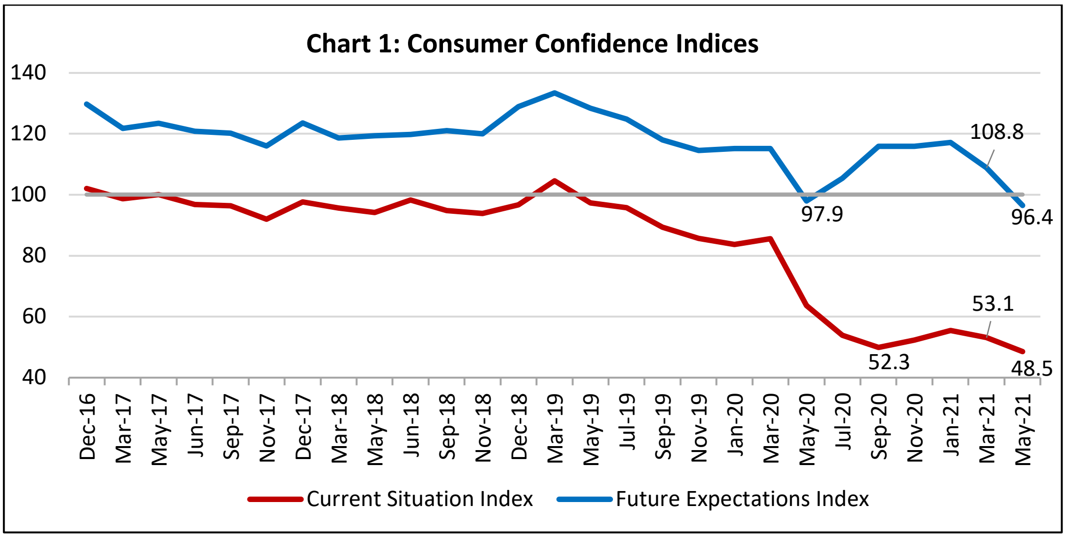
Consumer Confidence Survey

Today, the Reserve Bank released the results of the May 2021 round of its Consumer Confidence Survey (CCS)[1]. In view of the Covid-19 pandemic, the survey was conducted through telephonic interviews during April 29 to May 10, 2021 in 13 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 5,258 households across these cities[2].

Highlights:

I. Consumer confidence for the current period weakened further; the current situation index (CSI)[3], which has been in the negative territory since July 2019, fell to a new all-time low as consumer perceptions on general economic situation and employment scenario lowered further (Chart 1 and Tables 1 and 2).

II. The future expectations index (FEI) moved to pessimistic territory for the second time since the onset of the pandemic; this was driven by sharp fall in expectations on general economic situation, employment scenario and household income over one year horizon (Table 5).



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

III. Household spending also weakened in the latest survey round, with essential spending showing signs of moderation while non-essential spending continues to contract (Tables 6, 7 and 8).

[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 April 07, 2021.

[2] 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)

[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 (as compared with one year ago) and a year ahead, respectively. CSI and FEI = 100 + 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-21	**May-21**	**Change**	**Mar-21**	**May-21**	**Change**
Economic Situation	-63.9	-75.0	↓	5.3	-18.3	↓
Employment	-62.4	-74.9	↓	10.7	-13.0	↓
Price Level	-92.6	-89.0	↑	-64.4	-64.3	↑
Income	-53.7	-50.1	↑	33.4	27.0	↓
Spending	38.2	31.4	↓	59.3	50.9	↓
Consumer Confidence Index	**53.1**	**48.5**	↓	**108.8**	**96.4**	↓

↑	**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
↔	**Positive** Sentiments with no change compared to last round	↔	**Negative** Sentiments with no change 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-20	14.4	11.2	74.4	-60.0	39.6	9.0	51.4	-11.7
Jul-20	11.9	10.3	77.8	-65.9	44.3	13.5	42.2	2.1
Sep-20	9.0	11.4	79.6	-70.6	50.1	15.1	34.8	15.3
Nov-20	11.0	11.5	77.5	-66.5	50.9	13.9	35.2	15.7
Jan-21	14.3	13.6	72.2	-57.9	52.6	16.1	31.3	21.3
Mar-21	12.1	11.9	76.0	-63.9	44.0	17.3	38.7	5.3
May-21	6.5	12.1	81.4	-75.0	33.2	15.3	51.5	-18.3

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-20	19.2	13.4	67.4	-48.2	41.5	11.1	47.4	-5.9
Jul-20	13.0	8.9	78.1	-65.1	48.6	13.3	38.2	10.4
Sep-20	10.1	8.1	81.7	-71.6	54.1	14.3	31.6	22.5
Nov-20	11.0	9.5	79.5	-68.5	52.0	14.9	33.1	18.9
Jan-21	13.1	11.5	75.4	-62.3	55.3	16.1	28.6	26.7
Mar-21	12.9	11.8	75.3	-62.4	46.7	17.3	36.0	10.7
May-21	7.2	10.8	82.1	-74.9	35.4	16.1	48.5	-13.0

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-20	79.1	17.5	3.4	-75.8	75.8	14.8	9.4	-66.4
Jul-20	79.7	16.7	3.6	-76.2	71.6	18.3	10.1	-61.5
Sep-20	82.9	14.6	2.5	-80.4	69.5	20.5	10.0	-59.5
Nov-20	89.7	9.0	1.4	-88.3	70.5	17.4	12.1	-58.4
Jan-21	88.6	9.6	1.7	-86.9	73.2	17.1	9.7	-63.5
Mar-21	93.8	5.0	1.2	-92.6	75.0	14.4	10.6	-64.4
May-21	90.6	7.8	1.6	-89.0	73.9	16.4	9.7	-64.3

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-20	74.8	18.6	6.6	-68.2	73.4	19.5	7.1	-66.3
Jul-20	79.8	15.6	4.5	-75.3	76.4	18.6	5.0	-71.4
Sep-20	83.0	13.1	3.9	-79.1	75.9	19.6	4.6	-71.3
Nov-20	88.3	8.9	2.8	-85.5	78.3	16.7	4.9	-73.4
Jan-21	83.5	13.4	3.1	-80.4	77.7	17.2	5.0	-72.7
Mar-21	88.8	8.5	2.7	-86.1	81.1	14.3	4.5	-76.6
May-21	87.2	10.3	2.5	-84.7	79.3	16.7	4.0	-75.3

*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-20	12.6	34.0	53.4	-40.8	39.5	39.1	21.4	18.1
Jul-20	8.3	28.9	62.8	-54.5	43.5	39.3	17.2	26.3
Sep-20	8.9	28.4	62.7	-53.8	53.2	36.7	10.0	43.2
Nov-20	8.4	28.5	63.1	-54.7	51.0	38.3	10.7	40.3
Jan-21	9.9	29.2	60.9	-51.0	51.3	38.8	9.9	41.4
Mar-21	7.9	30.5	61.6	-53.7	46.4	40.7	13.0	33.4
May-21	8.4	33.1	58.5	-50.1	42.5	42.1	15.5	27.0

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-20	56.1	31.0	12.9	43.2	64.3	27.0	8.7	55.6
Jul-20	48.1	34.7	17.2	30.8	60.2	29.2	10.6	49.6
Sep-20	47.2	31.8	21.1	26.1	65.3	27.5	7.2	58.1
Nov-20	55.6	28.5	15.9	39.7	69.1	24.9	6.1	63.0
Jan-21	53.3	28.9	17.8	35.5	66.4	26.7	6.8	59.6
Mar-21	56.6	24.9	18.4	38.2	67.0	25.3	7.7	59.3
May-21	50.6	30.3	19.2	31.4	60.5	29.9	9.6	50.9

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-20	69.3	20.9	9.8	59.5	73.0	20.6	6.4	66.7
Jul-20	64.0	23.9	12.1	51.9	69.4	22.9	7.7	61.7
Sep-20	61.4	23.9	14.7	46.7	71.9	22.8	5.3	66.6
Nov-20	68.7	20.0	11.3	57.4	75.6	19.2	5.2	70.4
Jan-21	68.6	20.0	11.4	57.2	73.6	21.6	4.8	68.8
Mar-21	71.1	16.0	12.9	58.2	74.6	20.0	5.4	69.2
May-21	63.2	22.3	14.5	48.7	68.1	24.6	7.3	60.8

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-20	13.9	39.6	46.4	-32.5	22.0	42.4	35.6	-13.6
Jul-20	9.2	29.4	61.4	-52.2	22.2	37.9	39.9	-17.7
Sep-20	10.7	29.5	59.8	-49.1	31.3	37.4	31.4	-0.1
Nov-20	11.2	27.9	60.9	-49.7	28.7	37.3	34.0	-5.3
Jan-21	13.3	27.1	59.7	-46.4	27.5	36.7	35.8	-8.3
Mar-21	11.9	29.5	58.5	-46.6	24.7	38.3	37.1	-12.4
May-21	8.7	31.5	59.7	-51.0	22.2	40.7	37.1	-14.9

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