

Central Bank of Nigeria



**Consumer
Expectations Survey
Report**

Q₃ 2017

Statistics Department

September 2017

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1.0 Highlights

The highlights of the Q₃ 2017 Consumer Expectations Survey (CES) are as follows:

- Overall outlook of consumers further moderated in the current quarter, though still down beat. This was attributable to an anticipated consumer confidence in the economy and a moderation in net household income. Consumers however, had a positive outlook for the next quarter and the next 12 months.
- On average, more households nationwide expect some increase in their expenditure on basic commodities and services in the next 12 months. Consumers expect to spend substantial amounts of their income on food and other household needs, education, savings, medical expenses, purchase of consumer durables, and debt payment.
- Majority of consumers nationwide believe that the next 12 months would not be an ideal time to purchase big-ticket items like motor vehicle and house & lot.
- Most respondents expected that borrowing rate will fall, naira will appreciate, while inflation and unemployment rates will rise in the next 12 months
- The major drivers of the expected upward movement in prices are: education, house rent, medical care, transport and electricity.

2.0 Introduction

The Consumer Expectations Survey (CES) for Q₃ 2017 was conducted during the period August 21 to September 1, 2017, covering a sample size of 1,950 households drawn from the National Bureau of Statistics (NBS) Master List of Households.

The overall response rate for the Q₃ 2017 CES was 98.8 per cent. Respondents' distribution by educational attainment showed that 41.8 per cent had university education, 29.7 per cent had higher non-university education, while 18.0 per cent had senior secondary school education. Respondents with junior secondary and primary school education accounted for 5.8 and 2.8 per cent, respectively, while those with no formal education accounted for the balance of 1.9 per cent.

3.0 Consumer Outlook

3.1 Consumer Overall Confidence Index

The consumers' overall confidence outlook moderated in Q₃ 2017 while still remaining down beat. Though the index was negative at -10.5, more respondents were optimistic about the economy when compared with the corresponding quarter of 2016. Some respondents attributed this moderation in outlook to improvement in their family net income, while more ascribed the development to increased confidence in the economy, when compared with the corresponding period of 2016. The consumer outlook for the next quarter and next 12 months were however, positive at 19.0 and 34.8 points, respectively (Fig. 1). This outlook could be attributed to the anticipated improvement in Nigeria's economic conditions, expected increase in net household income, and expectations to save a bit and/or have plenty over savings in the next 12 months (Table 1).

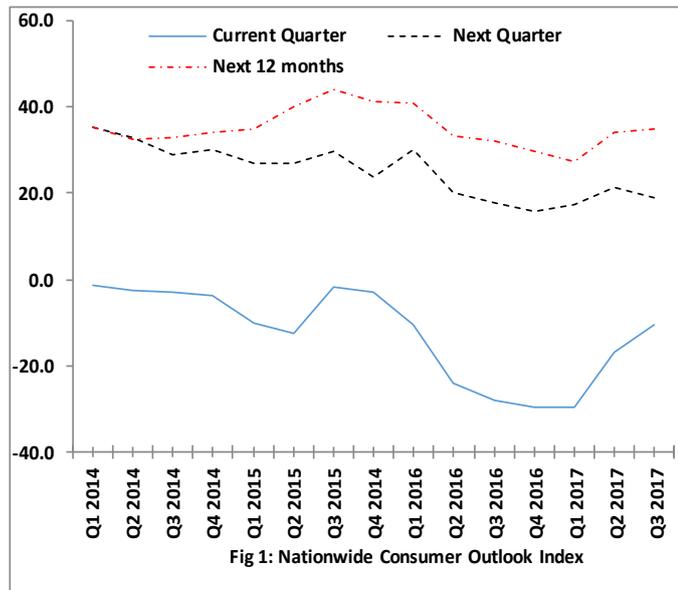
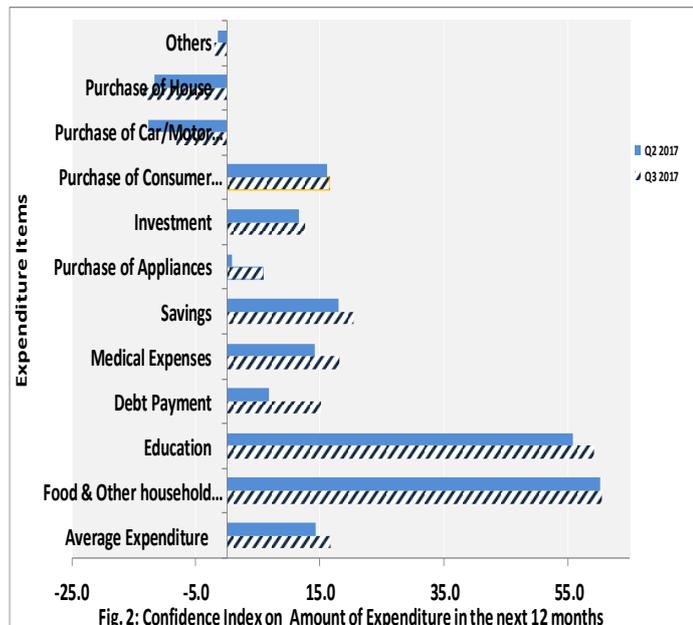


Fig 1: Nationwide Consumer Outlook Index

3.2 Expenditure Outlook in the Next 12 Months

With an average index of 16.8 points, more households nationwide expect an increase in their expenditure on basic commodities and services in the next 12 months (Table 1). Most of the consumers expect to spend a substantial amount of their income on food and other household needs, education, savings, medical expenses, purchase of consumer durables, and debt payment. However, they do not plan to expend on large ticket items such as purchases of house and car/motor vehicle (Fig. 2).



3.2.1 Outlook on Price Changes in the Next 12 Months

Most respondents expect the prices of goods and services to rise in the next 12 months with an index point of 20.4. The major drivers are: Education, house rent, medical care, transport and electricity (Fig. 3).

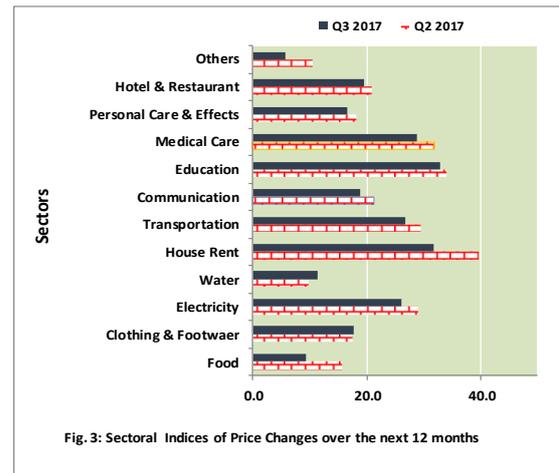


Fig. 3: Sectoral Indices of Price Changes over the next 12 months

3.2.2 Buying Outlook

The **overall buying conditions** index for consumers in the current quarter for big-ticket items stood at 40.4 points. This indicates that majority of consumers believed that the current quarter was not the ideal time to purchase big-ticket items like consumer durables, motor vehicles, and house & lot (Fig 4).

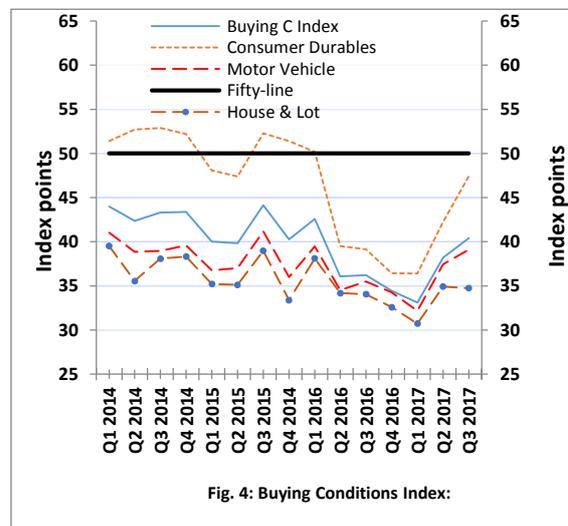


Fig. 4: Buying Conditions Index:

Similarly, **overall buying intention** index in the next twelve months stood at 47.0 index points, indicating that majority of consumers do not intend to buy these items in the next 12 months. However, the buying intention index for consumer durables was above 50 points, indicating that respondents have plans to purchase furniture, gas cooker, refrigerator, air conditioner, television and other durables in the next twelve months (Fig 5).

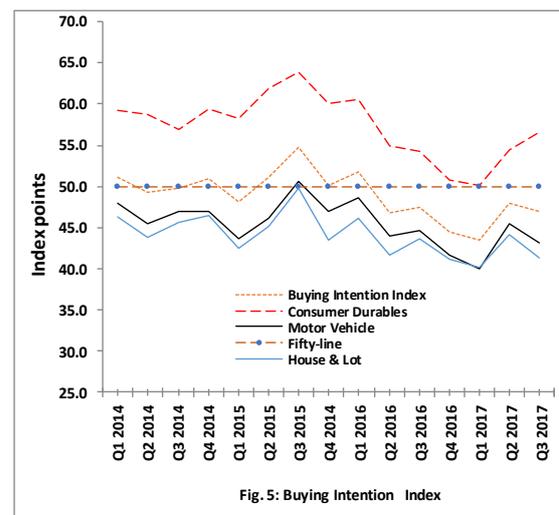


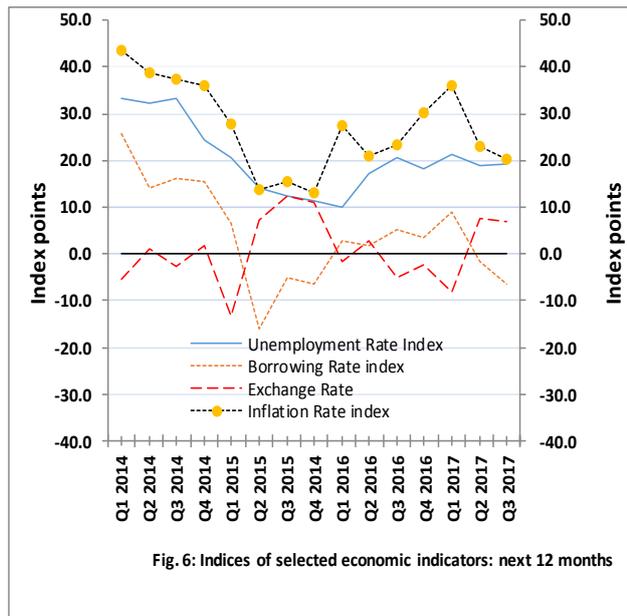
Fig. 5: Buying Intention Index

3.3 Borrowing and Exchange Rates Outlook

With indices of -6.4 and 7.0 points, consumers expect borrowing rate to fall and Naira to appreciate in the next 12 months (Fig. 6).

3.4 Unemployment Outlook

The unemployment index for the next 12 months remained positive at 19.2 points in Q₃ 2017, indicating that majority of the consumers expect unemployment to rise in the next 12 months (Fig. 6).



TECHNICAL NOTES

1. The Overall consumer confidence index is computed as the average of the three indices, namely: Economic Condition, Family Financial Situation and Family Income.

- a. Economic Condition refers to the perception of the respondent regarding the general economic condition of the country.
- b. Family Financial Situation refers to the level of savings, investments, other assets including cash at hand and outstanding debts.
- c. Family Income includes primary income and receipts from other sources received by all family members as participants in any economic activity or as recipients of transfers, pensions, grants, and the like.

2. The confidence index or diffusion index is computed as the percentage share of respondents that answered in the affirmative less the percentage share of respondents that answered negative in a given indicator.

3. A positive CI indicates that respondents with a favorable view outnumber those with an unfavorable view, except for unemployment, change in prices and interest rate for borrowing money, where a positive CI indicates the opposite.

4. Buying condition and buying intention indices refer to the assessment of consumers as to whether it is good time, neither good nor bad or bad time to buy assets (i.e. consumer durables, house and lot, and motor vehicles) during the quarter. An index above 50 means more respondents indicated that it is a good time to buy assets; below 50 means more respondents believe that it would not be an appropriate time to make those purchases; and 50 means the number of respondents on both sides is equal.

$BCI = 0.5(100+DI)$, where DI = diffusion index

ANNEX: TABLES

TABLE 1

National

CONSUMER EXPECTATIONS SURVEY

Year	2014				2015				2016				2017		
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Overall Consumer Confidence Index															
All Sectors															
Current Quarter	-1.3	-2.4	-2.9	-3.6	-10.0	-12.4	-1.9	-3.0	-10.3	-24.2	-28.2	-29.8	-29.4	-17.0	-10.5
Next Quarter	35.4	32.9	29.0	30.0	27.1	27.0	29.6	23.9	30.0	20.3	17.8	15.9	17.5	21.3	19.0
Next 12 months	35.3	32.6	33.0	34.0	35.0	40.1	44.1	41.5	40.9	33.5	32.1	29.9	27.2	34.2	34.8
2. Consumer outlook indices on the current economic and family condition: Current Quarter															
National															
Economic Condition	3.4	1.7	-0.5	-2.0	-10.0	-13.7	5.3	5.3	-8.5	-23.2	-30.8	-31.8	-29.5	-9.7	1.7
Under N 20,000 per month	-6.0	-13.5	-9.0	-14.9	-25.4	-22.1	-3.5	-8.2	-18.1	-22.5	-32.5	-31.0	-31.5	-23.4	-3.3
Between N 20,000 and N 50,000 per month	1.2	2.6	0.6	-2.1	-10.1	-8.2	4.8	5.3	-4.3	-22.0	-30.3	-35.2	-23.8	-8.9	-3.3
Between N50,001 and N100,000 per month	12.3	9.0	-1.3	3.5	-3.5	-11.7	10.4	10.6	-10.7	-21.6	-31.1	-27.1	-32.1	-2.6	2.5
Over N 100,000 per month	5.6	11.0	10.6	8.7	-0.4	-18.8	8.7	10.4	-3.9	-28.7	-29.5	-33.9	-34.9	-9.7	16.4
Family Financial Situation	-10.0	-14.5	-14.0	-13.3	-16.3	-18.1	-15.4	-17.2	-22.8	-28.5	-31.9	-30.5	-31.6	-26.0	-28.0
Under N 20,000 per month	-24.2	-26.7	-35.0	-23.3	-24.7	-31.5	-21.2	-28.2	-37.3	-36.8	-40.1	-42.4	-40.5	-34.0	-33.6
Between N 20,000 and N 50,000 per month	-9.3	-15.6	-12.4	-14.2	-21.0	-20.3	-19.6	-20.4	-24.1	-30.2	-32.6	-27.8	-35.9	-28.0	-29.4
Between N 50,001 and N 100,000 per month	-5.8	-8.6	-7.3	-5.0	-8.0	-11.0	-11.1	-12.1	-21.5	-25.6	-28.9	-30.2	-24.5	-20.1	-26.8
Over N 100,000 per month	-1.9	-2.1	3.1	-9.2	-6.2	-12.6	-7.2	-6.6	-9.3	-20.0	-24.7	-21.8	-24.0	-23.7	-20.3
Family Income	2.8	5.4	5.8	4.4	-3.8	-5.2	4.5	2.8	0.4	-21.0	-21.7	-27.1	-27.2	-15.5	-5.1
Under N 20,000 per month	-8.3	-7.9	-3.6	-11.9	-27.4	-16.5	-0.6	-10.4	-4.6	-22.7	-27.4	-29.1	-20.8	-13.8	-9.8
Between N 20,000 and N 50,000 per month	2.6	7.8	5.4	5.6	-5.2	-4.9	0.6	6.4	0.6	-18.4	-19.8	-28.8	-23.7	-10.9	0.6
Between N 50,001 and N 100,000 per month	11.4	16.9	14.0	13.3	13.9	2.2	10.7	5.7	3.9	-19.3	-17.1	-17.5	-28.9	-16.8	-4.5
Over N 100,000 per month	2.1	0.0	8.5	12.4	0.0	-6.5	9.1	2.8	-1.4	-27.4	-26.5	-36.9	-38.9	-24.7	-11.9
3. Consumer outlook indices on economic and family condition: Next Quarter															
National															
Economic Condition	30.8	26.9	27.2	28.1	21.8	35.5	41.3	38.3	32.2	23.4	18.6	21.3	8.7	29.4	25.7
Under N 20,000 per month	18.7	5.2	14.7	3.8	-5.3	11.2	21.7	9.6	14.1	14.1	15.6	11.1	-1.1	13.4	9.7
Between N 20,000 and N 50,000 per month	31.2	27.0	23.7	24.7	20.2	32.1	42.7	38.7	26.4	20.1	11.9	20.1	0.2	23.3	16.1
Between N50,001 and N100,000 per month	37.3	36.8	34.8	43.3	33.5	41.9	45.0	43.1	37.9	24.1	20.2	27.2	11.6	34.7	30.7
Over N 100,000 per month	28.6	29.6	36.2	34.7	29.5	46.7	46.4	46.5	42.4	34.9	31.0	22.6	25.8	41.7	46.2
Family Financial Situation	14.7	12.9	11.6	14.1	10.0	15.8	21.0	13.3	13.0	3.7	2.0	-3.8	-6.4	4.4	9.3
Under N 20,000 per month	8.0	5.8	4.2	0.9	-5.5	-3.6	16.0	15.4	4.0	7.6	8.3	6.5	-11.1	-4.1	1.0
Between N 20,000 and N50,000 per month	11.2	9.4	4.5	12.1	4.8	9.7	13.9	9.9	10.0	2.1	-1.3	-6.4	-7.0	5.8	11.9
Between N50,001 and N100,000 per month	19.9	19.4	19.7	20.0	20.4	23.5	27.2	13.7	19.8	3.3	2.4	-2.9	-3.3	8.2	7.2
Over N100,000 per month	18.5	16.2	22.7	21.3	17.7	25.5	26.9	17.6	12.3	4.1	2.5	-9.3	-6.1	2.7	14.7
Family Income	60.8	58.7	48.1	47.0	49.5	29.7	26.4	20.1	44.8	33.7	32.7	30.3	50.3	30.0	21.9
Under N20,000 per month	55.0	62.6	53.5	42.2	48.8	22.8	24.8	21.0	44.2	37.0	25.6	25.9	59.6	38.1	29.9
Between N20,000 and N50,000 per month	61.2	55.0	44.3	50.7	55.5	33.0	30.6	19.3	40.9	32.1	28.5	28.4	47.8	37.0	21.4
Between N50,001 and N100,000 per month	59.0	61.5	48.7	47.4	43.7	31.4	26.4	19.2	46.3	35.0	38.0	36.7	49.5	26.9	21.1
Over N 100,000 per month	66.9	59.1	50.2	44.7	46.9	27.6	21.0	22.4	48.8	32.6	38.2	27.4	48.4	18.4	17.4
4. Consumer outlook indices on economic and family condition: Next 12 Months															
National															
Economic Condition	28.1	25.7	26.3	28.5	29.8	40.3	47.1	46.0	43.8	31.1	27.2	27.7	19.9	33.6	31.2
Under N 20,000 per month	17.5	3.9	19.0	3.3	4.1	11.4	32.6	15.9	27.6	23.8	22.7	16.7	2.1	17.0	7.6
Between N 20,000 and N 50,000 per month	26.0	18.6	19.4	21.3	20.3	31.9	40.3	31.9	35.3	20.0	16.2	18.1	12.4	21.5	16.7
Between N 50,001 and N 100,000 per month	31.8	34.7	27.7	36.6	39.0	44.9	45.8	53.5	45.3	31.8	26.4	35.0	18.6	37.2	39.7
Over N 100,000 per month	30.9	35.9	39.9	41.7	44.7	54.3	60.5	62.2	55.1	47.5	44.2	35.1	37.8	49.3	49.7
Family Financial Situation	18.5	17.4	13.9	18.7	16.4	23.9	27.8	20.3	21.2	9.9	8.4	1.6	0.4	8.8	12.8
Under N 20,000 per month	10.6	7.8	1.1	5.7	-7.2	3.5	13.7	1.4	15.7	10.9	4.3	-1.2	-5.9	-9.4	-3.3
Between N 20,000 and N 50,000 per month	7.4	9.1	4.2	11.5	2.5	9.6	14.8	5.4	11.6	-1.7	4.1	2.1	-3.4	5.5	8.5
Between N 50,001 and N 100,000 per month	27.2	22.9	23.6	24.7	27.8	30.1	32.0	27.1	24.0	17.5	9.8	0.3	0.9	13.4	12.4
Over N 100,000 per month	25.3	27.4	24.0	28.0	33.5	37.8	41.1	35.0	28.2	15.4	13.9	3.7	6.5	14.6	25.9
Family Income	59.4	54.7	59.0	54.5	58.8	56.2	57.6	58.1	57.9	59.5	60.6	60.4	61.2	60.2	60.5
Under N 20,000 per month	49.7	29.9	44.3	31.6	7.5	33.3	47.8	46.3	53.9	49.1	44.5	49.0	58.1	58.7	59.1
Between N 20,000 and N 50,000 per month	61.4	61.0	61.8	54.3	64.4	58.5	60.5	57.5	57.5	57.2	62.1	60.3	61.3	60.8	60.2
Between N 50,001 and N 100,000 per month	59.5	56.0	62.0	59.1	66.2	59.5	58.1	60.0	59.1	62.8	61.5	65.3	61.1	60.4	61.9
Over N 100,000 per month	60.7	57.1	60.1	61.4	66.5	59.8	57.8	60.1	58.3	63.4	65.4	60.6	63.0	59.8	60.1

TABLE 1 (Continued)

National
CONSUMER EXPECTATIONS SURVEY

Year	2014				2015				2016				2017		
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
5. Confidence Index on Amount of Expenditures: Next 12 months															
Average	14.2	11.6	15.1	13.8	15.2	12.2	18.2	13.3	15.0	11.8	13.7	10.5	10.3	14.3	16.8
Food & Other household needs	59.4	54.7	59.0	54.5	58.8	56.2	57.6	58.1	57.9	59.5	60.6	60.4	61.2	60.2	60.5
Education	56.7	56.0	58.1	54.2	55.7	54.4	58.4	58.2	58.2	54.2	54.9	55.4	58.1	55.8	59.2
Debt Payment	3.6	-1.1	2.7	-0.9	5.8	-6.5	-2.3	0.4	2.8	1.2	3.4	0.5	3.0	6.7	15.1
Medical Expenses	12.5	12.7	17.7	10.6	16.5	8.8	12.9	8.8	9.6	11.0	14.8	13.7	11.3	14.1	18.2
Savings	20.3	16.3	20.6	24.9	21.3	18.6	30.7	22.5	25.4	13.7	17.8	11.3	13.7	18.1	20.4
Purchase of Appliances	3.1	1.2	4.1	2.4	6.5	0.2	11.0	0.2	5.1	-1.2	-3.9	-2.5	-3.8	0.8	5.8
Investment	8.6	6.1	13.7	14.7	9.5	9.8	19.5	11.4	16.1	10.4	11.0	5.7	4.3	11.6	12.6
Purchase of Consumer durables	10.6	10.9	15.9	12.6	13.5	13.0	18.0	10.8	14.4	7.9	13.4	11.0	9.5	16.2	16.6
Purchase of Car/Motor Vehicle	-11.7	-15.0	-11.3	-8.1	-9.1	-10.7	-4.8	-12.3	-9.5	-11.7	-10.9	-16.0	-19.1	-12.7	-8.2
Purchase of House	-10.9	-12.9	-12.7	-9.6	-11.0	-10.2	-6.2	-12.4	-11.0	-14.5	-13.0	-18.2	-20.1	-11.7	-13.6
Others	3.6	-1.9	-1.6	-3.1	-0.7	1.0	5.1	0.4	-3.5	-0.2	2.4	-5.8	-4.8	-1.4	-2.1
6. Buying Conditions Index: Current Quarter															
Buying Conditions Index	44.0	42.4	43.3	43.4	40.0	39.8	44.1	40.3	42.6	36.1	36.2	34.4	33.1	38.2	40.4
Consumer Durables	51.4	52.7	52.9	52.2	48.1	47.4	52.3	51.4	50.2	39.5	39.1	36.4	36.4	42.3	47.4
Motor Vehicle	41.0	38.8	39.0	39.6	36.8	37.0	41.2	36.0	39.5	34.5	35.5	34.3	32.2	37.4	39.1
House & Lot	39.5	35.5	38.1	38.3	35.2	35.1	39.0	33.4	38.1	34.2	34.0	32.6	30.7	34.9	34.7
7. Buying Intention Index: Next 12 Months															
Buying Intentions Index	51.2	49.3	49.8	50.9	48.1	51.1	54.7	50.1	51.8	46.9	47.5	44.6	43.4	48.0	47.0
Consumer Durables	59.3	58.7	56.9	59.4	58.2	62.0	63.9	60.1	60.6	54.9	54.2	50.8	50.2	54.4	56.6
Motor Vehicle	48.0	45.5	47.0	46.9	43.6	46.2	50.6	46.9	48.6	44.0	44.6	41.7	39.9	45.4	43.2
House & Lot	46.3	43.8	45.7	46.5	42.4	45.1	49.8	43.4	46.2	41.7	43.6	41.2	40.1	44.2	41.3
8. Indices on Selected Economic Indicators: Next 12 Months															
Unemployment Rate Index	33.3	32.1	33.5	24.5	20.5	14.1	12.5	11.3	10.0	17.1	20.5	18.1	21.3	19.1	19.2
Borrowing Rate index	25.7	14.2	16.2	15.6	6.7	-16.0	-5.1	-6.5	3.0	1.6	5.3	3.5	8.9	-1.5	-6.4
Exchange Rate	-5.5	1.2	-2.8	1.8	-13.4	7.4	12.4	10.9	-1.7	2.8	-5.2	-2.2	-8.2	7.5	7.0
Inflation Rate index	43.4	38.9	37.5	36.1	27.7	14.0	15.6	13.0	27.4	21.0	23.3	30.3	36.1	23.1	20.4
9. Sectors Contribution to price changes over the next 12 months															
Food	57.5	53.7	51.5	45.2	41.6	22.9	20.0	17.6	33.1	27.1	24.4	22.4	39.7	15.6	9.3
Clothing & Footwaer	48.3	39.6	38.6	38.5	32.8	15.0	17.0	13.6	28.1	17.0	22.1	26.7	36.3	17.4	17.7
Electricity	51.4	41.8	44.5	43.0	34.7	12.6	14.4	19.4	42.4	31.9	25.5	36.0	39.5	29.1	26.1
Water	25.3	23.0	24.0	20.6	15.9	2.4	-0.7	2.5	19.4	13.2	12.8	23.5	26.0	9.8	11.4
House Rent	61.5	60.6	58.3	53.8	47.5	29.9	32.7	28.8	39.6	38.1	40.0	45.7	47.3	39.7	31.7
Transportation	46.4	51.2	43.1	42.4	24.7	10.2	14.7	4.0	25.6	18.1	28.9	33.4	42.1	29.5	26.9
Communication	26.8	27.3	22.1	20.6	12.4	3.7	7.2	-0.8	15.6	10.2	18.0	21.5	32.8	21.2	18.9
Education	53.3	46.7	47.2	43.3	34.1	20.1	26.7	24.5	34.0	28.4	36.0	36.6	40.7	34.0	32.8
Medical Care	49.2	38.3	41.9	37.9	30.8	15.1	19.6	19.2	29.6	24.8	27.6	36.3	40.9	32.0	28.8
personal Care	32.6	26.2	25.4	26.8	19.1	14.8	13.4	12.1	22.3	17.1	16.8	29.0	32.1	18.1	16.5
Hotel & Restaurant	40.4	32.7	30.8	36.9	27.3	15.2	17.2	10.2	24.0	16.6	16.5	29.8	33.6	20.8	19.4
Others	28.4	26.2	22.6	24.6	11.7	5.6	5.5	4.9	14.7	9.4	11.4	22.2	22.9	10.4	5.7
10. Percentage of Respondents by Educational Attainment															
Primary School	4.3	4.3	4.6	4.1	2.6	2.4	2.6	3.7	2.1	5.0	3.1	3.2	2.3	3.0	2.8
Junior School	3.6	3.1	3.3	3.4	3.6	2.5	2.9	3.2	2.6	3.9	2.7	3.0	3.5	4.1	5.8
Senior School	14.4	17.6	17.6	14.9	19.4	16.6	15.8	16.4	14.9	17.2	16.7	14.3	16.7	15.5	18.0
Higher non-university education	28.5	30.3	31.1	31.1	30.7	30.3	29.9	28.4	31.3	28.2	29.9	30.5	29.6	27.6	29.7
University	45.1	41.5	40.4	42.7	41.0	45.9	46.1	45.9	47.6	43.1	45.4	46.8	45.2	47.3	41.8
None	4.0	3.1	2.8	3.8	2.6	2.2	2.7	2.4	1.4	2.7	2.1	2.3	2.7	2.5	1.9
11. Total Sample Households and Response Rate															
Number of Sample Households	1850	1850	1900	1900	1900	1900	1900	1900	1900	1950	1950	1950	1950	1950	1950
Number of Respondents	1845	1844	1895	1882	1893	1886	1880	1884	1882	1944	1937	1940	1947	1950	1926
Response Rate	99.7	99.7	99.7	99.1	99.6	99.3	98.9	99.2	99.1	99.7	99.3	99.5	99.8	100.0	98.8