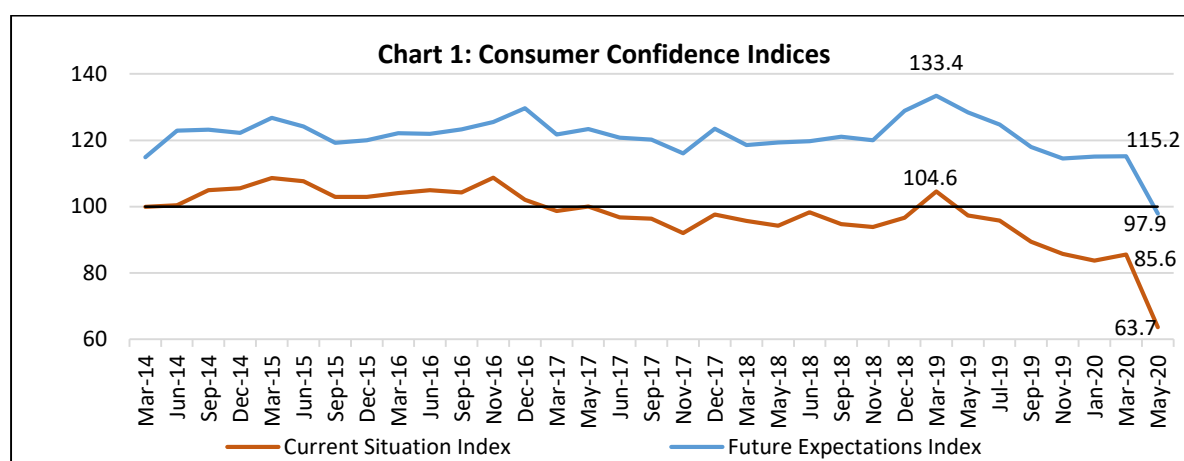


Consumer Confidence Survey

Today, the Reserve Bank released the results of the May 2020 round of its Consumer Confidence Survey (CCS)¹. 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)² 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).

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

² 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	↓
Consumer Confidence Index	85.6	63.7	↓	115.2	97.9	↓
↑	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	

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
