

# **Inflation Attitudes Survey**

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**Survey Management Division  
Statistics Department  
Central Bank of Nigeria**

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### EXECUTIVE SUMMARY

The 2014 first quarter survey of households' attitudes to inflation and interest rates was conducted by the Statistics Department from 3rd to 12th February, 2014. This was in its bid to assess the general public perceptions of inflation which will help gauge the Bank's macroeconomic policy formulation.

- Respondent households believed that the economy would end up weaker rather than stronger, if prices start to rise faster than they do now, thereby giving a sizeable support to price stability.
- Given a trade-off between inflation and interest rate, more respondents would prefer higher interest rates to higher inflation with a margin of more than two to one.
- The majority of respondents favoured lower interest rates for the Nigerian economy as a whole rather than for themselves.
- Majority of the respondents are satisfied with the way CBN is doing its job to influence the direction of interest rates to control inflation.

## Inflation Attitudes Survey First Quarter, 2014

### 1. Introduction

The Central Bank of Nigeria (CBN), aside from its price and monetary stability mandate, is also tasked with supporting the Government's policies on economic growth and unemployment reduction. One major objective of the Bank is to build public confidence and support for sustainable economic development, price stability, and public understanding of the Monetary Policy Committee's roles. If people understand and support the objective of price stability as well as understand how the interest rate is used to achieve it, macroeconomic stability which is an essential prerequisite for economic growth and development would be attained. The level of interest rates deemed appropriate to achieve this, is decided by the Monetary Policy Committee (MPC) on periodic basis. The Committee equally articulates other foremost policy framework which is considered as catalyst in moderating price changes and economic stability.

Opinion poll was effectively used in exploring the progression of public views and general understanding of monetary policy matters. A good estimate of inflation expectations and public understanding of what influences them are important parameter for successful monetary policy. In this way, the Bank will be in a position to quantify the impact of its efforts in stabilizing and sustaining prices in the Nigerian economy.

The Statistics Department on a quarterly basis, since June 2009, conducts the inflation Attitudes Survey to sample the views of households on how they view the price changes of goods and services in the shops in the last twelve months, and their expectations of price changes over the next twelve months. The Department also samples respondents' views on interest rate and knowledge of the monetary policy framework. Results of the Q1 2014 survey of the public perceptions on this are discussed.

### 2.0 Survey Methodology

The Q1, 2014 Inflation Attitudes Survey being the most recent in the series was conducted from 03rd to 12th February, 2014 with a sample size of 1950 households in 350 randomly selected Enumeration Areas (EAs) across the six geopolitical zones of the country. The raw data were weighted to match the demographic profile of Nigeria as a whole. Table below presents the states covered under each geo-political zones.

*Monetary Policy framework will be most effective, if accompanied by wide public understanding and support, both for the objective of price stability and the methods to achieve it.*

## Inflation Attitudes Survey

### About the Survey

ZONE	SAMPLE STATE	Q1 2014 SAMPLE SIZE	Q1 2014 RESPONSES	RESPONSE RATE
North Central	Niger, Kwara, Abuja, Benue, Kogi, Nasarawa and Plateau	350	349	99.7
North East	Bauchi, Adamawa, Gombe, and Taraba	200	200	100.0
North West	Kaduna, Katsina, Kano, Zamfara, Jigawa, Sokoto and Kebbi	350	350	100.0
South East	Enugu, Imo, Ebonyi, Anambra and Abia	250	248	99.2
South South	Edo, Delta, Rivers, Bayelsa, Cross River and Akwa-Ibom	300	300	100.0
South West	Lagos, Oyo, Ekiti, Ogun, Osun and Ondo	400	398	99.5
<b>TOTAL</b>		<b>1850</b>	<b>1845</b>	<b>99.7</b>

Inflation expectations do vary amongst households due to the differences in the goods and services bought, which often lead to differences in the prices of the goods and services. Thus, the designed questionnaire captures information on age, sex, income, employment status of the head of the household, among others.

The survey involves in-house face-to-face interviews of members of selected households. The selection entailed a quota sample of individuals within randomly selected Enumeration Areas (EAs). This was done using the instrumentality of the National Integrated Survey of Households (NISH) of the National Bureau of Statistics (NBS). The survey asked questions about the evolution of prices of 'goods and services', and the questions were designed to reflect a concept of inflation the general public are most likely to be familiar with, instead of any specific measures of inflation, like the Consumer Price Index inflation rate.

*In-house face-to-face interviews of respondents were randomly selected for the survey.*

The questionnaire was therefore couched in a manner to capture the expectations of respondents. The options for questions asked were in ranges of price change, of which respondent households are expected to select one that best suites their expectations. The options were in the form of "Gone Down", "Not Changed", "Up by 1% but less than 3%", "Up by 3% or Above" and "No Idea". Respondents were made to answer a total of 14 questions which includes; their thought on how prices had changed in the previous twelve months and how they expect prices to change over the next twelve months, in addition to inquiring from them the body that sets the interest rates. Also range of questions seeking information on public knowledge, understanding and attitudes towards MPC process and expectations of interest rates were asked.

The respondents were also requested to state whether they were satisfied or not with the way the Central Bank of Nigeria is doing its job of setting interest rates in order to control inflation. Furthermore, because households focus on particular types of goods and services when thinking about inflation, variation in the answers may therefore be because respondents are thinking about inflation as it relates to their own patterns of spending in addition to media reports about price trends. Respondents understanding of the transmission mechanism of monetary policy may also be another factor to be considered in their opinion about inflation.

### 3.0 Inflation

The Q1, 2014 survey result showed that by a margin of 42.7 per cent to 11.2 per cent respondent households believed that the economy would end up weaker rather than stronger, if prices start to rise faster than they do now, thereby giving a sizeable support to price stability. Also, about 24.8 per cent of the respondents believed it would make little difference in the economy if prices continue to rise faster than they do now. The responses suggest considerable support for price stability, as a good number of people were of the view that inflation is inimical to economic growth. (Question 3).

*Respondent households believed that the economy would end up weaker rather than stronger, if prices start to rise faster than they do now, thereby giving a sizeable support to price stability.*

When respondents were asked to say how prices have changed over the past 12 months, by making a choice from the five banded options on the questionnaire, they gave a median answer of 2.4 per cent, which is consistent with the previous trends (Question 1). This however, conceals a wide variation, from 27.1 per cent who thought prices had gone down or not changed, to 36.2 per cent who felt that prices had risen by at least 3.0 per cent, as well as 24.8 per cent who felt that prices inched up by 1.0 per cent but less than 3.0 per cent.

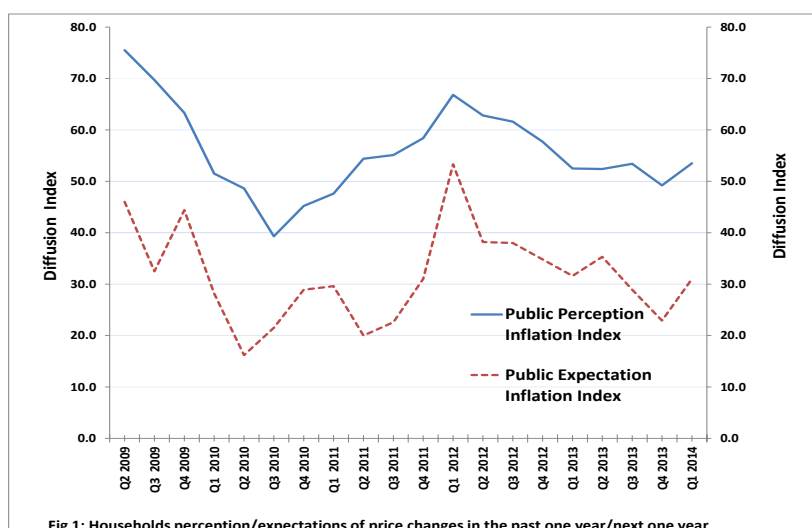


Fig 1: Households perception/expectations of price changes in the past one year/next one year

*More respondents were of the view that price increase is inimical to economic growth.*

Respondent's median expectations of the price changes over the next twelve months (Question 2) was that prices would inch up by 1.5 per cent. The views of the respondents on Question 2, on 'how much they expect prices in the shops generally to change over the next 12 months?', showed that 22.9 per cent of the respondent households expect prices to rise by at least 3 per cent in the next 12 months; compared with the 26.5 per cent of respondents that expect prices to rise by 1 per cent but less than 3 per cent in the next 12 months. Similarly, 35.4 per cent of the respondents were optimistic that prices over the next one year would either go down or remain the same. Few people thought that prices were not likely to rise. This pattern has been maintained in all the eighteen series of the survey so far conducted (see Fig. 1).

Informed in Question 4 that the Government has anticipated an inflation rate of between 6 to 9 per cent in this year's budget, 21.8 per cent of the respondents thought that the target was 'about right', 40.7 per cent believe it was 'too high', 16.6 per cent said 'too low' while the rest 20.9 per cent had no idea. This pattern had been relatively steady in all the series so far, and equally maintained in every zone and demographic group, suggestive of their support for low inflation.

#### 4.0 Interest Rate

*The percentage of respondent households who felt that interest rate has risen in the last 12 months decline by 3.5 percentage points to 52.2 per cent in the current quarter.*

The percentage of respondent households (Question 5) who felt that interest rate has risen in the last 12 months decline by 3.5 percentage points to 52.2 per cent in the current quarter, from the 55.7 per cent attained in Q1, 2013. On the other hand, 10.8 per cent of respondents believed that interest rates will fall, while about 20.2 per cent of the respondents were of the opinion that the rates stayed about the same in the last 12 months. Also 16.7 per cent of the households had no idea. The majority of households perceived that interest on bank loans and savings rose over the past 12 months and this is consistent with the trend observed since Q2 2009 (see Fig. 2).

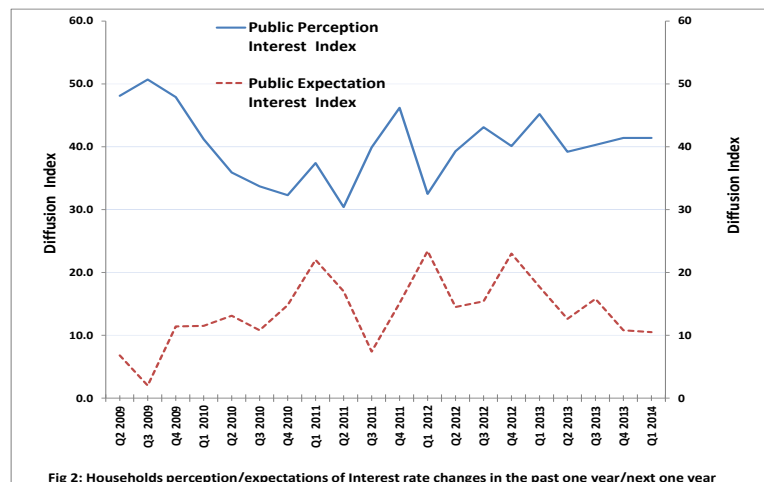


Fig 2: Households perception/expectations of Interest rate changes in the past one year/next one year

*The public expectation on interest rate index was consistently lower than their perception index indicating that the public have greater confidence in the monetary authority to control inflation.*

Respondents views differed on whether the interest rate on bank loans and savings will rise or fall over the next 12 months. While 38.9 per cent of the respondents were of the view that the rates would rise, 28.4 per cent believed it would fall. The 'net rise' value of 10.5 per cent was achieved compared to 17.7 per cent attained in the corresponding quarter a year ago. Almost one-third of the respondents either expected no change or had no idea. As illustrated in Fig. 2, the public expectation on interest rate index was consistently lower than their perception indicating that the public have greater confidence in the monetary authority to control inflation.

Respondents were in Question 8 asked what would be 'best for you personally, for interest rates to go up or go down'. Respondents answers showed that 58.5 per cent reported that it would be best for them personally if interest rates go down, while about 16.4 per cent of the respondents opted for higher interest rates. The results further revealed that 17.1 per cent expressed the thought that it would make no difference.

Similarly, the respondents were also asked in Question 7 what would be ‘best for the Nigerian economy, for interest rates to go up or go down’. Respondents answers showed that 44.1 per cent reported that it would be best for Nigerian economy if interest rates go down, while about 17.2 per cent of the respondents opted for higher interest rates. The results further revealed that 21.2 per cent expressed the thought that it would make no difference.

The responses to questions 7, 8 and Fig. 3 reveal that many people favoured lower interest rates for the Nigerian economy as a whole rather than for themselves. The high lending rates by Deposit Money Banks which discourage borrowing that could serve as catalyst for industrial and economic development could be responsible for the respondents holding such views.

*The majority of respondents favoured lower interest rates for the Nigerian economy as a whole rather than for themselves.*

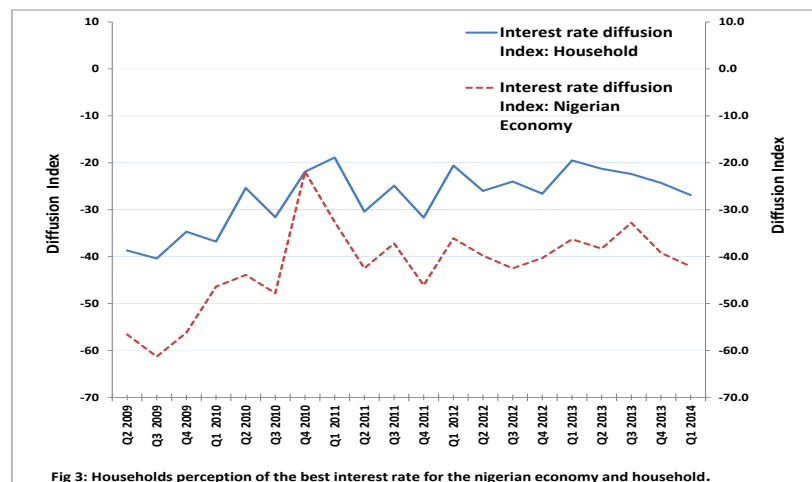


Fig 3: Households perception of the best interest rate for the Nigerian economy and household.

## 5.0 Interest Rate—Inflation Nexus

Question 9 was designed to measure peoples’ understanding of how interest rates would affect changes in prices. In response to what the impact would be on prices, of a rise in interest rates in the short term and in the medium term, just over half the respondents 56.8 per cent agreed that ‘a rise in interest rates would make prices in the street rise more slowly in short term’, as against 16.6 per cent that disagreed. While in the medium term under half of the respondents 49.7 per cent agreed, that ‘a rise in interest rates would make prices in the street rise more slowly, while 20.1 per cent disagreed (See Fig. 4).

*Given a trade-off between inflation and interest rate, more people would prefer higher interest rates to higher inflation with a margin of more than two to one.*

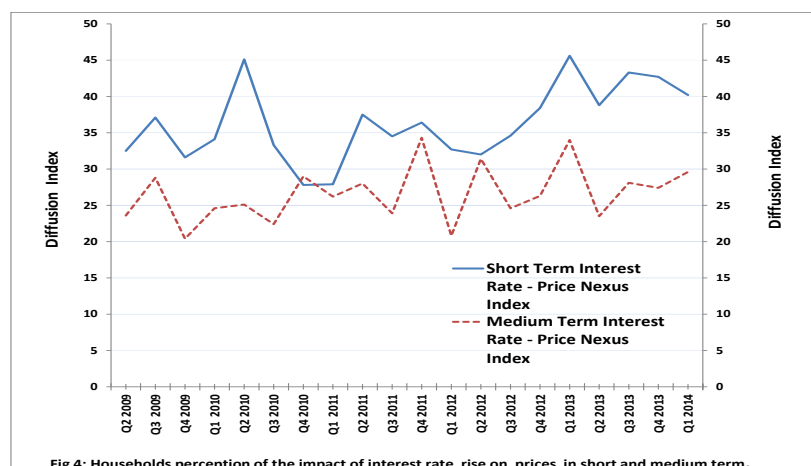


Fig 4: Households perception of the impact of interest rate rise on prices in short and medium term.



Question 10 asked ‘if a choice had to be made, either to raise interest rates to keep inflation down, or keep interest rates down and allow prices in the shops to rise faster; which would you prefer?’ Responding, 44.4 per cent of the people preferred interest rates to be higher in order to keep inflation down, compared with only 19.0 per cent who said they would prefer prices in the shop to rise faster, while 36.5 per cent had no idea. These responses suggest that given a trade-off, most people would accept higher interest rates rather than higher inflation with a margin of two to one; and is suggestive of the respondent households support to the Bank’s price stability stance (see Fig. 5).

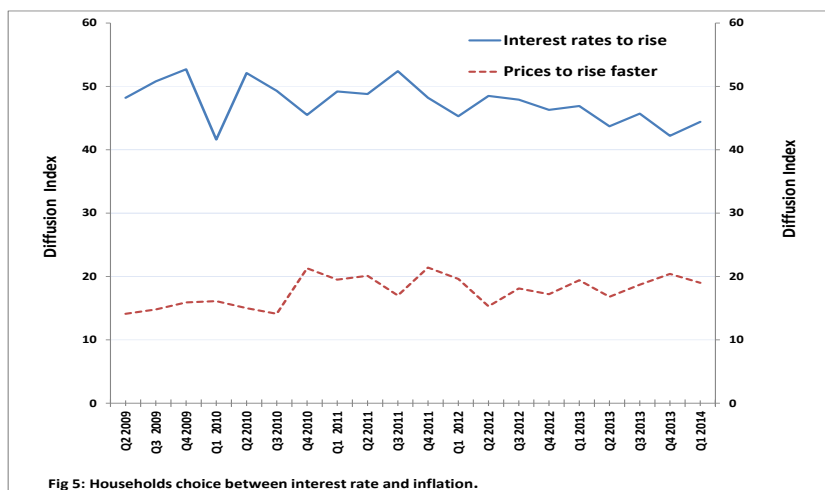


Fig 5: Households choice between interest rate and inflation.

## 6.0 Opinions on the Central Bank of Nigeria

*On who influences the direction of Nigeria’s ‘basic interest rate level’? (52.6 per cent felt it was the Monetary Policy Committee, Federal Ministry of Finance (15.0 per cent), the Government (9.6 per cent) while 6.3 per cent felt it is the National Assembly.*

Questions 11 and 12 assess whether people are aware of the way monetary policy works in Nigeria. Question 11 asked respondents if they knew which group of people meets to set Nigeria’s monetary policy rate. Responding, 52.6 per cent felt it is Monetary Policy Committee, as against 15.0 per cent for Federal Ministry of Finance and 9.6 per cent who believed it was the Government, about 6.3 per cent felt it was the National Assembly, 2.0 and 14.6 per cent answered ‘others’ and “do not know”, respectively.

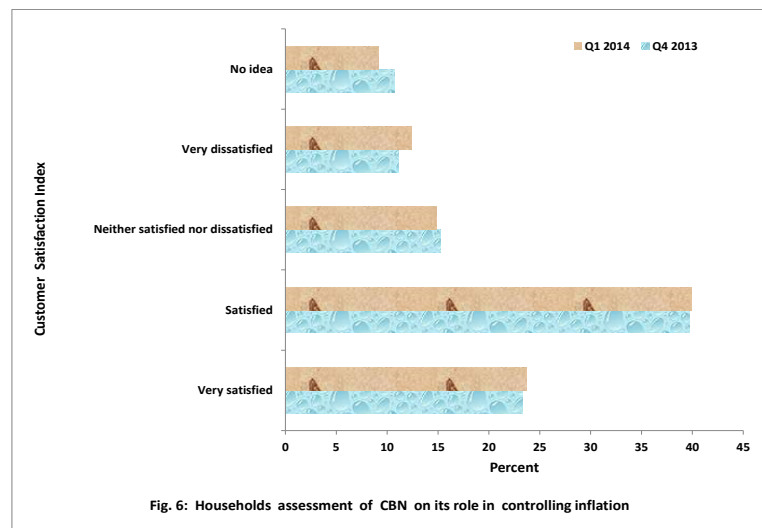
Question 12 then prompted respondents to identify which group mostly influences the direction of interest rates. The result indicated that majority of the respondents (74.1 per cent) are aware that Central Bank of Nigeria influences the direction of interest rate. Other respondents opined that the Government (4.8 per cent) now influences interest rates. About 6.2 and 5.3 per cent of the respondents are of the opinion that civil servants and other banks influence the rates, while 9.6 per cent had no idea. This level of proportions has not significantly changed in all the series since the commencement of the survey (see Table 1).

Responding to Question 13 about the nature of the MPC, 27.7 per cent felt that the Committee is a body wholly owned and appointed by the Government, while 28.9 per cent believed that it is an independent body partly appointed by the Government and 10.1 per cent believed that it is completely independent. However, 20.4

per cent believed that it is an independent body partly appointed by the Government and 10.1 per cent believed that it is completely independent. However, 20.4 per cent regard the MPC as 'part of the Government'. This shows that 71.1 per cent of the respondents are not aware of the composition of the MPC membership.

Question 14 asks whether respondents are satisfied with the way CBN is 'doing its job to influence the direction of interest rates to control inflation'. The net satisfaction index—the proportion satisfied minus the proportion dissatisfied—was 51.2 per cent as against 46.8 per cent recorded in Q1, 2013. Among the satisfied group, 23.7 per cent were 'very satisfied' while 39.9 were 'fairly satisfied'. However, 14.8 per cent were 'neither satisfied nor dissatisfied' whereas 12.4 per cent were 'very dissatisfied'. Those who had no idea accounted for 9.2 per cent of the respondents (see Fig. 6).

*71.1 per cent of the respondents are not aware of the composition of the MPC membership.*



SUMMARY OF RESULTS INFLATION ATTITUDES SURVEY																					
	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	
<b>Q.1 Which of these options best describes how prices have changed over the last 12 months?</b>																					
None down	4.0	5.1	6.5	7.7	11.0	11.8	12.5	10.0	10.2	8.7	7.0	6.6	6.3	6.2	6.7	8.0	7.8	7.1	8.1	7.4	
Not changed	6.2	12.5	8.8	14.2	15.9	23.2	17.6	17.7	16.5	15.7	14.4	9.8	14.1	14.1	12.0	18.4	15.0	18.0	18.3	19.7	
Up by 1% but less than 3%	4.7	21.5	29.0	18.4	26.2	19.4	23.3	23.1	21.6	23.5	26.9	22.3	22.1	22.9	23.0	25.2	23.3	24.9	23.7	24.7	
Up by 3% or above	74.8	53.3	40.8	40.8	33.4	31.7	34.4	34.5	43.0	41.7	38.5	51.1	47.0	44.9	41.4	35.3	38.9	35.6	33.6	36.2	
No idea	10.1	7.6	14.8	11.3	12.1	13.8	12.2	14.7	9.6	11.7	13.2	10.4	11.8	11.8	16.7	13.1	17.0	14.1	16.3	11.9	
Median (%)	3.0	3.0	2.9	3.4	2.3	1.8	2.2	2.3	2.8	2.7	2.6	3.6	3.2	3.1	3.0	2.4	2.6	2.4	2.4	2.3	
Public Perception Inflation Index	75.5	69.7	63.3	51.5	46.8	39.3	46.2	47.6	54.4	55.1	58.4	65.8	62.8	61.6	57.7	52.5	52.4	53.4	49.2	53.9	
<b>Q.2 How much would you expect prices in the shops generally to change over the next 12 months?</b>																					
Would go down	15.7	22.6	16.5	21.1	27.2	24.5	21.2	20.9	28.0	26.2	21.2	12.3	15.6	15.9	16.9	17.5	15.9	18.4	21.8	18.4	
Not changed	8.7	10.2	8.0	13.8	16.1	14.9	16.1	14.1	13.5	13.8	13.2	11.9	16.9	16.8	14.6	14.8	14.8	17.2	16.2	17.0	
Up by 1% but less than 3%	6.9	20.5	28.3	21.2	22.0	24.1	23.9	24.3	23.8	24.5	22.0	24.1	24.5	24.1	22.9	26.2	23.3	25.8	23.1	26.5	
Up by 3% or above	54.8	34.6	32.6	28.1	21.4	21.9	26.2	26.2	24.2	26.5	30.2	41.4	28.7	29.4	27.2	22.9	23.9	21.5	21.6	22.9	
No idea	13.6	12.1	14.6	12.2	11.8	14.5	12.6	14.5	10.5	11.3	13.4	10.3	13.6	14.2	16.8	15.0	16.0	16.9	17.4	15.2	
Median (%)	3.0	2.1	2.3	1.6	1.1	1.3	1.5	1.6	1.3	1.4	1.8	2.7	1.9	1.9	1.8	1.5	1.6	1.5	1.3	1.5	
Public Expectation Inflation Index	46.0	32.5	44.4	29.2	16.2	11.3	20.9	20.6	20.0	22.8	31.0	35.3	36.2	36.0	34.8	31.6	36.3	28.9	22.9	31.0	
<b>Q.3 If prices started to rise faster than they do now, do you think Nigeria's economy would...?</b>																					
End up stronger	8.0	9.7	7.9	8.8	10.8	10.3	15.0	16.9	14.7	10.4	9.0	9.9	10.0	8.5	9.6	13.5	8.9	12.2	12.3	11.2	
Or make little difference	14.0	13.0	21.5	18.1	21.8	22.5	23.7	23.0	21.7	24.3	26.6	26.2	22.7	23.3	28.7	24.3	22.1	25.9	23.7	24.8	
Or weak	65.1	65.4	55.2	59.4	53.4	51.1	43.5	46.0	47.1	49.5	46.6	46.0	50.3	48.3	44.5	46.5	46.2	43.8	43.7	42.7	
Don't know	12.5	11.9	15.3	14.7	14.1	16.1	17.8	14.1	16.4	15.9	14.7	17.9	16.9	19.8	17.0	17.0	17.0	17.9	20.2	21.3	
<b>Q.4 The Government in this years budget anticipated an inflation rate of 10.0%. What do you think of this rate?</b>																					
Too high	45.7	45.8	45.3	46.2	44.7	40.0	38.3	42.9	46.2	43.2	46.5	40.2	45.6	42.3	43.3	43.8	44.1	41.7	46.7	40.7	
Or too low	20.5	17.7	14.2	14.7	14.8	17.9	22.7	19.4	16.8	13.3	17.0	18.9	16.1	18.9	15.5	16.7	13.3	16.9	15.1	16.6	
Or about right	13.9	16.2	12.6	18.2	20.2	17.2	17.0	18.7	17.2	21.6	19.9	20.8	17.7	17.8	18.9	18.2	17.6	19.8	15.9	21.8	
No idea	19.2	20.0	20.7	20.9	20.1	24.9	21.9	18.9	17.8	21.8	16.6	16.1	19.4	20.7	22.3	21.1	24.6	21.4	22.2	20.9	
<b>Q.5 How would you say interest on bank loans and savings have changed over the last 12 months?</b>																					
Risen a lot	36.2	34.3	29.4	33.0	25.6	31.1	27.6	27.5	24.1	27.6	28.8	25.9	27.3	26.2	27.5	28.1	27.4	29.7	28.6	29.1	
Risen a little	24.0	25.5	28.5	22.1	27.2	18.8	21.9	24.3	26.6	26.2	28.0	23.2	25.0	26.0	26.0	27.6	25.0	21.9	24.2	23.1	
Stayed about the same	10.2	13.5	14.3	14.6	14.3	13.6	10.1	16.9	16.4	19.3	16.4	16.3	16.4	16.4	16.0	15.6	16.8	16.0	16.2	20.2	
Fallen a little	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	
Fallen a lot	6.1	3.0	4.8	2.9	6.5	6.6	6.9	5.6	8.8	4.7	4.6	5.7	4.5	2.7	3.5	3.1	2.9	3.1	2.9		
No idea	17.1	17.5	17.7	16.1	16.0	20.3	20.2	19.0	16.6	16.9	14.3	19.0	17.7	18.0	20.0	18.2	22.4	18.6	16.7		
Total saying 'rise'	60.2	59.8	57.9	55.1	52.8	49.9	49.5	51.8	50.7	53.8	57.8	47.1	52.3	53.2	52.5	55.7	50.4	51.6	53.8	52.2	
Total saying 'fall'	12.1	9.1	10.0	13.9	16.9	16.2	17.2	14.4	10.3	13.9	11.6	14.6	13.0	10.1	12.4	10.5	11.2	11.3	12.4	10.8	
Public Perception Interest Index	48.1	50.7	47.9	41.2	35.9	33.7	32.3	37.4	30.4	39.9	46.2	32.5	39.3	43.1	40.1	45.2	39.2	40.3	41.4	41.4	
<b>Q.6 How would you expect interest rates to change over the next 12 months?</b>																					
Rise a lot	15.0	13.8	16.0	14.1	15.0	16.4	16.0	18.5	14.8	15.5	17.9	17.4	14.8	16.2	18.9	16.5	15.9	16.9	16.2	14.1	
Rise a little	23.8	22.2	23.3	24.3	28.3	22.6	25.3	27.9	29.8	21.6	25.1	27.9	25.3	23.5	26.2	28.0	21.8	23.1	23.1	24.4	
Stay about the same	15.0	16.0	17.1	19.0	16.0	14.6	16.5	14.4	19.3	16.3	17.4	17.5	19.8	18.9	16.2	16.4	18.1	18.2	16.0	17.9	
Fall a little	21.2	24.8	18.1	18.9	18.5	17.4	15.8	14.2	20.0	17.7	18.0	14.2	16.8	16.9	15.1	15.9	14.2	13.7	16.4	18.9	
Fall a lot	10.8	9.2	7.9	8.0	9.7	10.8	10.7	10.2	7.6	12.0	9.9	7.1	8.8	7.4	7.0	8.9	10.9	10.5	12.1	9.5	
No idea	13.8	13.8	13.8	15.7	14.6	18.3	15.6	14.7	14.7	13.8	11.6	15.4	14.5	16.5	16.4	16.3	21.1	17.7	16.2	14.8	
Total saying 'rise'	38.8	36.0	39.3	38.4	41.3	39.0	41.3	46.4	44.6	37.1	43.0	45.3	40.1	38.7	45.1	42.5	37.7	40.0	39.3	38.9	
Total saying 'fall'	32.0	34.0	27.9	26.9	28.2	28.2	26.5	24.4	27.6	28.7	27.9	21.9	25.6	24.4	22.1	24.8	25.1	24.2	28.5	28.4	
Public Expectation Interest Index	6.8	2.0	11.4	11.5	13.1	10.8	14.8	22.0	17.0	7.4	15.1	25.4	14.5	15.4	23.0	17.7	12.6	15.8	10.8	10.5	
<b>Q.7 What do you think would be best for the Nigerian economy - for interest rates to go up over the next few months, or to go down, or to stay where they are now, or would it make no difference either way?</b>																					
Go up	13.7	14.1	16.3	15.1	22.1	17.7	21.4	23.7	18.6	18.1	15.1	19.6	16.6	16.6	17.2	21.4	18.0	18.6	18.8	17.2	
Go down	52.4	54.5	51.0	51.9	47.5	49.3	43.3	42.6	49.0	43.0	46.8	49.2	42.6	46.6	43.8	40.9	39.3	41.0	43.1	44.1	
Make no difference	12.7	17.5	15.4	19.6	20.0	17.8	20.4	19.4	17.5	23.0	24.4	24.2	25.5	25.9	23.0	21.7	20.3	23.8	21.3	21.2	
No idea	13.1	13.8	17.3	12.5	1.2	15.2	14.9	14.2	13.0	15.9	14.8	15.9	15.2	16.7	15.0	16.4	20.5	16.4	16.7	17.6	
Interest rate diffusion Index: Household	-38.7	-40.4	-34.7	-36.8	-25.4	-31.6	-21.9	-18.9	-30.4	-24.9	-31.7	-20.6	-26.0	-24.0	-26.6	-19.5	-21.3	-22.4	-24.3	-26.9	
<b>Q.8 And which would be best for you personally, for interest rates to...</b>																					
Go up	11.0	13.9	12.2	16.4	20.0	17.0	21.4	24.3	20.3	20.1	13.8	18.3	16.8	15.1	14.9	19.3	16.1	18.9	18.0	16.4	
Go down	67.6	75.2	68.4	62.8	63.9	64.8	43.3	56.9	62.8	57.3	59.9	54.4	56.6	57.6	55.2	55.6	54.4	51.7	57.2	58.5	
Make no difference	9.1	10.4	17.3	18.9	22.6	16.9	20.4	17.7	18.5	19.4	19.4	17.7	18.5	19.4	18.2	18.7	18.3	15.6	17.1	17.1	
No idea	8.9	0.0	2.1	1.5	0.5	1.4	14.9	1.1	1.3	3.7	6.8	8.2	8.9	8.4	11.3	6.8	10.7	10.9	9.2	8.0	
Interest rate diffusion Index: Nigerian Economy	-56.6	-61.3	-56.2	-46.4	-43.9	-47.8	-21.9	-32.6	-42.5	-37.2	-46.1	-38.1	-38.8	-42.6	-40.3	-36.3	-38.3	-32.8	-39.2	-42.1	

**TABLE 1**

**SUMMARY OF RESULTS INFLATION ATTITUDES SURVEY**

	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Q. 9 How strongly do you agree with the following statements? A rise in interest rates would make prices in the street rise more slowly in the (a) short term - say a month or two.																				
Agree strongly	21.3	23.8	18.8	25.2	30.1	27.8	22.4	22.8	24.6	24.9	22.9	22.0	20.0	21.3	24.2	27.4	24.9	23.9	24.3	23.3
Agree	32.2	33.6	32.5	27.8	31.0	26.9	28.2	28.7	31.5	29.9	33.0	30.0	32.9	31.3	31.4	33.5	29.4	34.7	33.8	33.5
Neither agree nor disagree	12.8	11.7	15.3	13.6	14.0	11.9	14.2	12.3	12.7	13.8	12.6	14.6	15.9	17.8	14.5	13.6	14.5	14.2	15.3	15.3
Disagree	13.8	14.1	14.5	12.1	10.9	17.0	15.9	17.3	12.4	15.3	14.4	13.8	16.5	13.1	13.7	11.3	10.7	11.6	11.0	12.9
Disagree strongly	7.2	6.2	5.2	6.8	5.1	4.4	6.9	6.3	6.2	5.0	5.1	5.5	4.4	4.9	3.5	4.0	4.8	3.7	4.4	3.7
Don't know	12.1	10.5	13.8	14.5	8.6	12.0	12.5	12.6	12.5	11.2	12.0	13.6	10.4	11.5	10.1	10.2	15.7	11.8	11.2	11.2
Total agree	53.5	57.4	51.3	53.0	61.1	54.7	50.6	51.5	56.1	54.8	55.9	52.0	52.9	52.6	56.6	60.9	54.3	58.6	56.1	56.8
Total disagree	21.0	20.3	19.7	18.9	16.0	21.4	22.8	20.9	18.6	21.4	19.5	19.3	20.3	18.0	17.2	15.3	15.5	15.3	15.4	16.6
Short Term Interest Rate - Price Nexus Index	32.5	37.1	31.6	34.1	45.1	33.3	27.8	27.9	37.5	34.5	36.4	32.7	32.0	34.6	38.4	45.6	38.8	43.3	42.7	40.2
b) A rise in interest rates would make prices in the street rise more slowly in the medium term - say a year or two																				
Agree strongly	14.8	17.1	11.7	18.1	16.6	20.1	20.6	21.2	19.2	17.6	20.7	17.1	16.5	17.0	18.6	19.7	17.0	16.5	18.7	17.7
Agree	32.5	34.8	32.9	27.8	32.3	28.3	30.3	28.4	30.3	30.7	33.2	26.8	34.6	29.6	28.8	33.4	28.3	32.9	30.3	32.0
Neither agree nor disagree	14.1	12.3	16.4	16.3	14.8	11.3	13.1	12.7	18.1	15.7	14.0	17.5	16.8	17.6	16.0	15.1	15.7	15.5	15.5	17.2
Disagree	15.2	17.8	15.8	14.5	17.6	19.6	14.7	13.8	12.7	15.8	13.8	14.8	14.8	16.8	16.4	13.8	15.5	15.5	15.5	13.7
Disagree strongly	8.5	5.3	8.4	6.8	5.2	6.4	7.1	8.0	8.8	8.6	5.8	7.0	4.9	5.8	5.7	5.3	6.3	5.8	6.1	6.4
Don't know	6.7	12.4	14.9	15.8	12.4	14.3	14.2	14.3	12.3	11.6	12.5	15.5	12.4	13.6	13.3	12.8	17.2	13.7	14.0	13.2
Total agree	47.3	51.9	44.6	45.9	47.9	48.4	50.8	48.6	49.5	48.3	53.9	43.9	51.1	46.6	48.4	53.1	45.3	49.4	48.0	48.7
Total disagree	23.7	23.1	24.2	21.3	22.8	26.0	24.4	23.1	21.5	24.4	19.6	23.1	19.7	22.0	22.1	19.1	21.8	21.3	21.6	20.1
Medium Term Interest Rate - Price Nexus Index	23.6	28.1	20.4	24.6	25.1	22.4	29.0	28.2	29.0	23.9	34.3	20.8	31.4	24.6	26.3	34.0	23.5	28.1	27.4	29.6
Q. 10 If a choice had to be made, either to raise interest rates to try to keep inflation down; or keep interest rates down and allow prices in the shops to rise faster, which would you prefer?																				
Interest rates to rise	48.2	50.8	52.7	41.6	52.1	49.3	45.5	48.2	48.8	52.4	48.2	45.3	48.5	47.9	46.3	46.9	43.7	46.7	42.2	44.4
Prices to rise faster	14.1	14.8	15.9	16.1	15.0	14.1	21.3	19.5	20.1	17.0	21.4	19.6	17.2	16.1	17.2	19.4	16.8	18.7	20.4	19.0
No idea	36.8	34.1	31.3	42.2	32.4	36.6	33.2	31.2	30.9	30.7	30.5	32.1	33.7	33.2	36.2	33.4	39.3	35.4	37.2	36.5
Diffusion Index	34.1	36.0	36.8	25.5	37.1	35.2	24.2	29.7	28.7	35.4	28.8	25.7	33.2	29.8	29.1	27.5	26.9	27.0	21.8	25.4
Q. 11 Every other month, a group of people meet to set Nigeria's basic interest rate level. Do you know what this group is?																				
Monetary Policy Committee	55.9	59.5	61.2	54.7	55.6	49.6	40.6	46.5	49.2	49.9	55.8	44.7	49.8	53.9	51.0	53.0	53.2	49.3	50.3	52.6
The Government	9.4	7.0	7.0	10.4	9.7	11.4	10.0	9.7	10.1	12.0	24.0	7.5	7.5	11.1	11.0	7.2	10.3	10.7	10.7	9.6
Federal Ministry of Finance	8.7	10.5	9.5	12.5	11.6	12.5	24.8	21.4	18.3	12.9	17.8	16.5	18.7	12.5	13.7	12.9	12.7	16.9	13.7	15.0
National Assembly	4.0	2.4	3.2	3.9	7.8	4.9	5.2	5.8	6.0	5.1	4.9	6.5	6.5	6.0	4.7	6.0	5.7	6.4	7.3	6.3
Others	1.2	1.0	2.0	0.9	1.1	2.2	0.7	2.3	2.4	2.1	2.6	4.0	2.2	2.1	2.6	1.9	2.1	2.4	1.6	2.0
Don't know	20.0	18.2	17.0	17.6	14.2	19.4	16.6	15.3	13.9	13.1	0.0	20.9	14.7	16.5	18.9	15.3	19.1	14.6	16.4	14.6
Q. 12 Which of these groups do you think sets the interest rates?																				
Government ministers	3.1	2.4	4.3	4.9	4.7	6.8	40.6	6.7	4.3	8.9	5.2	5.7	5.2	6.4	8.3	7.2	4.5	7.0	4.7	4.8
Civil servants	2.8	1.8	2.4	3.2	3.6	4.1	10.0	5.2	6.7	6.6	5.7	5.7	5.7	4.3	6.0	5.1	5.0	4.7	6.9	6.2
CBN	76.9	82.3	77.5	75.9	75.7	70.4	24.8	70.0	74.1	70.3	75.8	69.5	73.8	76.2	70.3	72.8	70.2	73.6	71.1	74.1
Other banks	3.4	3.5	4.5	4.4	4.1	4.8	5.2	4.7	4.4	4.2	4.1	4.3	4.7	3.2	5.0	4.2	4.9	4.2	4.1	5.3
No idea	13.1	9.8	11.2	11.6	11.8	14.2	2.7	17.0	10.6	9.9	9.1	14.8	11.0	9.9	10.3	10.7	15.4	10.3	13.1	9.6
Q. 13 In fact, the decisions are taken by the Monetary Policy Committee of the Central Bank of Nigeria. Which of these do you think best describes the Monetary Policy Committee?																				
Part of the Government	26.3	22.3	16.9	27.5	23.0	25.3	26.6	26.8	22.3	20.9	25.3	24.0	23.7	24.1	23.5	23.8	19.7	23.3	20.4	20.4
A. Body wholly owned appointed by the Government	27.2	33.6	42.4	26.5	32.9	28.9	26.7	30.1	32.3	20.9	32.8	26.6	26.4	26.1	27.7	27.3	27.7	29.0	28.4	27.7
An independent body partly appointed by the Government	20.0	19.8	21.3	20.2	24.1	20.5	21.0	21.4	26.1	21.1	20.1	22.6	26.1	25.5	26.1	27.4	25.7	24.0	26.3	28.9
A completely independent body partly appointed by the Government	6.8	6.2	5.2	11.5	6.5	8.6	8.6	7.5	7.2	11.8	7.0	7.9	10.2	11.5	8.3	9.1	10.4	9.2	9.7	10.1
No idea	18.3	17.5	14.2	14.4	13.3	17.2	15.0	14.1	12.4	13.8	14.6	18.6	13.7	12.7	14.2	12.3	16.5	13.5	15.0	12.9
Q. 14 Overall, how satisfied are you with the way the Central Bank of Nigeria is doing its job to set interest rates in order to control inflation?																				
Very satisfied	20.2	27.1	21.4	30.8	27.5	26.0	29.6	36.7	28.7	36.6	35.5	28.8	20.7	23.7	22.4	22.1	21.2	22.6	23.3	23.7
Partly satisfied	44.6	44.6	41.6	36.7	45.2	38.6	39.7	38.2	44.7	35.3	34.6	34.6	40.8	41.1	38.2	36.0	41.2	40.1	39.7	39.9
Neither satisfied nor dissatisfied	12.4	12.3	17.6	15.7	11.0	14.5	10.5	10.6	13.3	13.5	13.6	12.8	12.8	16.4	13.2	16.3	16.8	16.8	15.2	14.6
Very dissatisfied	12.8	8.4	8.6	7.3	8.0	9.7	6.1	9.0	5.6	8.4	8.1	7.9	10.0	10.7	12.2	14.3	11.7	11.2	11.1	12.4
No idea	9.2	7.1	8.7	9.5	8.3	11.3	14.0	9.6	7.6	7.2	8.2	15.0	7.7	8.0	8.0	8.0	12.2	9.2	10.7	9.2
Total satisfied	64.8	71.7	63.0	67.5	72.7	64.6	69.3	70.9	73.4	70.9	70.1	63.6	61.5	64.8	60.6	61.1	62.4	62.7	63.0	63.6
Total dissatisfied	12.8	8.4	8.6	7.3	8.0	9.7	6.1	9.0	5.6	8.4	8.1	7.9	10.0	10.7	12.2	14.3	11.7	11.2	11.1	12.4
Net satisfied	52.0	63.3	54.4	60.2	64.7	54.9	63.2	61.9	67.8	62.5	62.0	55.7	51.5	54.1	48.4	46.8	50.7	51.5	51.9	51.2