

Consumer Confidence Survey

February 10, 2020

Source: RBI & PIB

Reserve Bank released the results of the January 2020 round of its Consumer Confidence Survey (CCS). The survey measures consumer perception (current and future) on five economic variables – economic situation, employment, price level, income, and spending.

Cities covered under the survey

- **The survey was conducted in 13 major cities**, viz., Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram.
- Perceptions and expectations on the general economic situation, the employment scenario, the overall price situation, and own income and spending are obtained from 5,389 households across these cities

Key highlights

- Consumer confidence in January 2020 **deteriorated further vis-à-vis** a year ago, with a **decline in the current situation index (CSI)**. A consumer confidence Index above 100 gives an optimistic perception of the consumers.
- **The future expectations index (FEI)**, however, **remained in the positive** terrain and indicated a marginal improvement in the year ahead over the previous survey round (Chart 1)
- The **current situation index measures** the change in consumer perception over an economic issue in the last one year while the **future expectations index measures** what consumer thinks about the same variables, one year ahead.



- Current perception on the general economic situation, price levels, and household income remained weak when compared with the position a year ago; the one year ahead of expectations on employment, however, improved marginally over the previous round
- Most households perceived prices and spending has increased during the past one year and expect a further rise in expenditure over the next year
- The **households reported lower spending on non-essential items as compared to one year ago.**

