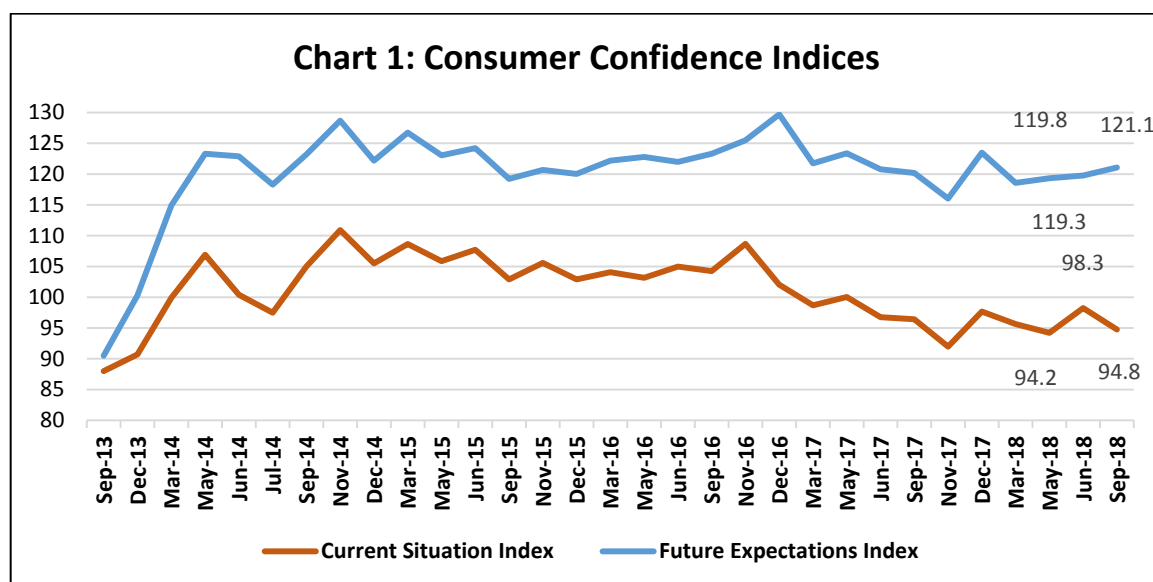


Consumer Confidence Survey

Today, the Reserve Bank released the results of the September 2018 round of its Consumer Confidence Survey (CCS)¹. The survey was conducted in 13 major cities² – Ahmedabad, Bengaluru, Bhopal, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Thiruvananthapuram - and obtained 5,364 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. The current situation index (CSI)³ waned in the September 2018 round reflecting worsening of consumers’ perception on the general economic situation and the employment scenario.
- II. A marginal uptick is observed in the future expectations index (FEI) on the back of optimistic sentiments on future income and the evolving price situation (Chart 1).



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

- III. Perceptions on the current general economic situation dropped as compared with the preceding round and remained in the pessimistic zone; over the 12-month ahead horizon, consumers’ outlook remained broadly unchanged to that in the previous round (Table 1).

¹ The survey results are based on the views of respondents.

² The results for all the 13 cities from the September 2017 through June 2018 rounds are released in the attached tables. Further, city-wise sample size has been revised in proportion to number of households of each city as per Census 2011, keeping the overall sample size at 5,400.

³ 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 Response						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	Jun-18	Sep-18	Change	Jun-18	Sep-18	Change
Economic Situation	-5.4	-10.6	↓	23.8	23.0	↓
Employment	-4.1	-10.3	↓	27.5	25.1	↓
Price Level	-86.0	-85.1	↑	-77.4	-72.2	↑
Income	5.0	4.9	↓	40.5	51.3	↑
Spending	81.8	74.9	↓	84.4	78.1	↓
Consumer Confidence Index	98.3	94.8	↓	119.8	121.1	↑
↑ 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			

- IV. Responses on the general economic situation largely tracked those on the employment situation with the outlook on employment for the year ahead dipping below expectations in the previous round (Table 2).
- V. While the majority of the respondents remained highly pessimistic about the price situation, there was a slight improvement in expectations one year ahead (Tables 3 and 4).
- VI. Opinion was almost equally divided on the direction of change in income in the last one year, but the majority felt that income would increase in the next year (Table 5).
- VII. The survey portrays reduced optimism on spending by consumers, particularly in respect of non-essential items (Table 6, 7 and 8).

Table 1: Perceptions and Expectations on 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
Sep-17	35.8	23.8	40.4	-4.6	52.6	21.5	25.9	26.6
Nov-17	30.4	22.3	47.3	-16.9	46.8	23.3	29.9	17.0
Dec-17	38.5	24.0	37.5	1.0	55.6	21.8	22.6	33.0
Mar-18	34.9	23.4	41.7	-6.8	49.7	22.8	27.5	22.2
May-18	32.5	19.6	47.9	-15.4	50.6	22.1	27.4	23.2
Jun-18	36.4	21.9	41.8	-5.4	50.4	23.0	26.6	23.8
Sep-18	33.7	22.1	44.3	-10.6	53.2	16.7	30.2	23.0

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
Sep-17	31.1	25.9	43.0	-12.0	51.9	22.8	25.3	26.6
Nov-17	28.5	25.7	45.8	-17.4	47.1	26.5	26.3	20.8
Dec-17	31.6	27.4	41.0	-9.4	54.4	24.7	20.9	33.6
Mar-18	31.2	26.0	42.8	-11.6	50.8	24.3	24.9	26.0
May-18	32.1	24.0	43.9	-11.8	51.0	24.4	24.6	26.5
Jun-18	34.7	26.4	38.9	-4.1	50.9	25.8	23.4	27.5
Sep-18	35.2	19.3	45.5	-10.3	54.1	17.0	29.0	25.1

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
Sep-17	87.9	8.6	3.5	-84.4	80.2	12.4	7.4	-72.9
Nov-17	89.9	7.1	3.0	-86.9	82.4	10.6	7.0	-75.4
Dec-17	90.2	6.9	2.9	-87.3	79.8	12.4	7.8	-72.0
Mar-18	87.1	9.2	3.7	-83.5	81.9	11.0	7.1	-74.8
May-18	87.9	8.7	3.3	-84.6	82.7	11.0	6.4	-76.3
Jun-18	89.1	7.9	3.0	-86.0	82.8	11.8	5.4	-77.4
Sep-18	88.3	8.5	3.2	-85.1	80.1	12.0	7.9	-72.2

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
Sep-17	81.2	10.8	8.0	-73.2	79.1	14.2	6.7	-72.5
Nov-17	84.1	8.8	7.1	-77.1	81.8	11.5	6.7	-75.0
Dec-17	80.9	12.7	6.4	-74.5	77.9	16.2	5.9	-72.0
Mar-18	81.0	12.4	6.6	-74.4	81.5	12.5	6.1	-75.4
May-18	80.4	12.7	6.9	-73.5	79.2	15.4	5.5	-73.7
Jun-18	81.8	10.5	7.7	-74.2	79.4	13.7	6.9	-72.5
Sep-18	80.8	13.2	6.1	-74.7	79.8	14.2	6.1	-73.7

*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
Sep-17	27.4	46.3	26.3	1.1	49.7	38.0	12.3	37.4
Nov-17	24.9	47.1	28.0	-3.1	46.5	40.8	12.7	33.9
Dec-17	26.1	49.4	24.5	1.6	51.1	38.3	10.6	40.5
Mar-18	24.5	50.1	25.4	-0.9	48.6	39.6	11.9	36.8
May-18	27.6	47.8	24.6	3.0	51.4	38.2	10.4	41.0
Jun-18	27.1	50.8	22.1	5.0	51.3	38.0	10.7	40.5
Sep-18	28.3	48.3	23.4	4.9	59.1	33.1	7.8	51.3

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
Sep-17	83.6	14.8	1.7	81.9	85.4	12.4	2.2	83.2
Nov-17	85.7	12.9	1.5	84.2	86.4	11.2	2.5	83.9
Dec-17	84.2	14.0	1.8	82.4	85.2	12.0	2.8	82.4
Mar-18	83.1	14.9	2.1	81.0	85.2	12.3	2.5	82.8
May-18	82.6	14.8	2.7	79.9	84.8	12.6	2.6	82.2
Jun-18	83.8	14.1	2.0	81.8	86.5	11.3	2.2	84.4
Sep-18	78.4	18.2	3.5	74.9	81.2	15.7	3.1	78.1

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
Sep-17	85.4	12.3	2.4	83.0	85.8	10.8	3.4	82.4
Nov-17	87.1	10.9	2.0	85.2	85.8	10.7	3.6	82.2
Dec-17	85.7	12.4	1.9	83.8	85.4	10.5	4.0	81.4
Mar-18	83.8	13.7	2.5	81.3	85.2	11.6	3.2	82.0
May-18	85.2	11.8	3.0	82.2	85.1	11.2	3.7	81.4
Jun-18	86.6	11.1	2.3	84.3	87.5	10.0	2.5	85.0
Sep-18	83.6	13.1	3.4	80.2	84.2	13.1	2.7	81.5

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
Sep-17	55.6	33.2	11.2	44.4	61.6	29.4	9.0	52.6
Nov-17	57.5	31.8	10.7	46.8	61.9	29.7	8.5	53.4
Dec-17	53.1	34.6	12.3	40.8	59.4	31.4	9.2	50.1
Mar-18	56.0	31.4	12.6	43.4	62.8	28.0	9.2	53.7
May-18	52.3	32.5	15.1	37.2	58.7	31.0	10.3	48.4
Jun-18	55.4	32.9	11.7	43.8	62.7	28.0	9.3	53.4
Sep-18	44.0	34.3	21.7	22.3	49.2	33.3	17.5	31.7
