



جهاز التخطيط والإحصاء
Planning and Statistics Authority

Qatar's Consumer Confidence Index (CCI)

The fourth 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.

Sample Design:

The sample design is based on independent samples drawn from distinct sets of especially constructed primary sampling units (PSUs), each set covering the entire nation and designed to include a target number of households of given type:

- i. Qatari households
- ii. Non-Qatari households

A two-stage sample design is used, selecting PSUs at the first stage and a sample of households within each selected PSU at the second stage. The unit chosen at the first stage is called the Primary Sampling Unit and the unit selected at the second stage is called the Secondary Sampling Unit. As the census was conducted in April 2015, an updated listing of the selected Primary Sampling Units was carried out before the actual enumeration.

Scope:

The scope consists of all the regular Qatari, non-Qatari households.

Sampling Frame:

The sampling frame used for this survey is based on 2015 Census of Population, Housing and Establishments. The Planning and Statistics Authority has divided the whole country into small geographical areas called Census blocks. These were enumeration areas during the Census. These Blocks were combined to create Primary Sampling Units (PSUs).

Sampling Unit:

The sampling unit in each stage of selection refers to the entities that are selected for the survey. In this survey, the ultimate sampling units are the members residing within the selected household.

Domain of Estimation:

A domain is any subset of the population for which separate estimates are planned in the survey design.

The survey aims to provide reliable estimates for the members of Qatari and non-Qatari households .

Sample Size:

The target sample size for the whole year is around 6400 households out of which one forth will be covered in each quarter.

Data Collection:

The sample was divided into equal parts to be collected monthly. Each month 1/3 of the quarterly data were collected during the first two weeks of the month. The data were coded and reviewed during the following two weeks and all three months were totaled to produce quarterly results.

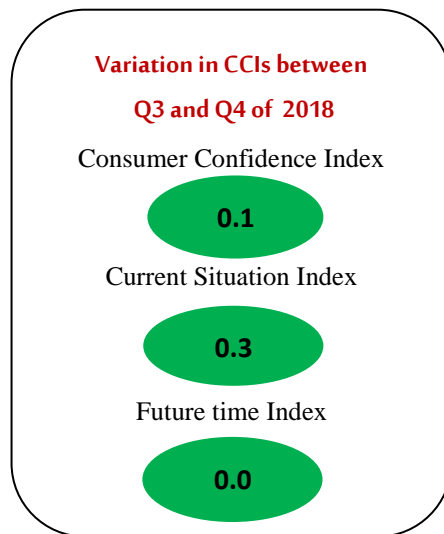
Results:

The quarterly results are made available only on the Planning and Statistics Authority Website.

Customer Confidence Index (CCI)

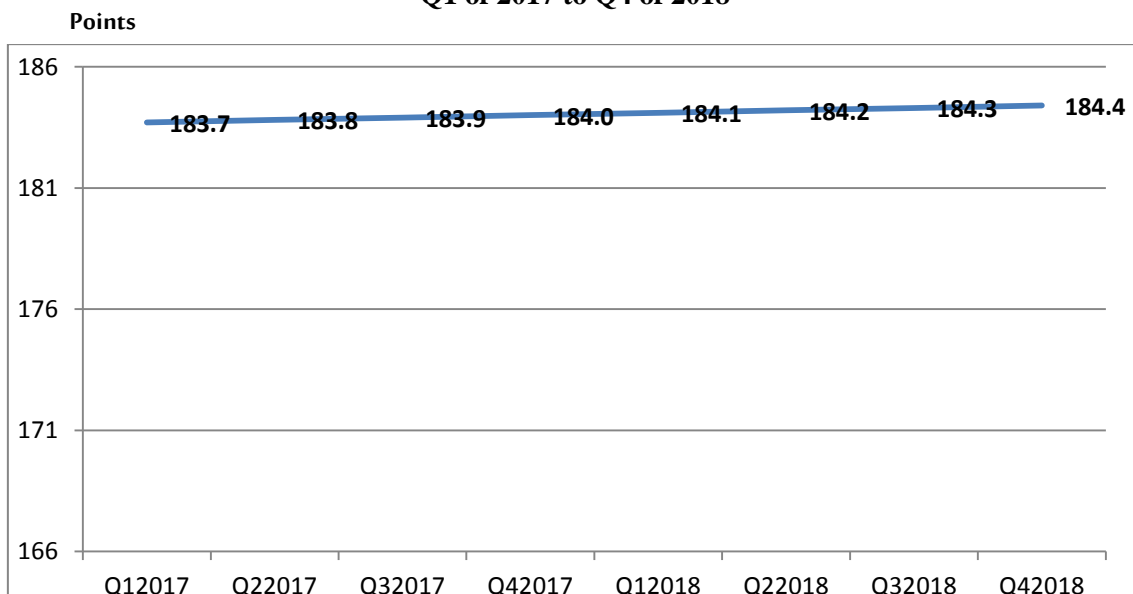
Doha, December, 2018: CCI has settled at high levels at (184.4) points in Q4 of 2018, a rise of (0.1) point compared to Q3 of 2018, and a rise of (0.4) points (184.0) points compared to Q4 of 2017 as illustrated in Figure 1.

Households expressed higher levels of optimism about the current situation during Q4 of 2018 compared to Q3 of 2018, which reflects continued consumer confidence in the State’s economic situations and confirms that the State of Qatar was able to achieve great economic growth despite more than a year and a half of the illegal blockade, which increased its strength and determination. Thus, thanks to its wise leadership and steadfastness of its people, Qatar was able to turn the blockade into a blessing.



In general, the confidence levels in the State’s economic performance increased. 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. 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.

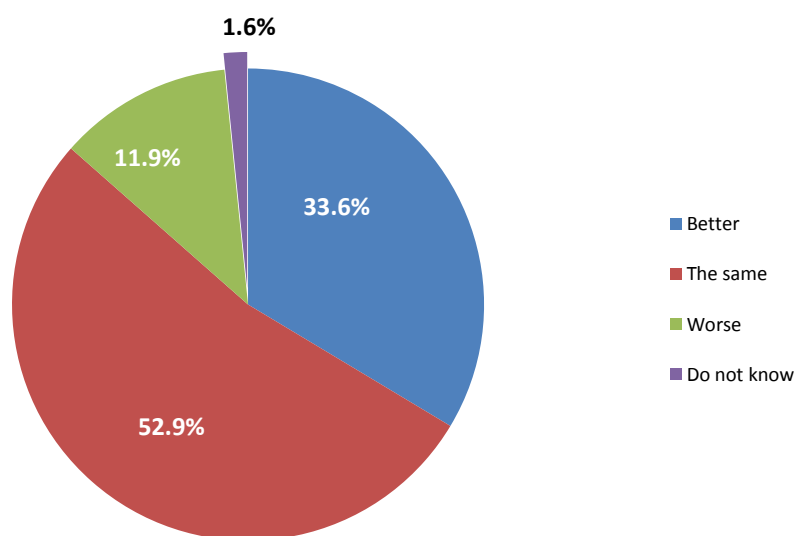
**Figure (1)
Customer Confidence Index
Q1 of 2017 to Q4 of 2018**



(33.6%) of households feel better about their financial situation in Q4, 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 Q4, 2018 showed that (33.6%) of respondents felt better about their financial situations compared to (32.5%) in Q3, 2018, while (11.9%) of respondents felt that their financial situations were getting worse, compared to (13.8%) in Q3, 2018. The percentage of households who expressed feeling of stability about their financial situations amount to about (52.9%) in Q4, 2018 compared to (53.0%) in Q3, 2018 , (1.6%) of the consumers answered "do not know" as in (figure 2).

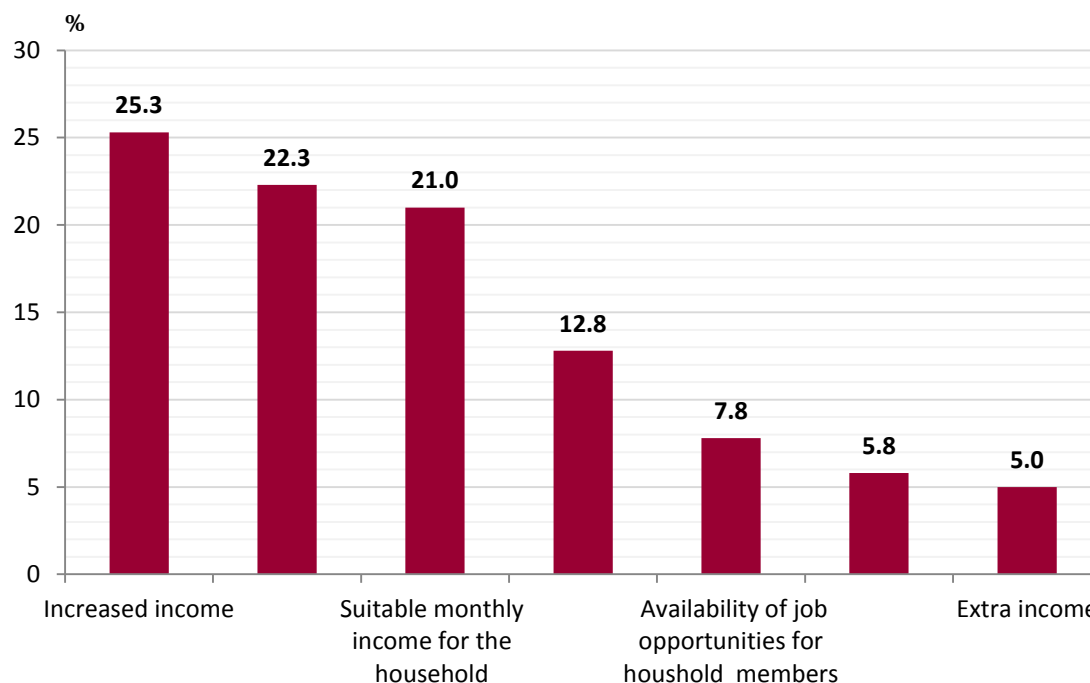
Figure (2)
Compared to the previous 12 months, do you think that you and your household's current financial situation is better, worse or the same?
Q4, 2018



Why Households feel their financial situation improved

The Q4 of 2018 survey showed that the main reasons for some households feeling better about their financial situations (33.6%) 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 during the past 12 months. Some respondents reported that paying debts or the increase of income led to feeling better about their financial situations. Some respondents also reported that the monthly income of the household was appropriate. 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
Q4, 2018

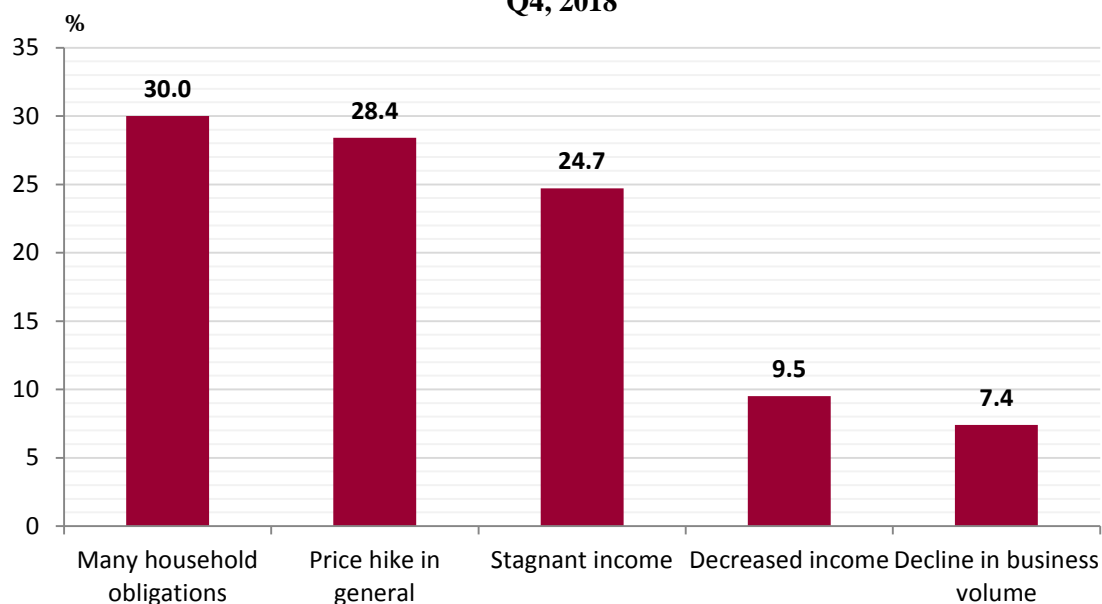


Why Households feel their financial situation worsened

On the other hand, with respect to households who reported their financial situations worsened (11.9%) 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 PSA, the Consumer Price Index (CPI) during Q4 of 2018 reached (108.43) points in October 2018, reflecting a rise of (0.07%) compared to September 2018, while it reached (108.51) points and (108.62) in November and December 2018, respectively.

Figure (4)
Reasons why households feel bad about their financial situations compared to previous 12 months
Q4, 2018

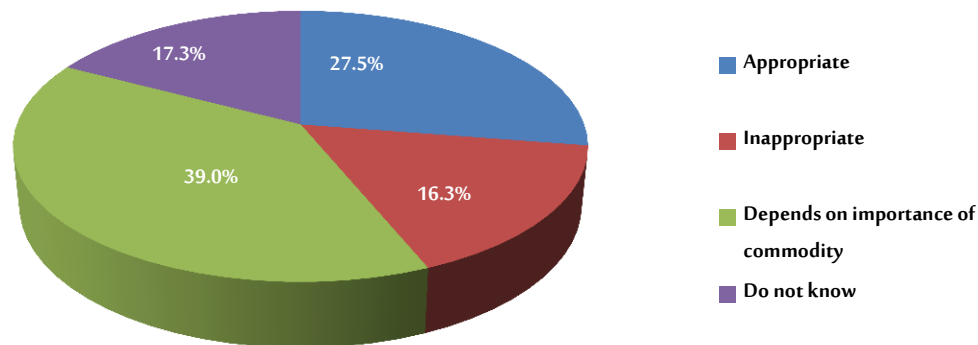


(27.0%) of consumers feel the time is appropriate to buy durable goods

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 Q4 of 2018 survey indicated an increase in consumer ratio of those who expressed that the time was due to buy such goods by (27.5%) compared to (27.0%) in Q3, 2018. The percentage of consumers who would not buy such goods as long as they are not in urgent need for them dropped to (39.0%), compared to (41.1%) in Q3, 2018 survey. 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 increased to (16.3%), compared to (15.7%) in Q3, 2018 (see Figure 5 for more details).

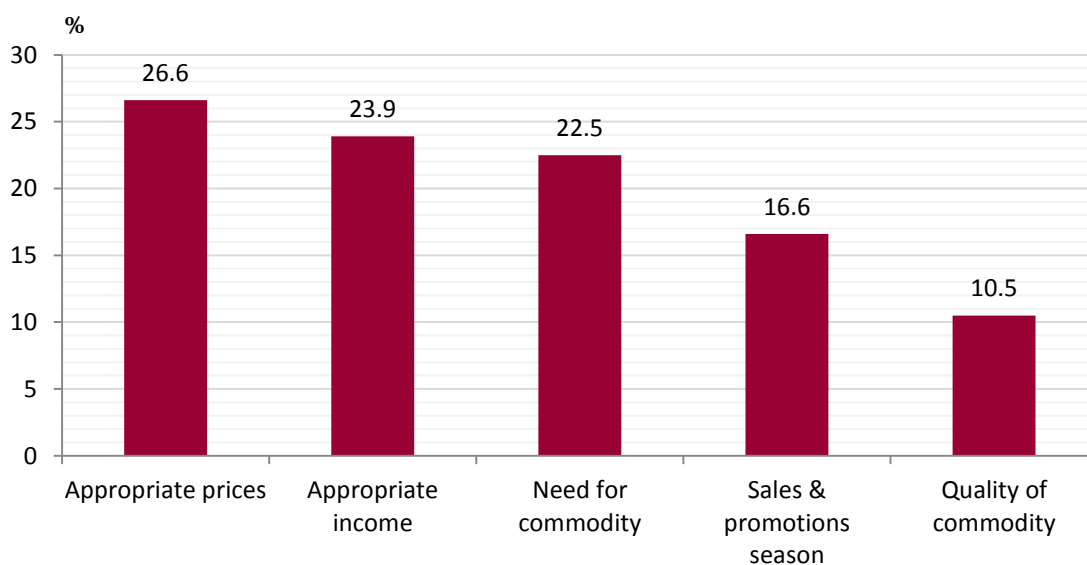
Figure (5)
In general, do you think the time is right for individuals and consumers to buy durable goods (furniture, TV, fridge, washing machine, etc.)?
Q4, 2018



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

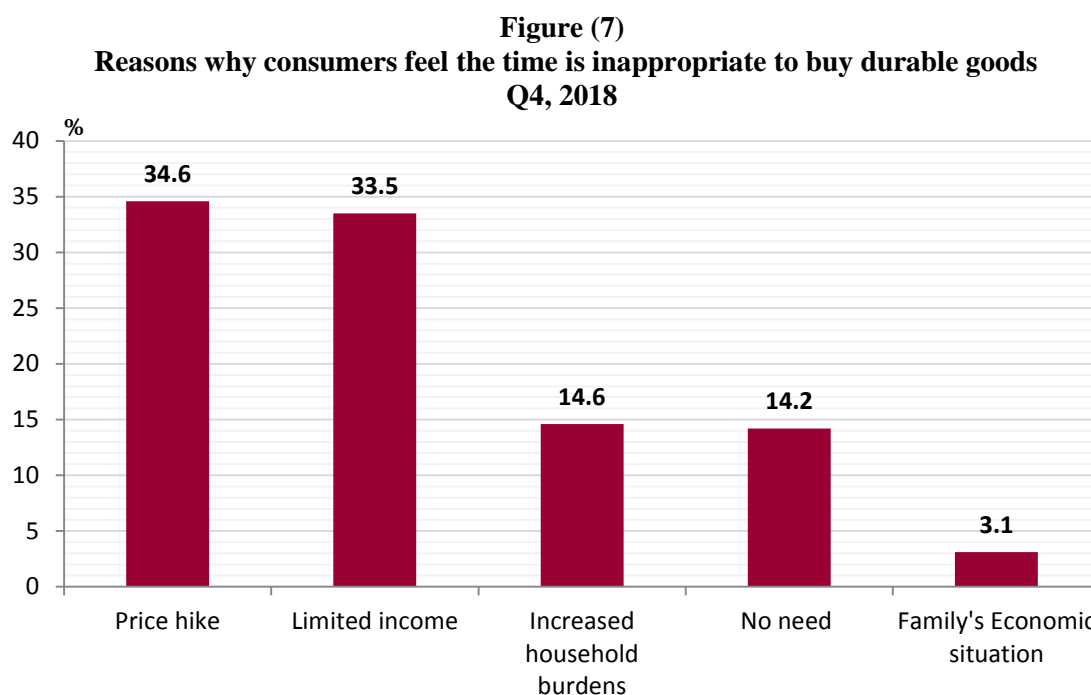
When the consumers who reported the time was appropriate to buy durable goods (27.5%) were asked about the reasons for this feeling, the results of Q4 of 2018 survey indicated that the main reason was “appropriate prices” which was expressed by about (26.6%), then "appropriate income" by (23.9%), and in third place came "need for commodity" by (22.5%). Figure (6) below shows further details in this regard.

Figure (6)
Reasons why consumers believe that the time is appropriate to buy durable goods
Q4, 2018



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 (16.3%), they reported that the main reason for such feeling was “price hike” by (34.6), followed by “limited income” by (33.5%) and then “increased household burdens” by (14.6%). Further detailed in Figure (7) below.

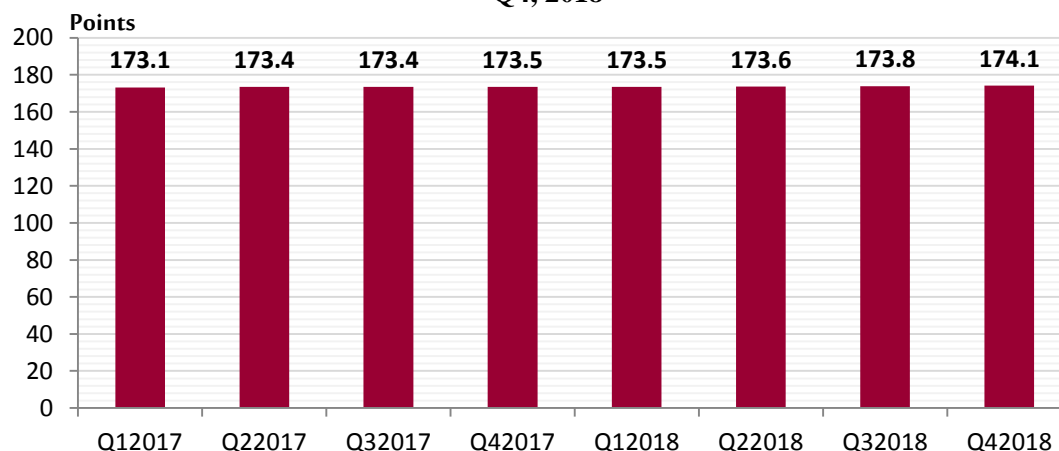


Households continue to express optimism about the current situation:

According to the results of Q4 of 2018, consumers’ optimism about the current situation remained high at (174.1) points, a rise of (0.3) point compared to Q3, 2018. According to the surveyed respondents, consumer satisfaction increased due to the wise governmental guidance, depending on local production, supporting infrastructure projects, increased production of gas and new financial resources, increased domestic and foreign investments, the approach of the FIFA World Cup, the production of new non-oil and pharmaceutical industries, increased agricultural production, as well as diversified origin of world's imported goods, and the promotion of trade and economic relations.

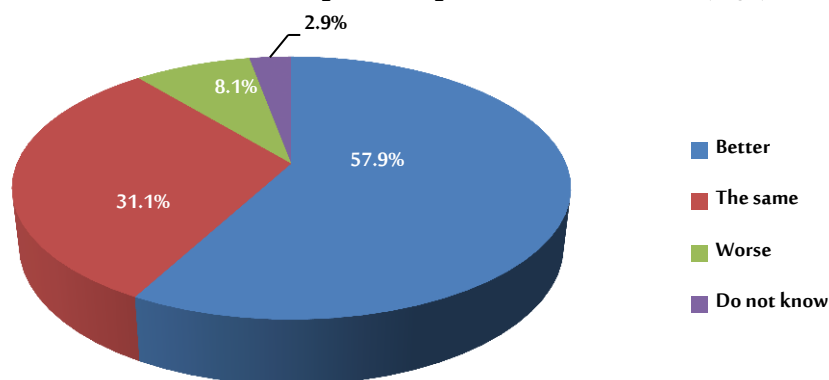
The current Situation Index (CSI) is illustrated in figure (8) below.

Figure (8)
Current Situation Index (CSI)
Q4, 2018



When asked about the current economic situations compared to previous 12 months, (57.9%) of consumers felt better about the current economic situations in Qatar, and (31.1%) believed that the situation was the same, while (8.1%) expressed their feeling that the economic situation was getting worse according to Q4, 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? , Q4, 2018

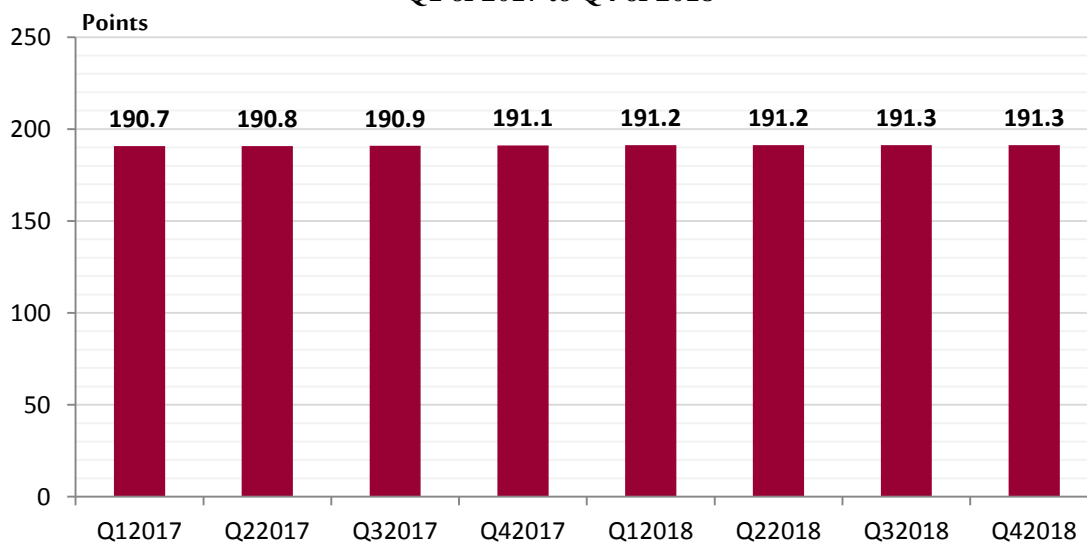


Households express optimism about future situation

During Q4 of 2018, the Future situation Sub-Index (FSI) settled at (191.3) points, which is the same value recorded in Q3, 2018. The surveyed respondents expressed their expectations of increasing oil prices, increasing tourism traffic, diversified economic activities, encouraging local investors, introducing new industries, introducing new projects and job opportunities against the background of the numerous development projects and the approach of the FIFA World Cup in Qatar in 2022. In general, expectations were all better as a result of the government's interest in improving people's situation.

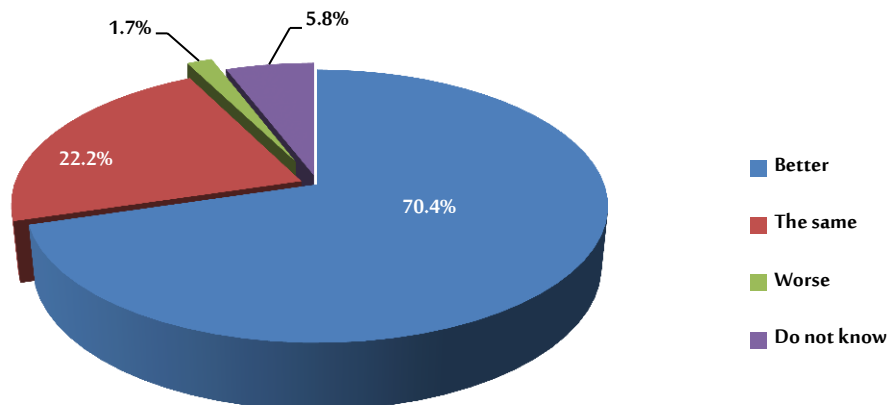
FSI value is the highest compared to other sub-indices that make up the general consumer confidence index, as shown in Figure (10).

Figure (10)
Future Situation Sub-Index (FSI)
Q1 of 2017 to Q4 of 2018



According to surveyed respondents in Q4 of 2018, about (70.4%) expected better economic situation in the next 12 months, compared to present time (survey time), and about (22.2%) 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? , Q4, 2018



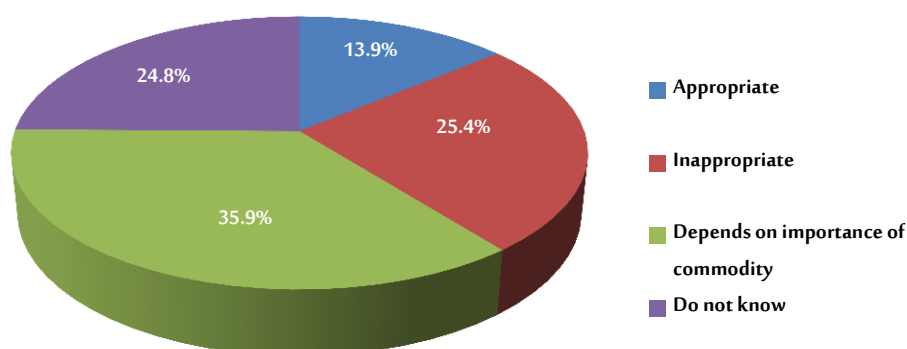
Household's future plan to buy a new vehicle:

The results of Q4 of 2018 survey indicated that (13.9%) of consumers thought the time was appropriate to buy a new vehicle over the next 12 months, compared to (12.6%) in Q3, 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, about (25.4%) of consumers surveyed in Q4 of 2018 said that they believe the time was inappropriate to buy a new car, compared to (28.1%) in the previous quarter. Some households reported that they would not buy a car now because of family's commitments , increased living costs, as well as decreased income and job instability. 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.)? , Q4, 2018



Consumers' expectations about future prices

The results of Q4, 2018 survey revealed that (49.2%) of consumers expected an increase in prices in general over the coming 12 months, compared to (51.9%) in Q3, 2018, recording a decline of (-2.7%). Whereas, (38.5%) expected that prices would remain the same, compared to (35.7%) in Q3 of 2018. Figure (13) shows further details.

The consumers' expectations about the increase in prices were as follows: (36.6%) expected an increase in prices ranging from 1% to 5%; while (42.2%) expected an increase ranging from 6% to 10%; and (21.2%) expected prices to increase over 10%, compared to (33.6%), (41.9%) and (24.5%), respectively in Q3, 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?
Q4, 2018

