



وزارة التخطيط التنموي والإحصاء
Ministry of Development Planning and Statistics

Qatar's Consumer Confidence Index (CCI)

Q3- September 2015

Developmental Indicators Series

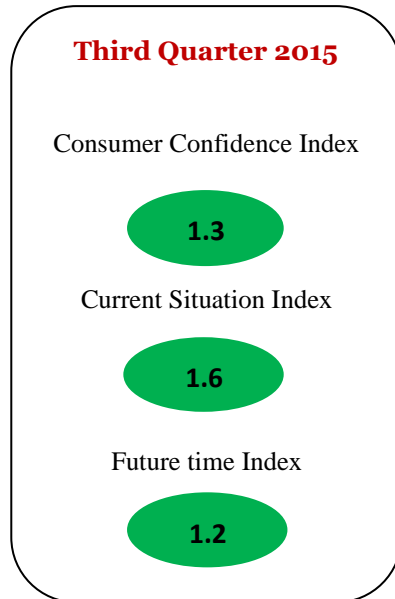
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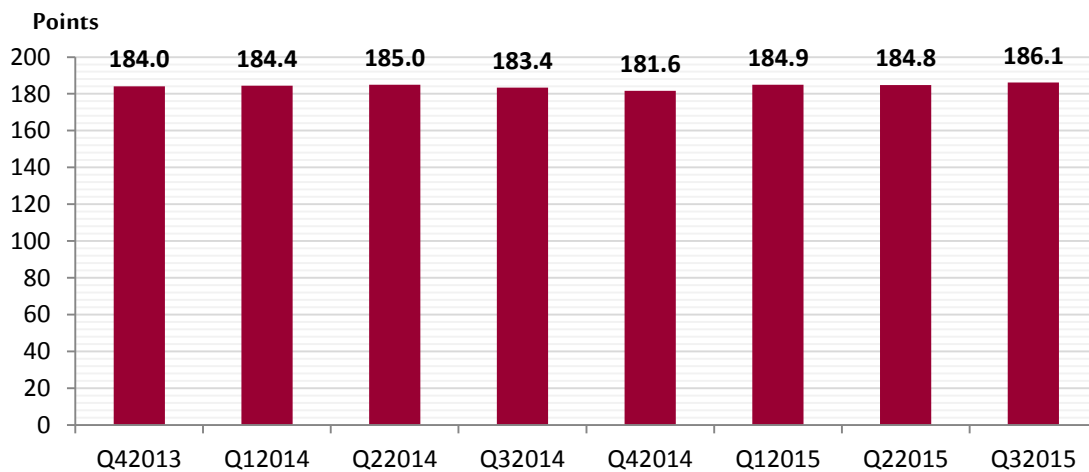
Consumer Confidence Index :

Doha, September 2015: CCI has increased by nearly (1.3) points in Q3, 2015 compared to Q2, 2015. It settled at (186.1) points on average during Q3, 2015 compared to (184.8) points during Q2, 2015 (Figure 1).

The results reflected a high level of confidence in the state’s economic performance as a result of expectations of the lower unemployment rates and the rising income following several investment projects in the state, in addition to the preparations for the FIFA World Cup 2022 which will result in a rise in employment. The optimism levels in Qatar are the highest compared to many other countries around the world, as the index value since its first session (Q3, 2013) settled at high levels on index ladder (0-200). This, in turn, reflects consumers’ high optimism about the state’s economy and about their financial situations as well as their sense of job security for themselves and their households.



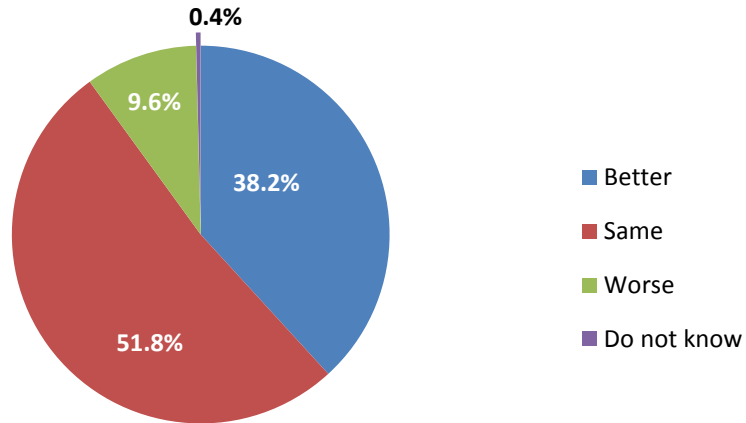
**Figure (1)
Consumer Confidence Index**



(38.2%) of households feel better about their financial situation in Q3, 2015 :

When consumers were asked about their perception of their own financial situations as well as their households’ during the survey period compared to the previous year, the results of the survey in Q3, 2015 showed that (38.2%) of respondents felt better about their financial situations compared to (40%) in Q2, 2015. Whereas (9.6%) of respondents felt that their financial situations were getting worse, compared to (6.5%) in Q2 of the same year. The percentage of households who expressed feelings of stability about their financial situations decreased to about (%51.8) in Q3, 2015 compared to (52.6%) in Q2, 2015.

Figure (2)
Compared to last twelve months, do you think the current financial situation for you and your household is better, worse or the same?

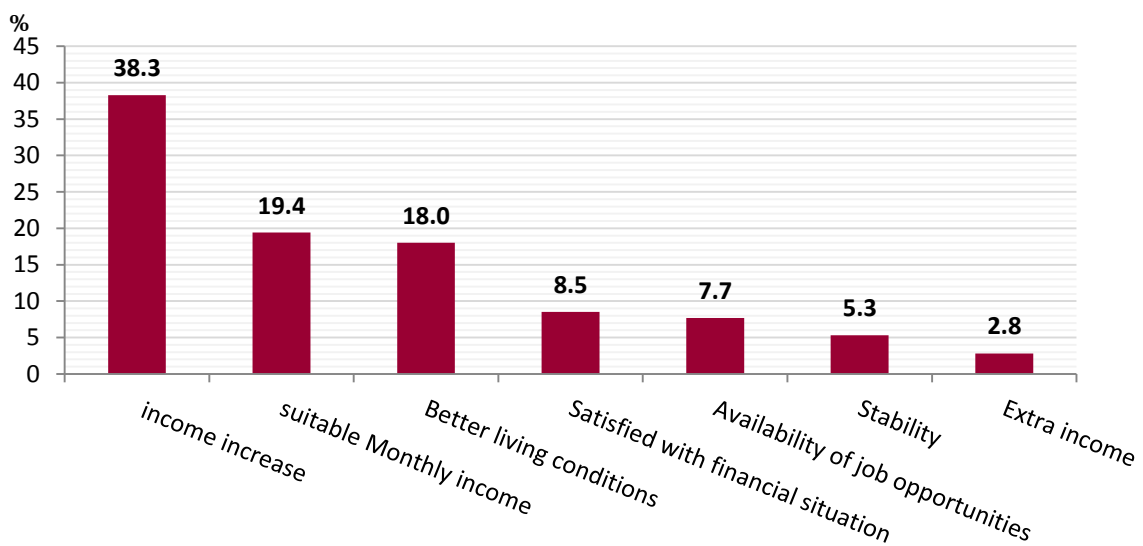


Feeling better about Household's financial situation :

The Q3, 2015 survey showed that the main reasons of some households (38.2%) felt better about their financial situations were the rise in income due to the fact that some employers increased salaries/wages and some employees got promoted at work or moved to other jobs that provide better income and benefits, as well as availability of job opportunities for some household members or extra income from investments in the financial market and other investments.

In general, Figure (3) demonstrates the reasons why households felt better about their financial situations during the survey period compared to the previous twelve months.

Figure (3)
The reasons why households feel their financial situation has improved compared to last 12 months

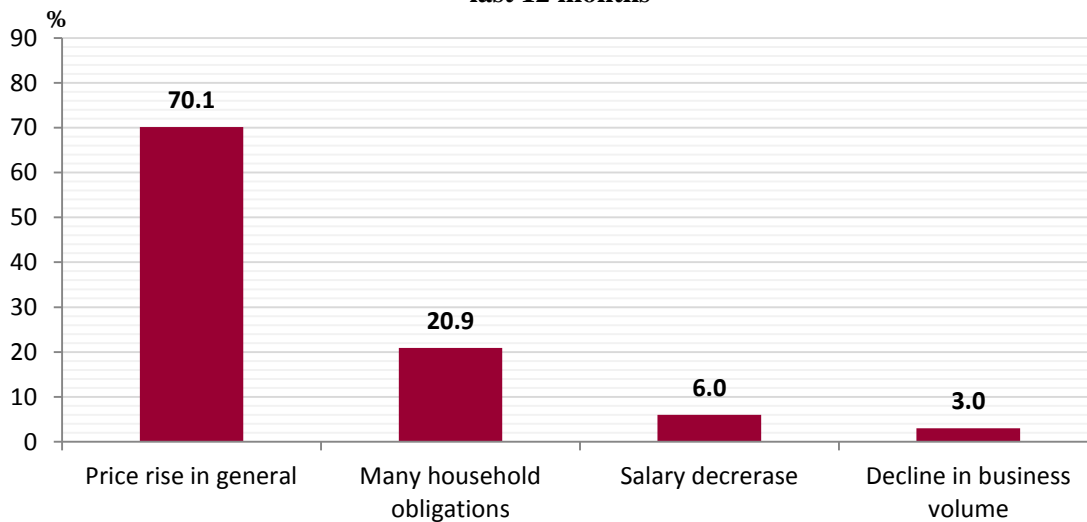


Feeling Worse about household's financial situation :

On the other hand, with respect to the households who reported feeling worse about their financial situations during the survey period compared to the previous year (9.6%), their answers came as a result of what they experienced about the sharp rise in education fees, rents and commodity prices in all forms, in addition to increasing commitments and burdens.

According to the data published by MDPS, the Consumer Price Index (CPI) rose during July, 2015 by about (0.6%) compared to June of the same year. CPI also increased in August, 2015 by about (0.5%) compared to July of the same year.

Figure (4)
The reasons why households feel their financial situation has worsened compared to the last 12 months

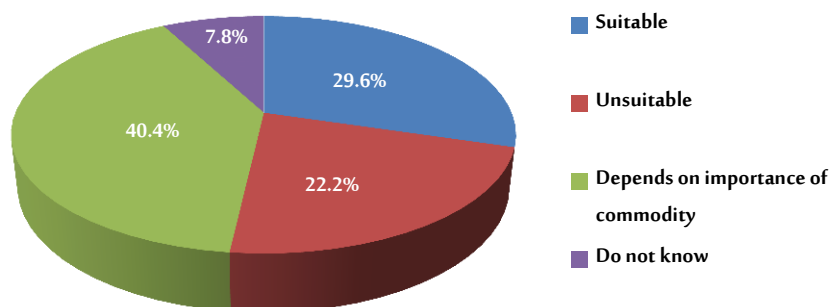


(29.6%) of households feel the time is right to buy durable goods :

When consumers were asked about their views on whether it was appropriate to buy long-term (durable) consuming goods at present, the results of the survey in Q3, 2015 indicated a decline in consumers' ratio to (29.6%) of those who expressed that the time was right to buy those goods compared to (33.3%), according to the results of the survey in Q2, 2015.

The ratio of consumers who would not buy those goods as long as they are not in an urgent need increased to (40.4%) compared to (35%) in Q2, 2015. On the other hand, the ratio of consumers who reported that the current time is unsuitable to buy durable goods reached (22.2%) compared to (18%), according to the results of the survey in Q2 of the same year. This indicates that consumer awareness in Qatar is improving, in view of the lack of their interest in buying durable goods and the priority of purchase. These ratios are shown in Figure 5.

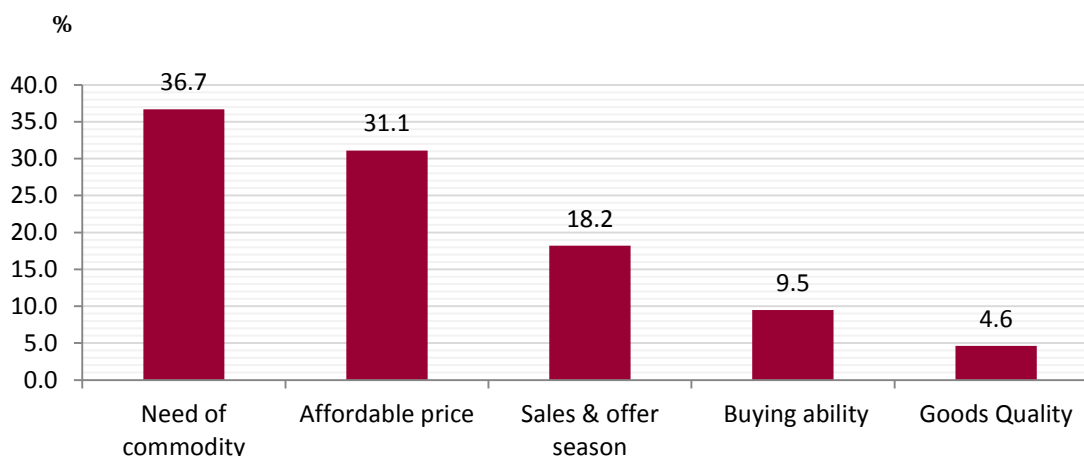
Figure (5)
Do you believe the present time, in general, is suitable for individuals and consumers buy durable goods (furniture, TV, fridge, washing machine, etc.)?



Reasons why some households feel the time is right to buy durable goods :

When consumers who reported the time was right to buy durable goods (%29.6) were asked about the reasons for this feeling, the results of Q3, 2015 survey indicated that the main reason was the need for this commodity which was expressed by about (36.7%), then the "price appropriateness" factor by about (31.1%), and in third place came the "offers and discounts" factor by (18.2%).

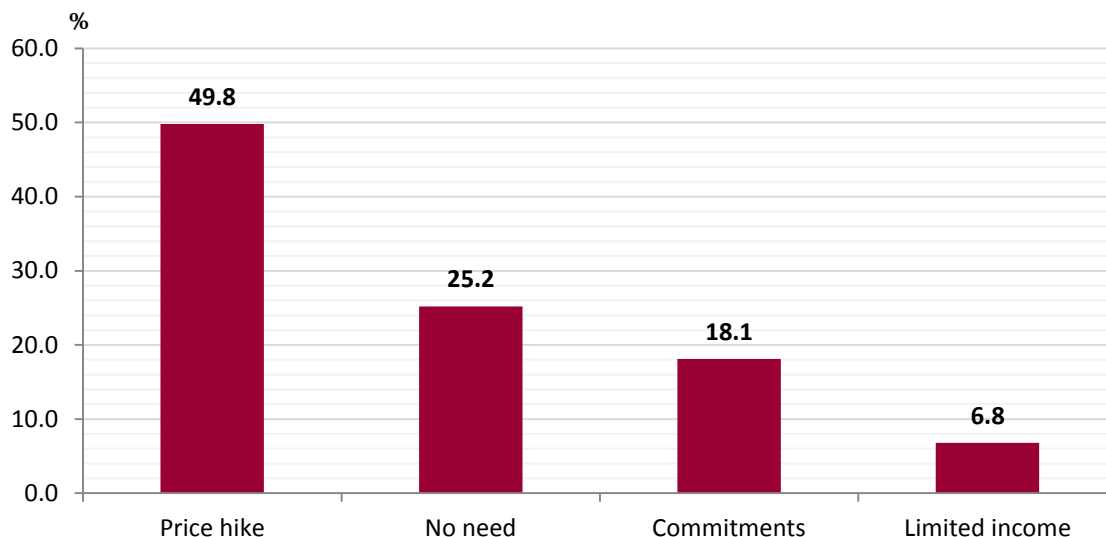
Figure (6)
Consumers' reasons about the appropriateness of buying durable goods



Reasons why some households feel the time is inappropriate to buy durable goods :

The surveyed consumers who felt the time is inappropriate to buy durable goods (22.2%) reported that the main reasons were the high prices in general (49.8%), followed by lack of need for these goods (25.2%), and increase in household commitments (18.1%), while (6.8%) blamed it on limited income (see Figure 7).

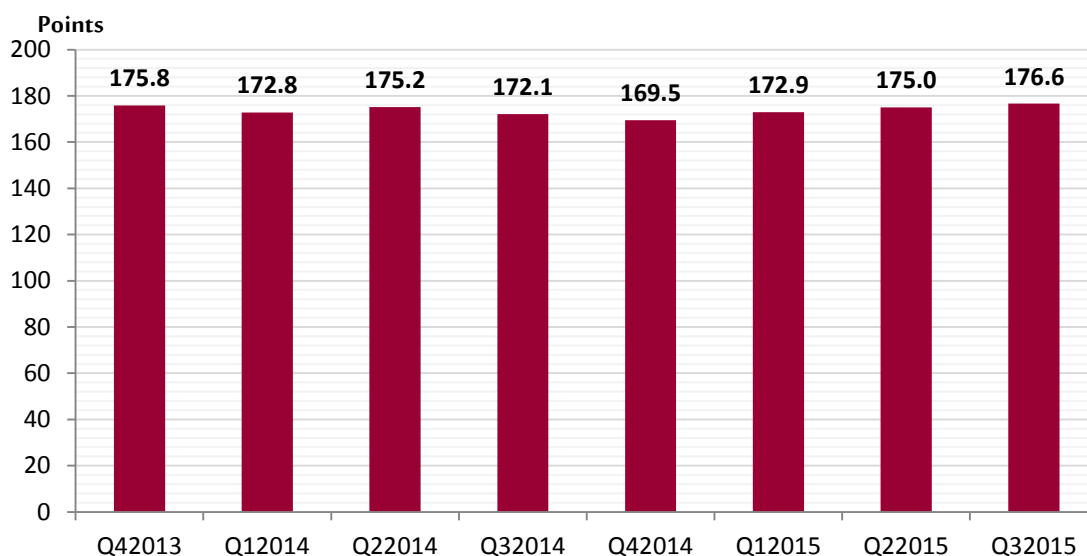
Figure (7)
Households' reasons for thinking that the present time is inappropriate for durable goods purchase



Households express optimism about the current situation :

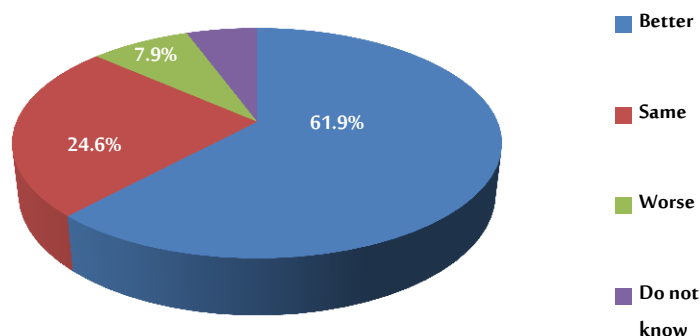
According to the results of Q3, 2015, consumers' optimism about the current situation increased by about (1.6) points compared to Q2, 2015, as CSI value reached an average of (176.6) points. In general, the increase in income, the availability of job opportunities and the promotion at work for some household members during Q3 have all contributed heavily to keep optimism high.

Figure (8)
Current Situation Index (CSI)



When consumers were asked about the current economic situations compared to previous 12 months, (61.9%) of them felt better about the current economic situations in Qatar, and (24.6%) believed that the situations were the same, while (7.9%) felt that the economic situations were getting worse according to Q3, 2015 survey (Figure 9).

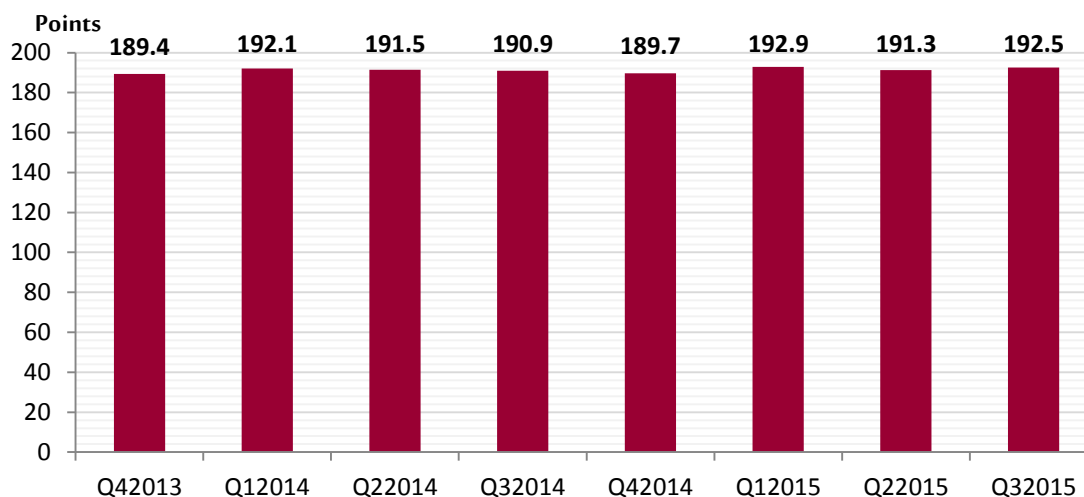
Figure (9)
With regard to the current economic situation in Qatar, do you think it is better, worse or the same compared to the last 12 months?



Households express optimism about future situation :

During Q3, 2015, the Future Expectations Sub-Index increased to (192.5) points, compared to (191.3) points in Q2, 2015 as a result of prediction by some households to have lower unemployment rates and higher incomes as a result of various investment projects in the state, in addition to hosting the World Cup 2022.

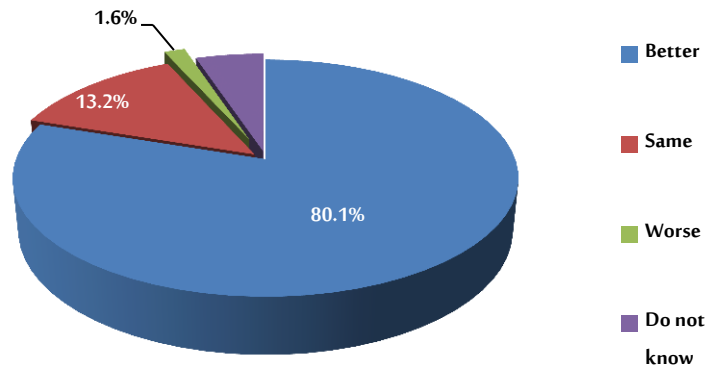
Figure (10)
Future Expectations Sub-Index (FEI)



According to respondents' opinions in Q3, 2015, about (80.1%) expected better economic situation in the next twelve months, compared with the current time (survey time), and about (13.2%) anticipated unchanged situation, while only (1.6%) expected a worse economic situation as shown in Figure (11).

.Figure (11)

Do you think that Qatar's economic situation will be better, worse or the same 12 months from now?



Household's future plan to buy a new vehicle :

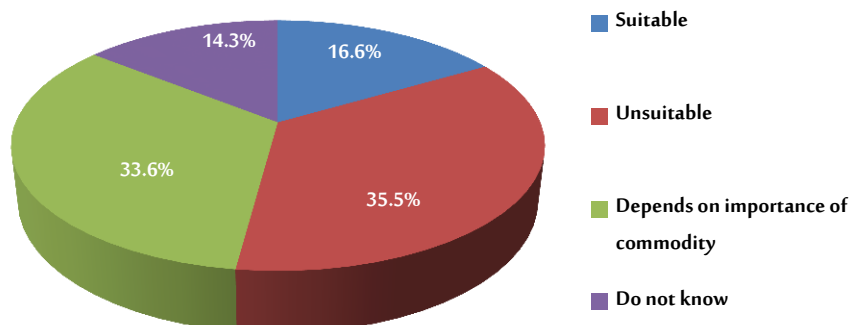
The results of Q3, 2015 survey indicated an increased in consumers who thought the time is suitable to buy a new vehicle over the next 12 months with (16.6%) compared to (16.1%) in Q2, 2015.

A large percentage of consumers expressed their desire to buy a new vehicle due to the aging of their present vehicle, especially since their income allows them to do so.

At the same time, (35.5%) of consumers surveyed in Q3, 2015 said the time was not suitable, compared to (35.9%) in Q2, 2015. Some households reported that car prices have risen in an exaggerated manner, in addition to having other commitments during the survey period and future periods which would not enable them to buy a car now.

Figure (12)

Do you think the next twelve months will be suitable for buying a vehicle (a compact car, van, SUV, etc.)?

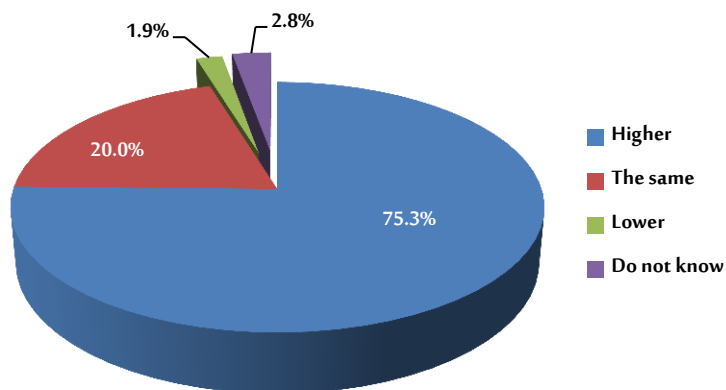


Household expectations for future prices :

The results of Q3, 2015 survey revealed that (75.3%) of consumers expected an increase in prices in general within 12 months from the survey time, compared to (79.8%) in Q2, 2015. Their expectations about the increase in prices were as follows: (17.1%) of consumers expected an increase in prices ranging from (1% to 5%), while (39.6%) expected an increase from 6% to 10%, and (43.3%) expected prices to increase over (10%), compared to (41.4%) in Q2, 2015.

Figure (13)

With regard to prices in general, do you expect that it will be higher, lower or remain the same during the next twelve months?



Methodology

The methodology used to build the Consumer Confidence Index has been based on international methodologies, especially those of Michigan University and Conference Board.

Measuring the CCI Consumer Confidence Index has depended on two sub-indices and five questions as follows:

1. CSI, consisting of respondents' evaluation of:
 - the present status of economy; and
 - current job opportunities and employment.

2. FEI, consisting of respondents' expectations during the following year regarding:
 - the future status of economy;
 - future job opportunities and employment; and
 - theirs and their families' future financial situation.

CCI value

The CCI values range from 0 to 200. It is maximum when the respondents' opinions are positive, and neutral at 100 points when the positive and negative opinions are equal. However, A CCI value of less than 100 points suggests negative evaluations of economic conditions in Qatar.

For further information on the methodology, please see the first Issue.

Current situation: The respondent's viewpoint vis-à-vis a given issue during the survey period compared to the previous twelve months.

Future Situation: The respondent's viewpoint vis-à-vis a given issue during the next twelve months.