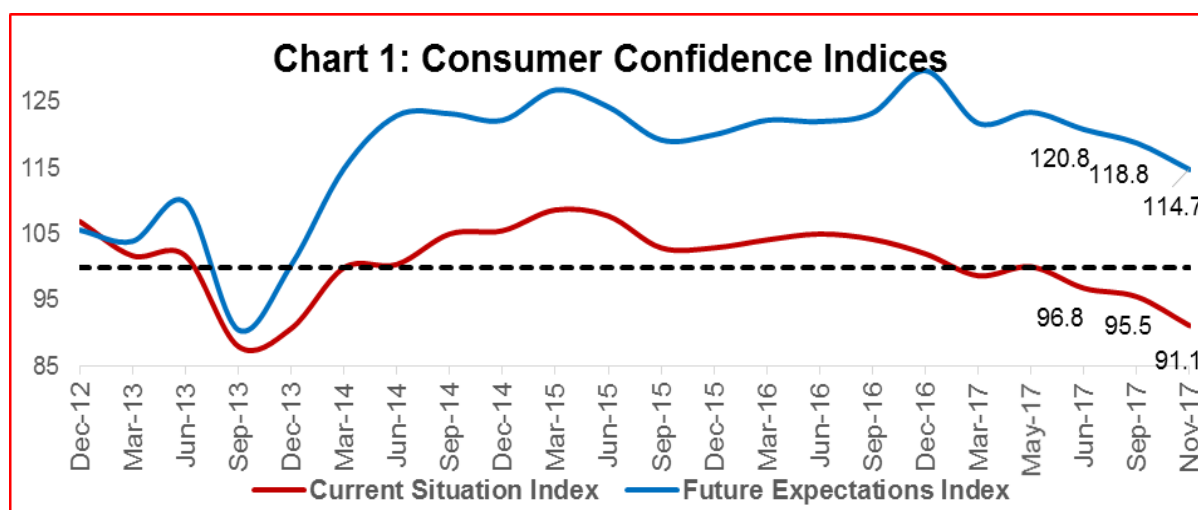


## Consumer Confidence Survey

Today, the Reserve Bank released the results of the November 2017 round of the Consumer Confidence Survey (CCS)<sup>1</sup>. The survey was conducted in six metropolitan cities - Bengaluru; Chennai; Hyderabad; Kolkata; Mumbai; and New Delhi - and obtained 5,244 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 on major economic parameters (*viz.*, general economic situation, employment scenario, income and prices) moderated in the latest survey round.
- II. Both the current situation index (CSI)<sup>2</sup> and the future expectations index (FEI) recorded a significant drop, mainly due to decline in optimism on the general economic situation and the employment scenario; CSI remained in the pessimistic zone for the fourth successive survey round (Chart 1).







- III. Households' current perceptions on the general economic situation deteriorated further into the pessimistic zone for the fifth successive round; their one year ahead outlook was also tempered but it stayed in positive terrain (Table 1).
- IV. The employment situation continued to be a major concern of the respondents, with current sentiment plummeting further into the pessimistic zone and continued weakening of the outlook (Table 2).
- V. Respondents' current assessment and outlook on the price situation and inflation continued to deteriorate (Table 3 and 4).

<sup>1</sup> The survey results are based on the views of the respondents.

<sup>2</sup> 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.

VI. Sentiments on income dipped further into the pessimistic zone as an increased number of respondents perceived their income declining during the last one year; their outlook on income were also downbeat, underpinned by feeble sentiments on employment (Table 5).

Summary based on Net Response						
Main Variables	Current Perception compared with 1-year ago			One year ahead Expectations compared with current situation		
	Sep-17	Nov-17	Change	Sep-17	Nov-17	Change
Economic Situation	-6.2	-18.9	↓	24.5	14.6	↓
Income	-0.1	-3.6	↓	36.1	33.0	↓
Spending	81.5	84.2	↑	83.8	84.6	↑
Employment	-13.6	-19.2	↓	23.8	17.8	↓
Price Level	-84.1	-86.9	↓	-74.5	-76.2	↓
<b>Consumer Confidence Index</b>	<b>95.5</b>	<b>91.1</b>	<b>↓</b>	<b>118.8</b>	<b>114.7</b>	<b>↓</b>
 <b>Positive</b> Sentiments with sign of <b>improvement</b> compared to last round			 <b>Negative</b> Sentiments with sign of <b>improvement</b> compared to last round			
 <b>Positive</b> Sentiments with sign of <b>deterioration</b> compared to last round			 <b>Negative</b> Sentiments with sign of <b>deterioration</b> compared to last round			

VII. An overwhelming majority of respondents reported higher expenditure despite subdued sentiments on income, which could be partly attributed to higher prices (Table 6).

VIII. Both essential and non-essential spending picked up and are expected to remain at elevated levels over the next one year (Table 7 and 8).

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**Table 1: Perceptions and Expectations on General Economic Situation**

Survey Round	Current Perception				One year ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will improve	Will remain same	Will worsen	Net Response
Jun-16	40.2	27.9	31.9	8.2	54.2	25.5	20.4	33.8
Sep-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
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

**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
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
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

**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-16	78.1	12.5	9.4	-68.7	80.5	11.5	8.0
Sep-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
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

**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
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
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

\*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-16	29.9	51.8	18.4	11.5	51.2	39.9	8.9	42.3
Sep-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
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

**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-16	82.7	8.4	8.8	73.9	82.2	10.2	7.6	74.6
Sep-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
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

**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-16	83.0	8.2	8.8	74.3	81.1	10.6	8.3	72.8
Sep-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
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

**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-16	43.9	32.3	23.8	20.1	51.2	30.3	18.5	32.7
Sep-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
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

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