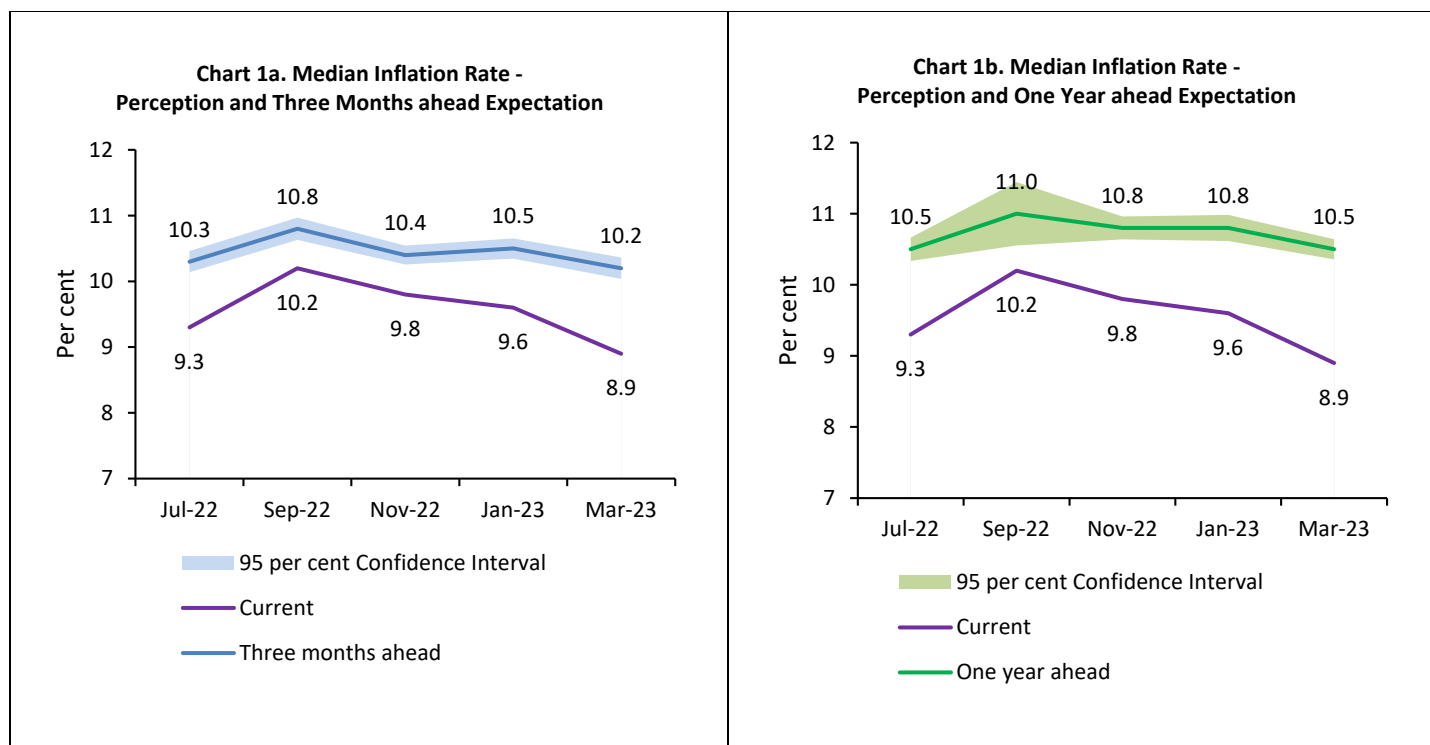


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of March 2023 round of its bi-monthly inflation expectations survey of households (IESH)^{1,2}. The survey was conducted during March 2-11, 2023 in 19 major cities with responses from 6,075 urban households. Female respondents accounted for 50.5 per cent of this sample.

Highlights:

- i. Households' perception for the current inflation declined by 70 basis points (bps) to 8.9 per cent in the latest survey round [Charts 1a and 1b; Table 3].
- ii. Both three months and one year ahead inflation expectations moderated by 30 bps each to 10.2 per cent and 10.5 per cent, respectively, as compared to that in January 2023 [Charts 1a and 1b; Table 3].
- iii. Though the expectations on general prices and inflation remained elevated, relatively lower share of households expect prices to rise, when compared to the previous survey round [Table 1(a) and Table 1(b)].
- iv. Households' expectations on overall prices were generally aligned to their perception on prices of food and non-food items, and cost of services [Table 4].



Note: [Please see the excel file for time series data.](#)³

¹ The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on [February 08, 2023](#).

² The survey is conducted at bi-monthly intervals by the Reserve Bank and it provides directional information on near-term inflationary pressures as expected by the respondents and may reflect their own consumption patterns. Hence, they should be treated as households' sentiments on inflation. All estimates of inflation expectations are given in the form of medians, unless stated otherwise.

³ Unit-level data for previous rounds of the survey are available on the Database on Indian Economy (DBIE) portal of the Bank (weblink: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=unitLevelData>).

Table 1(a): Product-wise Expectations of Prices for Three Months ahead

(Percentage of Respondents)

Survey period ended	Mar-22		Sep-22		Nov-22		Jan-23		Mar-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	89.9	0.64	85.0	0.77	83.8	0.76	84.3	0.76	83.8	0.83
Price increase more than current rate	67.2	1.27	59.9	1.14	58.5	1.13	60.8	1.14	60.6	1.17
Price increase similar to current rate	19.3	0.96	20.9	0.85	20.8	0.89	20.2	0.86	19.8	0.87
Price increase less than current rate	3.5	0.45	4.2	0.44	4.4	0.43	3.4	0.36	3.5	0.36
No changes in prices	8.6	0.59	12.6	0.70	13.7	0.69	13.3	0.71	13.3	0.74
Decline in prices	1.5	0.22	2.4	0.33	2.5	0.32	2.3	0.30	2.8	0.41
Food Product										
Prices will increase	89.6	0.62	85.3	0.69	85.0	0.72	84.6	0.72	84.0	0.75
Price increase more than current rate	68.2	1.14	61.9	1.09	62.0	1.04	61.1	1.08	62.1	1.12
Price increase similar to current rate	16.2	0.88	17.4	0.75	17.2	0.76	18.4	0.77	16.9	0.79
Price increase less than current rate	5.2	0.48	6.1	0.49	5.9	0.48	5.1	0.43	5.1	0.42
No changes in prices	6.9	0.51	9.3	0.55	9.9	0.58	10.2	0.59	9.7	0.59
Decline in prices	3.5	0.36	5.4	0.45	5.1	0.44	5.2	0.45	6.3	0.53
Non- Food Product										
Prices will increase	88.4	0.63	82.3	0.74	81.1	0.77	81.8	0.77	81.3	0.79
Price increase more than current rate	65.6	1.17	55.8	1.08	57.2	1.05	56.4	1.08	58.6	1.10
Price increase similar to current rate	17.6	0.87	20.5	0.79	17.9	0.78	20.5	0.82	17.7	0.80
Price increase less than current rate	5.2	0.49	6.0	0.48	6.0	0.48	4.9	0.44	5.1	0.43
No changes in prices	8.7	0.56	13.1	0.67	14.4	0.70	13.4	0.67	13.3	0.67
Decline in prices	2.9	0.31	4.6	0.42	4.5	0.43	4.7	0.43	5.4	0.51
Household Durables										
Prices will increase	73.5	0.89	70.2	0.89	68.3	0.93	72.4	0.90	67.9	0.92
Price increase more than current rate	51.9	1.20	48.0	1.03	47.2	1.07	50.3	1.07	47.8	1.09
Price increase similar to current rate	16.0	0.83	16.8	0.70	16.0	0.75	17.5	0.71	15.8	0.75
Price increase less than current rate	5.5	0.50	5.3	0.45	5.1	0.43	4.6	0.42	4.2	0.41
No changes in prices	20.4	0.83	22.8	0.84	24.5	0.87	21.2	0.84	22.4	0.85
Decline in prices	6.1	0.44	7.1	0.50	7.3	0.49	6.3	0.47	9.7	0.60
Cost of Housing										
Prices will increase	75.8	0.94	75.7	0.92	76.5	0.88	78.0	0.86	78.2	0.92
Price increase more than current rate	54.9	1.23	53.2	1.07	55.4	1.09	58.4	1.08	57.7	1.14
Price increase similar to current rate	16.6	0.80	17.7	0.70	16.8	0.75	16.3	0.73	16.7	0.76
Price increase less than current rate	4.3	0.40	4.8	0.42	4.3	0.41	3.3	0.35	3.8	0.39
No changes in prices	18.9	0.86	20.2	0.88	19.3	0.83	18.9	0.84	18.1	0.83
Decline in prices	5.4	0.46	4.1	0.39	4.2	0.40	3.1	0.34	3.7	0.44
Cost of Services										
Prices will increase	76.3	0.88	72.2	0.91	70.6	0.89	71.7	0.90	73.2	0.90
Price increase more than current rate	54.5	1.19	49.4	1.10	49.1	1.04	49.9	1.08	51.7	1.11
Price increase similar to current rate	16.8	0.80	17.9	0.75	16.9	0.73	17.6	0.71	17.8	0.76
Price increase less than current rate	5.0	0.47	5.0	0.41	4.5	0.41	4.1	0.40	3.6	0.37
No changes in prices	21.2	0.86	24.7	0.87	26.6	0.88	25.5	0.88	23.2	0.86
Decline in prices	2.4	0.29	3.1	0.36	2.9	0.33	2.7	0.30	3.6	0.40

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items may not add up to the corresponding total, due to rounding off.

Table 1(b): Product-wise Expectations of Prices for One Year ahead

(Percentage of Respondents)

Survey period ended	Mar-22		Sep-22		Nov-22		Jan-23		Mar-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	91.5	0.58	90.8	0.59	90.8	0.57	91.6	0.53	90.4	0.66
Price increase more than current rate	71.0	1.19	68.1	1.12	69.5	1.08	70.8	1.02	69.3	1.11
Price increase similar to current rate	17.4	0.93	19.3	0.88	18.2	0.87	17.9	0.81	18.1	0.87
Price increase less than current rate	3.1	0.41	3.5	0.38	3.1	0.34	3.0	0.33	3.0	0.33
No changes in prices	6.1	0.48	6.6	0.49	6.4	0.45	5.7	0.43	6.4	0.50
Decline in prices	2.4	0.29	2.5	0.34	2.8	0.33	2.6	0.31	3.2	0.43
Food Product										
Prices will increase	85.3	0.72	86.4	0.67	87.1	0.64	88.0	0.64	86.3	0.71
Price increase more than current rate	60.9	1.19	60.5	1.09	62.9	1.07	62.7	1.07	63.7	1.16
Price increase similar to current rate	19.6	0.91	21.0	0.84	19.6	0.83	20.7	0.87	18.5	0.86
Price increase less than current rate	4.8	0.47	4.9	0.42	4.7	0.42	4.5	0.42	4.1	0.38
No changes in prices	9.8	0.59	8.3	0.52	7.8	0.50	7.6	0.50	8.1	0.53
Decline in prices	5.0	0.41	5.3	0.45	5.0	0.41	4.4	0.39	5.6	0.52
Non- Food Product										
Prices will increase	85.8	0.73	86.0	0.69	85.0	0.71	86.7	0.67	85.4	0.73
Price increase more than current rate	62.4	1.18	59.8	1.09	60.7	1.09	62.0	1.09	62.9	1.12
Price increase similar to current rate	18.9	0.89	20.9	0.83	19.9	0.84	20.5	0.83	18.2	0.78
Price increase less than current rate	4.5	0.44	5.4	0.45	4.5	0.41	4.3	0.41	4.3	0.40
No changes in prices	9.7	0.60	9.5	0.56	10.1	0.58	9.1	0.54	9.4	0.55
Decline in prices	4.5	0.40	4.4	0.41	4.8	0.42	4.1	0.39	5.2	0.51
Household Durables										
Prices will increase	77.3	0.84	77.7	0.79	77.6	0.84	80.8	0.77	76.5	0.85
Price increase more than current rate	54.1	1.16	54.1	1.06	55.0	1.09	57.2	1.08	55.8	1.15
Price increase similar to current rate	18.3	0.89	18.9	0.79	18.2	0.80	19.3	0.79	16.9	0.80
Price increase less than current rate	4.8	0.48	4.6	0.41	4.3	0.39	4.3	0.41	3.8	0.38
No changes in prices	17.1	0.74	16.4	0.70	16.4	0.72	13.8	0.65	15.4	0.70
Decline in prices	5.6	0.43	6.0	0.45	6.0	0.47	5.4	0.43	8.1	0.60
Cost of Housing										
Prices will increase	83.1	0.75	85.8	0.67	86.5	0.69	87.4	0.63	87.4	0.65
Price increase more than current rate	61.1	1.17	61.8	1.04	64.4	1.04	66.8	0.98	66.6	1.06
Price increase similar to current rate	17.6	0.88	19.6	0.79	18.5	0.80	17.2	0.77	17.4	0.80
Price increase less than current rate	4.5	0.43	4.5	0.41	3.7	0.38	3.5	0.36	3.4	0.37
No changes in prices	13.2	0.67	10.6	0.58	10.2	0.59	9.8	0.57	9.2	0.54
Decline in prices	3.7	0.36	3.6	0.38	3.3	0.37	2.8	0.30	3.4	0.41
Cost of Services										
Prices will increase	83.0	0.79	84.2	0.74	84.2	0.74	84.0	0.72	83.6	0.80
Price increase more than current rate	59.2	1.25	58.6	1.08	60.1	1.10	60.2	1.08	60.5	1.14
Price increase similar to current rate	18.8	0.93	21.0	0.81	19.8	0.83	19.7	0.80	18.8	0.83
Price increase less than current rate	5.0	0.47	4.6	0.43	4.3	0.39	4.2	0.41	4.3	0.39
No changes in prices	14.1	0.71	12.9	0.65	12.9	0.67	13.1	0.65	13.0	0.68
Decline in prices	3.0	0.32	2.9	0.37	2.9	0.33	2.8	0.33	3.4	0.44
Note:										
1. The table provides estimates and standard errors for qualitative responses.										
2. Constituent items may not add up to the corresponding total, due to rounding off.										

Table 2: Inflation Expectations of Various Groups: Mar-23

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Overall	9.5	0.10	8.9	0.17	10.5	0.10	10.2	0.08	10.4	0.11	10.5	0.07
Gender-wise												
Male	9.8	0.14	9.4	0.34	10.7	0.14	10.4	0.11	10.5	0.16	10.6	0.11
Female	9.4	0.13	8.8	0.16	10.5	0.13	10.1	0.11	10.5	0.15	10.5	0.09
Category-wise												
Financial Sector Employees	8.6	0.37	7.4	0.27	9.3	0.34	8.4	0.58	9.9	0.40	9.9	0.61
Other Employees	9.6	0.18	9.0	0.27	10.6	0.18	10.3	0.14	10.5	0.21	10.5	0.12
Self Employed	9.9	0.21	9.6	0.40	10.6	0.21	10.3	0.19	10.3	0.25	10.6	0.15
Homemaker	9.4	0.15	8.7	0.19	10.4	0.15	10.1	0.15	10.4	0.17	10.4	0.11
Retired Persons	10.7	0.37	10.4	0.13	11.7	0.37	12.4	0.88	11.4	0.46	12.8	1.08
Daily Workers	9.5	0.24	9.0	0.43	10.6	0.25	10.2	0.23	10.2	0.30	10.3	0.19
Other category	9.3	0.22	8.5	0.27	10.3	0.24	9.9	0.29	10.5	0.28	10.6	0.26
Age Group-wise												
Up to 25 years	8.8	0.18	8.1	0.19	9.9	0.19	9.5	0.34	10.2	0.21	10.3	0.15
25 to 30 years	9.2	0.19	8.4	0.23	10.3	0.19	10.0	0.23	10.2	0.23	10.4	0.11
30 to 35 years	9.6	0.21	9.2	0.36	10.4	0.22	10.0	0.26	10.5	0.25	10.4	0.16
35 to 40 years	9.7	0.20	9.2	0.37	10.7	0.21	10.4	0.16	10.7	0.24	10.7	0.22
40 to 45 years	9.7	0.22	9.4	0.49	10.7	0.23	10.3	0.19	10.5	0.27	10.6	0.15
45 to 50 years	9.9	0.22	9.9	0.39	10.9	0.23	10.4	0.15	10.7	0.28	10.6	0.17
50 to 55 years	10.2	0.28	10.2	0.18	10.9	0.29	10.7	0.27	10.5	0.37	10.7	0.27
55 to 60 years	9.9	0.29	9.6	0.46	11.2	0.29	10.7	0.27	10.7	0.36	10.8	0.29
60 years and above	10.3	0.30	10.1	0.27	11.1	0.30	10.8	0.49	10.9	0.36	11.3	0.62
City-wise												
Ahmedabad	9.4	0.33	8.8	0.49	10.6	0.35	9.8	0.45	10.6	0.41	10.3	0.36
Bengaluru	8.3	0.31	7.1	0.71	9.6	0.28	9.0	0.67	10.1	0.31	10.2	0.32
Bhopal	7.7	0.67	6.1	0.72	8.8	0.64	7.4	1.21	8.6	0.71	7.7	1.27
Bhubaneswar	7.3	0.32	6.6	0.49	8.7	0.66	7.9	0.36	9.2	0.90	9.2	0.51
Chennai	10.8	0.47	10.6	0.54	12.0	0.41	13.2	1.59	12.3	0.40	14.7	1.51
Delhi	10.4	0.27	10.2	0.15	11.1	0.28	10.7	0.32	10.7	0.29	10.8	0.31
Guwahati	9.0	0.72	8.8	0.92	10.0	0.68	9.8	0.74	10.5	0.72	10.5	0.71
Hyderabad	8.9	0.43	8.3	1.03	9.6	0.42	9.1	0.82	9.2	0.57	9.7	0.80
Jaipur	8.5	0.60	7.9	0.67	8.8	0.61	8.0	0.85	8.2	0.59	8.1	0.67
Jammu	11.0	0.77	10.7	1.17	10.3	0.64	10.1	0.77	8.4	0.80	8.7	1.47
Kolkata	10.2	0.28	9.7	0.41	11.2	0.29	10.7	0.30	11.3	0.29	11.5	0.71
Lucknow	9.7	0.37	9.5	0.65	10.4	0.40	10.4	0.35	10.6	0.56	11.0	0.72
Mumbai	9.7	0.20	8.8	0.16	11.0	0.21	10.4	0.14	10.5	0.26	10.6	0.12
Nagpur	9.6	0.38	8.9	0.66	11.0	0.45	10.3	0.52	10.9	0.56	10.9	0.72
Patna	8.7	0.71	7.9	0.71	9.1	0.71	8.4	0.59	8.4	0.99	8.3	0.58
Thiruvananthapuram	6.9	0.80	5.6	0.08	8.4	0.70	7.5	0.25	9.7	0.65	10.0	0.55
Chandigarh	12.1	0.56	12.8	2.04	12.1	0.55	13.1	2.00	11.6	0.71	13.6	1.89
Ranchi	8.8	0.33	8.0	0.28	9.3	0.33	8.6	0.31	9.7	0.46	9.7	0.51
Raipur	9.0	0.57	9.0	0.70	9.7	0.68	9.8	0.72	10.5	0.88	11.0	0.86
Note: The table provides estimates and standard errors for quantitative responses.												

Table 3: Household Inflation Expectations – Current Perception, Three Months and One Year Ahead Expectations

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Mar-22	9.8	0.12	9.7	0.31	11.1	0.12	10.7	0.09	10.9	0.13	10.8	0.11
Sep-22	10.4	0.10	10.2	0.05	11.3	0.10	10.8	0.09	11.1	0.12	11.0	0.23
Nov-22	10.0	0.10	9.8	0.23	10.9	0.10	10.4	0.07	10.8	0.11	10.8	0.08
Jan-23	9.7	0.09	9.6	0.30	10.8	0.10	10.5	0.08	10.8	0.11	10.8	0.09
Mar-23	9.5	0.10	8.9	0.17	10.5	0.10	10.2	0.08	10.4	0.11	10.5	0.07

Note: The table provides estimates and standard errors for quantitative responses.

Table 4: Households Expecting General Price Movements in Coherence with Movements in Price Expectations of Various Product Groups: Three Months Ahead and One Year Ahead

(Percentage of Respondents)					
Survey period ended	Food	Non-Food	Households durables	Housing	Cost of services
Three Months Ahead					
Mar-22	70.5	70.8	60.2	62.0	65.8
Sep-22	67.1	66.9	61.1	62.0	66.6
Nov-22	66.6	67.1	60.2	64.7	66.0
Jan-23	65.6	67.3	62.6	66.2	66.5
Mar-23	67.4	68.8	60.9	65.9	68.0
One Year Ahead					
Mar-22	73.1	74.2	67.5	69.4	74.4
Sep-22	73.8	74.3	67.7	71.7	74.6
Nov-22	74.4	74.8	68.6	73.7	75.0
Jan-23	75.2	74.8	68.4	74.7	74.0
Mar-23	75.7	75.7	69.6	74.9	75.7

Note: Figures are based on sample observations

Table 5(a): Cross-tabulation of Number of Respondents by Current Inflation Perception and Three Months Ahead Inflation Expectations: Mar-23

		Three Months Ahead Inflation Rate (per cent)																		
Current Inflation Rate (per cent)		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16	No idea	Total
	<1	3	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
1-<2	0	11	10	5	2	2	1	0	0	0	0	0	0	0	0	0	0	0	0	31
2-<3	0	7	46	44	44	17	3	1	0	0	1	0	1	0	0	0	0	0	0	164
3-<4	0	4	7	61	36	46	11	2	4	0	2	0	0	0	0	0	0	0	0	173
4-<5	1	1	8	9	69	65	43	12	3	2	1	0	1	0	0	0	0	0	0	215
5-<6	1	2	11	28	25	370	134	241	93	15	133	1	1	0	0	10	1	0	1066	
6-<7	0	0	2	5	7	7	170	104	78	22	14	1	6	0	1	0	1	0	418	
7-<8	1	0	2	2	6	8	11	181	140	64	67	5	5	0	3	0	0	0	495	
8-<9	1	0	1	5	4	8	10	7	189	102	163	18	24	1	1	1	1	3	0	538
9-<10	0	0	0	1	3	1	2	2	4	85	79	37	31	3	1	4	1	0	254	
10-<11	1	0	4	3	7	45	6	8	13	11	379	73	214	58	24	249	95	1	1191	
11-<12	0	0	0	0	0	0	0	0	0	1	1	13	11	6	3	4	3	0	42	
12-<13	0	0	0	0	0	1	1	2	1	0	2	0	55	9	17	36	10	0	134	
13-<14	0	0	0	0	0	0	0	0	1	0	1	1	0	11	5	7	4	0	30	
14-<15	0	0	0	0	0	0	0	0	0	1	1	0	1	0	14	5	12	0	34	
15-<16	0	0	0	1	1	6	1	2	1	0	3	0	2	1	0	100	179	2	299	
>=16	1	0	2	0	1	14	0	2	0	0	13	1	1	0	0	21	919	11	986	
Total	9	26	93	164	205	590	393	564	527	303	861	150	353	89	69	437	1228	14	6075	

Note: Figures are based on sample observations

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: Mar-23

		One Year Ahead Inflation Rate (per cent)																		
Current Inflation Rate (per cent)		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16	No idea	Total
	<1	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
1-<2	5	3	6	6	3	6	2	0	0	0	0	0	0	0	0	0	0	0	0	31
2-<3	17	3	26	32	43	17	11	7	3	1	3	0	1	0	0	0	0	0	0	164
3-<4	22	1	2	26	20	55	17	9	7	4	6	2	2	0	0	0	0	0	0	173
4-<5	33	0	1	4	46	31	43	24	13	5	10	1	3	0	1	0	0	0	0	215
5-<6	95	0	3	13	11	209	96	174	113	27	245	6	15	6	0	32	19	2	1066	
6-<7	54	0	0	0	3	7	75	81	95	27	41	10	13	3	1	3	5	0	418	
7-<8	47	0	0	1	0	7	6	79	103	98	108	14	21	0	4	6	1	0	495	
8-<9	41	0	0	1	3	1	6	5	114	68	181	25	57	12	5	12	7	0	538	
9-<10	22	0	0	0	0	0	2	1	6	48	57	45	38	13	6	12	4	0	254	
10-<11	115	0	1	2	1	9	3	7	12	6	225	45	163	65	31	279	225	2	1191	
11-<12	6	0	0	0	0	0	0	0	0	0	0	6	11	6	3	4	5	1	42	
12-<13	10	0	0	0	0	0	0	0	0	0	2	0	30	11	21	35	25	0	134	
13-<14	2	0	0	0	0	0	0	0	0	0	0	0	1	9	1	10	7	0	30	
14-<15	5	0	0	0	0	0	0	0	0	0	0	0	0	1	7	3	18	0	34	
15-<16	29	0	0	0	0	1	1	1	2	0	1	0	0	1	0	56	205	2	299	
>=16	82	0	1	0	0	2	0	1	2	0	9	0	2	1	0	11	867	8	986	
Total	587	8	41	85	130	345	262	389	470	284	888	154	357	128	80	464	1388	15	6075	

Note: Figures are based on sample observations