



وزارة التخطيط التنموي والإحصاء
Ministry of Development Planning and Statistics

Qatar's Consumer Confidence Index (CCI)

Q4- December 2016

Developmental Indicators Series

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Methodology

The CCI has been structured basically based on international methodologies, especially those of Michigan University and Conference Board.

CCI is measured based on five questions that make up two sub-indices, namely:

1. **Current Situation Index (CSI)**, which consists of respondents' evaluation of:

- Current economic situation; and
- Current job opportunities and employment.

2. **Future Expectations Index (FEI)**, which consists of respondents' expectations one year from the survey period regarding:

- future economic situation;
- future job opportunities and employment; and
- future financial situation for themselves and their households.

CCI Value

The CCI value ranges from 0 to 200. It reaches maximum limit when all the respondents' opinions are positive, and is neutral at 100 points when positive and negative opinions are equal. However, when CCI value is less than 100 points, this indicates negative evaluation of economic situation in Qatar.

For further information on methodology, please refer to Issue No. 1.

Current Situation: The respondent's viewpoint on a given issue during the survey period compared to the previous twelve months.

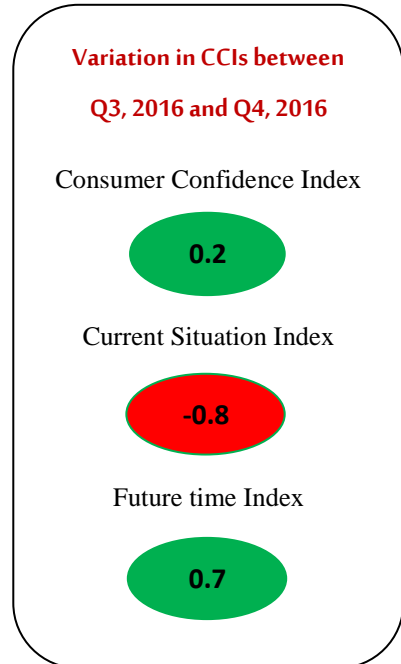
Future Situation: The respondent's viewpoint on a given issue during the next twelve months.

Consumer Confidence Index (CCI) :

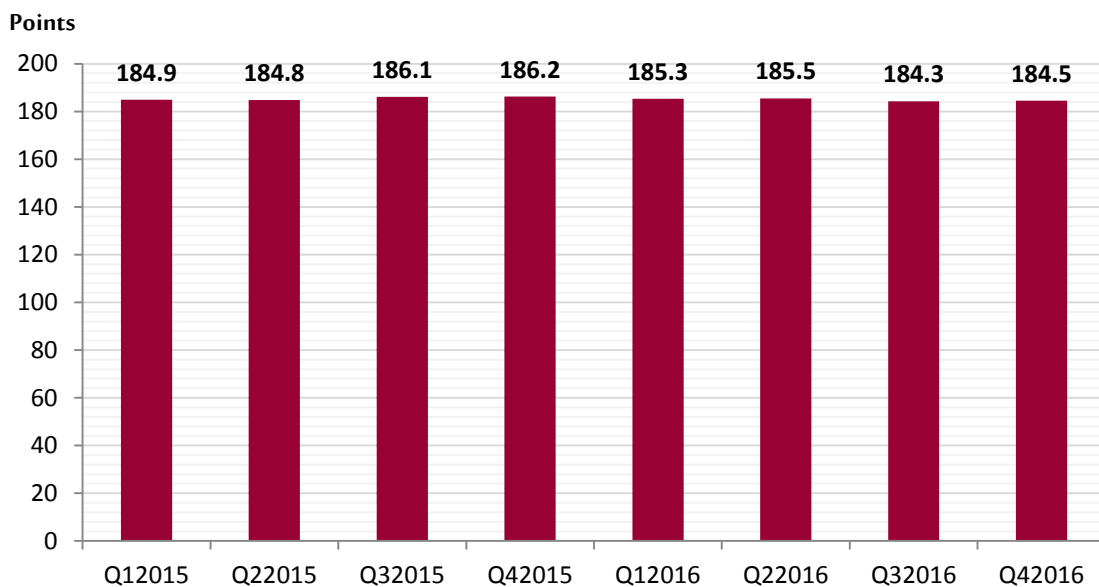
Doha, December 2016 : CCI increased by about (0.2) point in Q4 2016 compared to Q3 2016. CCI settled on (184.5) points as against (184.3) points during Q3 2016 (see Figure 1).

Households expressed their optimism regarding the future situation during the fourth quarter of 2016 compared to the third quarter of the same year. This reflects the continued consumer confidence in governmental policies, their positive impact on economic conditions and the State's keenness on supporting and diversifying the economy and improving the level of social services.

It is noteworthy that the confidence in the State's economic performance is high. The index value, since its first session (Q3 2013), settled on high levels on the index ladder. This, in turn, reflects consumers' high optimism about the State's economy as well as their own financial situations. The index value ranges between (0-200 points), where the index reaches its maximum (200) if the views of all respondents are positive.



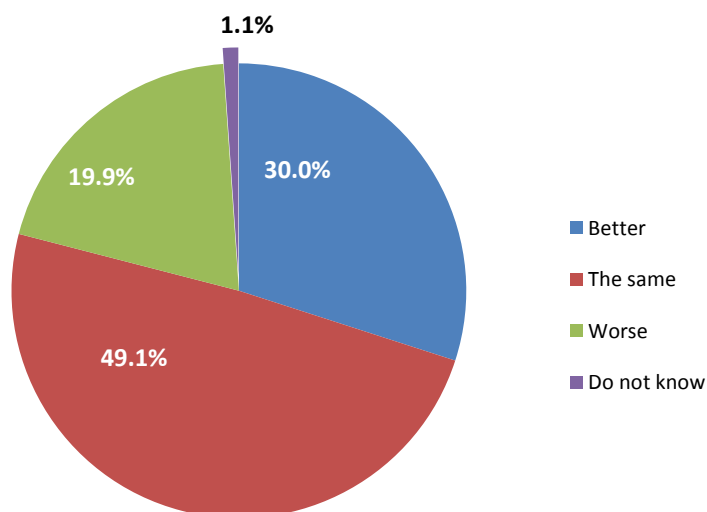
**Figure (1)
Consumer Confidence Index**



(30%) of households feel their financial situations improved in Q4, 2016 :

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 Q4 2016 Survey showed that (30.0 %) of respondents felt their financial situation improved as against (30.1%) in Q3 2016 survey. Meanwhile, (19.9%) of respondents felt their financial situations worsened compared to (15.6%) in Q3 2016. The percentage of households who expressed feelings of stability about their financial situations decreased to about (49.1%) in Q4 2016 as against (53.7%) in Q3 2016.

Figure (2)
Compared to the previous twelve months, do you think that your household's current financial situation is better, worse or the same?

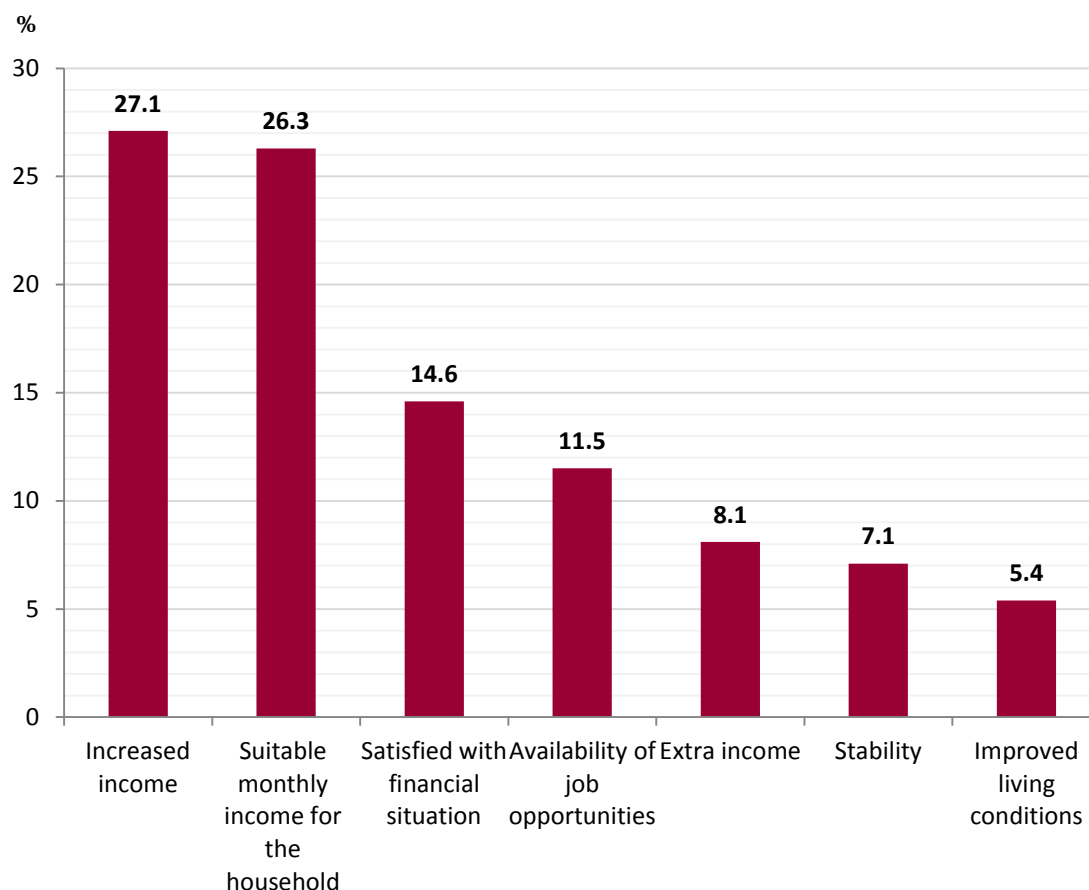


Feeling that the household's financial situation improved :

The Q4 2016 survey showed that the main reasons behind the feeling of some households that their financial situations improved (30%) were the earned income rise due to increased salaries and wages, promotion at work, having adequate monthly salary, improved living conditions, and availability of job opportunities for family members. In addition, some family members moved to other jobs providing better income and benefits

Figure (3) demonstrates further reasons why households felt their financial situations improved during the survey period compared to the previous twelve months.

Figure (3)
Reasons why households feel their financial situations improved, compared to the previous 12 months

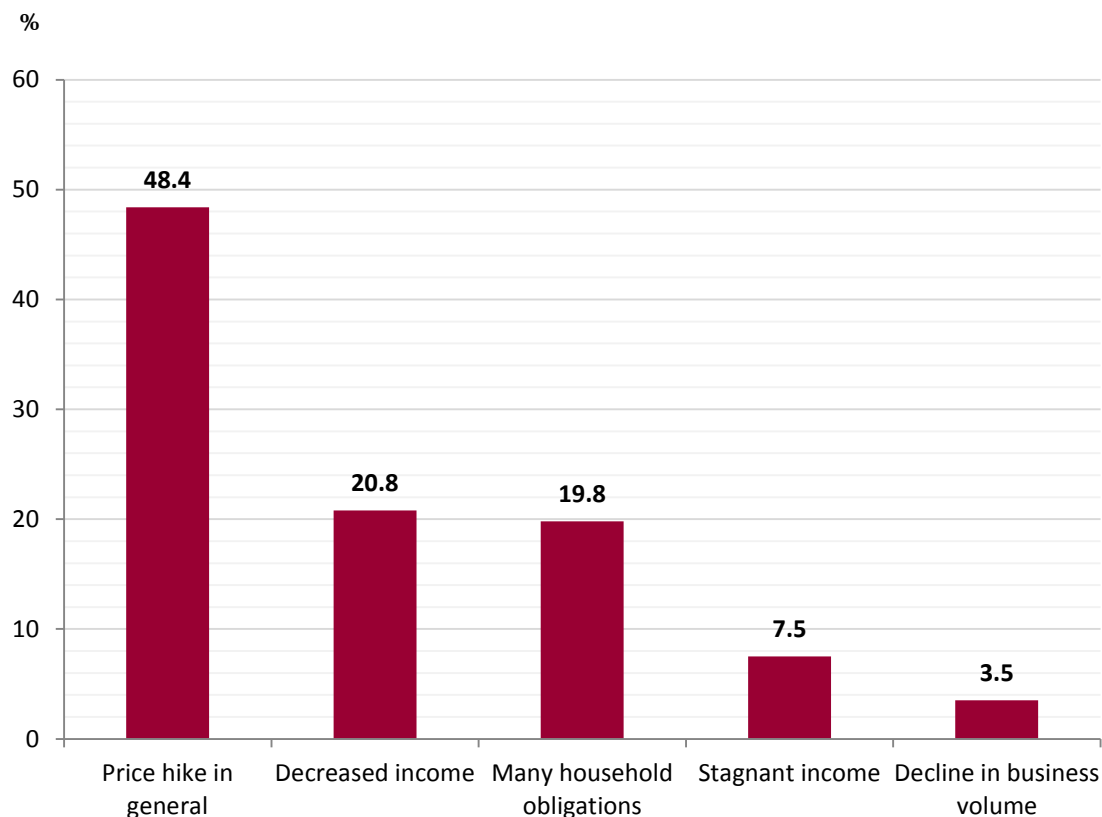


Feeling that the household’s financial situation worsened :

On the other hand, with respect to the households who reported their financial situations worsened (19.9%) during the survey period compared to the previous year, they attributed that to high prices in general, as well as reduced income due to reduced bonuses, allowances and overtime, and job loss experienced by some household members, as well as increased household obligations and burdens.

According to the data published by MDPS, the Consumer Price Index (CPI) attained (108.5) points in October 2016 (a decline of -0.4%) compared to September of the same year. The index also amounted to (108.6) and (108.3) points in November and December 2016, respectively.

Figure (4)
Reasons why households feel their financial situations worsened,
compared to the previous 12 months

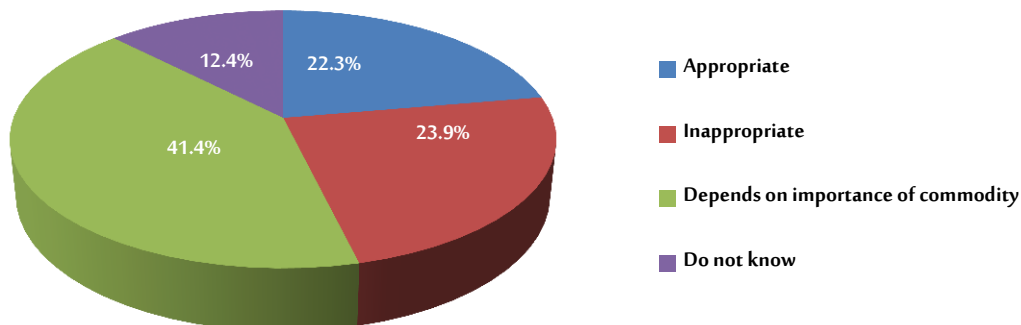


(22.3%) of consumers feel the time is appropriate to buy durable goods :

When consumers were asked about their views on whether it was appropriate time to buy consumer long-term (durable) goods at present, the results of the Q4 2016 survey indicated a decline in consumer ratio of those who expressed that the time was appropriate to buy such goods by (22.3%) compared to (25.2%) in the results of the Q3 2016 survey. Besides, the percentage of consumers who did not show any desire to buy such goods as long as they did not need them urgently, slumped to (41.4%) as against (43.4%) in Q3 2016. We notice that these percentages are still high, which show the consumers' awareness in the State of Qatar, represented in their lack of desire to buy durable goods and prioritized purchase.

On the other hand, the ratio of consumers, who reported that the current time is unsuitable for purchase, increased to (23.9%) compared to (19.7%) in Q3 of the same year. (See Figure 5).

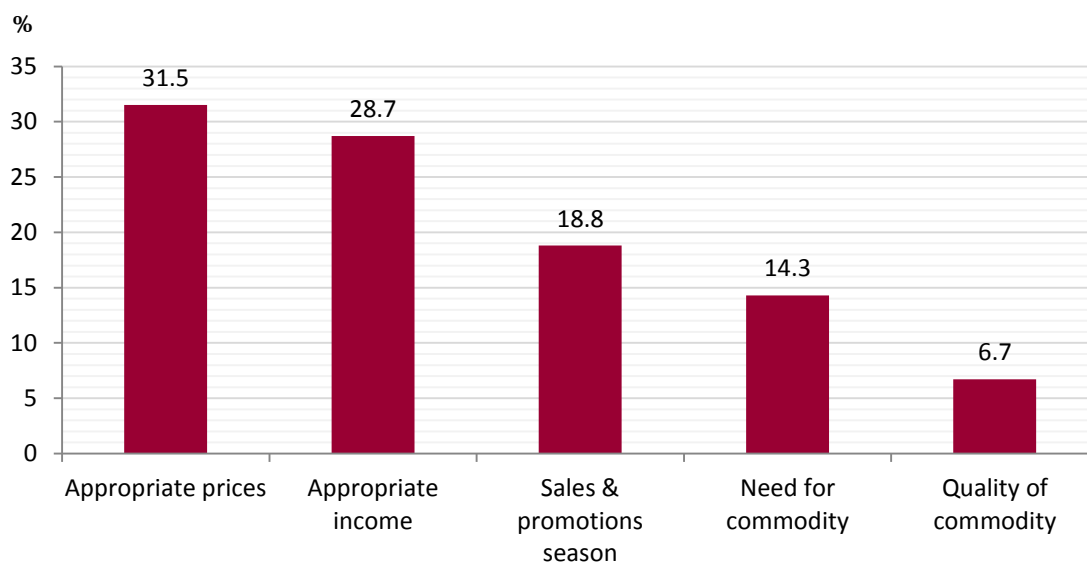
Figure (5)
In general, do you believe the time is appropriate to buy durable goods (furniture, TV, fridge, washing machine, etc.)?



Reasons why consumers feel the time is appropriate to buy durable goods :

When consumers who reported the time was suitable to buy durable goods (%22.3) were asked about the reasons for this feeling, the Q4 2016 survey results indicated that the main reason was "suitable prices" which was expressed by about (31.5%), followed by "suitable income for purchase" (28.7%), and in third place came the "sales and promotions " (18.8%). For further details, please refer to Figure 6 below.

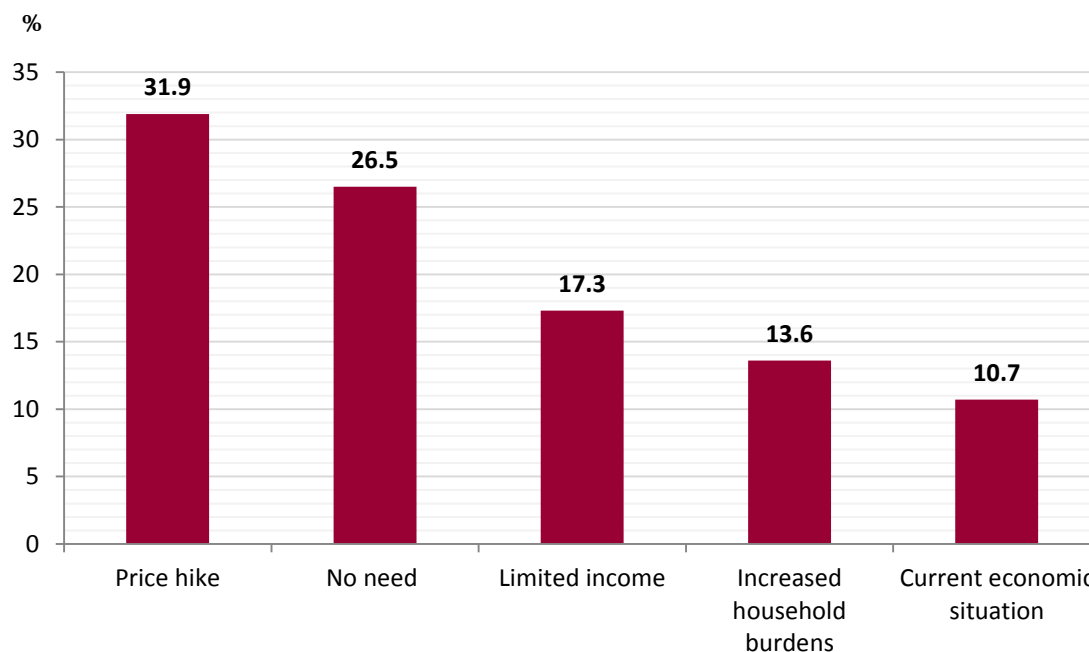
Figure (6)
Reasons why consumers believe that the time is appropriate to buy durable goods



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

On the other hand, asking surveyed consumers who stated that the time was inappropriate to buy durable goods (23.9%), they reported that the main reason was “high prices” (31.9%). Moreover, about (26.4%) reported that the reason was that they do not need the commodity, either because they own new one or because the employer provides it with the accommodation. Further details are shown in Figure 7.

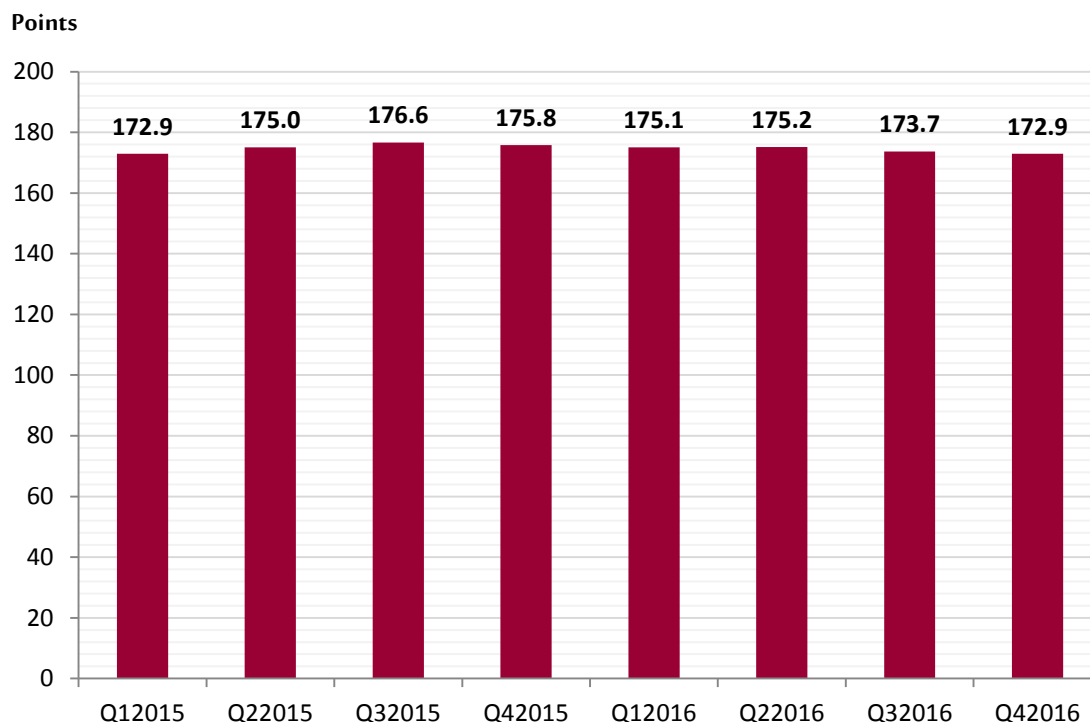
Figure (7)
Reasons why consumers believe the time is inappropriate to buy durable goods



Households continue to express optimism about the current situation :

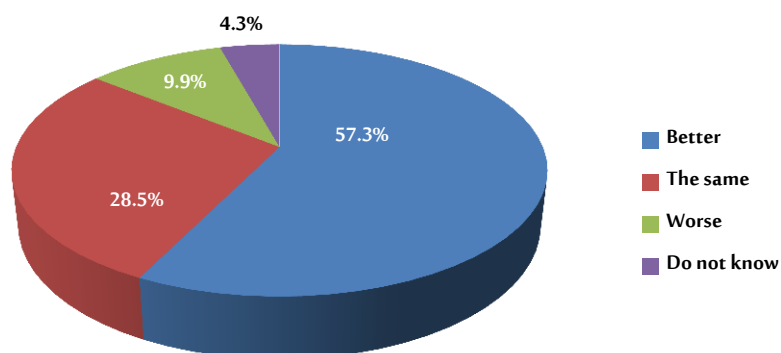
According to the results of Q4 2016, consumers' optimism about the current situation continued, despite decrease in the index value (172.9 points), recording a slump of (-0.8) point compared to Q3 of 2016. According to the surveyed respondents, the decrease in income due to cancellation of allowances and bonuses, some family members got terminated from job, as well as the increase in prices, mainly those of rentals, transport, food and beverages had a great impact on the households' optimism levels. Figure 8 shows further details of the current situation index.

Figure (8)
Current Situation Index (CSI)



When asked about current economic situations compared to the previous 12 months, 57.3% of consumers felt the current economic situations in Qatar are improved, and 28.5% believed that the situations are unchanged, while 9.9% felt the economic situations worsened according to Q4 2016 survey (see Figure 9).

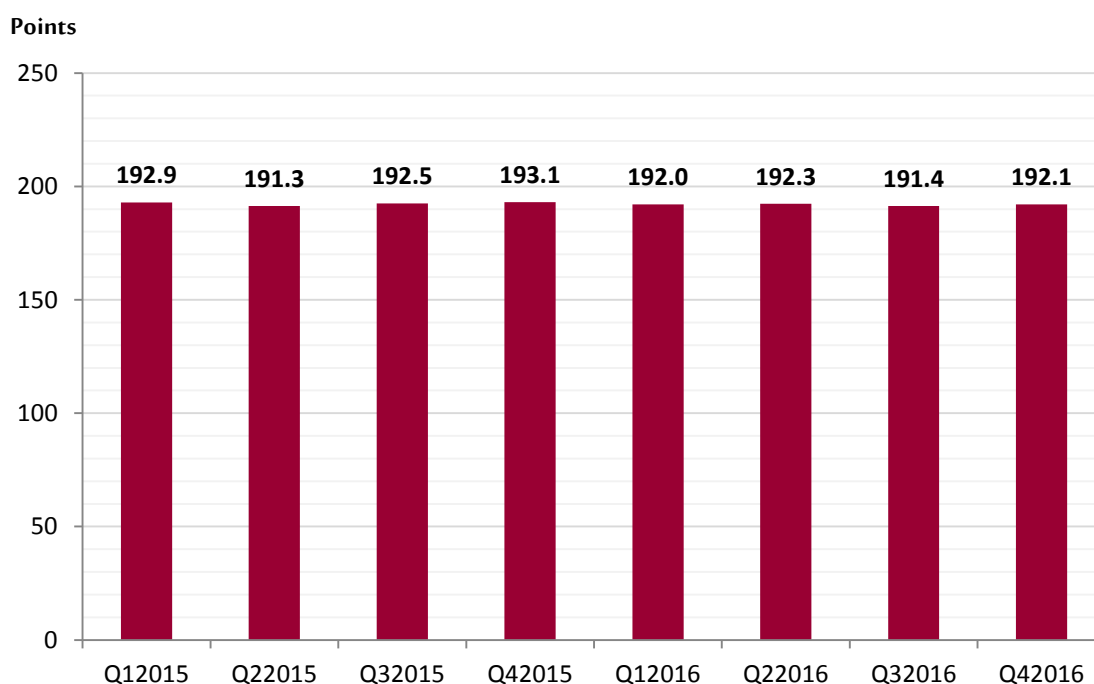
Figure (9)
With regard to the current economic situation in Qatar, do you think it is getting better, worse or remaining the same compared to the previous 12 months?



Households express optimism about future situation :

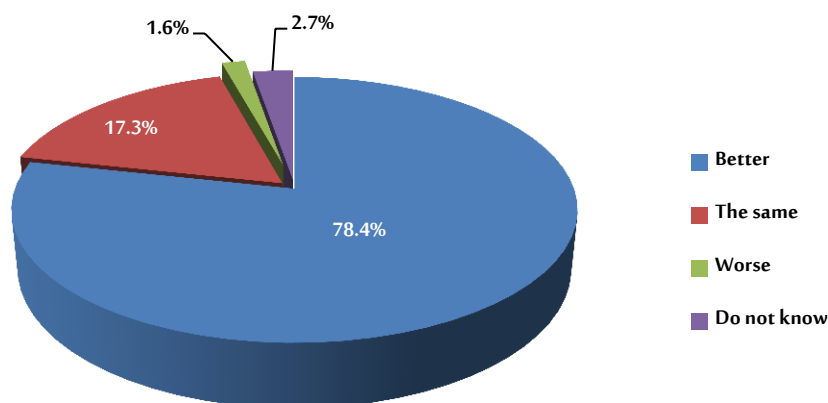
During Q4 2016, the Future Expectations sub-Index rose to (192.1) points, compared to (191.4) points in Q3 2016, an increase of (0.7) points. The responding sample expressed optimism over future financial situation and increased salaries in the future. In addition, they expect a decline in unemployment rates as a result of various investments developmental projects. All of this led to an increase in confidence in economic performance of the state. The future expectations index is explained in Figure 10.

Figure (10)
Future Expectations Sub-Index



According to the consumers’ opinions in Q4 2016, around (78.4%) expected better economic situation during the next twelve months, compared with the present time (survey period), and about (17.3%) anticipated unchanged situation, while only (1.6%) expected the economic situation would worsen during the coming 12 months compared to the current situation as shown in Figure 11.

Figure (11)
Do you think that Qatar's economic situation will get better, worse or remain the same during the next 12 month, compared to the current situation?



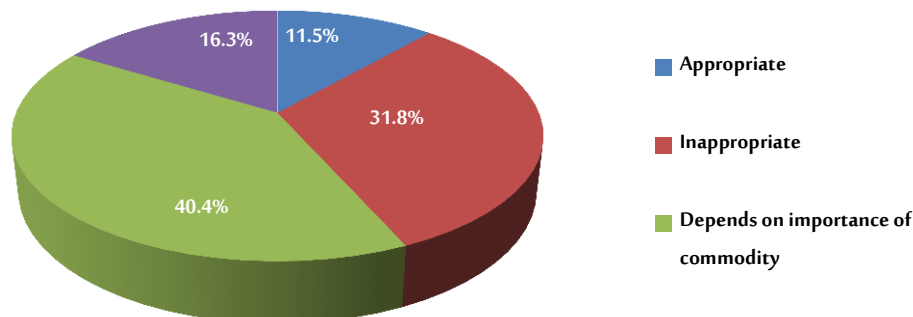
Household's future plan to buy a new vehicle :

The results of Q4 2016 survey indicated that the percentage of consumers who thought the time was suitable to buy a new vehicle over the next 12 months accounted for (11.5%) compared to (11.1%) in the Q3 of the same year.

A large percentage of consumers expressed their desire to buy a new vehicle due to decreased car prices, or desire to replace old car with a new one, especially since their income allowed them to do so.

At the same time, (31.8%) of consumers surveyed in Q4 2016 said the time was unsuitable, compared to (33.9%) in Q3 2016, (see Figure 12). Some households reported that high car prices, low income due to cancellation of some allowances, and the presence of other current and future obligations would not enable them to buy a car now.

Figure (12)
Do you think the next 12-month period will be appropriate to buy a car (light car, van, SUV, etc.)?



Consumer expectations of future prices :

The results of Q4 2016 survey revealed that (60.6%) of consumers expected an increase in prices in general over the 12 months following the survey period, compared to (58.2%) in Q3 2016, recording a 2.4% increase. Meanwhile, (28.9%) expected that prices would remain unchanged, compared to (31.1%) in Q3 2016. For further details, refer to Figure 13 below.

The consumer expectations about the prices increase were as follows: (30.5%) of consumers expected an increase in prices ranging from 1% to 5%, while (38.5%) expected an increase from 6% to 10%, and (31%) expected prices to increase over 10%, compared to (24.4%), (41.3%) and (34.4%) respectively in Q3 2016.

Figure (13)
With regard to prices in general, do you expect that they will be higher, lower or remain the same in the next twelve months, compared to the present time?

