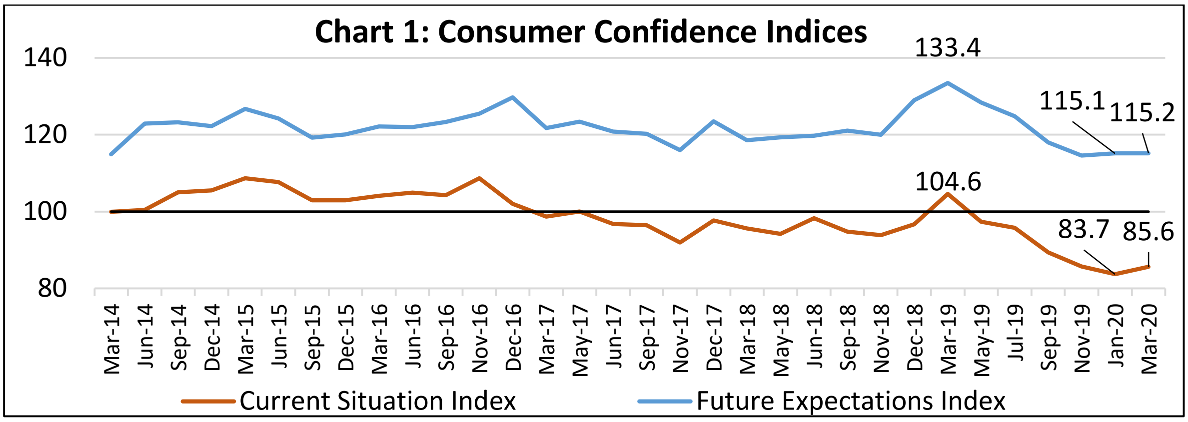
Consumer Confidence Survey

Today, the Reserve Bank released the results of the March 2020 round of its Consumer Confidence Survey (CCS)[1]. The survey was conducted during February 27 – March 7, 2020 in 13 major cities, *viz.*, Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram. Perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and own income and spending are obtained from 5,365 households across these cities.

Highlights:

I. Consumer confidence, as measured by the current situation index (CSI), in early March 2020 remained broadly close to the all-time low, which was recorded in the previous survey round. Expectations for the year ahead, as gauged by the future expectations index (FEI)[2], were largely unchanged from the last round (Chart 1).



Note: Please see the excel file for time series data

II. Sentiments on the general economic situation, employment scenario and household income remained pessimistic (Tables 1, 2 and 5); however, there were some improvements in expectations for the year ahead.

III. Households perceived some easing in the inflation pressure (Table 3 and 4); however, sentiments on discretionary spending remained in the contraction zone (Table 8).

---

[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 Responses						
Main Variables	**Current Perception compared with one-year ago**			**One year ahead Expectations compared with current situation**		
	Jan-20	**Mar-20**	**Change**	**Jan-20**	**Mar-20**	**Change**
Economic Situation	-27.8	-23.9	↑	11.9	15.1	↑
Employment	-33.1	-30.5	↑	13.0	14.7	↑
Price Level	-88.7	-84.6	↑	-66.7	-70.4	↓
Income	-5.0	-2.2	↑	42.7	44.2	↑
Spending	73.1	69.2	↓	74.7	72.3	↓
Consumer Confidence Index	**83.7**	**85.6**	↑	**115.1**	**115.2**	↑

↑ **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

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
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
Sep-19	33.5	18.6	47.9	-14.4	53.2	15.0	31.8	21.4
Nov-19	30.0	18.4	51.6	-21.6	48.9	16.5	34.7	14.2
Jan-20	27.1	18.0	54.9	-27.8	48.8	14.3	36.9	11.9
Mar-20	28.4	19.3	52.3	-23.9	49.8	15.6	34.7	15.1

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
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
Sep-19	28.0	19.5	52.5	-24.5	51.2	15.4	33.4	17.8
Nov-19	24.4	18.1	57.5	-33.1	46.3	17.7	36.0	10.3
Jan-20	24.6	17.8	57.7	-33.1	48.4	16.3	35.4	13.0
Mar-20	25.2	19.1	55.7	-30.5	48.8	17.1	34.1	14.7

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
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
Sep-19	86.1	10.6	3.3	-82.8	75.9	13.8	10.3	-65.6
Nov-19	86.8	10.2	2.9	-83.9	78.0	14.1	7.9	-70.1
Jan-20	90.6	7.6	1.9	-88.7	76.9	12.9	10.2	-66.7
Mar-20	87.2	10.3	2.6	-84.6	78.1	14.2	7.7	-70.4

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
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
Sep-19	74.2	19.5	6.3	-67.9	77.9	16.1	6.1	-71.8
Nov-19	77.2	17.4	5.5	-71.7	77.3	17.3	5.4	-71.9
Jan-20	84.9	11.2	4.0	-80.9	80.3	14.7	5.0	-75.3
Mar-20	80.8	15.7	3.5	-77.3	75.6	20.3	4.1	-71.5

*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
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
Sep-19	25.0	48.3	26.7	-1.7	53.0	37.4	9.6	43.4
Nov-19	24.1	49.2	26.7	-2.6	52.8	38.9	8.3	44.5
Jan-20	21.9	51.2	26.9	-5.0	51.9	38.9	9.2	42.7
Mar-20	22.7	52.4	24.9	-2.2	52.0	40.2	7.8	44.2

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
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
Sep-19	74.1	22.0	3.8	70.3	77.0	19.0	4.0	73.0
Nov-19	73.2	23.4	3.4	69.8	77.4	19.0	3.6	73.8
Jan-20	76.3	20.5	3.2	73.1	78.7	17.3	4.0	74.7
Mar-20	72.6	24.0	3.4	69.2	75.8	20.7	3.5	72.3

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
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
Sep-19	83.8	13.6	2.6	81.2	83.0	13.7	3.3	79.7
Nov-19	83.6	13.6	2.7	80.9	83.0	13.9	3.1	79.9
Jan-20	85.3	12.2	2.6	82.7	83.7	12.9	3.4	80.3
Mar-20	83.0	14.6	2.4	80.6	82.1	15.0	2.9	79.2

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
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
Sep-19	29.9	40.0	30.1	-0.2	34.7	39.2	26.0	8.7
Nov-19	27.5	42.4	30.1	-2.6	33.4	43.0	23.5	9.9
Jan-20	28.0	37.3	34.6	-6.6	34.3	37.8	27.9	6.4
Mar-20	27.7	42.0	30.3	-2.6	32.4	43.5	24.1	8.3

*****