



وزارة التخطيط التنموي والإحصاء
Ministry of Development Planning and Statistics

Qatar's Consumer Confidence Index (CCI)

The first quarter 2017

Developmental Indicators Series

Table of Contents

Topic	Page
Methodology	3
Consumer Confidence Index (CCI).....	4
Households feel their financial situation improved.....	5
Households feel their financial situation worsened.....	6
Consumers feel the time is appropriate to buy durable goods.....	7
Reasons why some consumers feel the time is appropriate to buy durable goods.....	7
Reasons why some consumers feel the time is inappropriate to buy durable goods....	8
Households express optimism about current situation.....	9
Households express optimism about future situation.....	10
Household's future plan to buy a new vehicle.....	11
Consumer expectations of future prices.....	11

Methodology

The Consumer Confidence Index (CCI) is 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 comprises respondents' evaluation of:
 - Current economic situation; and
 - Current job opportunities and employment.
2. **Future Situation Index (FSI)**, which consists of respondents' expectations one year from the survey time regarding:
 - future economic situation;
 - future job opportunities and employment; and
 - future financial situation of respondents and their households.

CCI Value

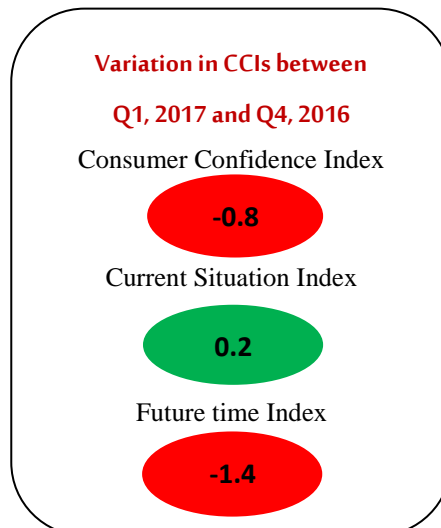
The CCI value ranges from 0 to 200 points. It reaches maximum limit when all the respondents' opinions are positive, and is neutral at 100 points when positive and negative opinions are equal. However, when CCI value is less than 100 points, this indicates negative evaluation of economic situation in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

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.

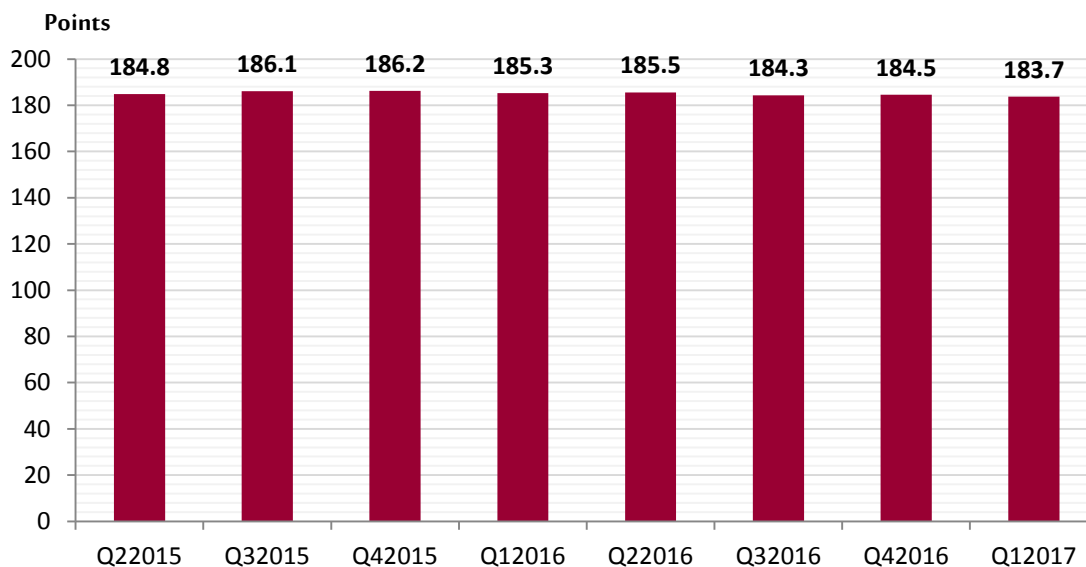
Doha, April 2017: CCI has declined by nearly 0.8 point in Q1, 2017 compared to Q4, 2016. It settled at (183.7) points on average during Q1, 2017 compared to (184.5) points during Q4, 2016 (see Figure 1).

Households expressed high levels of optimism about the current situation during Q1, 2017 compared to Q4, 2016, which reflects continued consumer confidence in the government policies and their positive impact on economic situations, and the State’s keenness and inclination to support and diversify the economy and improve social services.



It is worth mentioning that confidence levels in the State’s economic performance are high. The value of the index since its first session (Q3, 2013) reached high levels on the index scale, which reflects high levels of consumer optimism towards the state economy and their own financial situation. Please note that the CCI value ranges from 0 to 200 points. It reaches maximum limit when all the respondents’ opinions are positive.

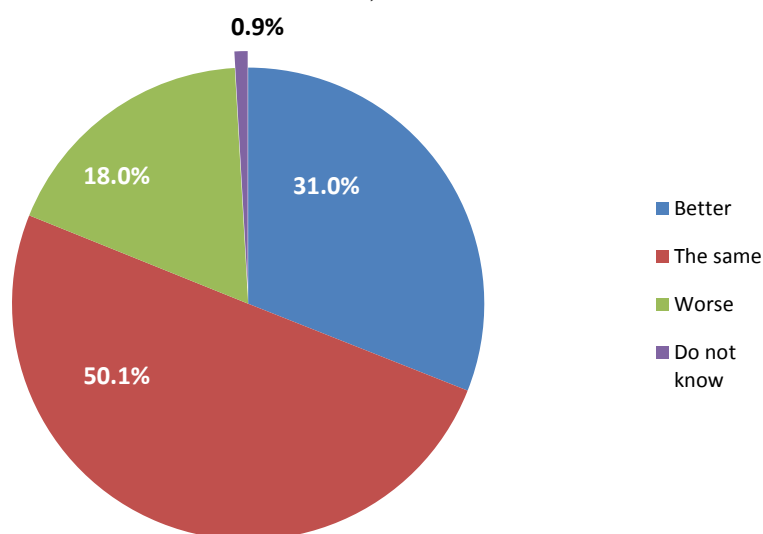
**Figure (1)
Consumer Confidence Index**



(31%) of households feel better about their financial situation in Q1, 2017.

When consumer were asked about their evaluation 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 Q1, 2017 showed that (31%) of respondents felt better about their financial situations, compared to (30%) in Q4, 2016. Whereas (18%) of respondents felt that their financial situations were getting worse, compared to (19.9%) in Q4, 2016. The percentage of households who expressed feeling of stability about their financial situations increased to about (50.1%) in Q1, 2017 compared to (49.1%) in Q4, 2016.

Figure (2)
Compared to the previous 12 months, do you think that you and your household's current financial situation is better, worse or the same?

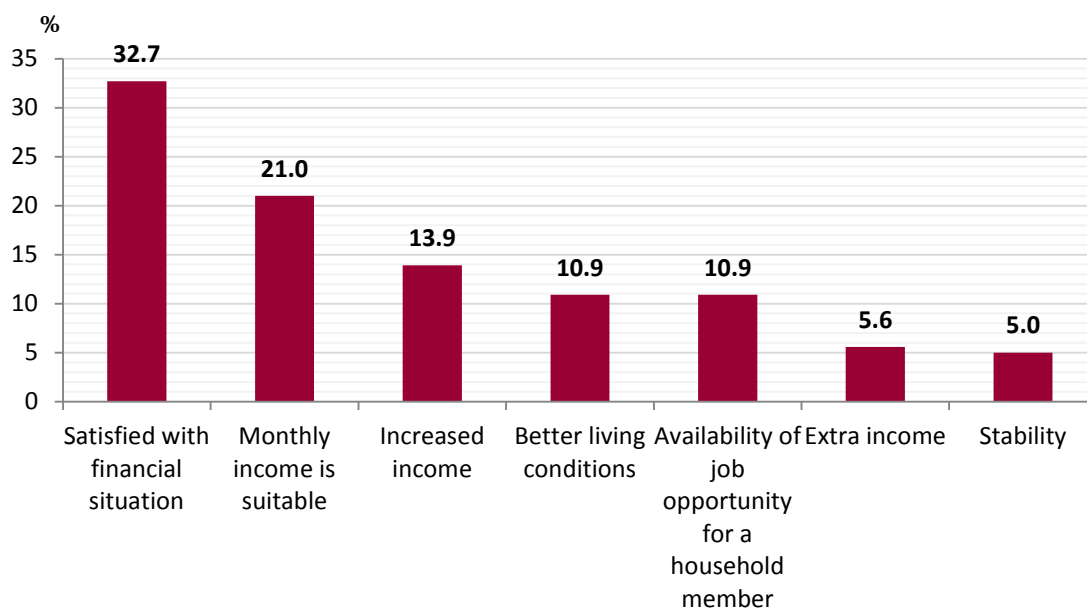


Feeling better about Household's financial situation:

The Q1, 2017 survey showed that the main reasons for some households feeling better about their financial situations (31%) were that they were able to settle some outstanding debts or received an increase in income earlier, as well as having a good monthly income or an increase in cash income earned as some employers increased salaries/wages of their staff and some employees got promoted at work.

Figure (3) demonstrates in further details the reasons why consumers felt better about their financial situations during the survey period compared to the previous 12 months.

Figure (3)
Reasons why consumers and their households feel better about their financial situations compared to previous 12 months

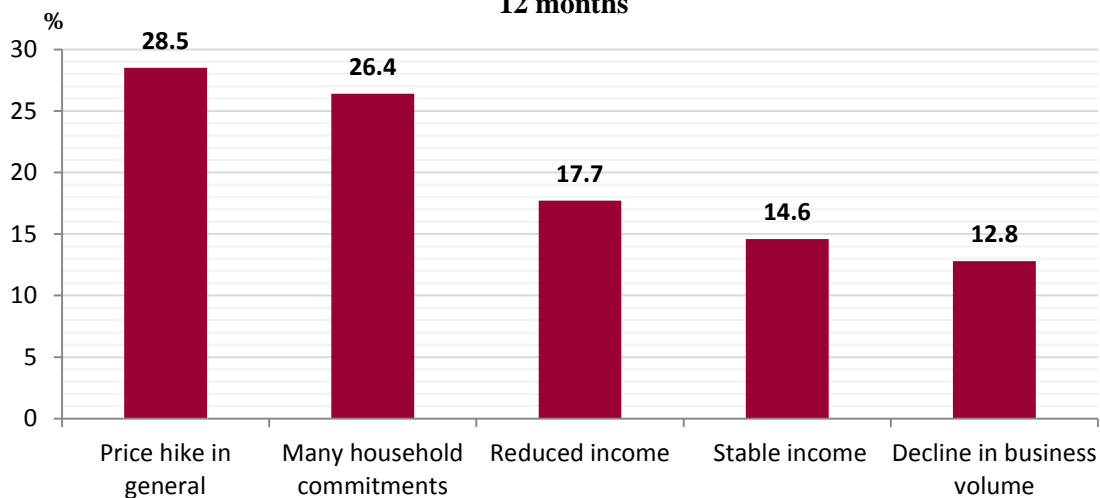


Feeling bad about household's financial situation:

On the other hand, with respect to households who reported feeling bad about their financial situations (18%) during the survey period compared to the previous year, their responses were the result of the increase in prices in general, as well as the increase in household commitments and burdens, reduction of income due to the reduction of allowances, benefits, overtime or job loss experienced by some household members.

According to the data published by MDPS, the Consumer Price Index (CPI) during Q1, 2017 reached 108.3 points in January 2017, reflecting a stability compared to December 2016, and reached 108.4 points and 108.6 points in February and March 2017 respectively.

Figure (4)
Reasons why households feel bad about their financial situations compared to previous 12 months



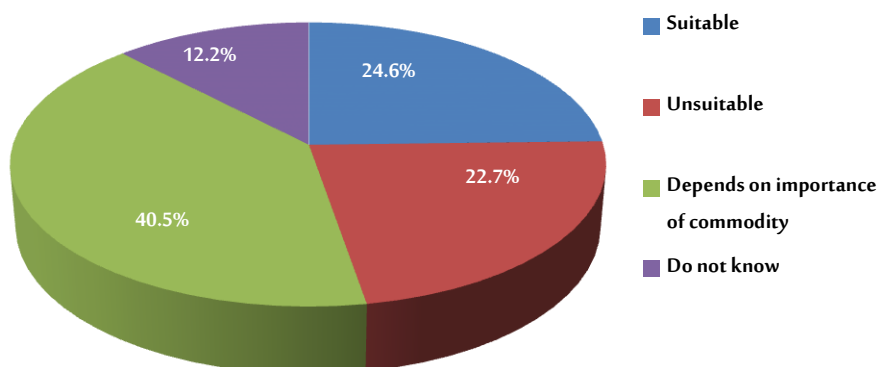
(24.6%) of consumers feel the time is right to buy durable goods.

When consumers were asked about their views on whether it was appropriate time to buy long-term (durable) consumer goods at present, (24.6%) reported that the time was right to buy such goods, compared to (22.3%) in Q4, 2016.

The percentage of consumers who would not buy those goods as long as they are not in urgent need decreased to (40.5%), compared to (41.4%) in Q4, 2016. We note that this percentage is still high, indicating a good consumer awareness in Qatar, which was reflected in the lack of interest in the purchase of durable goods and their order of priorities for purchase.

On the other hand, the ratio of consumers who reported that the current time is unsuitable to buy durable goods decreased to (22.7%), compared to (23.9%) in Q4, 2016 (see Figure 5).

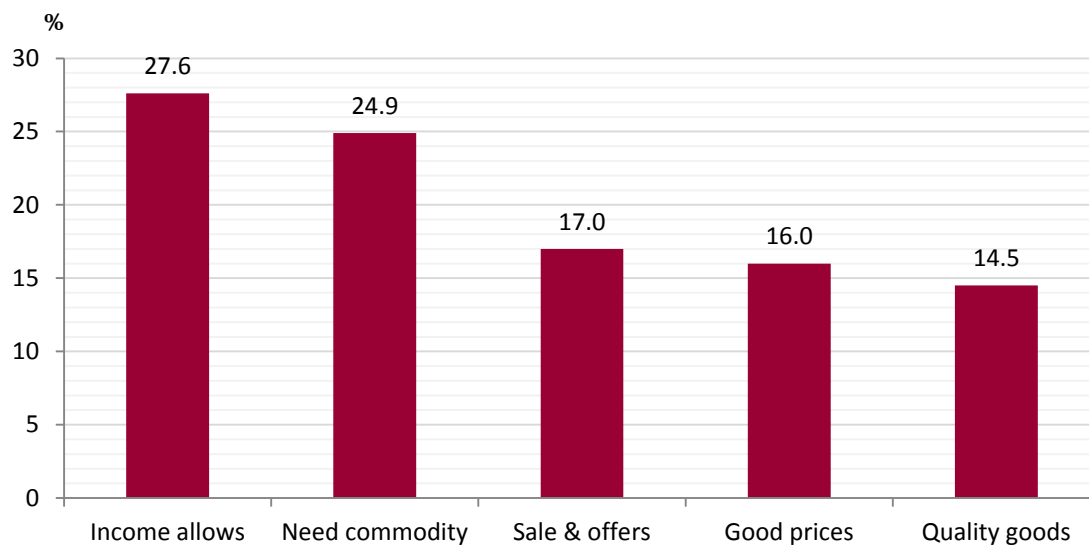
Figure (5)
In general, do you think the time is right for individuals and consumers to buy durable goods (furniture, TV, fridge, washing machine, etc.)?



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

When consumers who reported the time was right to buy durable goods (24.6%) were asked about the reasons for this feeling, the results of Q1, 2017 survey indicated that the main reason was “income allows” which was expressed by about (27.6%), then "need commodity" by about (24.9%), and in third place came "offers and discounts" by (17%). Figure 6 below shows further details in this regard.

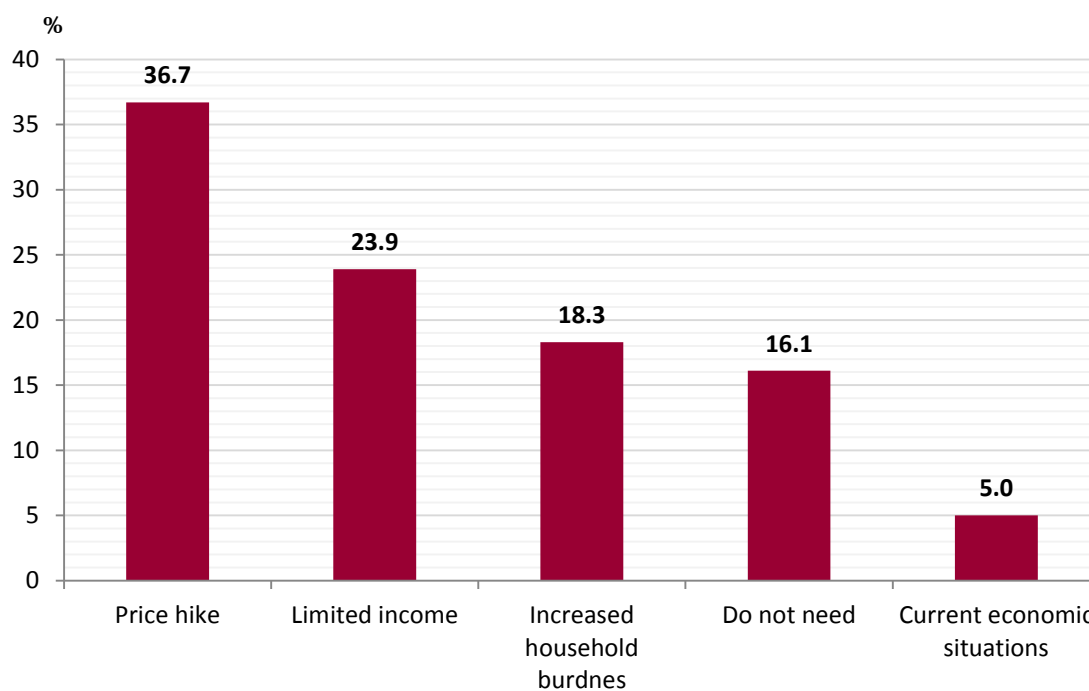
Figure (6)
Reasons why consumers believe that the time is right to buy durable goods



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

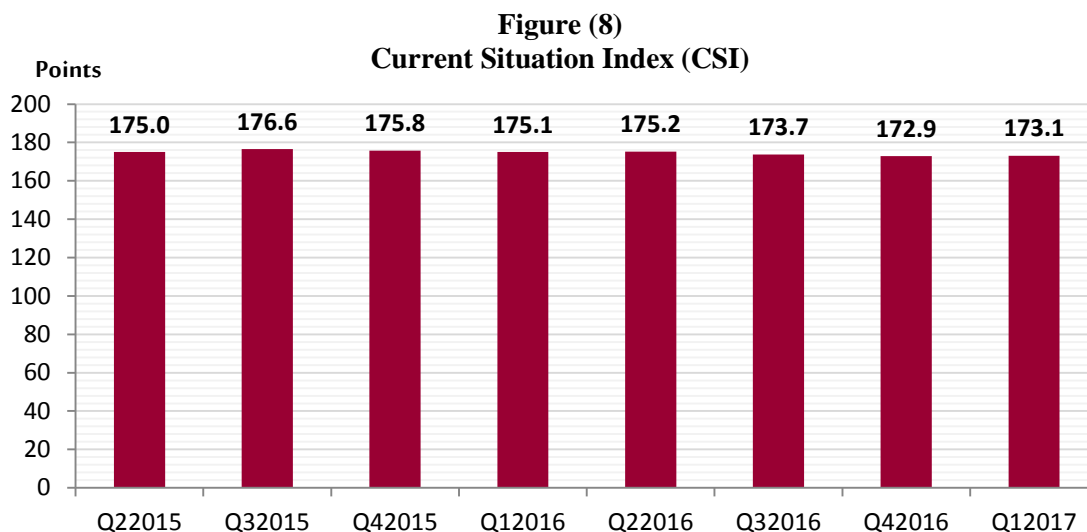
As for the surveyed consumers who felt the time was inappropriate to buy durable goods (22.7%), they reported that the main reason was “price hike” (36.7%), followed by “limited income” (23.9%) and then “increased household burden” (18.3%). These ratios are further detailed in Figure 7 below.

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



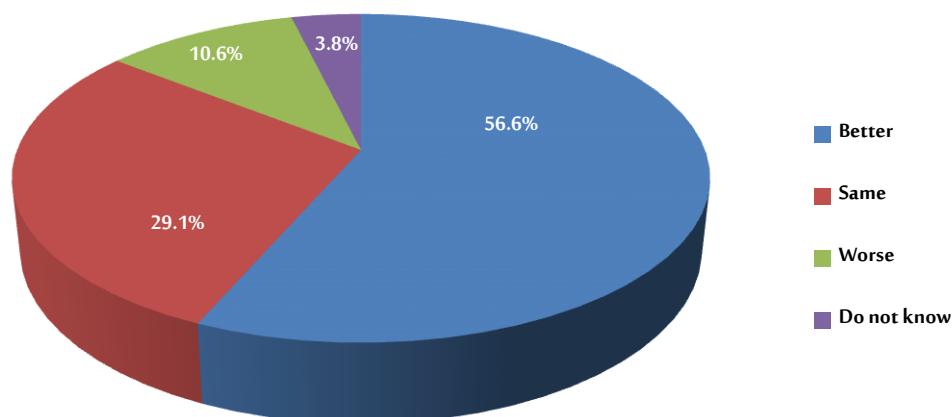
Households continue to express optimism about the current situation

According to the results of Q1, 2017, consumers' optimism about the current situation increased by (0.2) point compared to Q4, 2016 as the index value reached (173.1) points. According to the surveyed respondents, the high levels of income resulting from household members getting jobs or being promoted in their current jobs, coupled with a decline in the prices of some goods/services, had a significant impact on the levels of household optimism. The current Situation Index (CSI) is illustrated in figure 8 below.



When asked about current economic situations compared to previous 12 months, (56.6%) of consumers felt better about the current economic situations in Qatar, and (29.1%) believed that the situation was the same, while (10.6%) felt the economic situation was getting worse according to Q1, 2017 survey (see Figure 9).

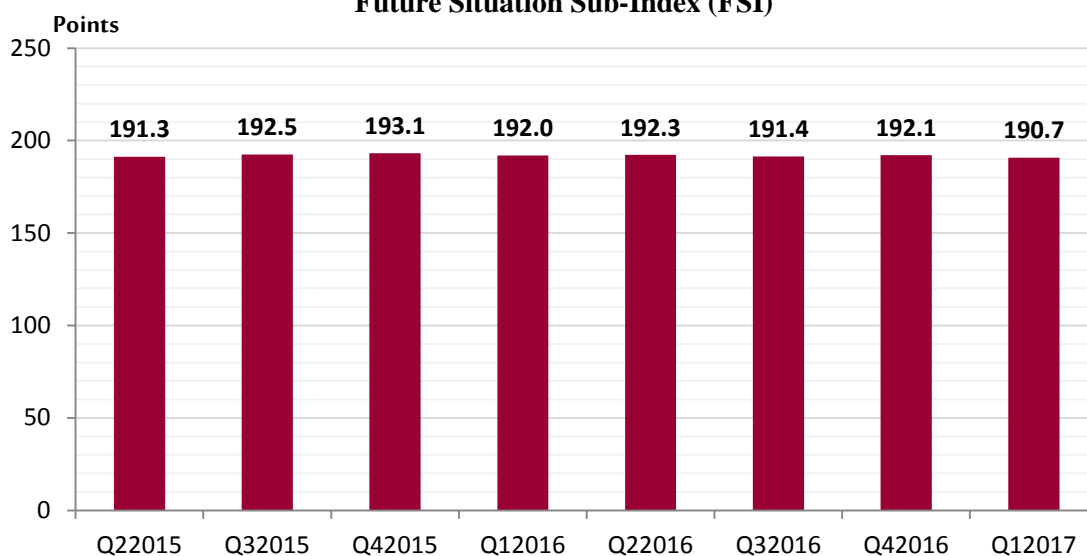
Figure (9)
With regard to the current economic situation in Qatar, do you think it is getting better, worse or remains the same compared to previous 12 months?



Households express optimism about future situation:

During Q1, 2017, the Future situation Sub-Index (FSI) declined to (190.7) points, compared to (192.1) points in Q4, 2016. Some of the surveyed respondents expected high prices to continue following the rise in oil prices domestically leading to an increase in the burden of living with the same fixed income and the fear of service termination. Nevertheless, FSI value is the highest compared to other sub-indices that make up the general consumer confidence index, as shown in Figure 10.

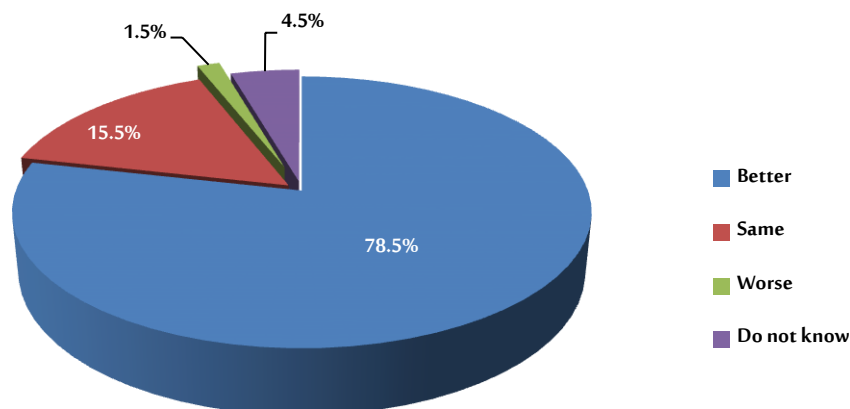
**Figure (10)
Future Situation Sub-Index (FSI)**



According to surveyed respondents in Q1, 2017, about (78.5%) expected better economic situation in the next 12 months, compared to present time (survey time), and about (15.5%) anticipated unchanged situation, while only (1.5%) expected a worse economic situation as shown in Figure 11.

Figure (11)

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



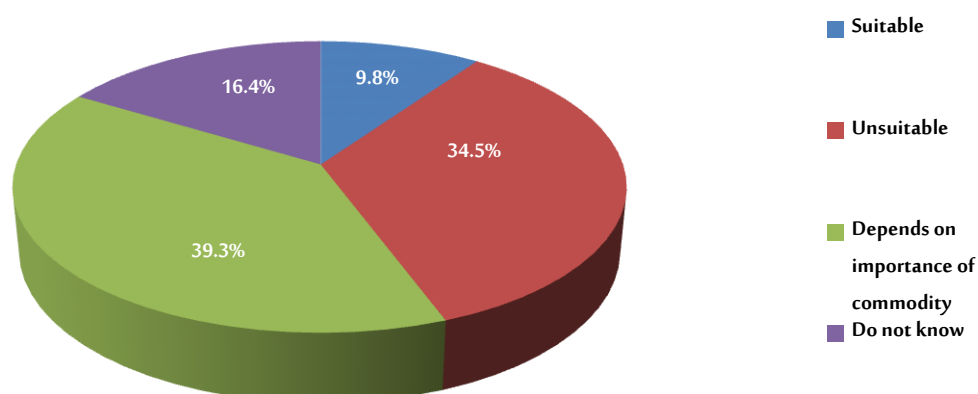
Household's future plan to buy a new vehicle:

The results of Q1, 2017 survey indicated that (9.8%) of consumers thought the time was suitable to buy a new vehicle over the next 12 months, compared to (11.5%) in Q4, 2016.

A large percentage of consumers expressed their desire to buy a new vehicle because of good offers on prices or a desire to replace the old vehicle with a new one, especially since the income would allow to do so.

At the same time, (34.5%) of consumers surveyed in Q1, 2017 said the time was unsuitable to buy a new car, compared to (33.9%) in Q4, 2016 (see Figure 12). Some households reported that the reason was high car prices or low income due to suspension of some allowances, in addition to having other commitments during the survey period and future periods.

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



Consumer expectations of future prices

The results of Q1, 2017 survey revealed that (64.4%) of consumers expected an increase in prices in general within 12 months from the survey time, compared to (60.6%) in Q4, 2016, recording an increase of (3.8%). Whereas, (26.5%) expected that prices would remain the same, compared to (28.9%) in Q4, 2016. Figure 13 shows further details.

The consumers' expectations about the increase in prices were as follows: (32.3%) expected an increase in prices ranging from 1% to 5%, while (41.2%) expected an increase from 6% to 10%, and (26.5%) expected prices to increase over 10%, compared to (30.5%), (38.5%) and (31%) in Q4, 2016 respectively.

Figure (13)
With regard to prices in general, do you expect that they will be higher, lower or remain the same 12 months from now?

