

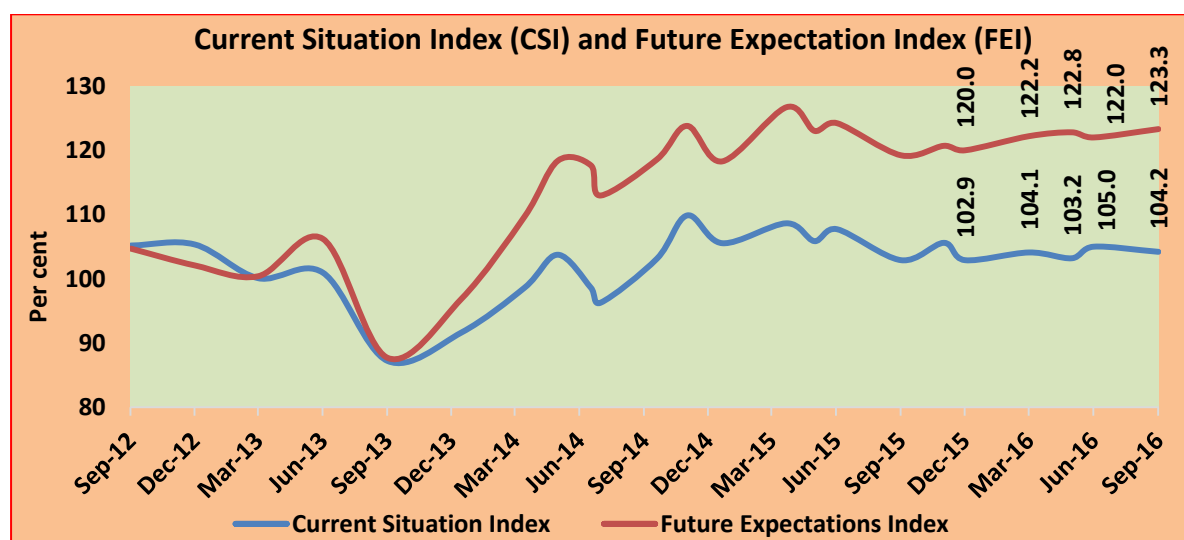
## RBI's Consumer Confidence Survey: September 2016<sup>1</sup>

### Strong Improvement in General Economic Conditions in September 2016

The Consumer Confidence Survey provides an assessment of respondents' perceptions on general economic conditions and their financial situation during the current period and a year ahead. The current situation is compared with the position a year ago and the outlook for a year ahead is on the basis of current situation. 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 viz. Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi. In the latest Consumer Confidence Survey, field work was carried out during August 26, 2016 to September 09, 2016. The salient findings of the survey, based on the responses of around 5,000 respondents are presented below.

#### Highlights:





- I. Current Situation Index (CSI) slid down marginally during September 2016 round of the survey mainly due to decrease in the net response of prices levels and spending perceptions. Future Expectations Index (FEI), however, improved by 1.3 percentage points and reached 123.3 in the current round of the survey as compared to June 2016 round of the survey due to higher perception on future economic conditions and price expectations.



- II. The respondents in September 2016 round of the survey indicated strong improvement in the general economic conditions, as measured by net response, both for the current as well as one-year ahead period. The net response increased

<sup>1</sup> The survey results are based on the views of the respondents and are not necessarily shared by the Reserve Bank of India.

by 11.2 and 5.8 percentage points for the current and one-year ahead periods, respectively.

Summary based on Net Response						
Main Variables	Compared with 1-year ago			1-year ahead		
	Jun-16	Sep-16	Change	Jun-16	Sep-16	Change
Economic conditions	8.2	19.4	↑	33.8	39.6	↑
Income	11.5	11.1	↓	42.3	41.1	↓
Spending	73.9	64.6	↓	74.6	75.2	↑
Employment	-0.2	-0.2	→	31.8	31.5	↓
Price Level	-68.7	-73.6	↓	-72.6	-70.9	↑
<b>Consumer Confidence Index</b>	<b>105.0</b>	<b>104.2</b>	↓	<b>122.0</b>	<b>123.3</b>	↑
 <b>Positive</b> Sentiment with sign of <b>improvement</b> compared to last round			 <b>Negative</b> Sentiment with sign of <b>improvement</b> compared to last round			
 <b>Positive</b> Sentiment with sign of <b>deterioration</b> compared to last round			 <b>Negative</b> Sentiment with sign of <b>deterioration</b> compared to last round			

- III. Perception of the respondents on current spending deteriorated in September 2016 round of the survey with net response declining by 9.3 percentage points as compared to June 2016 round of the survey. However, outlook on future spending continued to be strong as more than 79.0 per cent respondents expected increase in spending for the one-year ahead period.
- IV. Net response on current as well as future spending on non-essential items also improved substantially - by around 18.0 percentage points - during this round of the survey as compared to June 2016 round of the survey.
- V. Current sentiments on price levels showed deterioration in the September 2016 round of the survey, while price expectation for one-year ahead period showed improvement, albeit moderately. Current inflation perception as well as one-year ahead inflation expectations improved substantially in September 2016 round of the survey compared with June 2016 round.

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**Table 1: Perceptions on Economic Conditions**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Improved/ Will improve	38.0	39.9	40.2	44.6	51.0	54.6	54.2	57.7
Remained the same/ Will remain the same	30.9	30.3	27.9	30.1	27.6	27.2	25.5	24.3
Worsen/ Will worsen	31.1	29.8	31.9	25.3	21.4	18.2	20.4	18.0
<b>Net Response</b>	<b>7.0</b>	<b>10.1</b>	<b>8.2</b>	<b>19.4</b>	<b>29.6</b>	<b>36.4</b>	<b>33.8</b>	<b>39.6</b>

**Table 2: Perceptions on Income**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Increased/Will Increase	28.7	31.3	29.9	31.2	49.1	52.1	51.2	52.3
Remained the same/ Will remain the same	50.2	48.9	51.8	48.6	40.4	39.3	39.9	36.4
Decreased/ Will Decrease	21.1	19.8	18.4	20.2	10.5	8.6	8.9	11.3
<b>Net Response</b>	<b>7.7</b>	<b>11.6</b>	<b>11.5</b>	<b>11.1</b>	<b>38.6</b>	<b>43.5</b>	<b>42.3</b>	<b>41.1</b>

**Table 3: Perceptions on Spending**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Increased/ Will Increase	78.7	78.0	82.7	70.3	79.3	78.5	82.2	79.1
Remained the same/ Will remain the same	9.8	9.9	8.4	24.1	10.1	10.6	10.2	17.0
Decreased/ Will Decrease	11.5	12.1	8.8	5.7	10.6	11.0	7.6	3.9
<b>Net Response</b>	<b>67.2</b>	<b>65.9</b>	<b>73.9</b>	<b>64.6</b>	<b>68.6</b>	<b>67.5</b>	<b>74.6</b>	<b>75.2</b>

**Table 4: Perceptions on Spending-Essential Items**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Increased/Will Increase	81.4	79.6	83.0	79.1	81.5	78.6	81.1	82.5
Remained the same/ Will remain the same	9.0	9.3	8.2	16.9	9.4	11.9	10.6	12.7
Decreased/ Will Decrease	9.6	11.1	8.8	4.0	9.1	9.6	8.3	4.8
<b>Net Response</b>	<b>71.8</b>	<b>68.5</b>	<b>74.3</b>	<b>75.1</b>	<b>72.4</b>	<b>69.0</b>	<b>72.8</b>	<b>77.6</b>

**Table 5: Perceptions on Spending-Non-Essential Items**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Increased/Will Increase	45.3	37.7	43.9	50.2	49.2	44.7	51.2	60.6
Remained the same/ Will remain the same	28.9	31.7	32.3	37.6	28.6	33.2	30.3	29.5
Decreased/ Will Decrease	25.8	30.6	23.8	12.2	22.2	22.1	18.5	9.9
<b>Net Response</b>	<b>19.5</b>	<b>7.1</b>	<b>20.1</b>	<b>38.0</b>	<b>27.1</b>	<b>22.6</b>	<b>32.7</b>	<b>50.7</b>

**Table 6: Perceptions on Employment**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Increased/Will Increase	34.0	34.3	35.6	31.7	51.6	50.4	51.1	50.5
Remained the same/ Will remain the same	34.7	31.1	28.7	36.4	29.8	31.4	29.6	30.5
Decreased/ Will Decrease	31.3	34.6	35.7	31.9	18.7	18.1	19.3	19.0
<b>Net Response</b>	<b>2.6</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>32.9</b>	<b>32.3</b>	<b>31.8</b>	<b>31.5</b>

**Table 7: Perceptions on price level**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Gone up/ Will go up	79.5	77.3	78.1	78.2	78.9	78.6	80.5	77.8
Remained almost Unchanged	10.9	12.4	12.5	17.2	11.7	11.7	11.5	15.2
Gone down/ Will go down	9.6	10.4	9.4	4.6	9.4	9.7	8.0	6.9
<b>Net Response</b>	<b>-70.0</b>	<b>-66.9</b>	<b>-68.7</b>	<b>-73.6</b>	<b>-69.5</b>	<b>-68.8</b>	<b>-72.6</b>	<b>-70.9</b>
<i>Note: Perceptions of increase in prices is considered to be negative sentiments and decrease in prices is considered to be positive sentiments. The net responses are therefore, negative</i>								

**Table 8: Perceptions on rate of change in price levels (Inflation)**

(Percentage responses)								
	Compared with 1-year ago				1-year ahead			
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-15	Mar-16	Jun-16	Sep-16
Gone up/ Will go up	86.3	82.7	85.3	61.8	85.4	82.4	83.3	64.3
Remained almost Unchanged	10.8	13.9	12.4	22.4	11.7	13.2	13.0	22.4
Gone down/ Will go down	2.9	3.4	2.3	15.8	2.8	4.4	3.7	13.3
<b>Net Response</b>	<b>-83.4</b>	<b>-79.3</b>	<b>-83.0</b>	<b>-45.9</b>	<b>-82.6</b>	<b>-78.0</b>	<b>-79.6</b>	<b>-51.0</b>

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