



وزارة التخطيط التنموي والإحصاء
Ministry of Development Planning and Statistics

Qatar's Consumer Confidence Index (CCI)

The second quarter 2018

Developmental Indicators Series

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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 regarding:
 - Future economic situation (one year from the survey time);
 - Future job opportunities and employment (one year from the survey time); and
 - Future financial situation of respondents and their households (one year from the survey time).

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.

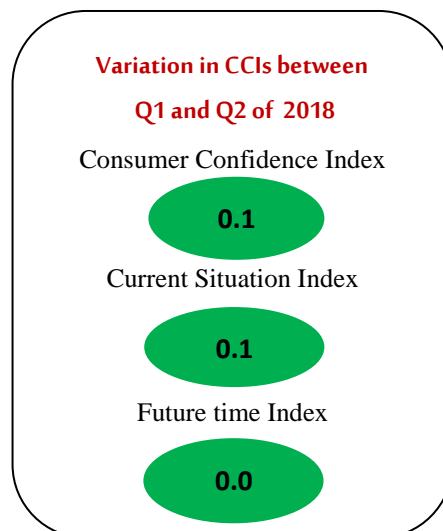
Future Situation: The respondent's viewpoint on a given issue during the next twelve months.

Customer Confidence Index (CCI)

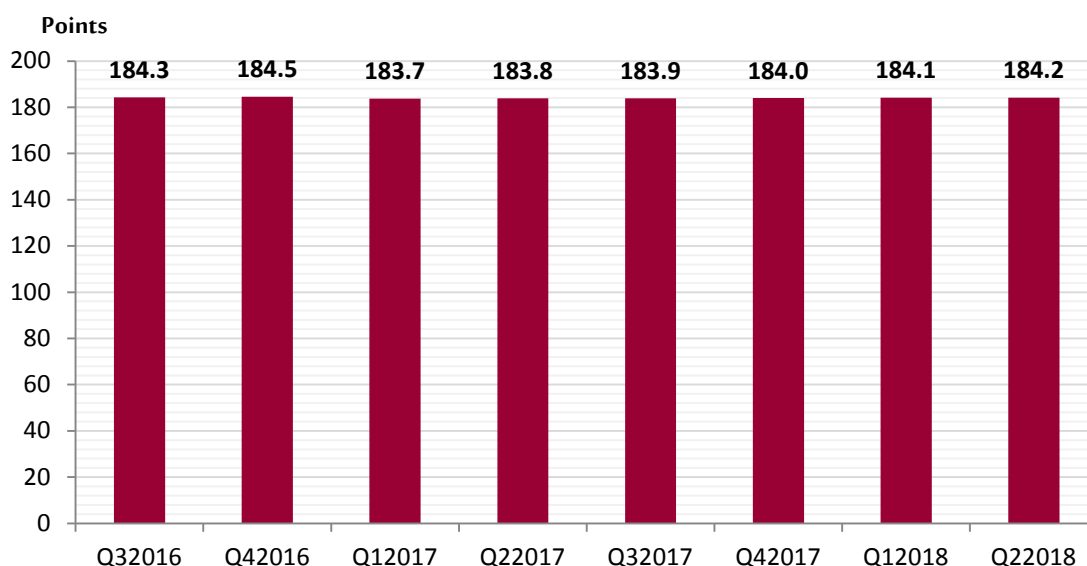
Doha, June, 2018: CCI has risen by nearly (0.1) point in Q2 of 2018 compared to Q1 of 2018. It settled at (184.2) points on average during compared to (184.1) points during Q1, 2018 and to (183.8) points in Q2 of 2017, a rise of (0.4) points. (see Figure 1).

Households expressed higher levels of optimism about the current situation during Q2, 2018 compared to Q1, 2018, which reflects continued consumer confidence in the State's economic situations and confirms the strength of the Qatari economy that managed to turn the unjust and illegal blockade imposed on Qatar into a long-term benefit, while continuing the establishment of major projects and the attraction of local and foreign investments. This achieved by promoting its economy and increasing self-sufficiency; reflecting a wise political stance supported by a deep strategic vision.

The confidence levels in the State's economic performance increased. The value of the index since its first session (Q4, 2013) reached high levels on the index scale, which reflects high levels of consumer optimism towards the state economy and their own financial situation. It is noteworthy that the CCI value ranges from 0 to 200 points. It reaches maximum limit (200) when all the respondents' opinions are positive.



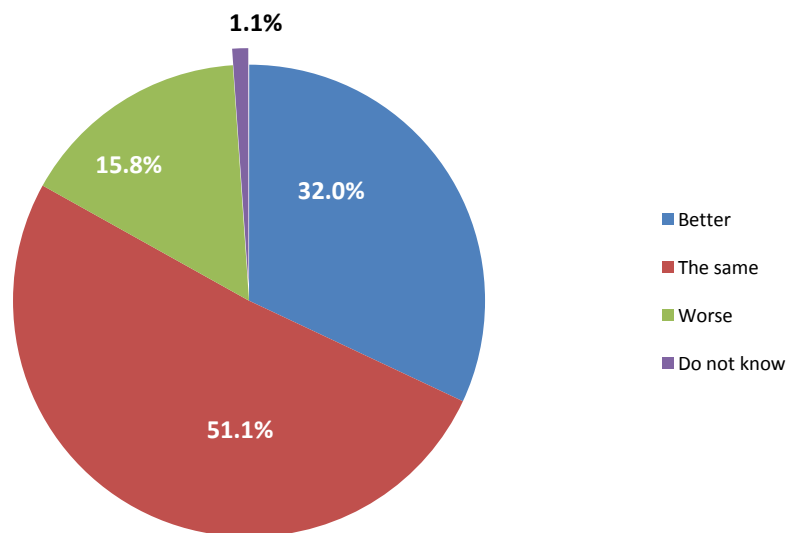
**Figure (1)
Consumer Confidence Index**



(32.0%) of households feel better about their financial situation in Q2, 2018:

When consumers were asked about their assessment 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 Q2, 2018 showed that (32.0%) of respondents felt better about their financial situations compared to (31.8%) in Q1, 2018, while (15.8%) of respondents felt that their financial situations were getting worse, compared to (15.9%) in Q1, 2018. The percentage of households who expressed feeling of stability about their financial situations amount to about (51.1%) in Q2, 2018 compared to (51.6%) in Q1, 2018 , (1.1%) of the consumers answered do not know . (Figure 2)

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?

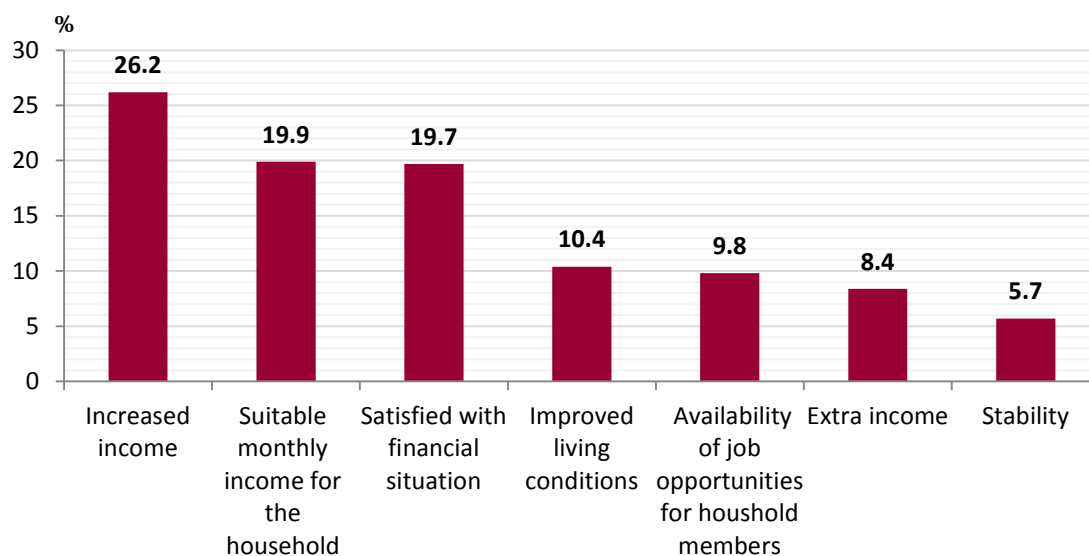


Households feel their financial situation improved

The Q2 of 2018 survey showed that the main reasons for some households feeling better about their financial situations (32.0%) were that they received an increase in cash income earned as some employers increased salaries/wages of their staff and some employees got promoted at work. Some respondents also reported that the monthly income of the household was appropriate. Moreover, some respondents were able to settle some outstanding debts or received an increase in income which led to some households feeling better about their financial situations.

Figure (3) below demonstrates in further details why consumers and their households 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

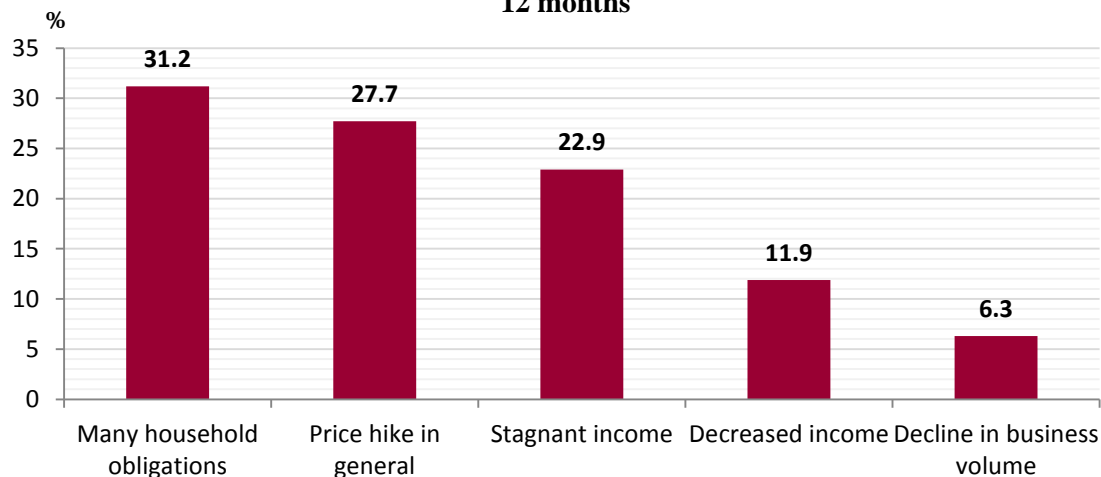


Households feel their financial situation worsened

On the other hand, with respect to households who reported their financial situations worsened (15.8%) during the survey period compared to the previous year, they responded that this is due to the increase in household commitments and burdens, as well as the increase in prices in general, no increase in income or even reduction of income due to the reduction of allowances, benefits, overtime or job loss experienced by some household members. Figure 4 below illustrates in further details why consumers and their households felt bad about their financial situations during the survey period compared to the previous 12 months.

According to the data published by MDPS, the Consumer Price Index (CPI) during Q2 of 2018 reached (108.52) points in April 2018, reflecting a slight drop of (0.4%) compared to March 2018, while it reached (108.2) points and (108.66) in May and June 2018, respectively.

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



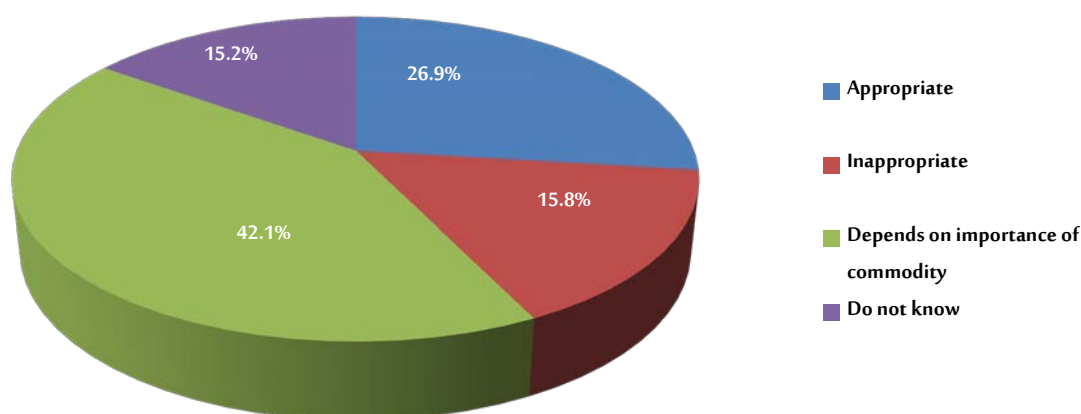
(26.9%) of consumers feel the time is appropriate to buy durable goods

When consumers were asked about their views on whether it was the appropriate time to buy long-term (durable) consumer goods at present time, the results of the Q2 of 2018 survey indicated an increase in consumer ratio of those who expressed that the time was due to buy such goods by (26.9%) compared to (25.6%) in Q1, 2018.

The percentage of consumers who would not buy such goods as long as they are not in urgent need for them increased to (42.1%), compared to (44.3%) in Q1, 2018. We can note that this percentage is still high, indicating a good consumer awareness in 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 was inappropriate to buy durable goods slightly declined to (15.8%), compared to (15.9%) in Q1, 2018 (see Figure 5).

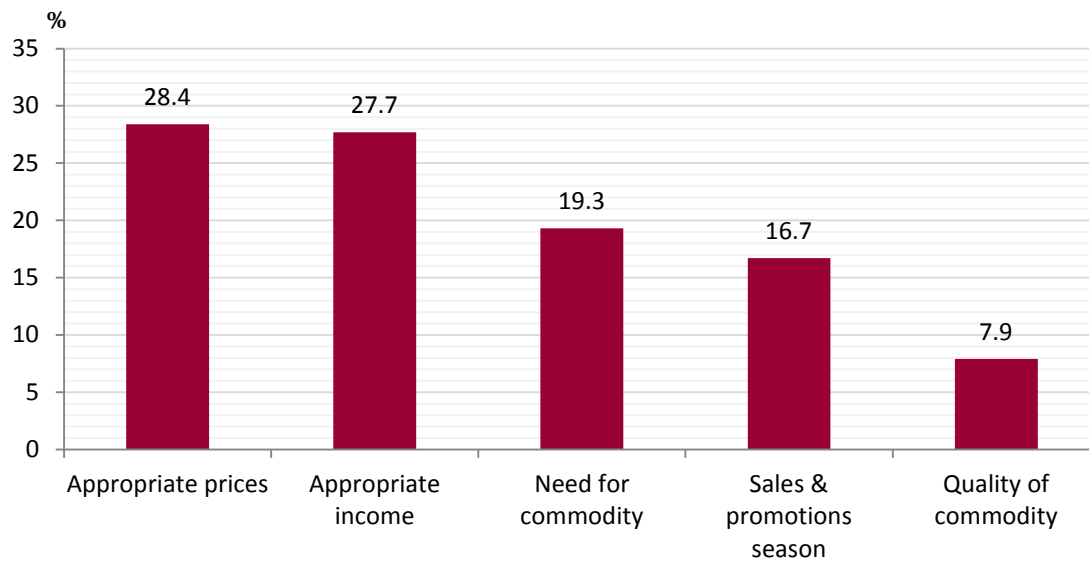
Figure (5)
In general, do you think the time is right for individuals and consumers to buy durable goods (furniture, TV, fridge, washing machine, etc.)?



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

When the consumers who reported the time was appropriate to buy durable goods (26.9%) were asked about the reasons for this feeling, the results of Q2, 2018 survey indicated that the main reason was "appropriate prices" which was expressed by about (28.4%), then "appropriate income" by (27.7%), and in third place came "need for commodity" by (19.3%). Figure (6) below shows further details in this regard.

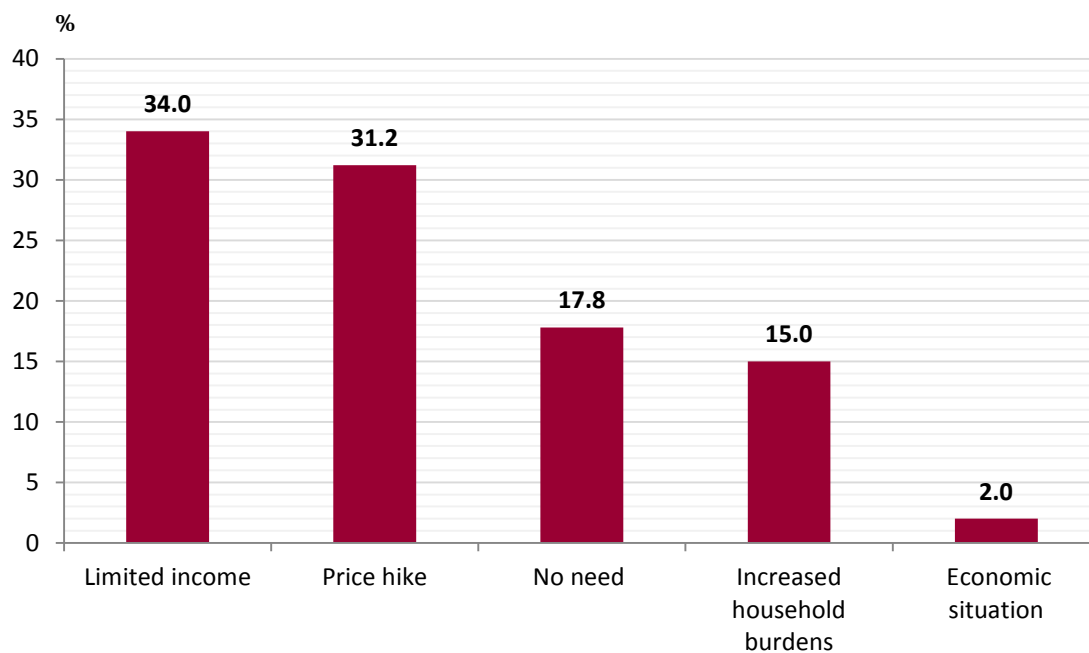
Figure (6)
Reasons why consumers believe that the time is appropriate to buy durable goods



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

As for the surveyed consumers who felt the time was inappropriate to buy durable goods (15.8%), they reported that the main reason for such feeling was “limited income” (34.0%), followed by “price hike” (31.2%) and then “No Need” (17.8%). These ratios are further detailed in Figure 7 below.

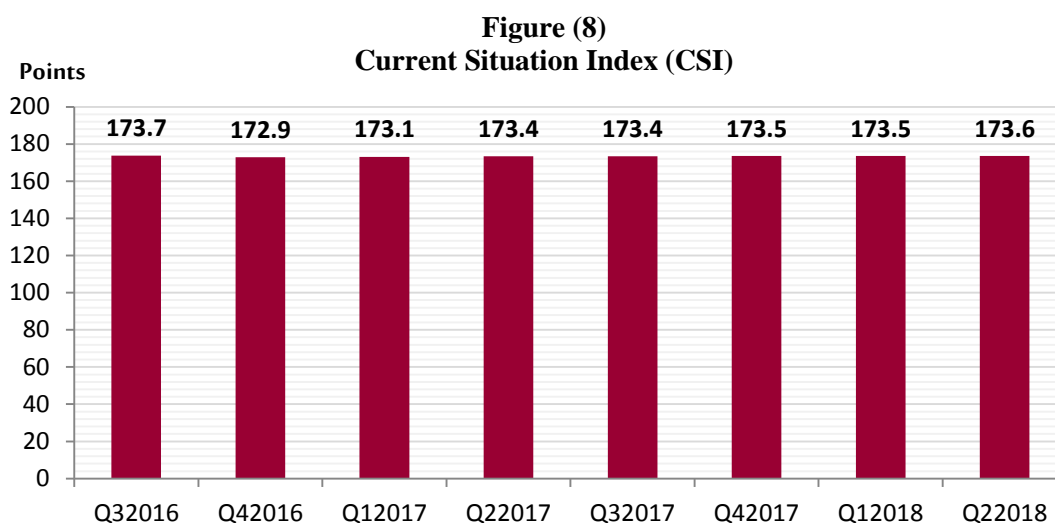
Figure (7)
Reasons why consumers feel the time is inappropriate to buy durable goods



Households continue to express optimism about the current situation:

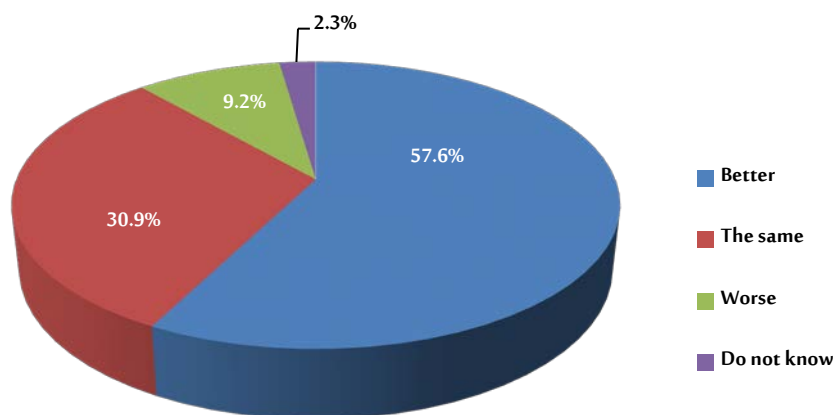
According to the results of Q2 of 2018, consumers' optimism about the current situation remained high at (173.6) points, a rise of (0.1) point compared to Q1, 2018. According to the surveyed respondents, the government measures efforts to reduce the cost of living during the holy month of Ramadan and the discounts that accompanied it have had a great impact on the satisfaction of consumers, as well as the available local product and diversified imported goods and the recovery of the market in local goods and global products of diversified sources, and reinforcement of trade and economic relations.

The current Situation Index (CSI) is illustrated in figure 8 below.



When asked about the current economic situations compared to previous 12 months, (57.6%) of consumers felt better about the current economic situations in Qatar, and (30.9%) believed that the situation was the same, while (9.2%) expressed their feeling that the economic situation was getting worse according to Q2, 2018 Survey (see Figure 9).

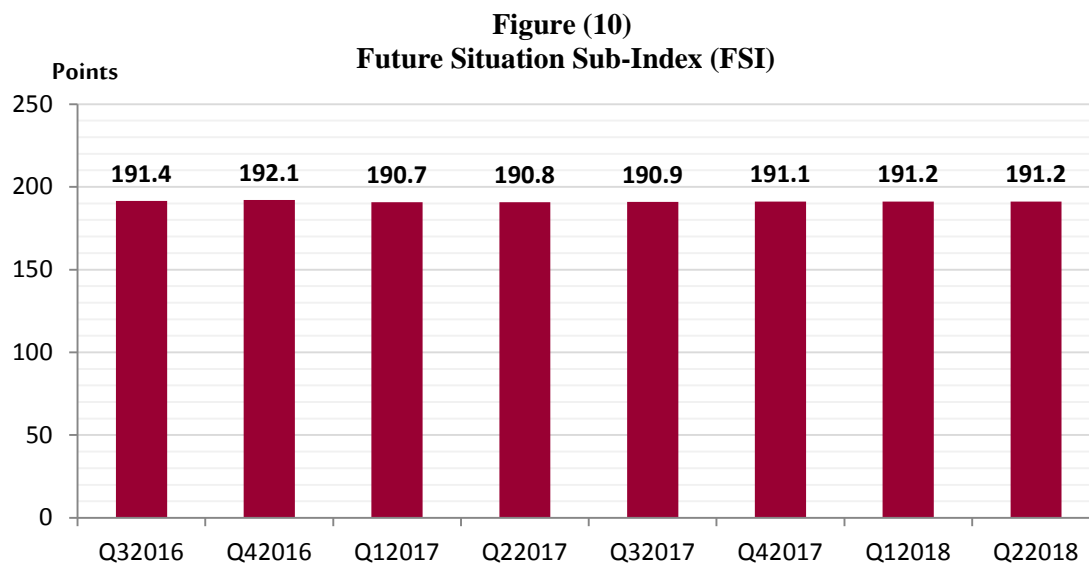
Figure (9)
With regard to the current economic situation in Qatar, do you think it is getting better, worse or remains the same compared to previous 12 months?



Households express optimism about future situation

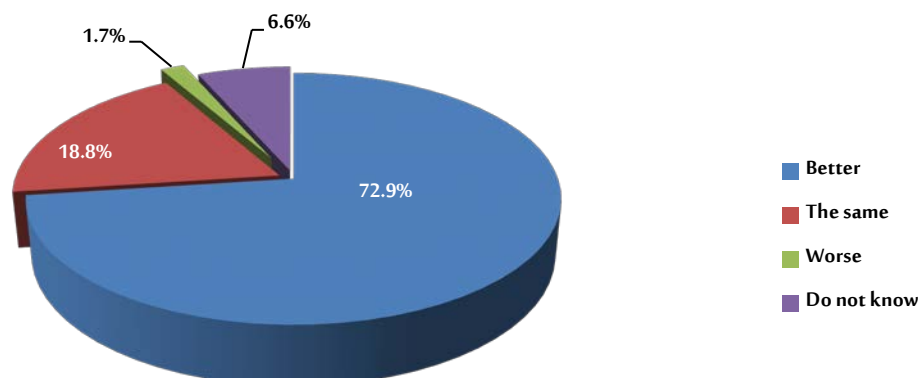
During Q2 of 2018, the Future situation Sub-Index (FSI) settled at (191.2) points, which is the same value of Q1, 2018. The surveyed respondents expected the rise of direct foreign trade as a result of the inauguration of Hamad International Port along with the new alliances and agreements that will result in new partnerships, as well as self-sufficiency in local production, and the introduction of new industries and infrastructure projects, increased business activity and job opportunities against the backdrop of the numerous development projects and the FIFA World Cup in Qatar in 2022.

FSI value is the highest compared to other sub-indices that make up the general consumer confidence index, as shown in Figure 10.



According to surveyed respondents in Q2 of 2018, about (72.9%) expected better economic situation in the next 12 months, compared to present time (survey time), and about (18.8%) anticipated unchanged situation, while only (1.7%) expected a worse economic situation in the next 12 months as shown in Figure (11) below.

Figure (11)
Do you think that Qatar's economic situation will get better, worse or the same 12 months from now?



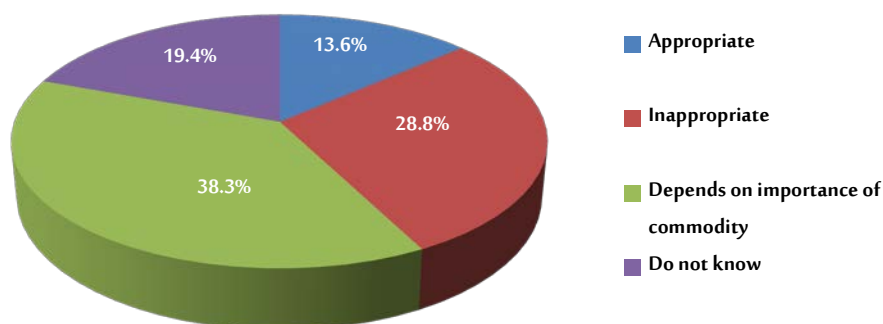
Household's future plan to buy a new vehicle:

The results of Q2 of 2018 survey indicated that (13.6%) of consumers thought the time was appropriate to buy a new vehicle over the next 12 months, compared to (13.1%) in Q1, 2018.

A large percentage of consumers expressed their desire to replace the old vehicle or their need to buy new models because of decreased prices of cars, especially since the income would allow to do so.

At the same time, (28.8%) of consumers surveyed in Q2 of 2018 said that they believe the time was inappropriate to buy a new car, compared to (28.5%) in Q1, 2018. Some households reported that they have other commitments during the survey period and future periods, hence they could not afford to buy a car now, as well as rising fuel prices and decreased income. For more details, review Figure 12.

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



Consumers' expectations about future prices

The results of Q2, 2018 survey revealed that (50.9%) of consumers expected an increase in prices in general over the coming 12 months, compared to (52.9%) in Q1, 2018, recording a decline of (2.0%). Whereas, (36.4%) expected that prices would remain the same, compared to (35.1%) in Q1, 2018. Figure 13 shows further details.

The consumers' expectations about the increase in prices were as follows: (35.4%) expected an increase in prices ranging from 1% to 5%, while (42.8%) expected an increase ranging from 6% to 10%, and (21.9%) expected prices to increase over 10%, compared to (33.4%), (37.1%) and (29.5%), respectively in Q1, 2018.

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?

