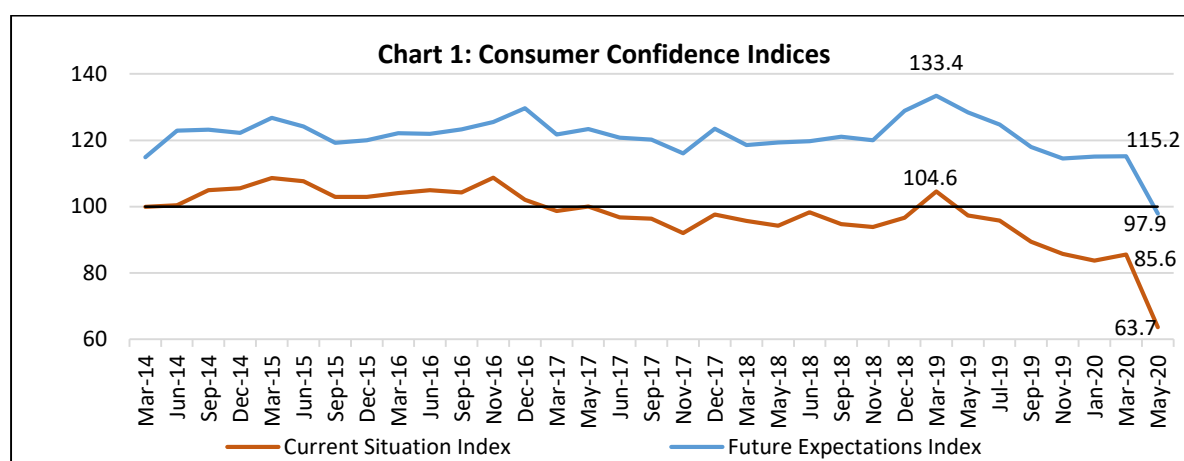


## Consumer Confidence Survey

Today, the Reserve Bank released the results of the May 2020 round of its Consumer Confidence Survey (CCS)<sup>1</sup>. In view of the Covid-19 pandemic, the survey was conducted through telephonic interviews during May 5-17, 2020 in thirteen major cities, viz., Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram. Perceptions and expectations on general economic situation, employment scenario, overall price situation and own income and spending have been obtained from 5,300 households across these cities.

### Highlights:

- I. Consumer confidence collapsed in May 2020, with the current situation index (CSI) touching historic low and the one year ahead future expectations index (FEI)<sup>2</sup> also recording a sharp fall, entering the zone of pessimism (Chart 1).



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

- II. Consumer perception on the general economic situation, employment scenario and household income plunged deeper into contraction zone (Tables 1, 2 and 5); while expectation on general economic situation and employment scenario for the year ahead were also pessimistic.
- III. Overall consumer spending remained afloat, mostly due to relative inelasticity in essential spending (Table 6 and 7); consumers, however, reported sharp cuts in discretionary spending and also do not expect much improvement in the coming year (Table 8).

<sup>1</sup> The survey results are based on the views of 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.  $CSI/FEI = 100 + \text{Average of Net Responses of the above parameters}$ .

Summary based on Net Responses						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	Mar-20	May-20	Change	Mar-20	May-20	Change
Economic Situation	-23.9	-60.0	↓	15.1	-11.7	↓
Employment	-30.5	-48.2	↓	14.7	-5.9	↓
Price Level	-84.6	-75.8	↑	-70.4	-66.4	↑
Income	-2.2	-40.8	↓	44.2	18.1	↓
Spending	69.2	43.2	↓	72.3	55.6	↓
<b>Consumer Confidence Index</b>	<b>85.6</b>	<b>63.7</b>	↓	<b>115.2</b>	<b>97.9</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	

**Table 1: Perceptions and Expectations on the 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
May-19	38.8	23.6	37.7	1.1	61.4	17.7	20.9	40.5
Jul-19	37.4	24.2	38.4	-1.0	59.4	16.0	24.6	34.8
Sep-19	33.5	18.6	47.9	-14.4	53.2	15.0	31.8	21.4
Nov-19	30.0	18.4	51.6	-21.6	48.9	16.5	34.7	14.2
Jan-20	27.1	18.0	54.9	-27.8	48.8	14.3	36.9	11.9
Mar-20	28.4	19.3	52.3	-23.9	49.8	15.6	34.7	15.1
May-20	14.4	11.2	74.4	-60.0	39.6	9.0	51.4	-11.7

**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
May-19	33.7	22.1	44.2	-10.5	59.3	17.6	23.1	36.2
Jul-19	32.5	21.9	45.6	-13.1	56.7	17.5	25.8	30.9
Sep-19	28.0	19.5	52.5	-24.5	51.2	15.4	33.4	17.8
Nov-19	24.4	18.1	57.5	-33.1	46.3	17.7	36.0	10.3
Jan-20	24.6	17.8	57.7	-33.1	48.4	16.3	35.4	13.0
Mar-20	25.2	19.1	55.7	-30.5	48.8	17.1	34.1	14.7
May-20	19.2	13.4	67.4	-48.2	41.5	11.1	47.4	-5.9

**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
May-19	81.6	14.1	4.3	-77.3	70.3	18.7	11.0	-59.3
Jul-19	81.7	15.0	3.3	-78.4	73.9	16.1	10.0	-63.9
Sep-19	86.1	10.6	3.3	-82.8	75.9	13.8	10.3	-65.6
Nov-19	86.8	10.2	2.9	-83.9	78.0	14.1	7.9	-70.1
Jan-20	90.6	7.6	1.9	-88.7	76.9	12.9	10.2	-66.7
Mar-20	87.2	10.3	2.6	-84.6	78.1	14.2	7.7	-70.4
May-20	79.1	17.5	3.4	-75.8	75.8	14.8	9.4	-66.4

**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
May-19	74.4	20.8	4.8	-69.6	76.7	18.5	4.8	-71.9
Jul-19	72.5	22.3	5.2	-67.3	77.8	18.0	4.1	-73.7
Sep-19	74.2	19.5	6.3	-67.9	77.9	16.1	6.1	-71.8
Nov-19	77.2	17.4	5.5	-71.7	77.3	17.3	5.4	-71.9
Jan-20	84.9	11.2	4.0	-80.9	80.3	14.7	5.0	-75.3
Mar-20	80.8	15.7	3.5	-77.3	75.6	20.3	4.1	-71.5
May-20	74.8	18.6	6.6	-68.2	73.4	19.5	7.1	-66.3

\*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
May-19	29.0	50.2	20.8	8.2	58.9	35.1	6.0	52.9
Jul-19	25.8	51.3	22.9	2.9	55.4	37.7	6.9	48.5
Sep-19	25.0	48.3	26.7	-1.7	53.0	37.4	9.6	43.4
Nov-19	24.1	49.2	26.7	-2.6	52.8	38.9	8.3	44.5
Jan-20	21.9	51.2	26.9	-5.0	51.9	38.9	9.2	42.7
Mar-20	22.7	52.4	24.9	-2.2	52.0	40.2	7.8	44.2
May-20	12.6	34.0	53.4	-40.8	39.5	39.1	21.4	18.1

**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
May-19	68.6	28.0	3.4	65.2	74.7	22.5	2.9	71.8
Jul-19	71.7	25.0	3.4	68.3	76.8	20.1	3.2	73.6
Sep-19	74.1	22.0	3.8	70.3	77.0	19.0	4.0	73.0
Nov-19	73.2	23.4	3.4	69.8	77.4	19.0	3.6	73.8
Jan-20	76.3	20.5	3.2	73.1	78.7	17.3	4.0	74.7
Mar-20	72.6	24.0	3.4	69.2	75.8	20.7	3.5	72.3
May-20	56.1	31.0	12.9	43.2	64.3	27.0	8.7	55.6

**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
May-19	80.0	17.1	2.9	77.1	80.7	16.5	2.8	77.9
Jul-19	81.7	15.7	2.6	79.1	82.9	14.3	2.8	80.1
Sep-19	83.8	13.6	2.6	81.2	83.0	13.7	3.3	79.7
Nov-19	83.6	13.6	2.7	80.9	83.0	13.9	3.1	79.9
Jan-20	85.3	12.2	2.6	82.7	83.7	12.9	3.4	80.3
Mar-20	83.0	14.6	2.4	80.6	82.1	15.0	2.9	79.2
May-20	69.3	20.9	9.8	59.5	73.0	20.6	6.4	66.7

**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
May-19	32.7	40.3	27.0	5.7	39.4	37.3	23.3	16.1
Jul-19	31.0	44.9	24.1	6.9	36.2	42.2	21.6	14.6
Sep-19	29.9	40.0	30.1	-0.2	34.7	39.2	26.0	8.7
Nov-19	27.5	42.4	30.1	-2.6	33.4	43.0	23.5	9.9
Jan-20	28.0	37.3	34.6	-6.6	34.3	37.8	27.9	6.4
Mar-20	27.7	42.0	30.3	-2.6	32.4	43.5	24.1	8.3
May-20	13.9	39.6	46.4	-32.5	22.0	42.4	35.6	-13.6

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