ISSUE NO. 1 & 2

Pakistan Consumer Confidence Index (CCI)

Results of Surveys conducted in Feb/Mar 2020, and in Jul/Aug 2020.

Key highlights of changes in Consumer Sentiments across Pakistan in the pre-COVID and current situation

22nd September, 2020

Report prepared by D&B Pakistan in collaboration with Gallup Pakistan

D&B Pakistan and Gallup Pakistan have collaborated to publish a quarterly report titled 'Pakistan Consumer Confidence Index'

Message from Country Manager – D&B Pakistan, and Executive Director – Gallup Pakistan

The Consumer Confidence Index (CCI) is a reflection of current sentiments and future outlook as seen through the eyes of consumers across Pakistan. The CCI score is an indicator of consumer optimism/ pessimism about the economy, as well as their own financial situation. Consumer Confidence Index is a leading indicator of the economic health and social well being.

We envisage this report to be useful for Policy Makers, Financial Development Institutions, SMEs (Small & Medium Enterprises), Large Private Sector Companies as well as Research & Educational Institutions in Pakistan. It would be especially relevant for industries and institutions directly or indirectly serving consumers.

This first survey was conducted face-to-face with 2,041 respondents during Feb and early March 2020 (hereinafter referred to as the Feb Survey) before the COVID-19 pandemic fully impacted Pakistan. However, COVID-19 completely changed consumer attitudes, perceptions and purchasing behavior not only in Pakistan but across the world. Despite successful completion of the survey, D&B and Gallup did not publish the results of the first Survey as Consumer Confidence had changed considerably in a matter of days due to the COVID-19 pandemic.

D&B Pakistan and Gallup Pakistan have collaborated to publish a quarterly report titled 'Pakistan Consumer Confidence Index'

Message from Country Manager – D&B Pakistan, and Executive Director – Gallup Pakistan

Subsequently, a second survey was conducted in Jul-Aug 2020 (hereinafter referred to as the Aug Survey). Due to COVID-19 social distancing measures, a shorter telephonic survey was conducted with 1,500 respondents.

A representative sample of consumers across Pakistan has allowed us to assess Consumer Confidence by gender, age groups, location (urban/rural) and provinces.

This is our first publication and combines issue numbers 1 and 2 (covering both Surveys), thus demonstrating the pre and post lockdown Consumer Sentiments.

Going forward, D&B Pakistan and Gallup Pakistan envision to publish this report on a quarterly basis. We hope you enjoy reading this report and find it informative and insightful. Your feedback is key for our continuous improvement and growth.

Nauman Lakhani

N. Lakhani

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Country Manager
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Bilal I. Gilani

Bilal I. Gilani
Executive Director
Gallup Pakistan

Glossary

Key Terms	Definitions
Consumers	Respondents that have participated in Consumer Confidence survey
Net Indicator (NI)	A composite score computed for each index parameter by assigning weights to responses received from consumers
Consumer Confidence Index (CCI - Overall)	This is an aggregate index used to determine overall optimism/ pessimism amongst consumers in Pakistan. The CCI is an average of the Current Consumer Confidence Index (CCI - Current) and Future Consumer Confidence Index (CCI - Future)
Current Consumer Confidence Index (CCI - Current)	An **i**ndex that indicates consumer feedback about current economic conditions (vis-a-vis last 6 months) across four index parameters (Household Financial Situation, Country's Economic Conditions, Unemployment and Household Savings)
Future Consumer Confidence Index (CCI - Future)	An **i**ndex that indicates consumers' outlook for the next 6 months compared to today, across four index parameters (Household Financial Situation, Country's Economic Conditions, Unemployment and Household Savings)
Index Parameter	The individual constituent of each of index capturing the current or future economic condition. There are 4 parameters captured as part of the survey and have been explained in the methodology section of the report
Province	A province is an administrative territory which is governed by its own government. In Pakistan, there are four provinces i.e., Balochistan, Punjab, Sindh and Khyber Pakhtunkhwa (KPK)

REPORT FLOW

EXECUTIVE SUMMARY

The Consumer Confidence Survey measures the level of optimism that consumers have about their household financial situation, the country's economic condition, job prospects, and their personal finances.

The Survey captures consumers' response related to Current Sentiments as well as their Future Outlook.

This report compares changes in Consumer Confidence immediately prior to the COVID-19 outbreak in Pakistan and the current situation.

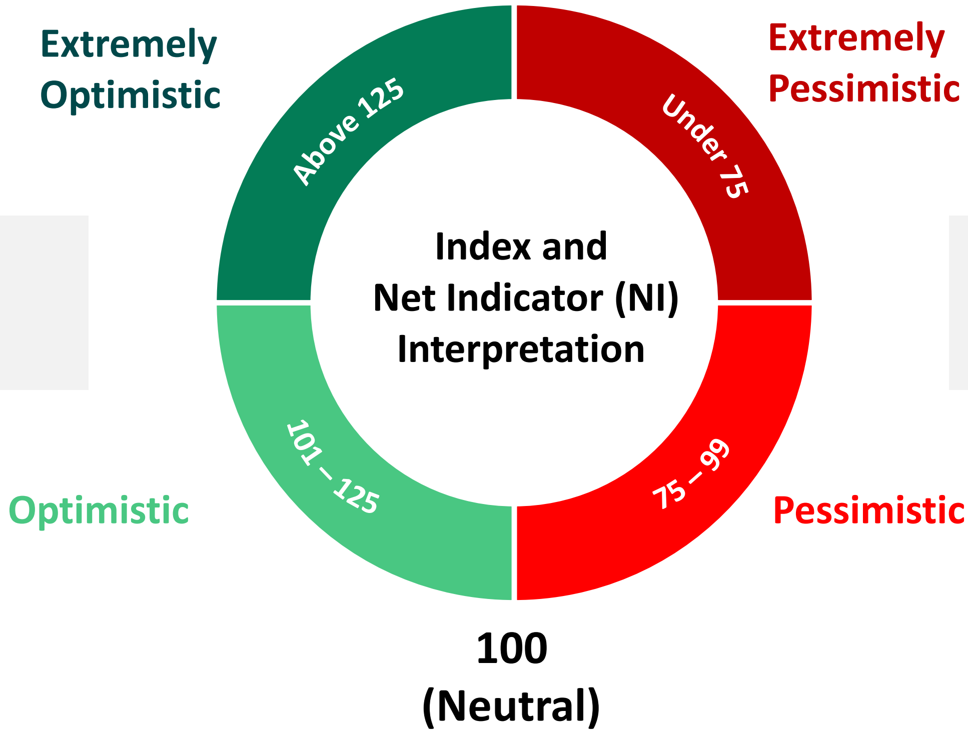
We hope the report is useful for government bodies, as well as private organizations to strengthen their understanding of consumers across Pakistan, and help in developing effective strategies to deal with the on-ground situation.

Going forward the CCI Report will be published by D&B and Gallup teams on a quarterly basis.

The Index and Net Indicator (NI) scores are used in the report to indicate the level of Pessimism to Optimism on specific benchmarks

Index and Net Indicator (NI) Interpretation

Scores between 101 to 200 indicate increasing levels of optimism



Scores between 0 to 99 indicate decreasing levels of pessimism

The index ranges from 0 to 200 points

Please refer pages 36 to 39 for the methodology

Overall Consumer Confidence is pessimistic across Pakistan (score of ~80). Current sentiments compared to previous 6 months are more negative, however future outlook is less pessimistic

Feb Survey		Aug Survey	
79.0 Overall CCI	69.1 CCI Current	**79.1** Overall CCI	60.7 CCI Current
	89.0 CCI Future		97.5 CCI Future

Overall Consumer Confidence Index remained pessimistic and flat in both surveys. While current sentiments fell due to the impact of COVID-19, Consumer Confidence about the future improved amidst resumption of economic activity.

Due to early signs of economic rebound in Jul-Aug 2020 in all 4 provinces, respondents are less pessimistic about the future

	Balochistan		Punjab		Sindh		KPK	
CCI	Feb Survey	Aug Survey	Feb Survey	Aug Survey	Feb Survey	Aug Survey	Feb Survey	Aug Survey
Overall	65.7	74.7 ↑	82.6	80.5 ~	64.5	79.0 ↑	95.0	74.3 ↓
Current	63.6	59.0 ↓	72.1	62.0 ↓	54.5	60.0 ↑	84.2	56.2 ↓
Future	67.9	90.4 ↑	93.0	98.9 ↑	74.5	98.1 ↑	105.8	92.4 ↓

- Sindh, which accounts for ~23% of Pakistan's population, had 44% of the country's COVID cases. Cases peaked in Sindh in early June and declined from then on. At the time of Aug Survey, the economy had started opening up and Consumer Confidence showed improvement
- KPK where the overall score was highest in the Feb Survey now has the least confidence. Respondents from this region with the 2nd highest death rate (next to Sindh) had lost confidence on all 4 CCI parameters especially unemployment and household savings

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 –` pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

While current sentiments (in Aug Survey) are pessimistic across demographic segments, optimism about the future is higher especially amongst below 50 age group, females and urban respondents

CCI	Under 30 Feb Survey	Under 30 Aug Survey	30 - 49 Feb Survey	30 - 49 Aug Survey	Above 50 Feb Survey	Above 50 Aug Survey
Overall	83.7	83.5 ~	76.1	76.2 ~	75.7	72.1 ↓
Current	74.2	63.7 ↓	66.2	58.0 ↓	64.0	58.6 ↓
Future	93.2	103.2 ↑	86.0	94.4 ↑	87.4	85.5 ~

Consumer Confidence across all age groups remained flat and pessimistic compared to the pre-COVID survey. However, while confidence related to the current situation fell across age groups, future expectations improved for all respondents below the age of 50

CCI	Male Feb Survey	Male Aug Survey	Female Feb Survey	Female Aug Survey
Overall	78.6	77.0 ~	79.7	87.3 ↑
Current	69.6	58.9 ↓	68.3	67.7 ~
Future	87.5	95.1 ↑	91.2	107.0 ↑

Confidence amongst females improved in Aug Survey primarily owing to optimistic expectations about the future. Males on the other hand, felt that the current situation has become much worse since pre-COVID times and are less pessimistic about the next 6 months

CCI	Urban Feb Survey	Urban Aug Survey	Rural Feb Survey	Rural Aug Survey
Overall	75.8	84.2 ↑	80.8	76.3 ↓
Current	68.0	63.4 ↓	69.6	59.2 ↓
Future	83.7	105.0 ↑	91.9	93.5 ~

While still pessimistic, Consumer Confidence in urban areas improved from the pre-COVID survey. Confidence in rural areas on the other hand, has worsened.

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 –` pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

Sentiments related to all 4 parameters associated with CCI worsened, especially unemployment. 2 out of 3 respondents felt that prices of daily essentials have increased while 40% fear household income to decrease compared to pre-COVID situation

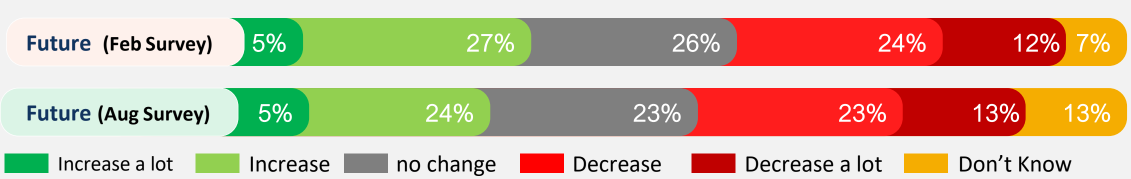
Unemployment	Overall	Current Situation	Future Expectation
Feb Survey	59.0	52.0	67.0
Aug Survey	54.5 ↓	40.0 ↓	69.0 ~

Unemployment is the worst impacted CCI parameter with **4 out of 5** consumers feeling that **unemployment has increased/ increased a lot** compared to pre-COVID situation while **55%** respondents feel that the **situation will further worsen.**

Price Situation

Respondents across various demographics unanimously felt that prices have increased. **2 out of 3 consumers** surveyed in Aug felt that **prices of daily essentials have increased significantly** in the last 6 months

What change do you expect in your household income in the future?



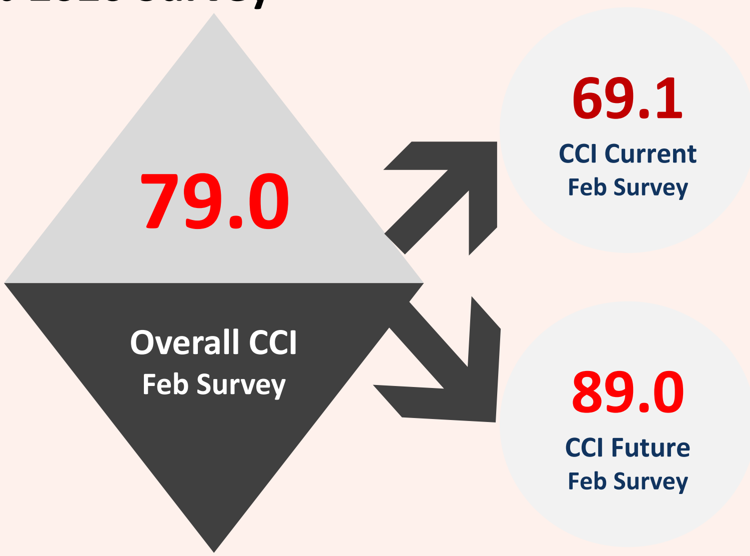
52% consumers are confident that their income levels will remain same or improve in next 6 months (down from 58% in Feb Survey)

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 –` pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

CONSUMER CONFIDENCE INDEX

Overall Consumer Confidence Index remained Pessimistic in both Surveys, however, Consumer Confidence about the future improved amidst resumption of economic activity

Feb 2020 Survey

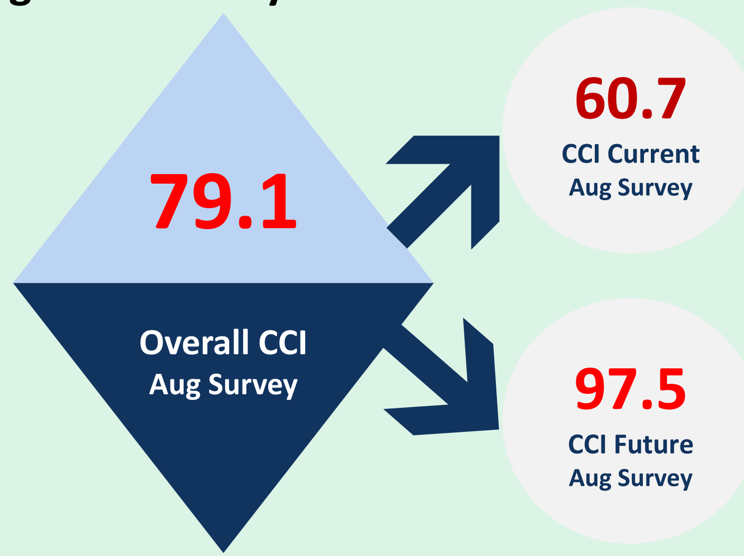


Overall CCI was Pessimistic

Feb Survey was completed before COVID-19 pandemic fully impacted Pakistan. Even during pre-COVID times, Consumer Sentiment was negative about both current situation and future expectations. However, future expectations were relatively more optimistic.

Survey was conducted during Feb-20 and Mar-20

Aug 2020 Survey



In comparison to Feb Survey, Overall CCI remained flat

Although index depicting the current situation fell further, expectations about the future improved due to decline in COVID-19 cases from end of Jun-20 and with the opening up of the economy.

Survey was conducted during Jul-20 and Aug-20

Index Interpretation: **Under 75 - extremely pessimistic**, ***75 to 99 – pessimistic,*** **100 – Neutral**, ***101 to 125 – optimistic*** ***and*** ***125 above - extremely optimistic***

Sentiments about the current economic situation are pessimistic across all 4 Provinces. Consumer Confidence in Balochistan and Sindh improved while that in Punjab and KPK deteriorated

Balochistan

CCI	Feb Survey	Aug Survey
Overall	65.7	74.7
Current	63.6	59.0 ↓
Future	67.9	90.4 ↑

Overall Consumer Confidence improved by 9 points in Aug Survey due to relatively optimistic future expectations

Punjab

CCI	Feb Survey	Aug Survey
Overall	82.6	80.5
Current	72.1	62.0 ↓
Future	93.0	98.9 ↑

Significant decline in current sentiments has lead to drop in overall confidence in Aug Survey despite improved future outlook

Sindh

CCI	Feb Survey	Aug Survey
Overall	64.5	79.0
Current	54.5	60.0 ↑
Future	74.5	98.1 ↑

Sindh is the only region where Consumer Confidence in the current situation is higher than that during pre-COVID times

KPK

CCI	Feb Survey	Aug Survey
Overall	95.0	74.3
Current	84.2	56.2 ↓
Future	105.8	92.4 ↓

KPK has witnessed maximum decline in Consumer Confidence compared to the pre-COVID survey

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

Overall Sentiment across demographics is Pessimistic in both surveys. Consumer Confidence of Female respondents and those from Urban areas improved in Aug Survey as compared to Feb Survey

Urban

CCI	Feb Survey	Aug Survey
Overall ↑	75.8	84.2
Current	68.0	63.4 ↓
Future	83.7	105.0 ↑

There is optimism in future expectations amongst urban consumers as the economy opens up

Male

CCI	Feb Survey	Aug Survey
Overall ~	78.6	77.0
Current	69.6	58.9 ↓
Future	87.5	95.1 ↑

Males are extremely pessimistic of the current situation in Aug Survey although pessimism is much lower for the future

Rural

CCI	Feb Survey	Aug Survey
Overall ↓	80.8	76.3
Current	69.6	59.2 ↓
Future	91.9	93.5 ~

Rural consumers are more pessimistic about both current situation and future expectations compared to urban consumers

Female

CCI	Feb Survey	Aug Survey
Overall ↑	79.7	87.3
Current	68.3	67.7 ~
Future	91.2	107.0 ↑

Females are more optimistic than males especially about the future outlook

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

CCI Indices by Age Groups Remained flat and Pessimistic. Confidence in the current situation fell across age groups while future expectations improved for below 50 group

Below 30

CCI	Feb Survey	Aug Survey
~ Overall	83.7	83.5
Current	74.2	63.7 ↓
Future	93.2	103.2 ↑

The youth are least pessimistic and are the only age group which have optimistic expectations about the next 6 months

30 to 49

CCI	Feb Survey	Aug Survey
~ Overall	76.1	76.2
Current	66.2	58.0 ↓
Future	86.0	94.4 ↑

While future outlook improved, overall confidence remained flat due to proportionate decline in current sentiments

50 and above

CCI	Feb Survey	Aug Survey
↓ Overall	75.7	72.1
Current	64.0	58.6 ↓
Future	87.4	85.5 ~

The above 50 age group are the most pessimistic about both current situation and future expectations

Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

Future outlook relatively more optimistic while current sentiments pessimistic for all parameters. Only Overall confidence related to household financials improved in Aug Survey

Household Financial Situation

CCI	Feb Survey	Aug Survey
Overall	92.0	100.0
Current	80.0	81.0 ~
Future	104.0	119.0 ↑

Household situation has worsened in the last 6 months, however respondents remain optimistic about the future

Country's Economic Condition

CCI	Feb Survey	Aug Survey
Overall	85.3	81.0
Current	71.0	62.0 ↓
Future	99.6	100.0 ~

Current sentiments fell significantly whereas economic condition in the next 6 months is expected to remain the same

Unemployment

CCI	Feb Survey	Aug Survey
Overall	59.0	54.5
Current	52.0	40.0 ↓
Future	67.0	69.0 ~

While respondents are more optimistic about Future expectations; the confidence of Unemployment situation to improve is the lowest

Household Savings

CCI	Feb Survey	Aug Survey
Overall	79.5	81.5
Current	73.0	60.0 ↓
Future	86.0	103.0 ↑

Future outlook in Aug Survey is optimistic despite extreme pessimism in current sentiment

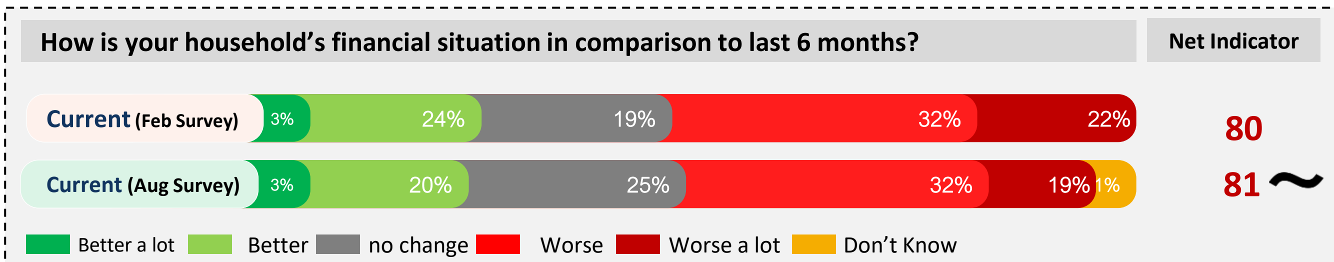
Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

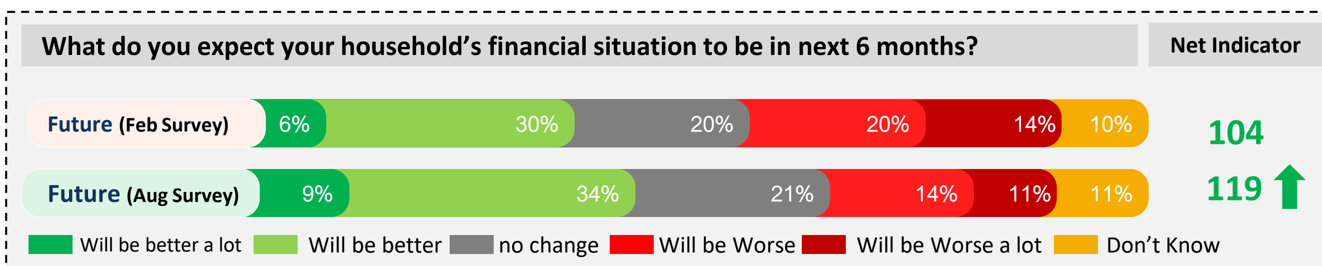
Household financial situation has worsened in the last 6 months (NI = 81), however respondents remain optimistic about the future (NI = 119)

Household Financial Situation

51% of respondents felt their Household Financial Situation had worsened in the last 6 months, **however 64% expect it to get better/ remain the same** in the next 6 months.

During Feb Survey, 56% had expected situation to get better/ remain the same. **Thus, indicating relatively higher optimism of the future, during Aug Survey.**





Index Interpretation: *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

Feb Survey **Aug Survey**

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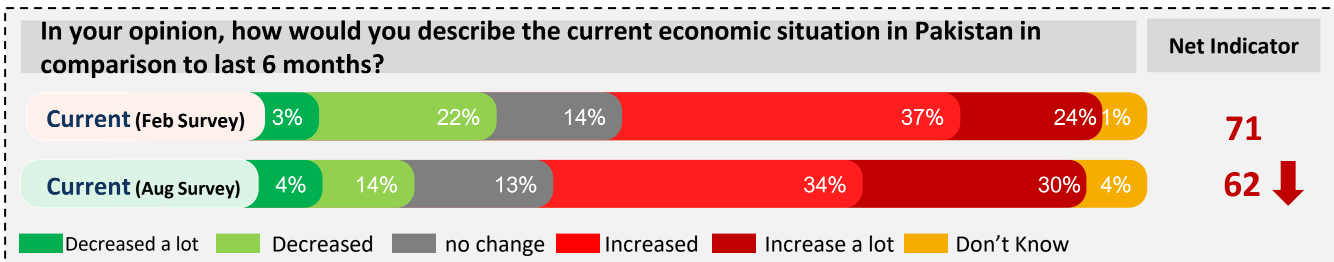
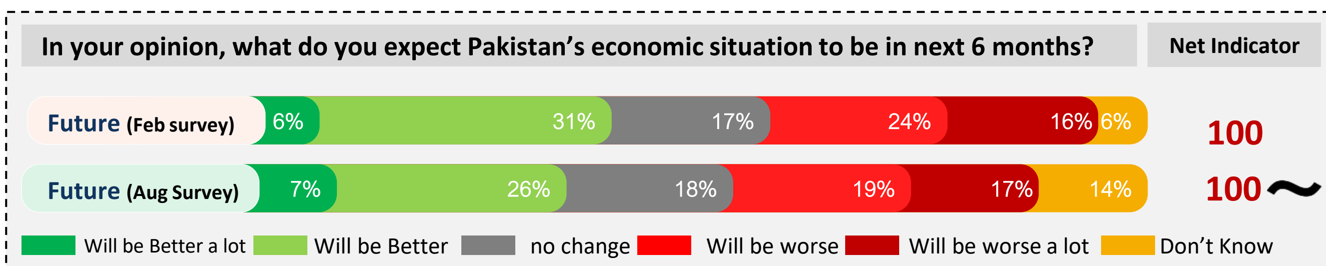
Current sentiments fell significantly (NI = 62); whereas economic condition in the next 6 months is expected to remain the same (NI = 100), indicating relatively higher optimism

Country's Economic Condition

64% of respondents felt Country's Economic Condition has deteriorated in the last 6 months, **however only 35% expect the situation to get worse** in the next 6 months.

During Feb Survey, 40% had expected situation to get worse. **Thus, indicating relatively higher optimism of the future, during** Aug Survey.





Index Interpretation:* Under 75 - extremely pessimistic, *75 to 99 – pessimistic,* 100 – Neutral, *101 to 125 – optimistic* and 125 above - *extremely optimistic

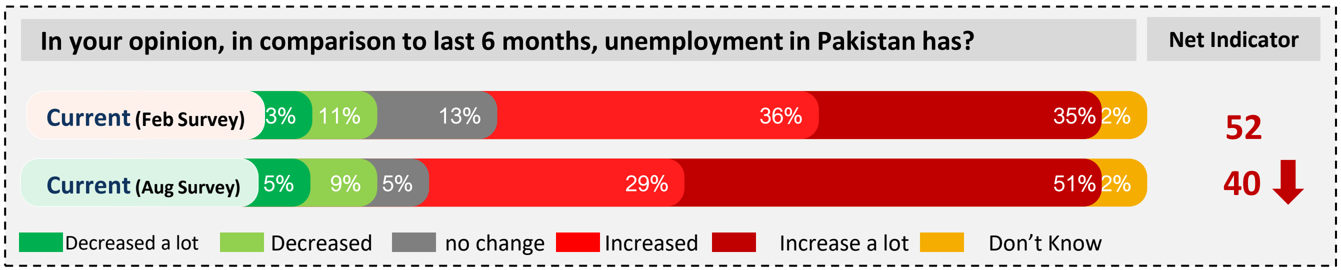
Feb Survey | Aug Survey

While respondents are relatively more optimistic about Future expectations (NI = 69); the confidence of Unemployment situation to improve is the lowest (NI for other future parameters is 100+)

Unemployment

4 out of 5 consumers feel that Unemployment rate has increased/ increased a lot in the last 6 months;

While 3 out of 5 consumers fear that Unemployment rate will further increase/ increase a lot in the next 6 months.



A sample breakdown is provided in the following pages for Unemployment. Kindly contact D&B and Gallup teams for a detailed breakdown of the other CCI Parameters.

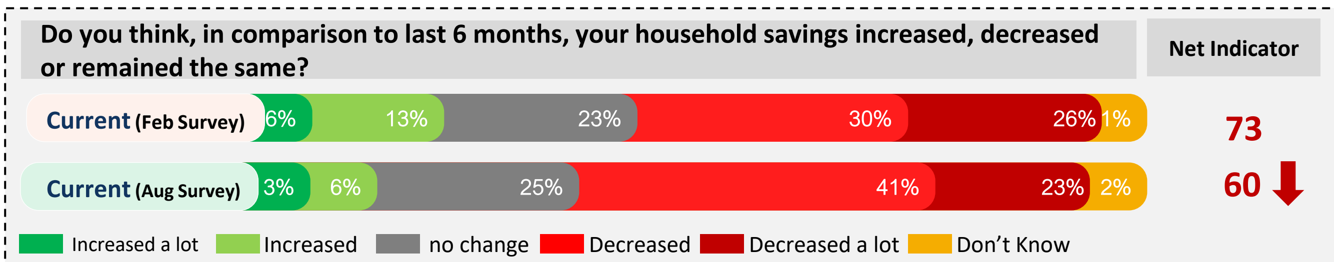
Feb Survey **Aug Survey**

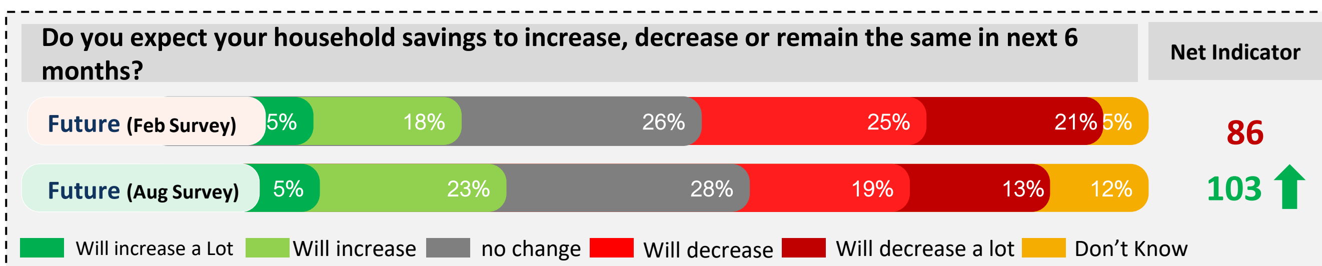
Future outlook in Aug Survey is optimistic (NI = 103) despite extreme pessimism in current sentiment (NI = 60)

Household Savings

2 out of 3 respondents (64%) felt that their Household Savings had reduced in the last 6 months, **however 56% expect it to improve/ remain the same** in the next 6 months.

During Feb Survey, 50% had expected situation to get better/ remain the same. **Thus, indicating relatively higher optimism of the future, during Aug Survey.**





***Index Interpretation:** Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

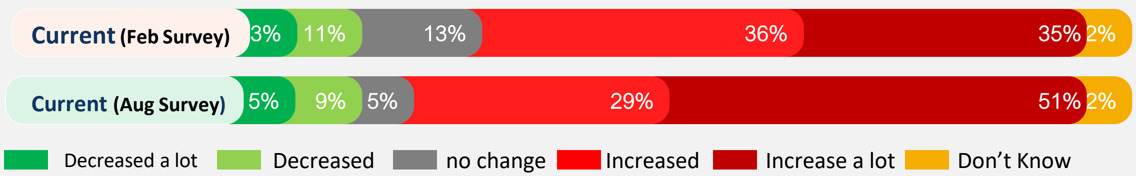
Feb Survey | Aug Survey

Unemployment situation has aggravated further, this outlook is shared by respondents across all demographic sections

Current CCI Past 6 Months outlook from date of survey	Overall	Current Situation
	59.0	52.0
	54.5	40.0

Unemployment

In your opinion, in comparison to last 6 months, unemployment in Pakistan has?



Net Indicator

52

40 ↓

4 out of 5 consumers feel that unemployment rate has increased/ increased a lot in the last 6 months

Current CCI (Net Indicator)	Under 30	30 - 49	Above 50
Feb Survey	57	49	51
Aug Survey	41 ↓	39 ↓	38 ↓

~80% of consumers across age groups felt that unemployment is much worse compared to pre-COVID

Current CCI (Net Indicator)	Balochistan	Punjab	Sindh	KPK
Feb Survey	52	57	36	62
Aug Survey	23 ↓	42 ↓	35 ~	44 ↓

Unemployment situation seems to be **worst in Balochistan followed by Sindh**

Current CCI (Net Indicator)	Male	Female
Feb Survey	53	51
Aug Survey	40 ↓	38 ↓

~80% of both males and females feel that unemployment situation has worsened

Current CCI (Net Indicator)	Urban	Rural
Feb Survey	50	54
Aug Survey	36 ↓	42 ↓

Unemployment seems to have increased in both urban and rural areas with **urban respondents more pessimistic**

Survey Question Asked for Assessing Unemployment Situation: *In your opinion, in comparison to last 6 months, unemployment in Pakistan has?*
i) Decreased a lot, ii) Decreased, iii) Remained the same, iv) Increased, v) Increased a lot, vi) Don't Know/ No Response

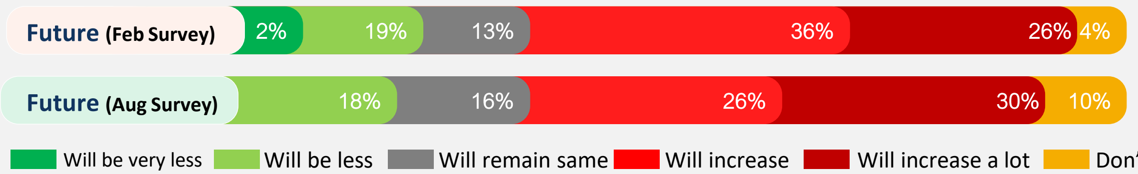
Unemployment continues to be a concern, as 3 out of 5 consumers fear it will continue to rise

	Overall	Future Expectation
Feb Survey	59.0	67.0
Aug Survey	54.5	69.0

Future CCI Past 6 Months outlook from date of survey

Unemployment

In your opinion, in next 6 months, unemployment in Pakistan will be….?



	Net Indicator
Future (Feb Survey)	67
Future (Aug Survey)	69 ~

3 out of 5 consumers fear that unemployment rate will further increase/ increase a lot in the next 6 months*

Future CCI (Net Indicator)	Under 30	30 - 49	Above 50
Feb Survey	70	64	67
Aug Survey	75 ↑	65 ~	53 ↓

All age groups expect unemployment to worsen from the current situation with pessimism increasing with age

Future CCI (Net Indicator)	Balochistan	Punjab	Sindh	KPK
Feb Survey	49	72	48	83
Aug Survey	66 ↑	69 ↓	66 ↑	71 ↓

Up to 65% of respondents in each of the 4 provinces believe that **unemployment rate will further increase***

Future CCI (Net Indicator)	Male	Female
Feb Survey	64	70
Aug Survey	66 ~	78 ↑

57% Males and 49% Females believe that **unemployment will worsen** in the next 6 months

Future CCI (Net Indicator)	Urban	Rural
Feb Survey	60	70
Aug Survey	71 ↑	67 ↓

3 out of 5 respondents in both urban and rural areas expect **unemployment situation to worsen** in the next 6 months*

Survey Question Asked for Assessing Unemployment Situation: *In your opinion, in next 6 months, unemployment in Pakistan will be….?*
i) Will be very less, ii) Will be less, iii)Will remain the same, iv) Will increase, v)Will increase a lot, vi) Don't Know/No Response

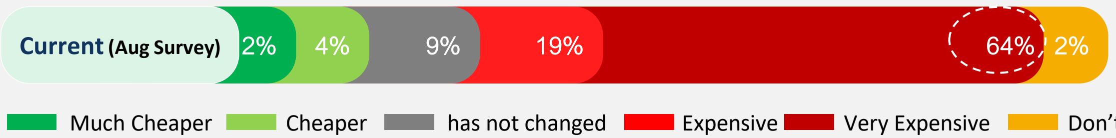
**excluding consumers who were not responsive*

PRICE SITUATION
&
HOUSEHOLD INCOME

Increasing prices of daily essentials is a major concern; this parameter has the lowest Net Indicator of 29 (versus all other parameters of the survey)

Current
Past 6 Months outlook from date of survey

Price Situation Aug Survey

In your opinion, in comparison to last six months, prices of daily essentials has	Net Indicator
	29

~2 out of 3 consumers surveyed in Aug mentioned that prices of daily essential items have become **very expensive**

Net Indicator	Under 30	30 - 49	Above 50
Aug Survey	30	29	27

~2 out of 3 respondents across each age group felt that prices of daily essential items have become **very expensive**

Net Indicator	Balochistan	Punjab	Sindh	KPK
Aug Survey	18	25	40	33

93% consumers in Balochistan, 86% in Punjab, 79% in KPK and 75% in Sindh felt that prices of daily items have increased

Net Indicator	Male	Female
Aug Survey	27	40

67% of males respondents felt that prices of daily essential items have become **very expensive compared to 53% of female respondents**

Net Indicator	Urban	Rural
Aug Survey	40	24

87% of rural consumers and 75% of urban consumers felt that daily essentials have become more expensive

Survey Question Asked for Assessing Price Situation: *In your opinion, in comparison to last six months, prices of daily essentials has…? i) Much cheaper, ii) Cheaper, iii) Have not changed, iv) Expensive, v) Very expensive, vi) Don't Know/ No Response*

Please refer to page 31 in Appendix Section for survey responses on Price Situation in Feb Survey.

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52% consumers are confident that their income levels will remain same or improve in next 6 months (down from 58% in Feb Survey)

Future
Next 12 Months outlook from date of survey

Household Income Aug Survey

What change do you expect in your household income in the future?

	Increase a lot	Increase	no change	Decrease	Decrease a lot	Don't Know	Net Indicator
Future (Feb Survey)	5%	27%	26%	24%	12%	7%	102
Future (Aug Survey)	5%	24%	23%	23%	13%	13%	97 ↓

52% consumers are confident that their income levels will remain same or improve in next 6 month

Net Indicator	Under 30	30 - 49	Above 50
Feb Survey	107	99	98
Aug Survey	101 ↓	96 ↓	88 ↓

Pessimism on future household income increased with age although the difference is marginal

Net Indicator	Balochistan	Punjab	Sindh	KPK
Feb Survey	81	104	98	107
Aug Survey	83 ~	102 ↓	94 ↓	91 ↓

In **Balochistan, 57%** of consumers feel household income **will decrease. In other regions, ~40% feel the same***

Net Indicator	Male	Female
Feb Survey	99	106
Aug Survey	96 ↓	103 ↓

Females are marginally more optimistic about the future household income than males

Net Indicator	Urban	Rural
Feb Survey	108	99
Aug Survey	101 ↓	96 ↓

An almost equal percent expect income to increase, decrease or remain same in both rural and urban areas

Survey Question Asked for Assessing Household Income Situation: *what change do you expect in your household income in the future?*
i) Will increase a lot, ii) Will increase, iii) Will not change, iv) Will decrease, v) Will decrease a lot, vi) Don't Know/ No Response

APPENDIX

This report has been developed to assess Consumers' Confidence across Pakistan. Multiple stakeholders can use this report for strategic decision making.

The Consumer Confidence Index (CCI Index) is a globally recognized instrument that helps understand the sentiments and outlook of the common man.

The Consumer Confidence Survey measures the level of optimism that consumers have about household financial situation, country's economic condition, job prospects, personal finances and spending intentions[1].

Thus, it would help multiple stakeholders to strengthen their research, develop their strategies, and aid in the process of decision making.

Target Audience (Multiple Stakeholders)

- **Public Institutions and Policy Makers**
- **Large and Small Businesses (especially B2C)**
- **Development Financial Institutions & Foundations**
- **Banks and Non-Banking Financing Institutions**
- **Education and Research Center**

1 Purchase of Assets Index is an indicator of Spending Intentions, and was covered in Feb Survey . However this section was omitted in Aug Survey, due to length of Questionnaire being reduced as the survey was done telephonically (due to COVID related restrictions)

This report compares changes in Consumer Confidence immediately prior to the COVID-19 outbreak in Pakistan and the current situation

	Feb Survey	Aug Survey
Number of Respondents	2,041	1,500
Time period of Survey	Feb-20 to Mar-20	Jul-20 to Aug-20
Mode of Survey Interviews	Face to Face	Telephonic

- The report based on Feb Survey was not published as Consumer Sentiments radically changed immediately after the survey due to the COVID-19 outbreak
- In this report we have compared Feb Survey and Aug Survey findings to highlight the changes in Consumer Confidence from pre-COVID times to the current situation
- Due to difficulty in getting responses amidst COVID-19, number of questions were reduced in Aug Survey (please refer page 31 and 32 for the list of questions asked as part of each survey).

Majority of the survey was conducted in Feb 2020 with only some interviews conducted in the first few days of March 2020

The Consumer Confidence Index report compares survey results, and assesses current & future consumer outlook for all key parameters across demographic segments

Analysis Framework

Consumers' response related to Current Sentiments and Future Outlook

Current CCI
Past 6 Months sentiment from date of survey

Future CCI
Next 6 Months outlook from date of survey

Q. How would you describe the current situation in comparison to 6 months ago?

Q. What do you expect the situation to be 6 months from now?

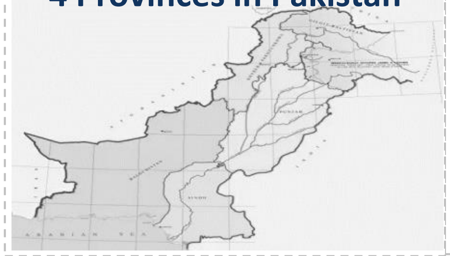
Confidence Comparison Pre-COVID and in the Current Situation

Feb Survey	Aug Survey

Two different colors are used to indicate the Surveys

Demographics Split

4 Provinces in Pakistan



Location

Urban

Rural

Age Group

Below 30

30 - 49

50 & above

Gender

Male

Female

For each question asked during the survey, the respondents had multiple options: much better, better, same, worse, much worse and don't know

In Feb Survey, 22 questions were asked from 2,041 respondents on four topics

Questionnaire Feb Survey

	CONSUMER CONFIDENCE			
Parameters	**Household Financial Situation**	**Country's Economic Condition**	**Unemployment**	**Household Savings**
Current	Q1. How is your household's current financial situation in comparison to 6 months ago?	Q3. How would you describe the current economic situation of Pakistan as compared to six months ago?	Q5. In your opinion, compared to the last six months, unemployment in Pakistan has increased, decreased, or remained the same?	Q7. Do you think, in comparison to the last 6 months, your household savings have increased, decreased, or remained the same?
Future	Q2. What do you expect your household's financial situation to be 6 months from now?	Q4. How do you expect Pakistan's economic situation to be in the next six months?	Q6. In your opinion, unemployment in Pakistan in the next 6 months will increase, decrease, or remain the same?	Q8. Do you expect your household savings to increase, decrease, or remain the same in the next 6 months?

	PURCHASE OF ASSET		
Parameters	**Likelihood of buying durable goods**	**Likelihood of buying car, motorcycle**	**Likelihood of buying/constructing a house**
Current	Q9. In your opinion, how is today for buying large household items such as furniture, fridge, television etc. as compared to six months ago?	Q10. Consider that one of your friends is thinking of buying a car or a motorcycle, in your opinion how is this time to buy these items as compared to six months ago?	Q12. Consider that one of your friends is thinking of buying or constructing a house, in your opinion how is this time to buy these items as compared to six months ago?
Future		Q11. Consider that one of your friends is thinking of buying a car or a motorcycle, in your opinion how will next six months' time be to purchase these items as compared to today?	Q13. Consider that one of your friends is thinking of buying or constructing a house, in your opinion how will next six months' time be to purchase these items as compared to today?

	PRICES			
Parameters	**Outlook on food prices**	**Outlook on fuel/utilities prices**	**Outlook on Clothing and Footwear**	**Outlook on House rents**
Current	Q14. In your opinion, the prices of food items today as compared to six months ago are ……	Q16. In your opinion, the prices of electricity, gas, petrol etc. today as compared to six months ago are ……	Q18. In your opinion, the prices of clothes, shoes etc. today as compared to six months ago are ……	Q20. In your opinion, the house rents today as compared to six months ago are ……
Future	Q15. In your opinion, the prices of food items six months later as compared to today will be ……	Q17. In your opinion, the prices electricity, gas, petrol etc. six months later as compared to today will be?	Q19. In your opinion, the prices of clothes, shoes etc. six months later as compared to today are …..	Q21. In your opinion, the house rent six months later as compared to today are ……

HOUSEHOLD INCOME	
Parameters	**Outlook on Household Income**
Future	Q22. What change do you expect in your household income in the future?

In Aug Survey, 10 questions were asked from 1,500 respondents on three topics

Questionnaire Aug Survey

	CONSUMER CONFIDENCE			
Parameters	**Household Financial Situation**	**Country's Economic Condition**	**Unemployment**	**Household Savings**
Current	Q1. How is your household's financial situation in comparison to last 6 months?	Q3. In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months?	Q5. In your opinion, in comparison to last 6 month, unemployment in Pakistan is …..?	Q7. Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same?
Future	Q2. What do you expect your household's financial situation to be in next 6 months?	Q4. In your opinion, what do you expect Pakistan's economic situation to be in next 6 months?	Q6. In your opinion, in next 6 months, unemployment in Pakistan will be….?	Q8. Do you expect your household savings to increase, decrease or remain the same in next 6 months?

	PRICES
Parameters	**Outlook on food prices**
Current	Q9. In your opinion, in comparison to last six months, prices of daily essentials has…?

	HOUSEHOLD INCOME
Parameters	**Outlook on Household Income**
Future	Q10. What change do you expect in your household income in the future?

In Aug Survey, number of questions were reduced due to limitations faced by the COVID-19 situation across Pakistan because of which the survey was conducted telephonically

Price Situation (Feb Survey): Consumer Sentiments about Price Situation were extremely pessimistic with expectation of further increase in prices

Price Situation
Feb Survey

Feb Survey

Parameters	Current Sentiment	Future Expectation
Food Prices	33	61
Prices of electricity, gas etc.	33	61
Prices of clothes, shoes etc.	28	51
House Rents	38	50

Even during the pre-COVID survey, 3 out of 4 consumers felt that prices have increased and expected it to further increase

Survey Question Asked for Assessing Price Situation: *Refer to Feb Survey questionnaire in appendix section*

In Aug Survey, only one question pertaining to Prices of Essential Items was asked

Purchase of Assets (Feb Survey): Consumers remained pessimistic about purchasing an asset in both current situation and for next six months

Purchase of Assets
Feb Survey

Parameters	Current Sentiments	Future Expectation
Likelihood of Buying a large household item	62	
Likelihood of Buying a car or a motorcycle	66	77
Likelihood of Buying or constructing a house	62	73

During Feb Survey, ~60% of consumers felt that it was not a good time to Purchase Assets while around 16% felt it was a good time
(rest were indifferent)

Survey Question Asked for Assessing Purchase of Asset: *Refer to Feb Survey questionnaire in appendix section*

In Aug Survey, Purchase of Assets questions were not included

METHODOLOGY

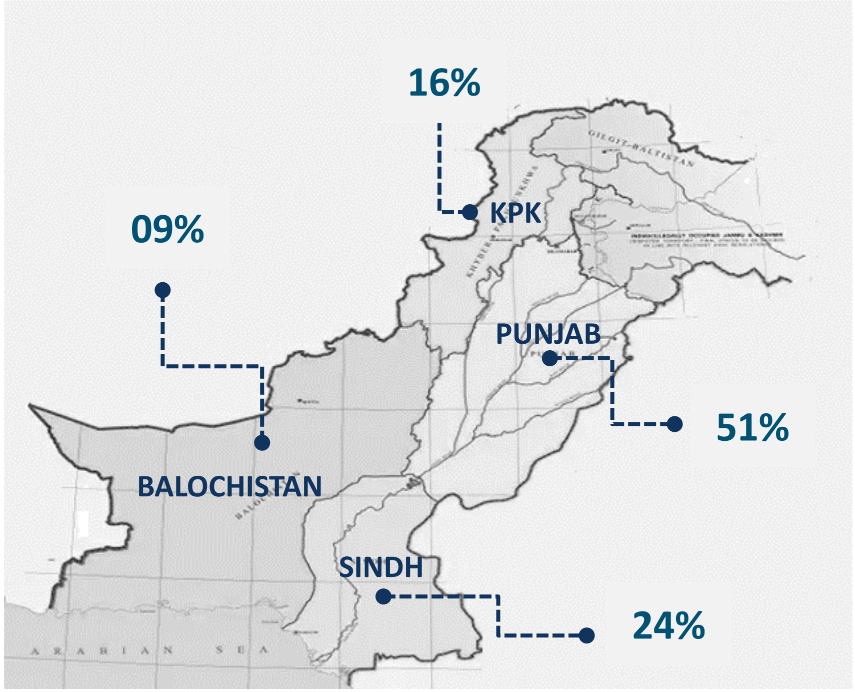
Feb Survey: The face to face survey was conducted by a team of trained professionals from Gallup Pakistan among 2,041 respondents

Survey Sampling

Sample size: 2,041

Data Collection Period:
08th Feb – 12th Mar, 2020

Urban	46%
Rural	54%
Male	58%
Female	42%
Under 30	40%
30 - 50	48%
Above 50	12%



Survey was conducted with an attempt to closely match the demographic spread of Pakistan

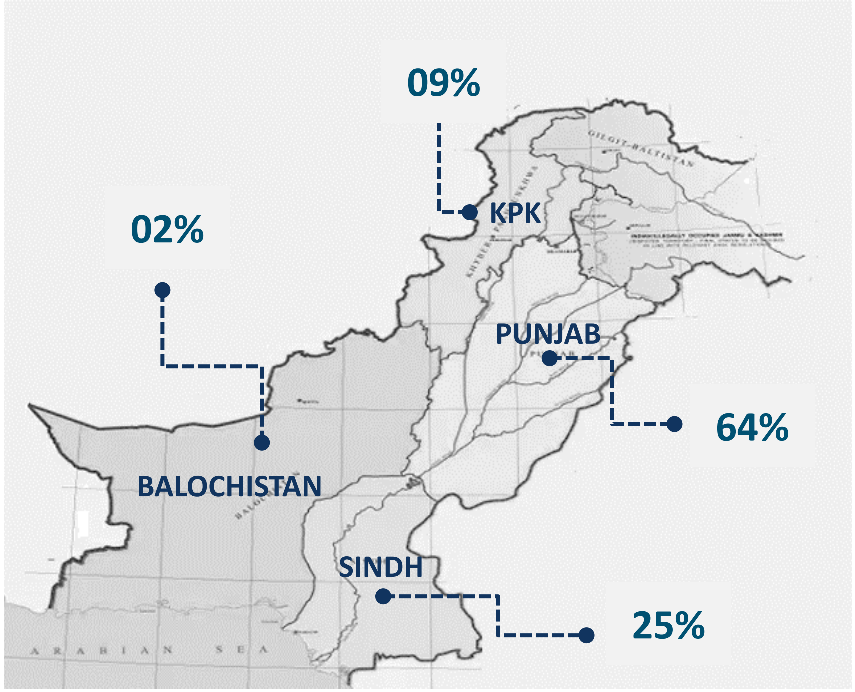
Aug Survey: Due to the COVID-19 situation, a telephonic survey was conducted by a team of trained professionals from Gallup Pakistan among 1,500 respondents

Survey Sampling

Sample size: 1,500

Data Collection Period:
09th Jul – 10th Aug, 2020

Urban	65%
Rural	35%
Male	76%
Female	24%
Under 30	48%
30 - 50	42%
Above 50	10%

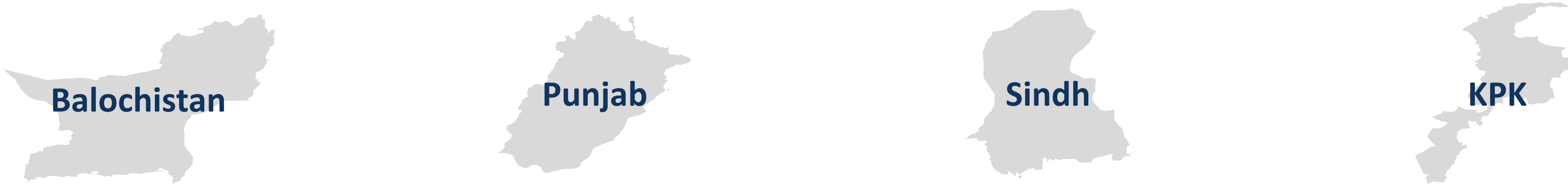


Despite limitations faced due to COVID-19, the survey was conducted with an attempt to closely match the demographic spread of Pakistan to the extent possible

This survey has been weighted using post stratification weights

Survey Methodology

Weighting Approach



Balochistan	Punjab	Sindh	KPK
Balochistan Rural	**Punjab Rural**	**Sindh Rural**	**KPK Rural**
Balochistan Urban	**Punjab Urban**	**Sindh Urban**	**KPK Urban**

A weighting approach has been used for the CCI. This is done to make the sample of survey respondents more representative of the statistical population.

The weights have been applied on the basis of two auxiliary variables:

1) Province of Residence (Sindh, Punjab, KPK or Balochistan) and

2) Location of Residence (Urban or Rural)

The assignment of a weight to each survey respondent is such that: demographics that are under-represented (when compared to the actual population proportion) get a weight larger than 1, and those in over-represented groups get a weight smaller than 1.

For estimating Net Indicator, weights have been assigned to each response asymmetrically to account for respondent's tendency to under weigh positive responses

Survey Methodology

Response Weighting

Response Weights	1.00	0.75	0.25	(0.75)	(1.00)	0.00
Response Categories	Much Better	Better	Same as Before	Worse	Much worse	Don't Know
Net Indicator	**(100% + Σ (Weighted Responses))*100**					

Net indicator is a composite score computed for each index parameter by assigning weights to responses received from consumers. For each question asked during the survey, the respondent had six options as shown above.

Neutral responses (Same as before) have been assigned a weight of 0.25 due to respondent's tendency to under-weigh positive responses.

Net Indicator is computed by taking a weighted average sum of the responses based on the weights indicated above. It has been converted into an index by adding 100 to the weighted average score. The index will thus range from 0 to 200

Index Interpretation: **Under 75 - extremely pessimistic**, 75 to 100 – pessimistic, 100 to 125 – optimistic and 125 & above - extremely optimistic

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- Research & Advisory Services
- Risk Consultancy Services
- Credit Bureau Solutions (Planned)

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- Third Party Evaluations
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- Market Exploration & Assessment Studies
- Market Research Studies

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- **ICT & Telecom Research**
- **Healthcare Research**
- **Behavioral Science Lab**
- **Gallup History Project**
- **Social and Political Research**

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