



وزارة التخطيط التنموي والإحصاء
Ministry of Development Planning and Statistics

Qatar's Consumer Confidence Index (CCI)

Q4- December 2015

Developmental Indicators Series

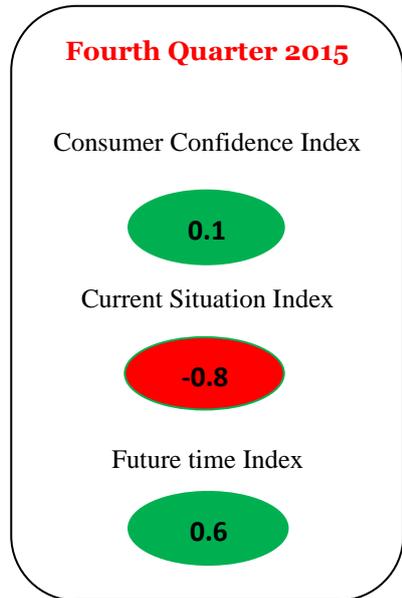
Table Of Contents

Subject	Page
Consumer Confidence Index (CCI).....	2
Households feel better about their financial situation.....	3
Reasons why households feel better about their financial situation.....	3
Reasons why households feel worse about their financial situation.....	4
Households feel the time is right to buy durable goods.....	5
Why some households feel the time is right to buy durable goods.....	5
Why some households feel the time is inappropriate to buy durable goods.....	6
Households express optimism about the current situation.....	7
Households express optimism about future situation.....	8
Household's future plan to buy a new vehicle.....	9
Household expectations for future prices.....	9
Methodology.....	11

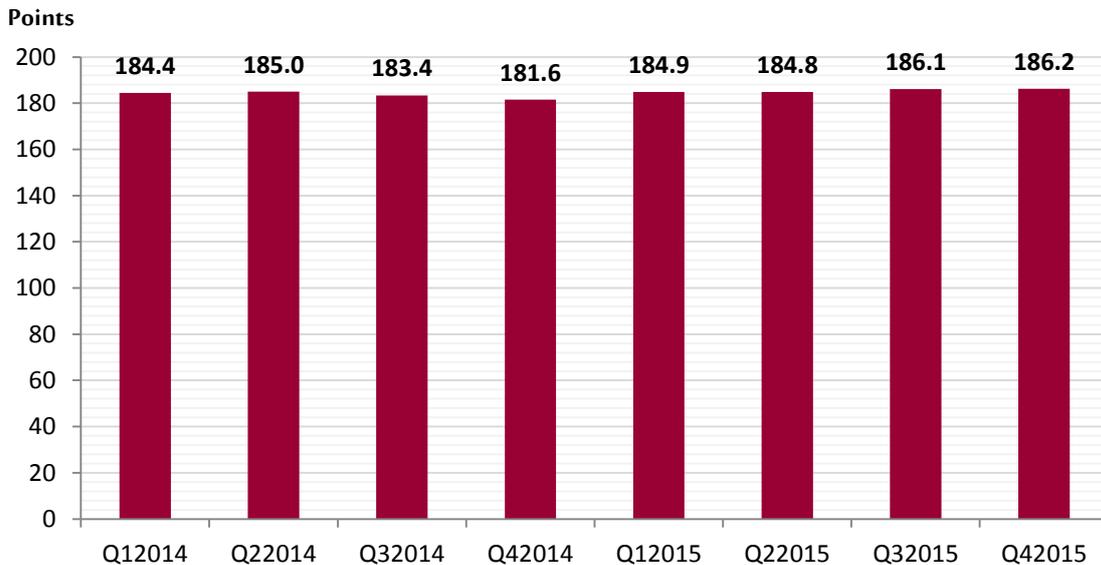
Consumer Confidence Index (CCI) :

Doha, December 2015: CCI has increased by nearly 0.1 point in Q4, 2015 compared to Q3, 2015. It settled at (186.2) points on average during Q4, 2015 compared to (186.1) points during Q3, 2015 (see Figure 1).

The levels of consumer optimism about the current situation in Q4, 2015 were affected by several factors, most notably the rise in school fees and expenses of education, in addition to higher rental value of housing and electricity bills, which was reflected on the Current Situation Index (CSI). Whereas, the Future Expectations Index (FEI) for the performance of the state's economy rose by (2.7) points compared to Q3, 2015, reflecting continued consumer confidence about the adopted government policies and their positive impact on the economic conditions, as well as the State’s commitment to support and implement key development projects of infrastructure, service buildings and others so as to reinforce the economy. The respondents expressed their satisfaction with the current job opportunities and expected a rise in income following several investment projects in the State. It is worth mentioning that optimism level in Qatar is among the highest compared to many other countries around the world, as the index value settled at high levels on the index ladder (0-200) since the first session. This, in turn, reflects consumers’ high optimism about the State’s economy and about their own financial situations.



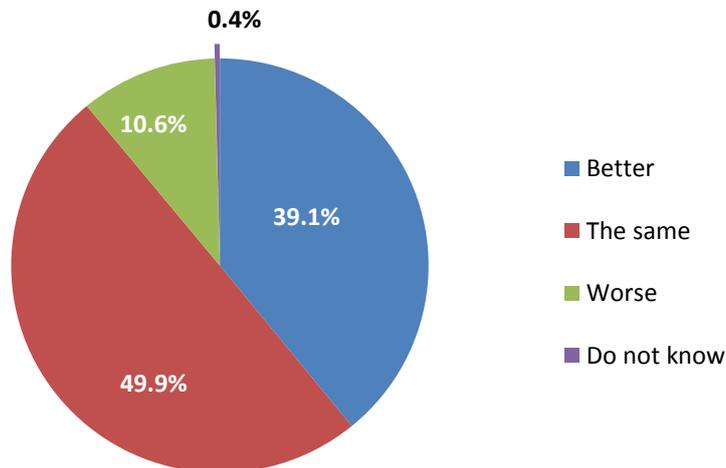
**Figure (1)
Consumer Confidence Index**



(39.1%) of households feel better about their financial situation in Q4, 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 Q4, 2015 showed that (39.1%) of respondents felt better about their financial situations compared to (38.2%) in Q3, 2015. Whereas (10.6%) of respondents felt that their financial situations were getting worse, compared to (9.6%) in Q3 of the same year. The percentage of households who expressed feelings of stability about their financial situations declined to about (49.9%) in Q4, 2015 compared to (51.8%) in Q3, 2015.

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

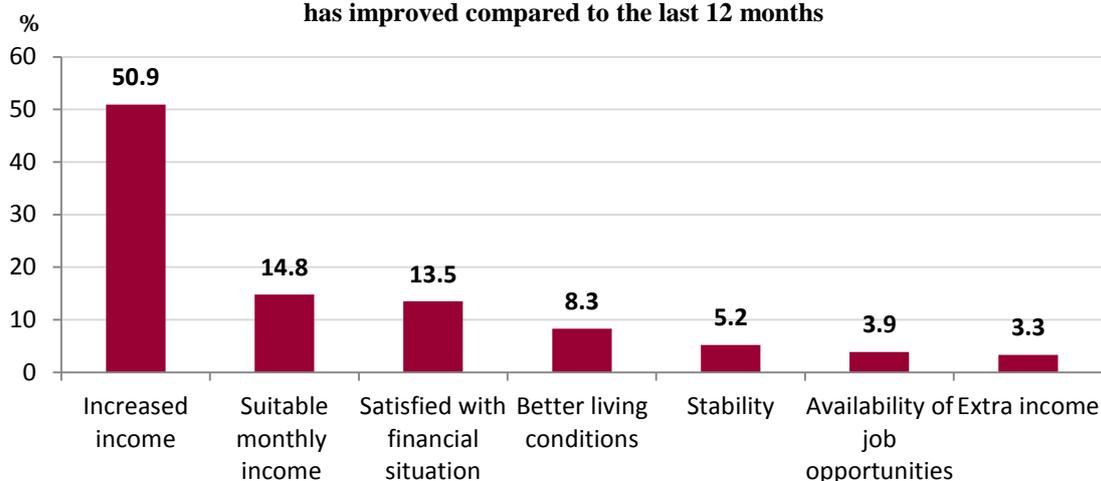


Feeling better about Household's financial situation :

The Q4, 2015 survey showed that the main reasons for some households feeling better about their financial situations (39.1%) were the rise in income compared to previous income due to some employers increased salaries/wages and some employees got promoted at work in addition to allowance and annual increments, as well as availability of job opportunities for some household members, or moved to other jobs that provided better income and benefits, and also some households have 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 the 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 (10.6%) during the survey period compared to the previous year, their answers came as a result of what they experienced about the sharp rise in education expenses, rents and commodity prices, in addition to increasing commitments and burdens, low income and job loss experienced by some household members.

According to the data published by MDPS, the Consumer Price Index (CPI) rose during Q4, 2015 by about (0.7%) compared to Q3 of the same year. There was a price increase in the education group; housing, water, electricity and gas group; and food and beverage group, by (4.6%), (2.1%) and (0.7%) respectively, compared to Q3 of the same year.

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

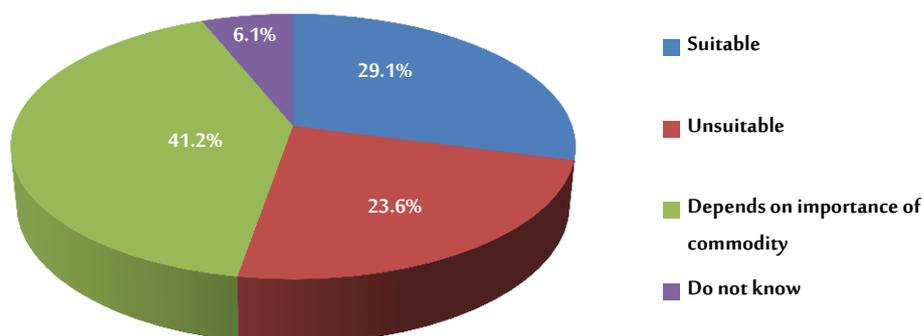


(29.1%) of households feel the time is right to buy durable goods :

When consumers were asked about their views on whether it was appropriate to buy long-term (durable) consumer goods at present, the results of the survey in Q4, 2015 indicated a stability in consumer ratio at (29.1%) of those who expressed that the time was right to buy those goods compared to (29.6%), according to the results of the survey in Q3, 2015.

The ratio of consumers who would not buy those goods as long as they are not in urgent need again increased to (41.2%) compared to (40.4%) in Q3, 2015. On the other hand, the ratio of consumers who reported that the current time is unsuitable to buy reached (23.6%) compared to (22.2%), according to the results of the survey in Q3 of the same year (see Figure 5).

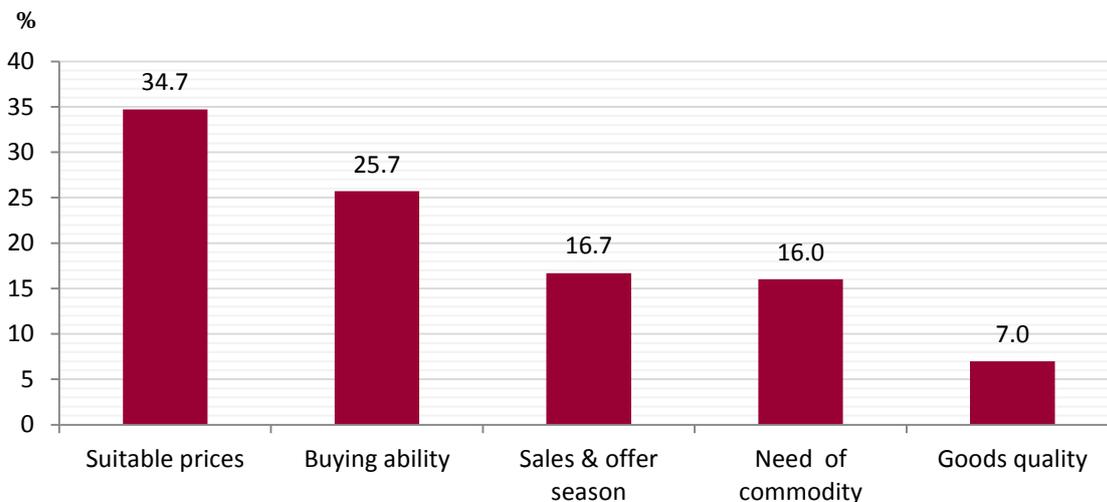
Figure (5)
Do you believe the present time, in general, is suitable to buy durable goods (furniture, TV, fridge, washing machine, etc.)?



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 (%29.1) were asked about the reasons for this feeling, the results of Q4, 2015 survey indicated that the main reason was “suitable prices” which was expressed by about (34.7%), then the "income allows" by about (25.7%), and in third place came the "offers and discounts" by (16.7%). For further details, please refer to Figure 6 next page.

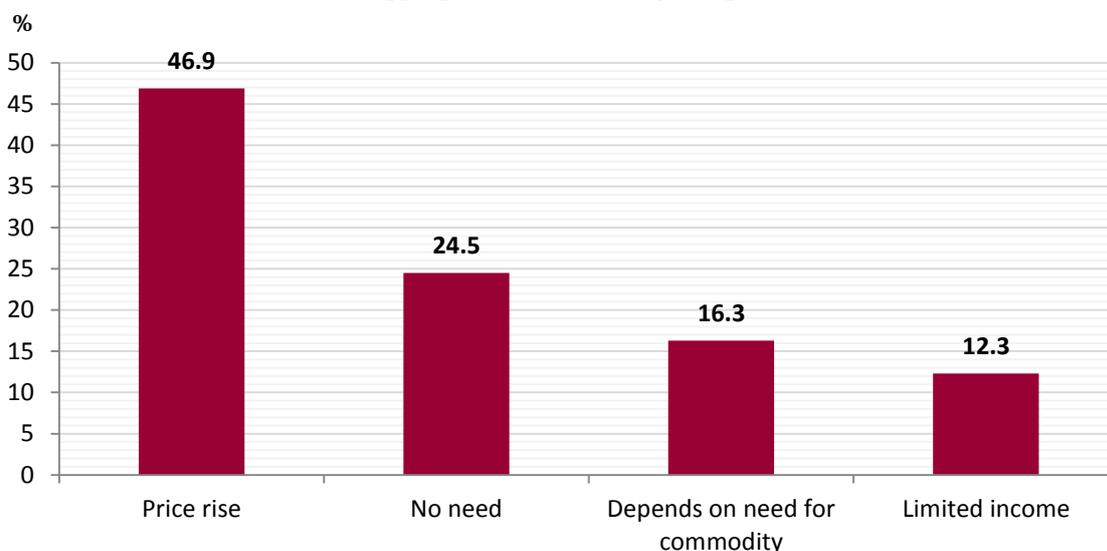
Figure (6)
Consumers' reasons to think that the time is appropriate to buy durable goods



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

The surveyed consumers who felt the time was inappropriate to buy durable goods (23.6%) reported that the main reasons were “high prices” (46.9%), followed by (24.5%) “lack of need for these goods”. This indicates that consumer awareness in Qatar is improving, in view of the lack of interest in buying durable goods and the priority of purchase. These ratios are shown in Figure 7 below.

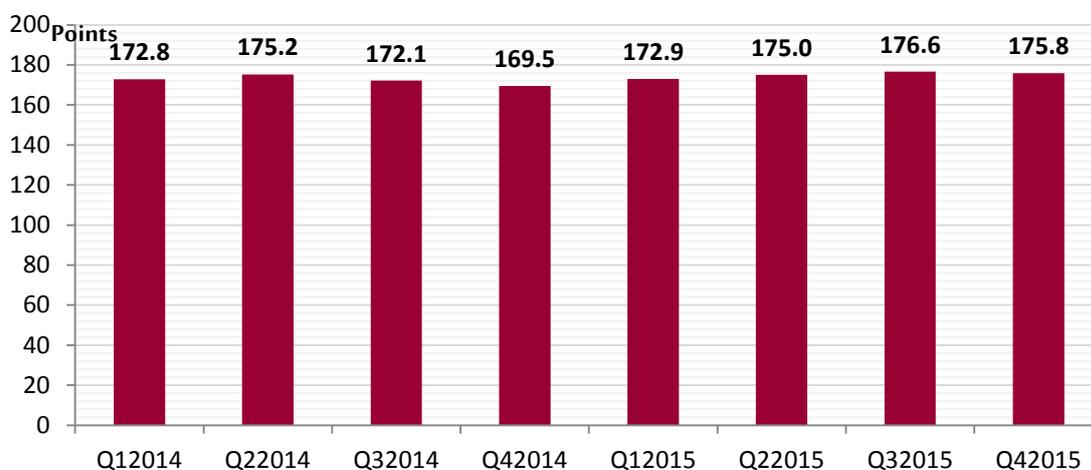
Figure (7)
Households' reasons for thinking that the present time is inappropriate for durable goods purchase



Households express optimism about the current situation :

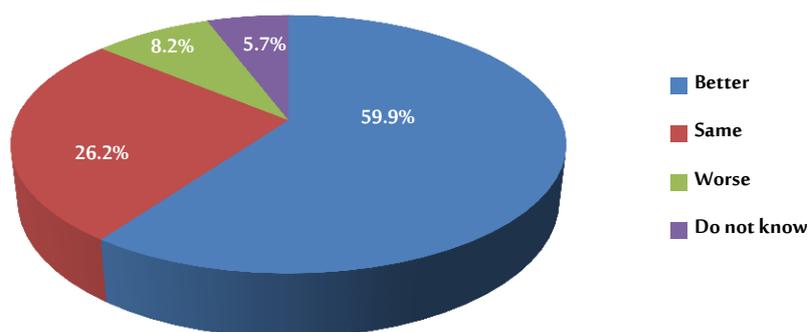
According to the results of Q4, 2015, consumers' optimism about the current situation continued despite the decline in the index value reaching a high point on the index ladder (175.8) points, recording a decline by about (0.8) point compared to Q3 of the same year. According to the surveyed respondents, the increase in school fees and education expenses had a significant impact on households' optimism, in addition to rising prices in general and high rental value of housing as well as higher electricity bills.

**Figure (8)
Current Situation Index (CSI)**



When asked about current economic situations compared to previous 12 months, (59.9%) of consumers felt better about the current economic situations in Qatar, and (26.2%) believed that the situations were the same, while (8.2%) felt the economic situations were getting worse according to Q4, 2015 survey (see Figure 9).

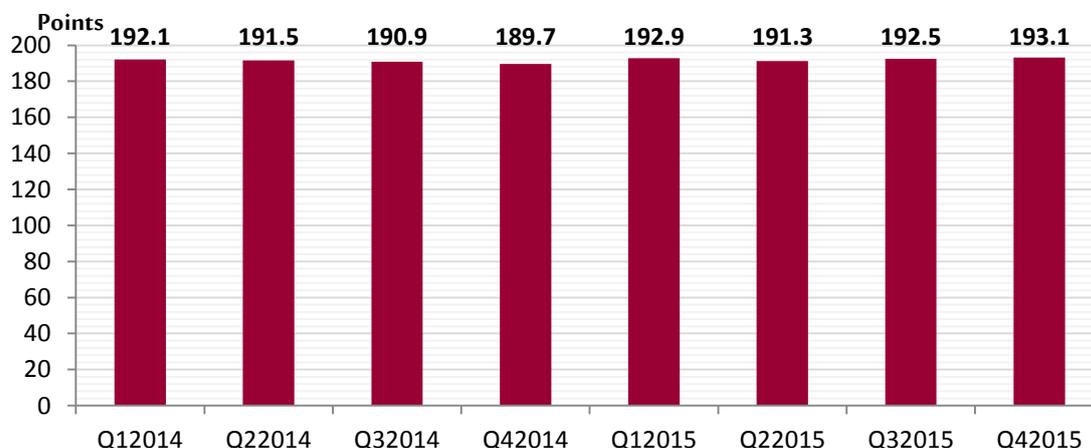
**Figure (9)
With regard to the current economic situation in Qatar,
do you think it is better, worse or the same compared to the last 12 months?**



Households express optimism about future situation :

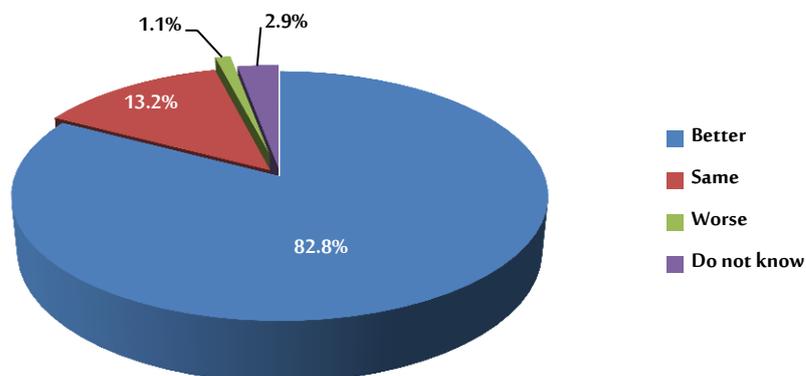
During Q4, 2015, the Future Expectations Sub-Index (FEI) increased to (193.1) points, compared to (192.5) points in Q3, 2015, a rise of (0.6) point. The survey respondents showed great optimism about the future economic situation in spite of the decline in global oil prices, reflecting their confidence in the State's economic performance and their awareness of the benefits of investment and development projects, the development of infrastructure, the Rail project and the remarkable construction boom, as well as their positive impact on the development of economic life and consequently the lives of citizens.

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



According to respondents' opinions in Q4, 2015, about (82.8%) expected better economic situation in the next twelve months, compared with the present time (survey time), and about (13.2%) anticipated unchanged situation, while only (1.1%) expected a worse economic situation in the next twelve months 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?



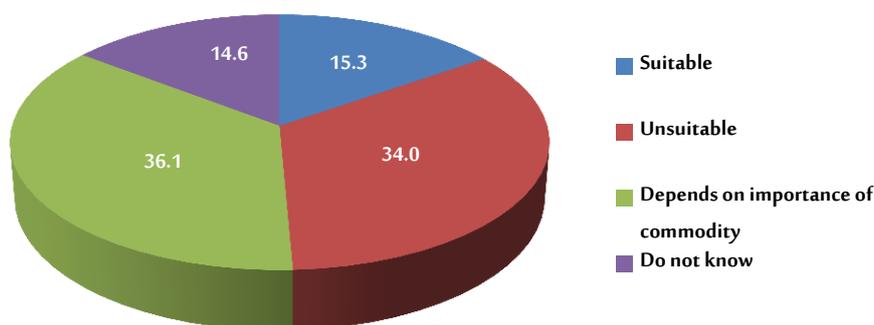
Household's future plan to buy a new vehicle :

The results of Q4, 2015 survey indicated an increase in consumers who thought the time was suitable to buy a new vehicle over the next 12 months with (15.3%) compared to (16.6%) in Q3, 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 allowed them to do so.

At the same time, (34.0%) of consumers surveyed in Q4, 2015 said the time was not suitable, compared to (35.5%) in Q3, 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 (see Figure 12).

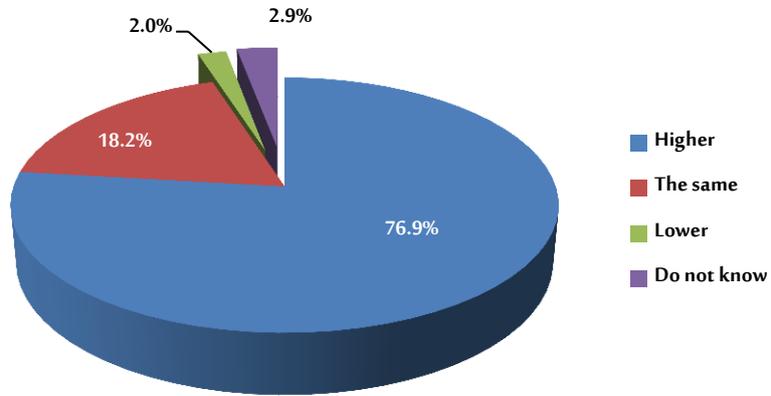
Figure (12)
Do you think the next twelve months will be suitable for buying a vehicle (a compact car, van, SUV, etc.)?



Household expectations for future prices :

The results of Q4, 2015 survey revealed that (76.9%) of consumers expected an increase in prices in general within 12 months from the survey time, compared to (75.3%) in Q3, 2015. Their expectations about the increase in prices were as follows: (20.6%) of consumers expected an increase in prices ranging from (1% to 5%), while (35.4%) expected an increase from (6% to 10%), and (40.0%) expected prices to increase over (10%), compared to (43.3%) in Q3, 2015.

Figure (13)
With regard to prices in general, do you expect that they 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.