

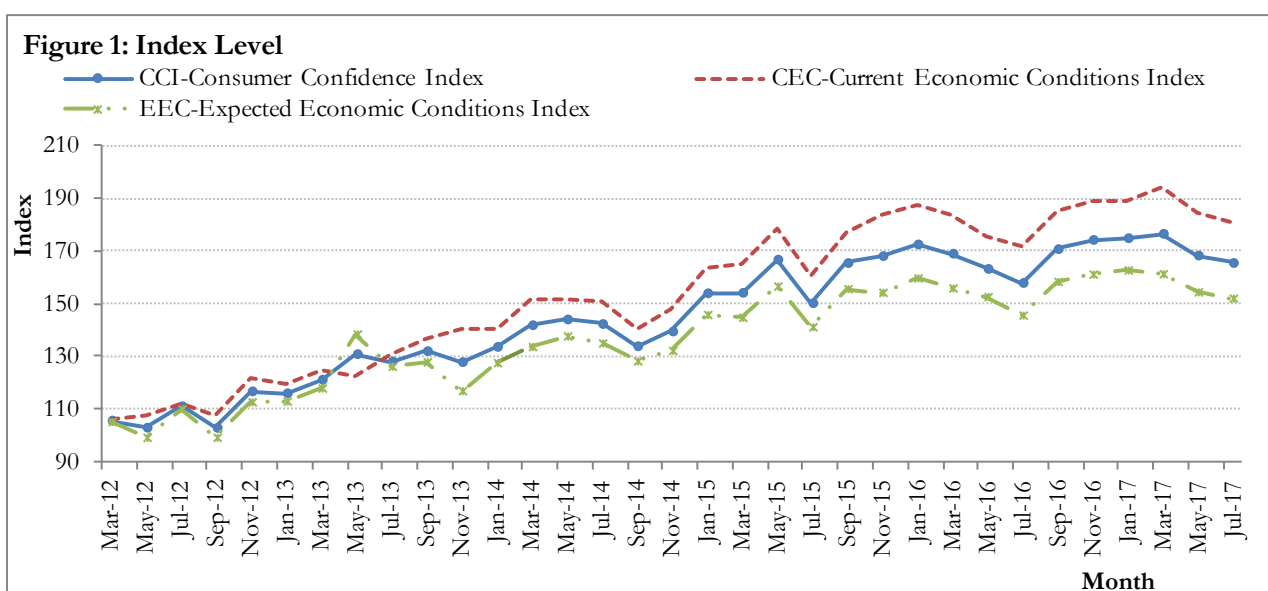
CONSUMER CONFIDENCE SURVEY: PRELIMINARY RESULTS

Consumer Confidence Survey (CCS) is a stratified random telephone survey of households across Pakistan. Launched in January 2012 and having a two-monthly frequency, the survey is conducted by the Institute of Business Administration (IBA), Karachi and the State Bank of Pakistan (SBP). This report summarizes the views of more than 1797 surveyed households. Of these, about 33 percent households were interviewed back in Jan 2017 while the remaining are fresh interviewees. This exercise was conducted during the afternoon hours of 1st-4th July 2017.

I. Overview

The main results of July 2017 survey are summarized below:

- The overall Consumer Confidence Index (CCI) decreased by 1.7%, whereas Overall Inflation Expectations declined compared with the previous survey;
- The decline in CCI is attributed to both current economic conditions index (CEC), which decreased by 1.8 percent, and expected economic conditions index (EEC) that recorded a slowdown of 1.5 percent from its value in the previous survey (see **Table 1**);
- On the inflation expectation front, respondents expect relatively low inflation compared to the last survey for overall inflation and its sub-categories (food, energy, and non-food-non-energy).



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II. Tables

Table 1: Consumer Indices

Month	Jul 17	May 17	Mar-17
CCI	165.43	168.26	176.51
CEC	180.94	184.27	194.07
EEC	151.89	154.27	161.17

Table 2: Inflation Expectations by Group

	Jul-17		May-17		Mar-17	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Overall	42.47%	2.74%	45.90%	1.93%	43.92%	1.74%
Food items	37.74%	2.58%	39.50%	2.04%	37.95%	2.32%
Energy items	33.49%	5.13%	38.33%	2.64%	36.82%	2.96%
Non-food non-energy items	34.55%	3.66%	39.61%	1.90%	36.65%	2.81%

Notes:

* We report the percentage of people expecting an increase in prices. This percentage is collated from respondents choosing from 'increase,' 'no change' and 'decrease' in reply to the following specific questions:

a: How do you expect that prices in general will develop over the next 6 months from now?

b: How would you expect prices of food items will change over the next six months?

c: How would you expect prices of Energy group i.e. electricity, gas, oil, etc. will change over the next six months?

d: How would you expect prices of Items of daily use other than food items & Energy group will change over the next six months?

Table 3: Other Highlights

Percentage of households	Jul-17		May-17		Mar-17	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Unemployment	33.04%	5.05%	36.95%	5.86%	30.48%	6.03%
Interest rate	18.24%	4.87%	18.06%	3.23%	16.42%	3.51%
Income a year later	21.20%	5.33%	22.97%	5.68%	23.74%	6.02%
Next six months for buying durable items	9.01%	18.47%	10.35%	20.27%	12.25%	14.76%
Next six months for buying a car	9.54%	19.35%	10.27%	22.30%	12.25%	17.25%
Current times for buying a house	10.10%	21.21%	10.87%	25.70%	13.14%	22.77%
Better financial conditions in next six months	21.45%	12.82%	23.85%	10.09%	24.35%	8.07%

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ⁱ About the report

This report on consumer perceptions covers three broad themes: (i) overall consumer confidence indices; (ii) inflationary expectations and; (iii) other key highlights about households' perception of important indicators.

a) The consumer confidence (CC) index is a blend of current households' perceptions relative to six months in the past and in the future. The perceptions are about personal financial conditions, the overall economy, unemployment and consumption of durable goods. The CC index is further assessed by splitting it into two distinct parts: current and future perceptions, which then form indices of their own. The former is known as current economic conditions (CEC) index and the later as expected economic conditions (EEC) index.

b) Inflationary expectations are based on the results of quantitative and qualitative queries regarding the perception of respondents about the price changes of different groups of commodities. The quantitative assessment is based on households' expected value for a basket of commodities (which is currently worth Rs100) six-months down the road.

c) Other key highlights are derived from a cross-sectional analysis of participants' responses to queries that were included in the consumer confidence survey, but are not a part of the consumer confidence index or included in the calculations of inflationary expectations.

Rotating Panel:

From July 2012 a rotating panel equivalent to 33 % of the overall sample size has been introduced, in which the surveys are conducted from the households surveyed six months earlier, while the remaining 67 % are fresh. The stratification scheme of the survey is implemented in rotating panel too.